



May 16, 2025

To whom it may concern:

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 Representative: Shigeo Tamura, President & CEO
 (Code: 8864, Prime Market, Tokyo Stock Exchange)
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Notice Regarding the Disposal of Treasury Stock as Restricted Stock Remuneration

Airport Facilities Co., Ltd. (the “Company”) hereby announces that, at the meeting of its Board of Directors held on May 16, 2025, the Company resolved to dispose of treasury stock (the “Disposal of Treasury Stock” or “Disposal”) as described below.

1. Overview of the Disposal

(1) Disposal date	June 11, 2025
(2) Class and number of shares to be the disposed of	Common stocks of the Company: 65,277 shares
(3) Disposal price	728 yen per share
(4) Total disposal price	47,521,656 yen
(5) Allottees and number thereof, and number of shares to be allotted	Directors of the Company (excluding outside directors) : 5 persons, 42,631 shares Executive officers (not concurrently serving as the Company directors) : 10 persons, 22,646 shares
(6) Other	The Company has submitted an extraordinary report on the disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Disposal of Treasury Shares

At a meeting of its Board of Directors held on May 13, 2022, the Company resolved to introduce a new compensation plan in the form of restricted stock (the “Plan”) for its directors (excluding outside directors; the “Eligible Directors”) and executive officers who do not concurrently serve as directors (together with the Eligible Directors, collectively referred to as the “Eligible Directors, etc.”). The purpose of introducing the Plan is to provide the Eligible Directors, etc. with incentives to strive for the sustained enhancement of the Company’s corporate value, and to further promote value sharing with shareholders. Subsequently, at the 53rd Ordinary General Meeting of Shareholders held on June 29, 2022, approval was obtained for the implementation of the Plan, including the granting of monetary claims of up to 60 million yen per year to the Eligible Directors as compensation to be contributed as assets for the acquisition of restricted stock (the “Restricted Stock Compensation”), the issuance or disposal of up to 100,000 shares of the Company’s common stock per year, and the establishment of a transfer restriction period. The transfer restriction period was approved to commence on the date on which the Eligible Directors, etc. are allotted shares of the Company’s common stock under a restricted share allotment agreement to be entered into with the Company, and to continue until the time immediately following their resignation or retirement from the position—among the officer or employee positions of the Company or its subsidiaries—pre-designated by the Company’s Board of Directors.

Outline of the Plan is as follows:

【Outline of the Plan, etc.】

Under the Plan, the Eligible Directors, etc. shall make in-kind contributions of the full amount of the monetary claims granted to them by the Company and shall receive shares of the Company's common stock issued or disposed of in exchange. The issue price per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant Board resolution (or, if no trading occurred on that day, the closing price on the most recent trading day prior thereto), within a range that is not especially favorable to the Eligible Directors, etc.

In addition, when issuing or disposing of common stock under the Plan, the Company will enter into a restricted share allotment agreement with each of the Eligible Directors, etc. Such agreements will include provisions that: (i) prohibit the Eligible Directors, etc. from transferring, pledging, or otherwise disposing of the shares for a certain period; and (ii) stipulate that the Company shall acquire the shares without compensation if certain conditions are met.

Taking into account the purpose of the Plan, the Company's business performance, the scope of responsibilities of each Eligible Officer, etc., and other relevant factors, and based on a report from the Compensation Committee, the Company has decided to grant monetary claims in the total amount of 47,521,656 yen (the "Monetary Claims") and 65,277 shares of its common stock to the Eligible Directors, etc., with the aim of further enhancing their motivation.

In connection with this disposal of treasury stock under the Plan, the 15 Eligible Directors, etc. scheduled to receive the allotment will contribute the full amount of the Monetary Claims to the Company in kind and, in exchange, will receive shares of the Company's common stock (the "Allotted Shares"). The terms of the Restricted Share Allotment Agreement (the "Allotment Agreement") to be executed between the Company and each of the Eligible Directors, etc. in relation to this disposal of treasury stock are outlined in "3. Outline of the Allotment Agreement" below.

3. Outline of the Allotment Agreement

(1) Transfer Restriction Period

The transfer restriction period (the "Transfer Restriction Period") shall be the period from June 11, 2025 (the "Disposal Date") until the time immediately following the resignation or retirement of the Eligible Directors, etc. from both of the positions as either a director of the Company or an executive officer who does not concurrently serve as a director.

(2) Treatment upon Resignation or Retirement

If the Eligible Directors, etc. resign or retire from both their positions as directors of the Company and as executive officers who do not concurrently serve as directors before the expiration of the Transfer Restriction Period, all shares of the Company's common stock allotted under the Allotment Agreement (the "Allotted Shares") shall be acquired by the Company without compensation, unless such resignation or retirement is due to the expiration of their term of office, death, or any other justifiable reason.

In cases of resignation or retirement for justifiable reasons, the transfer restrictions on all of the Allotted Shares shall be lifted upon the expiration of the Transfer Restriction Period.

(3) Acquisition Without Compensation by the Company

If the Eligible Directors, etc. commit any act in violation of laws or regulations during the Transfer Restriction Period, or fall under any of the other specific conditions stipulated in the Allotment Agreement, the Company shall acquire all of the Allotted Shares held at that time by such Eligible Directors, etc. without compensation.

(4) Treatment in the Event of Organizational Restructuring

If, during the Transfer Restriction Period, any matter relating to organizational restructuring—such as a merger agreement under which the Company becomes a dissolving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other similar transaction—is approved at a General Meeting of Shareholders of the Company (or, if approval by a General Meeting of Shareholders is not required for the relevant organizational restructuring, by the Board of Directors of the Company), then, based on a resolution of the Board of Directors, the transfer restrictions on all of the Allotted Shares held at that time shall be lifted immediately prior to the business day preceding the effective date of such organizational restructuring.

(5) Share Management

During the Transfer Restriction Period, the Allotted Shares shall be managed in a dedicated account opened by each Eligible Director, etc. with Nomura Securities Co., Ltd., in a manner that ensures that such shares cannot be transferred, pledged, or otherwise disposed of.

To ensure the effectiveness of the transfer restrictions and other conditions relating to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of the accounts in which the Allotted Shares are held. Each Eligible Director, etc. shall be deemed to have consented to the terms of this account management arrangement.

4. Basis for the Determination of the Payment Amount and Specific Details

The disposal of treasury stock to the intended allottees under the Plan will be conducted using the monetary claims granted as Restricted Stock Compensation for the Company's 56th fiscal year, which will serve as the contributed assets.

To eliminate arbitrariness in the pricing, the disposal price has been set at 728 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on May 15, 2025 (the business day immediately preceding the date of the Board of Directors' resolution). This price reflects the market value immediately prior to the resolution date and is considered reasonable and not especially favorable to the allottees.