



June 21, 2022

To All Stakeholders:

Company	USS Co., Ltd.
Representative	Yukihiro Ando Chairman and Representative Director
Stock Code	4732
Listings	Prime Market, Tokyo Stock Exchange Premier Market, Nagoya Stock Exchange
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Notice of Sale of Treasury Stock for Restricted Stock Remuneration and Revisions to parts of “Notice of Revisions to Officer Remuneration Plan and Start of Restricted Stock Remuneration and Performance-linked Stock Remuneration”

The Board of Directors of USS Co., Ltd. approved a resolution today to sell treasury stock for use as restricted stock remuneration. In addition, USS is announcing revisions to parts of the press release dated May 10, 2022 titled “Notice of Revisions to Officer Remuneration Plan and Start of Restricted Stock Remuneration and Performance-linked Stock Remuneration.”

1. Sale of treasury stock for use as restricted stock remuneration

(1) Summary of sale of treasury stock

(1)	Payment date	July 20, 2022
(2)	Number and class of stock	17,300 shares of USS common stock
(3)	Price	2,310 yen per share
(4)	Total proceeds	39,963,000 yen
(5)	Purchasers of the treasury stock	USS directors* 4 directors 15,700 shares USS executive officers 2 officers 1,600 shares * Excluding outside directors
(6)	Other items	For this sale of treasury stock, a securities notice has been submitted in accordance with the Financial Instruments and Exchange Act.

(2) Purpose and reason for the sale of treasury stock

At the shareholders meeting held on June 21, 2022, shareholders approved a resolution to establish a stock remuneration plan in which directors (except outside directors) receive restricted stock for the purpose of having USS directors share with other shareholders the potential benefits and risks involving USS stock price movements as well as to serve as a long-term incentive that motivates directors to raise the stock price and corporate value. Shareholders also approved the establishment of an annual limit of 150 million yen for monetary remuneration claims distributed to eligible

directors as restricted stock remuneration; an annual limit of 300,000 shares of USS stock to be allocated in every fiscal year as restricted stock to USS directors (except outside directors); the establishment of a restriction period for restricted stock that begins when the stock is received and ends when an individual holding this stock is no longer a USS director or executive officer; and other items.

On June 21, 2022, the USS Board of Directors approved resolutions concerning restricted stock remuneration for the period between the June 21, 2022 shareholders meeting and the shareholders meeting to be held in June 2023. The four directors (all directors except outside directors) and 2 executive officers who will receive restricted stock will receive monetary remuneration claims totaling 39,963,000 yen. All monetary remuneration claims will be paid as restricted stock, resulting in the distribution of 17,300 shares of USS common stock. The amount of monetary remuneration claims granted to each director and executive officer will be determined based on their contributions to the performance of USS and other considerations. In addition, every individual who receives monetary remuneration claims is required to sign a restricted stock allocation contract that includes the following terms.

(3) Terms of the restricted stock allocation contract

i. Stock transfer restriction period

Directors and executive officers who receive restricted stock are not allowed to transfer ownership of the stock from the day the stock was received until the individual resigns or retires as a USS director or executive officer.

During this restriction period, individuals who hold restricted stock are not allowed to sell to a third party, submit as collateral, use as a mortgage, give as a gift prior to death, transfer upon death or dispose of this stock in any other way.

ii. Acquisition of restricted stock with no payment

If a director or executive officer who has received restricted stock ceases to be a director or executive officer between the beginning of the stock transfer restriction period and the day before the first annual shareholders meeting after the beginning of this period, USS can acquire that individual's restricted stock with no payment at the time the individual resigns or retires as a director or executive officer. However, this does not apply when reason the director or executive officer departed is determined by the USS board of directors to be legitimate.

In addition, if at the completion of the stock transfer restriction period a director or executive officer holds restricted stock that is still restricted due to the provisions for ending restrictions in the following section iii, USS can acquire the stock that is still restricted with no payment.

iii. End of stock transfer restriction

The restriction on the transfer of restricted stock ends at the completion of the stock transfer restriction period for all stock held at that time by directors and executive officers. However, this end of the transfer restriction applies only to individuals who were continuously directors or executive officers during the period beginning on the first day of the stock transfer restriction period and ending on the day of the first subsequent annual shareholders meeting. However, when reason the director or executive officer departed between the start of the stock transfer restriction period and the day before the first subsequent annual shareholders meeting is

determined by the USS board of directors to be legitimate, the stock transfer restriction will be terminated on the day following the departure of the director or executive officer for the number of shares of restricted stock held at that time multiplied by the number of months the individual was a director or executive officer beginning in July 2022 divided by 12. Any fraction of one tangen (trading unit) resulting from this calculation will be discarded.

iv. Management of stock

Individuals who receive restricted stock must open an account for holding this stock at SMBC Nikko Securities Inc. using the method designated by USS. The restricted stock must be held in this account until the transfer restriction ends.

v. Reorganization or other event

During the stock transfer restriction period, if a resolution for a merger in which USS is dissolved, an exchange of stock or stock transfer plan where USS becomes a wholly owned subsidiary, or some other reorganization is approved at a shareholders meeting (or the board of directors if the proposed reorganization does not require shareholder approval), the USS board of directors may approve a resolution to end this restriction period on the business day before the reorganization for the number of shares of restricted stock calculated by multiplying the number of shares of this stock held on the day the reorganization resolution was approved by the number of months beginning in July 2022 to and including the month of this resolution divided by 12. Any fraction of one tangen resulting from this calculation will be discarded.

If this action is taken by the USS board of directors, in accordance with the preceding provisions, on the day of the end of the transfer restriction, USS will acquire all restricted stock for which the transfer restriction is still in effect with no payment.

(4) Basis and explanation of calculation of the payment for restricted stock

To eliminate any arbitrary decisions concerning the sale price of treasury stock for use as restricted stock remuneration, the sale price is 2,310 yen per share, which is the closing price of USS common stock on the Tokyo Stock Exchange on June 20, 2022, which was the business day immediately prior to the board of directors resolution concerning the distribution of this stock. USS believes that this price is reasonable and not particularly advantageous to any parties because this is the market price of USS stock immediately prior to the board of directors resolution.

2. Revisions to parts of “Notice of Revisions to Officer Remuneration Plan and Start of Restricted Stock Remuneration and Performance-linked Stock Remuneration”

(1) Reasons for revisions

In the May 10, 2022 press release titled “Notice of Revisions to Officer Remuneration Plan and Start of Restricted Stock Remuneration and Performance-linked Stock Remuneration,” the explanation of restricted stock remuneration terms concerning the stock transfer restriction period, events in which this stock can be acquired with no payments, the end of the transfer restriction, and other items stated that these terms apply to “directors.” This has been corrected to “directors and executive officers.” In addition, this press release stated that an individual must be a “director” to receive performance-linked stock remuneration. This has been corrected to “directors and executive officers.” These revisions are shown in the following section (2). There are no revisions to the corresponding remuneration proposal submitted at today’s annual shareholders meeting.

(2) Revisions

Revised sections are underlined.

Before revision	After revision
<p>2. Summary of the new stock remuneration plans (2) Summary of restricted stock remuneration c. Terms of the restricted stock allocation contract i. Restriction on sale or other transfer of ownership Eligible directors who receive restricted stock are not allowed to sell to a third party, submit as collateral, use as a mortgage, give as a gift prior to death, transfer upon death or dispose of this stock in any other way during the period starting on the day the restricted stock is received and ending on the day the individual is no longer a <u>USS director</u>.</p> <p>ii. Acquisition of restricted stock with no payment If a <u>director</u> who has received restricted stock <u>leaves the USS board of directors</u> for a reason other than a reason determined to be legitimate by the director between the beginning of the stock transfer restriction period and the day before the first annual shareholders meeting after that day, USS can acquire that director's restricted stock with no payment.</p> <p>iii. End of stock transfer restriction The restriction on the transfer of restricted stock ends at the completion of the stock transfer restriction period for all stock received by eligible directors who were continuously <u>directors</u> during the period beginning on the first day of the stock transfer restriction period and ending on the day of the first annual shareholders meeting after the first day of the restriction period. However, if an eligible director <u>leaves the USS board of directors</u> during this period for a reason determined to be legitimate by the board of directors, there can be reasonable adjustments as needed in the number of shares of restricted stock that are no longer restricted and when the restriction ends.</p>	<p>2. Summary of the new stock remuneration plans (2) Summary of restricted stock remuneration c. Terms of the restricted stock allocation contract i. Restriction on sale or other transfer of ownership Eligible directors who receive restricted stock are not allowed to sell to a third party, submit as collateral, use as a mortgage, give as a gift prior to death, transfer upon death or dispose of this stock in any other way during the period starting on the day the restricted stock is received and ending on the day the individual is no longer a <u>USS director or executive officer</u>.</p> <p>ii. Acquisition of restricted stock with no payment If a <u>director or executive officer</u> who has received restricted stock <u>retires from the position of director or executive officer</u> for a reason other than a reason determined to be legitimate by the director between the beginning of the stock transfer restriction period and the day before the first annual shareholders meeting after that day, USS can acquire that director's restricted stock with no payment.</p> <p>iii. End of stock transfer restriction The restriction on the transfer of restricted stock ends at the completion of the stock transfer restriction period for all stock received by eligible directors who were continuously <u>in the position of director or executive officer</u> during the period beginning on the first day of the stock transfer restriction period and ending on the day of the first annual shareholders meeting after the first day of the restriction period. However, if an eligible director <u>retires from the position of director or executive officer</u> during this period for a reason determined to be legitimate by the board of directors, there can be reasonable adjustments as needed in the number of shares of restricted stock that are no longer restricted and when the restriction ends.</p>
<p>2. Summary of the new stock remuneration plans (3) Summary of performance-linked stock remuneration d. Requirements for distributing stock to individual eligible directors Once all of the following requirements for distributing stock have been fulfilled following the end of a performance evaluation period, monetary remuneration claims are distributed to individual eligible directors and payments in kind are made for all claims in order to distribute USS stock to these directors. a. The eligible director must be a <u>director</u> continuously during the applicable performance evaluation period.</p> <p style="text-align: center;">(section omitted)</p> <p>If a <u>director</u> leaves the board of directors during the performance evaluation period due to death or some other legitimate reason, the board of directors can decide to make a cash payment</p>	<p>2. Summary of the new stock remuneration plans (3) Summary of performance-linked stock remuneration d. Requirements for distributing stock to individual eligible directors Once all of the following requirements for distributing stock have been fulfilled following the end of a performance evaluation period, monetary remuneration claims are distributed to individual eligible directors and payments in kind are made for all claims in order to distribute USS stock to these directors. a. The eligible director must be a <u>in the position of director or executive officer</u> continuously during the applicable performance evaluation period.</p> <p style="text-align: center;">(section omitted)</p> <p>If a <u>director who is in the position of director or executive officer</u> leaves the position during the performance evaluation period due to death or some other legitimate reason, the board of</p>

<p>(including a payment to a designated beneficiary in the event of a <u>director's</u> death) calculated in a reasonable manner during an appropriate period following the time the individual ceased to be a <u>director</u>.</p> <p>(section omitted)</p>	<p>directors can decide to make a cash payment (including a payment to a designated beneficiary in the event of a <u>director or executive officer's</u> death) calculated in a reasonable manner during an appropriate period following the time the individual ceased to be a <u>director or executive officer</u>.</p> <p>(section omitted)</p>
<p>Reference – Revisions to the officer remuneration system Policy for determination of remuneration for individual directors</p> <p>(6) Restricted stock remuneration</p> <p>This remuneration is a long-term incentive for executive officer directors. Enabling these directors to constantly hold USS common stock means that these directors have the same potential benefits and risks involving stock price movements as all other shareholders do. The purpose of this long-term incentive is to increase the motivation of these directors to contribute to raising the price of USS stock and increasing the corporate value of USS. As a rule, USS will distribute restricted stock to eligible executive officer directors every year. Each director will be restricted from transferring ownership of this USS common stock from the day the stock is received until the day the individual is no longer a <u>director of USS</u>.</p> <p>(section omitted)</p>	<p>Reference – Revisions to the officer remuneration system Policy for determination of remuneration for individual directors</p> <p>(6) Restricted stock remuneration</p> <p>This remuneration is a long-term incentive for executive officer directors. Enabling these directors to constantly hold USS common stock means that these directors have the same potential benefits and risks involving stock price movements as all other shareholders do. The purpose of this long-term incentive is to increase the motivation of these directors to contribute to raising the price of USS stock and increasing the corporate value of USS. As a rule, USS will distribute restricted stock to eligible executive officer directors every year. Each director will be restricted from transferring ownership of this USS common stock from the day the stock is received until the day the individual is no longer a <u>director or executive officer of USS</u>.</p> <p>(section omitted)</p>