



July 21, 2023

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

The Board of Directors of USS Co., Ltd. approved a resolution today to sell treasury stock for use as restricted stock remuneration.

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

(1) Summary of sale of treasury stock

(1)	Payment date	August 10, 2023
(2)	Number and class of stock	1,300 shares of USS common stock
(3)	Price	2,391.0 yen per share
(4)	Total proceeds	3,108,300 yen
(5)	Purchasers of the treasury stock	USS directors* 1 director 1,300 shares * Excluding outside directors

(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 20, 2023, the USS Board of Directors approved resolutions concerning restricted stock remuneration for the period between the June 20, 2023 shareholders meeting and the shareholders meeting to be held in June 2024. The one director who will receive restricted stock will receive monetary remuneration claims totaling 3,108,300 yen. All monetary remuneration claims will be paid as restricted stock, resulting in the distribution of 1,300 shares of USS common stock. On June 20, 2023, the USS Board of Directors approved a resolution to distribute restricted stock to four USS directors (except outside directors) and four executive officers. In accordance with this system, this stock is restricted stock remuneration for the period between the shareholders meeting for the fiscal year that ended in March 2023 and the shareholders meeting to be held in June 2024 for the fiscal year ending in March 2024. Furthermore, as one step to accomplish the purpose of the stock remuneration plan, based on a reevaluation of the responsibilities of one of the four directors (except outside directors), this director will receive restricted stock in addition to the restricted stock distribution explained above in order to give this director an appropriate number of shares of restricted stock to serve as an incentive. 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 and 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 2023 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 2023 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 2,391.0 yen per share, which is the closing price of USS common stock on the Tokyo Stock Exchange on July 20, 2023, 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.