

February 8, 2022

To Whom It May Concern:

Company Name: AIDA ENGINEERING, LTD.
Representative: Kimikazu Aida Chairman & President (CEO)
(Stock listing: First Section, Tokyo Stock Exchange, Code number: 6118)
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Notice of Disposition of Treasury Stock by way of Third-Party Allotment

AIDA ENGINEERING, LTD. (the “**Company**”) hereby announces that, at the Board of Directors’ meeting held today, the Company resolved to dispose of its treasury stock by way of third-party allotment (the “**Disposition of Treasury Stock**”), as described below.

1. Outline of Disposition

(1) Date of disposition:	Tuesday, March 1, 2022
(2) Class and number of shares subject to disposition:	890,000 shares of common stock
(3) Disposition price:	1,059 yen per share
(4) Amount of proceeds:	942,510,000 yen
(5) Subscriber:	Custody Bank of Japan, Ltd. (Trust E Account)
(6) Other:	The Disposition of Treasury Stock is subject to the effectiveness of the Securities Registration Statement under the Financial Instruments and Exchange Act.

2. Purpose of and Reason for Disposition

At a meeting of the Board of Directors held today, the Company resolved to establish an “Employee Stock Ownership Plan (J-ESOP),” an incentive plan, that provides employees with shares of the Company while they are employed by the Company ((the “**Plan**”); the trust to be established in accordance with the trust agreement entered into with Mizuho Trust & Banking Co., Ltd. in connection with the Plan is referred to as the “**Trust**”). (For an overview of the Plan, please refer to the “Notice of Expansion of Employee Stock Ownership Plan (J-ESOP) Plan” dated today.)

The Disposition of Treasury Stock will be conducted by way of a third-party allotment to the Trust Account E created at Custody Bank of Japan, Ltd., the trustee of the Trust that has been re-entrusted by Mizuho Trust & Banking Co., Ltd., for the purpose of holding and disposing of the Company's shares in the operation of the Plan.

The number of the disposition is equivalent to the number of shares expected to be provided to the Company’s employees during the Trust Period (i.e., 10 fiscal years from the fiscal year ending March 31, 2023, until the end of the fiscal year ending March 31, 2032) in accordance with the Company’s Stock Benefit Rules. Such number constitutes 1.28% of 69,448,421, the total number of issued shares as of September 30, 2021 (rounded to the second decimal place; 1.41% of 630,890, the total number of voting rights as of September 30, 2021).

※Outline of Trust

Type of trust:	Money trust other than cash trust (third-party benefit trust)
Purpose of trust	To provide the Company's shares and money equivalent to the market value of the Company's shares, which are trust assets, to the beneficiaries in accordance with the Stock Benefit Rules.
Entrustor:	The Company
Trustee:	Mizuho Trust & Banking Co., Ltd. Mizuho Trust & Banking Co., Ltd. will enter into a master trust agreement with Custody Bank of Japan, Ltd., pursuant to which Custody Bank of Japan, Ltd. will become the re-trustee.
Beneficiaries:	Employees who meet the requirements for beneficiaries prescribed in the Stock Benefit Rules.
Trust Administrator:	To be selected from among the Company's employees
Date of the Trust Agreement:	March 1, 2022 (tentative)
Date of Establishment of the Trust:	March 1, 2022 (tentative)
Trust Period:	From March 1, 2022 (tentative), until the Trust is terminated (no specific termination date is set, and the Trust will continue as long as the Plan is in force and effect)

3. Basis of Calculation of Disposition Price and Details Thereof

The disposition price has been fixed at 1,059 (rounded down to the nearest yen) yen per share, which is the average closing price of the Company's common stock on the Tokyo Stock Exchange, Inc. for the one-month period (i.e., January 11, 2022, to February 7, 2022) prior to the business day immediately prior to the date on which the resolution for the Disposition of Treasury Stock is passed at the Board of Directors' meeting.

The Company has decided to use the average closing price for the one-month period up to the business day immediately prior to the date of the Board of Directors' resolution as the basis of calculation because it believes that, by adopting the average share price for a specific period instead of a specific date as such basis, special factors, such as the effects of short-term share price fluctuations, can be eliminated, and that such basis is more objective and reasonable. In addition, the calculation period was set to the most recent one month because the Company believes that it is reasonable to adopt a specific period that is closest to the most recent market price, compared to the most recent three months and six months.

The disposition price of 1,059 yen is the amount obtained by multiplying the closing price of 1,034 yen of the Company's shares on the business day immediately prior to the date of the resolution by the Board of Directors' meeting by 102.42%, or the amount obtained by multiplying the average closing price of 1,017 yen (rounded down to the nearest yen) of the Company's shares for the three-month period prior to the business day immediately preceding the date of the resolution of the Board of Directors' meeting by 104.13%, or the amount obtained by multiplying the average closing price of 1,034 yen (rounded down to the nearest yen) of the Companies shares for the six-month period prior to the business day immediately preceding the date of the resolution of the Board of Directors' meeting by 102.42%. As a result of considering the matters above, the Company believes that the disposition price in the Disposition of Treasury Stock is not particularly favorable but is reasonable.

All three statutory auditors, all of whom are outside statutory auditors, who were present at the Board of Directors' Meeting, expressed their opinion that the disposition price above is not particularly favorable and is lawful.

4. Matters Concerning Procedures under the Code of Corporate Conduct

The Disposition of Treasury Stock does not require an opinion from an independent third party or the procedures for confirming the intent of shareholders, which are provided under Article 432 of the Securities Listing Regulations by the Tokyo Stock Exchange, Inc., because (i) the dilution ratio is less than 25%, and (ii) the disposition does not involve a change in controlling shareholders.

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