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MEMBERSHIP

July 23, 2026

For immediate release

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Notice Regarding Introduction of Shareholder Benefit Program

K&O Energy Group Inc. (the "Company") hereby announces that its Board of Directors has resolved at a meeting held on July 23, 2026 to introduce a shareholder benefit program, as follows.

1. Purpose of Introducing the Shareholder Benefit Program

The Company has decided to introduce a shareholder benefit program to express its gratitude to its shareholders for their continued support, further enhance the attractiveness of investing in its shares, and encourage more shareholders to hold its shares over the medium to long term.

In addition to the increase in dividends announced on February 13, 2026, the Company has worked to create a more accessible environment for a broader range of investors to invest in the Company's shares through the stock split effective July 1, 2026. As part of these initiatives, the shareholder benefit program is designed to provide progressively enhanced benefits based on the continuous holding period and the number of shares held. The Company aims for this program to enable those who are considering investing in the Company, those who have recently become shareholders, and those who have supported the Company over many years to more fully appreciate the attractiveness of holding its shares.

Regarding returns of profits to shareholders, the Company's basic approach is to provide returns through dividends, and the Company positions this program as a complement to such returns. Through the introduction of this program, the Company aims to attract a broader range of shareholders, thereby strengthening its shareholder base and enhancing corporate value over the medium to long term.

2. Details of the Shareholder Benefit Program

(1) Eligible Shareholders

Shareholders who are recorded or registered in the Company's register of shareholders as of December 31 of each year (the Record Date) and who have continuously held 100 shares (one unit) or more of the Company's common stock for one year or longer will be eligible.

(2) Shareholder Benefits

Eligible shareholders will receive a selectable e-gift equivalent to the benefit amount shown in the table below, based on their continuous holding period and the number of shares held.

Continuous holding period[*2, *3] / Number of shares held[*1]	1 year or more but less than 3 years[*4]	3 years or more but less than 5 years	5 years or more[*5]
100 shares or more but less than 400 shares	¥500 worth	¥1,000 worth	¥2,000 worth
400 shares or more but less than 800 shares	¥2,500 worth	¥5,000 worth	¥10,000 worth
800 shares or more	¥6,000 worth	¥12,000 worth	¥24,000 worth

*1 The number of shares held refers to the number of shares held as of December 31 (the Record Date).

*2 The continuous holding period is determined based on whether a shareholder has been recorded or registered under the same shareholder number in the Company's register of shareholders as holding 100 shares or more of its common stock as of the end of June and the end of December of each year for at least the following number of consecutive times:

1 year or more but less than 3 years: 3 times;

3 years or more but less than 5 years: 7 times;

5 years or more: 11 times

Please note that if a shareholder number changes for any reason, including inheritance, gift, or any other cause, the count used to determine the continuous holding period will be reset.

*3 In determining the continuous holding period, the period will not be newly counted from the introduction of the program. Instead, the Company will review the continuous holding status under the same shareholder number in its past registers of shareholders and reflect the shareholder's holding history to date. The number of shares held as recorded in the register of shareholders on or before the end of June 2026 will be converted into the number of shares after the stock split (effective July 1, 2026), and the continuous holding period will be determined in accordance with *2.

*4 Only for the first shareholder benefit program with a Record Date of December 31, 2026, shareholders who do not satisfy the number of times specified in *2 but are continuously recorded or registered under the same shareholder number in the Company's register of shareholders as holding 100 shares or more as of the end of June 2026 and the end of December 2026 will be deemed to fall within the "1 year or more but less than 3 years" category and will be eligible for shareholder benefits. For shareholder benefits with a Record Date of December 31, 2027 and thereafter, the continuous holding period will be determined in accordance with *2.

*5 Shareholders with a continuous holding period of 5 years or more may choose to receive a QUO Card of the same value instead of a selectable e-gift. This reflects the results of shareholder surveys conducted by the Company and other shareholder feedback, which indicate that some long-term shareholders may find it difficult to complete procedures online. For shareholders who wish to receive a QUO Card, the Company plans to provide a telephone-based procedure (using an automated voice response system) in addition to the web-based procedure. Please note that the telephone-based procedure (using an automated voice response system) will be available only for shareholders selecting a QUO Card. Shareholders wishing to receive a selectable e-gift must complete the procedure via the web. Details of the procedures will be provided in the shareholder benefit information described in “2. (3) Timing of Benefit Grant.”

(Reference) Illustration of Benefit Amount Increases based on Continuous Holding Period and Number of Shares Held

Continuous holding period / Number of shares held	1 year or more but less than 3 years	3 years or more but less than 5 years	5 years or more
100 shares or more but less than 400 shares	¥500 worth	¥1,000 worth	¥2,000 worth
400 shares or more but less than 800 shares	¥2,500 worth	¥5,000 worth	¥10,000 worth
800 shares or more	¥6,000 worth	¥12,000 worth	¥24,000 worth

*The benefit amount increases with the continuous holding period even if the number of shares held remains unchanged. The program is also designed so that the benefit amount increases when the number of shares held reaches the 400-share and 800-share thresholds. For example, for a shareholder whose continuous holding period is 1 year or more but less than 3 years, increasing the number of shares held from 100 shares to 400 shares will increase the benefit amount from ¥500 worth to ¥2,500 worth, while increasing the number of shares held from 400 shares to 800 shares will increase the benefit amount from ¥2,500 worth to ¥6,000 worth.

*For example, if a shareholder who has continuously held 100 shares for 1 year or more (benefit amount of ¥500 worth) continues to hold 100 shares until the Record Date on which the continuous holding period reaches 3 years or more but less than 5 years, the benefit amount will be ¥1,000 worth. If the shareholder increases their holdings to 400 shares by that Record Date and holds 400 shares as of the Record Date, the benefit amount will increase from the original ¥500 worth to ¥5,000 worth.

(Reference) About the Selectable e-Gift

The selectable e-gift is provided through a dedicated shareholder benefit website, where shareholders can choose their preferred gift from up to 6,000 redemption options. No membership registration is required, and the e-gift can be easily received using a smartphone or personal computer.

*The selectable e-gift can be redeemed through the digital gift service "Digico." Please note that, depending on the selected redemption option, membership (account) registration for the relevant service may be required to use the e-gift.

(Digico information page) https://user.digi-co.net/use

(3) Timing of Benefit Grant

Eligible shareholders will receive shareholder benefit information enclosed with the dividend-related documents sent after the annual general meeting of shareholders held in March each year. The first such notice is scheduled to be sent in late March 2027.

After receiving the information, shareholders are requested to follow the instructions provided to select their preferred benefit and complete the procedures to receive it. Please note that a deadline will be set for receiving the benefit. Shareholders are requested to complete the procedures by the deadline specified in the information.

3. Other

The Company plans to continue this shareholder benefit program. However, the details of the program may be changed or the program may be discontinued in response to future changes in the business environment or other factors. The impact of the introduction of this shareholder benefit program on the Company's financial results for the current fiscal year is expected to be immaterial.

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