



(TRANSLATION FOR REFERENCE ONLY)

February 8, 2024

For Immediate Release

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Notice of Policy for Introduction of ESOP Trust to Support Employee Stock Ownership Association

Digital Garage, Inc. (the Company) hereby announces that the Company has resolved to introduce “ESOP Trust to support Employee Stock Ownership Association” (hereinafter referred to as “the Plan”) at the Board of Directors’ meeting held on February 8, 2024 for the purpose of enhancing employees’ welfare benefits and providing an incentive for the medium to long-term improvement in the Company’s corporate value. Details are as follows.

1. Purpose of Introduction of the Plan

The Company will introduce the Plan to enhance its corporate value over the medium to long term by enriching the Company’s employee benefit program, improving employees’ awareness of the Company’s stock price, and boosting their motivation to work through the stable supply of shares of the Company’s stock to its Employee Stock Ownership Association and the distribution of returns to its employees gained through the management of trust assets.

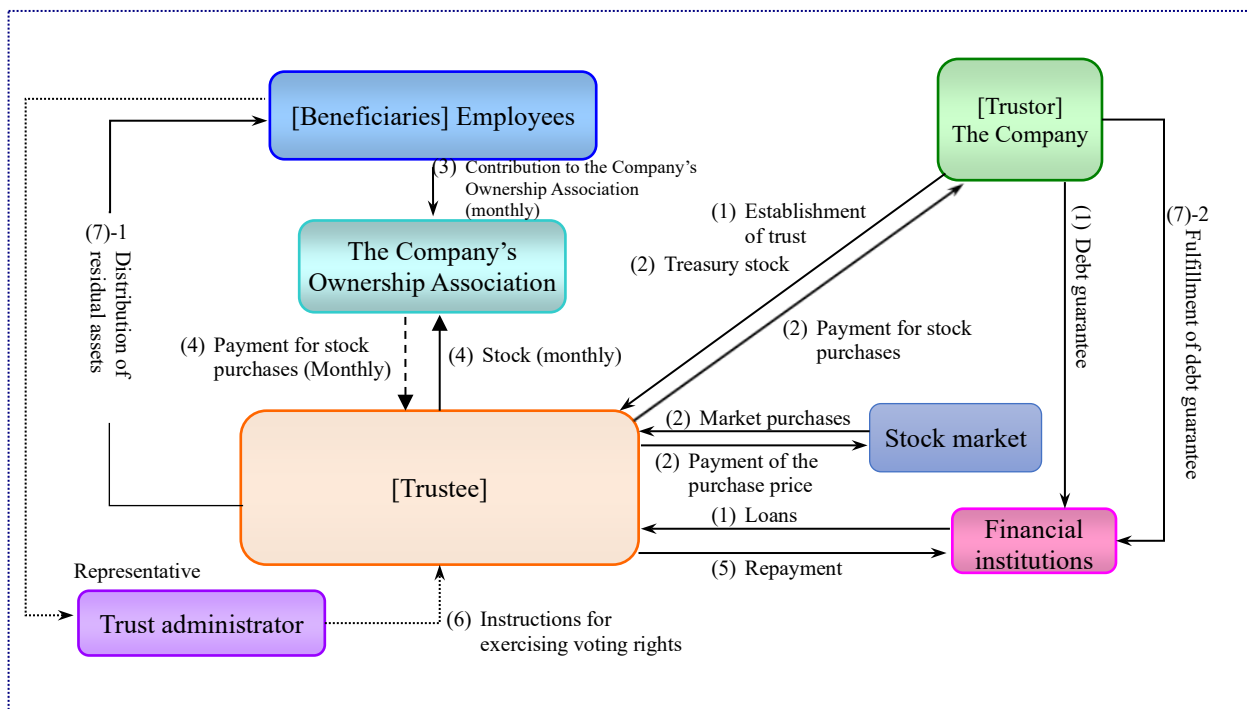
2. Overview of the Plan

The Plan is the Company’s employee benefit program, and is based on the employee stock ownership plan (ESOP) widely adopted in the United States as part of employee incentive plans, as well as on the “Report on New Holding Scheme of Treasury Stocks” released by Ministry of Economy, Trade and Industry on November 17, 2008.

The Company shall establish a trust for eligible employees who meet certain requirements among the members of the Digital Garage Employee Stock Ownership Association (hereafter referred to as “the Company’s Ownership Association”) designated as its beneficiaries. The trust will acquire the number of shares of the Company’s stock expected to be acquired by the Company’s Ownership Association during a predetermined acquisition period. Thereafter, the trust will sell shares of the Company’s stock on a particular date every month to the Company’s Ownership Association. In the event that trust gains remain due to an increase in the market price of the Company’s stock, etc., at the time of the trust termination, the equivalent cash will be distributed to eligible employees who meet certain requirements. In the event that debt liabilities in the trust remain caused by a capital loss due to a decrease in the market price of the Company’s stock, etc., the Company will repay the outstanding portion of the loss in a lump sum to the financial institution based on a Limited Recourse loan agreement, and no added burden shall be imposed on the employees.

The Company will disclose the details including the date of the establishment of the trust to introduce the Plan, the trust period, and the amount of money for stock acquisition once decided.

3. Scheme of the Plan



* In the event that the Company's stock does not remain in the trust due to the sales to the Company's Ownership Association, the trust will be terminated before the expiry of the term.

At the introduction of the Plan	(1)	The Company shall establish a trust account for supporting the Company's Ownership Association, and the trust shall borrow funds from a financial institution to purchase the Company's stock. (The Company shall fulfill a debt guarantee for the loan.)
	(2)	The dedicated trust account shall acquire the number of shares of the Company's common stock expected to be acquired by the Company's Ownership Association using the borrowed funds as a source of the acquisition during the trust period by the method of either disposal of treasury stock (through a third-party allocation) or market purchases (including off-floor trading.)
During the trust period	(3)	The employees shall pay shareholder contributions to the Company's Ownership Association every month.
	(4)	The Company's Ownership Association shall purchase shares of the Company's common stock every month through the dedicated trust account over a certain period of time.
	(5)	The dedicated trust account shall repay the loan by using the proceeds from the sale of stock as a source of funds to the financial institution.
	(6)	The trust administrator shall provide the instructions for exercising the voting rights of the stock held in the dedicated trust account.
At the termination of the trust	(7)-1	In the event that residual assets remain in the dedicated trust account after repayment of the loan due to an increase in the market price of the Company's stock, ⇒ the assets shall be distributed to the beneficiaries (the eligible employees) in accordance with the policy initially determined by the Company.
	(7)-2	In the event that the source of funds to repay the loan is insufficient in the dedicated trust account due to a decrease in the market prices of the Company's stock, ⇒ the Company shall fulfill a debt guarantee for the financial institution.