

August 21, 2025

Company name	COTA CO., LTD.
Representative	Hiroteru Oda, Representative Director and President
Listing	TSE Prime Market
Securities code	4923
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## Notice Regarding Shareholder Benefit Program

COTA, CO., LTD. announces that, at a meeting of its Board of Directors held on August 21, 2025, it resolved the following regarding its shareholder benefit program.

### 1. Purpose

The Company has established a shareholder benefit program to promote understanding of its business and products, as well as to encourage their use. However, as of the shareholder ledger dated March 31, 2025, we identified multiple cases of shareholders under the same name who appear to have acquired Company shares for the purpose of improperly obtaining shareholder benefits. Receiving multiple shareholder benefit items by splitting shareholdings across different accounts is not an intended or appropriate use of the program, and benefits obtained through such conduct may constitute unjust enrichment under civil law. The Company regards this as an issue it cannot overlook.

Furthermore, we have confirmed numerous instances in which certain shareholders have resold shareholder benefit items or related rights information via the internet and other channels. If left unaddressed, such practices risk damaging the brand value of our products and could adversely affect our partner salons' business performance and consumers.

These actions by certain shareholders undermine not only our corporate value but also the interests of many other shareholders. Accordingly, to curb and prevent such conduct while enhancing the benefits offered to the many shareholders who have supported our business over the long term, and to further promote shared values and a sustainable shareholder benefit program, the Company has resolved to revise and enhance certain elements of the current program, effective October 1, 2025.

### 2. Overview

#### (1) Revision of eligibility requirements for shareholder benefits

Previously, shareholder benefit items were delivered to shareholders recorded in the shareholder ledger as of March 31 each year, with holdings of 100 shares or more (one trading unit or more), in accordance with the number of shares held. From the record date of March 31, 2026 onward, shareholder benefit items will be provided to shareholders who meet both of the following requirements, based on the number of shares held.

- **Requirement 1: The shareholder must be recorded in the Company's own shareholder ledger (hereinafter, the "Company's Ledger").**

The Company's Ledger is compiled by consolidating shareholder information—based on the shareholder

ledger provided by the shareholder ledger administrator (Mitsubishi UFJ Trust and Banking Corporation)—where shareholders with the same name (for individuals) or the same registered name (for corporations or other entities), and with either the same address or different addresses deemed to belong to the same person or entity, are treated as a single shareholder. This requirement is intended as a countermeasure against shareholders who intentionally split shareholdings across multiple names to improperly receive multiple shareholder benefit items.

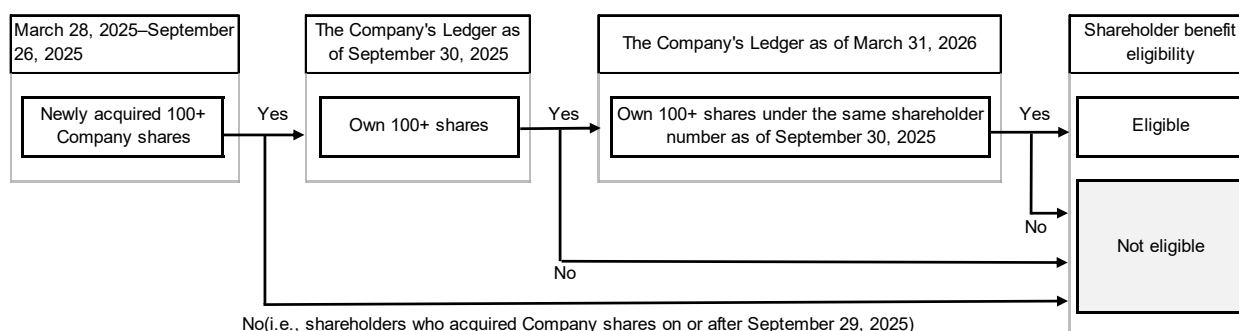
• **Requirement 2: The shareholder must have held 100 shares or more (one trading unit or more) under the same shareholder number for more than one year.**

“More than one year” means being recorded in the Company’s Ledger for three or more consecutive record dates (March 31 and September 30).

<Special measures regarding Requirement 2>

Shareholders who newly acquire Company shares between March 28, 2025 and September 26, 2025, and are recorded in the Company’s Ledger under the same shareholder number holding 100 shares or more (one trading unit or more) as of both September 30, 2025 and March 31, 2026, will be deemed to have held the Company shares for more than one year.

■ Flowchart for shareholder benefits for the March 31, 2026 record date subject to the special measure



Shareholders who have continuously held Company shares since before the record date of March 31, 2025 (excluding those confirmed by the Company to have resold shareholder benefit items) will remain eligible to receive shareholder benefits for the record date of March 31, 2026, based on Requirement 1, in the same manner as in previous years.

However, eligibility requires that the shareholder be recorded in the Company’s Ledger under the same shareholder number as of September 30, 2025, and also be recorded in the Company’s Ledger as of March 31, 2026, holding 100 shares or more (one trading unit or more) under that same shareholder number.

**(2) Revision to Suspension System for Shareholder Benefit Rights**

The Company classifies the sale of its products via the internet and other non-authorized channels as unauthorized sales. If left unaddressed, such activity risks diminishing the brand value of our products and could adversely affect both our partner salons’ performance and consumers. To eliminate unauthorized sales entirely, we have been implementing various countermeasures. To further promote understanding of and alignment with the Company’s stance on unauthorized sales, we have introduced a Suspension System for Shareholder Benefit Rights. Under this policy, if the Company confirms that a shareholder (including a family member or a gift recipient) has resold shareholder benefit items or related rights information (including catalogs and reply postcards), the suspension period for all shareholder benefit rights will be extended from the previous one-year period (the

following year only) to three years from the following year onward.

### **(3) Expansion of Long-Term Shareholder Incentive Program**

Amid ongoing short- and long-term investment activity in the stock market, the Company has introduced a Long-Term Shareholder Incentive Program for long-term shareholders, defined as those recorded in the shareholder ledger as of March 31 of each year who have held 100 shares or more (one trading unit or more) under the same shareholder number for more than three years—meaning they have been recorded for seven or more consecutive record dates (March 31 and September 30).

From the record date of March 31, 2026 onward, the shareholder ledger used to identify long-term shareholders will be changed to the Company’s Ledger, and the current program will continue. In addition, we will introduce a new Long-term Plus category for shareholders recorded in the Company’s Ledger as of March 31, 2026, who have continuously held 100 shares or more under the same shareholder number for more than six years—meaning they have been recorded for 13 or more consecutive record dates (March 31 and September 30).

To determine eligible shareholders, the Company will review records in the Company’s Ledger dating back to March 31, 2020.

### **3. Other**

If we discover that shareholder benefit items have been fraudulently obtained or resold through malicious means that violate the intent of the Company’s shareholder benefit program, we may take appropriate action, including legal measures.

For further details, please refer to the “Supplementary Explanation of the Shareholder Benefit Program,” released on the same day.

#### **(Reference) Q&A on the Shareholder Benefit Program**

<b>Q</b>	I have been a shareholder for some time and received shareholder benefits based on the March 31 record date, 2025. Will the revised shareholder benefit program affect me?
<b>A</b>	No, it will not, so please rest assured. As long as you continue holding your shares, you will receive next year’s shareholder benefits as before. However, you must be recorded in the Company’s Ledger under the same shareholder number as of September 30, 2025 and as of March 31, 2026, holding 100 shares or more (one trading unit or more).

<b>Q</b>	The revisions to the shareholder benefit program will come into effect on October 1, 2025. If I newly acquire Company shares by September 30, 2025, will I be eligible for shareholder benefits based on the March 31, 2026 record date?
<b>A</b>	Yes. The special measure for Requirement 2 will apply, so you will be eligible if you own shares by September 26, 2025.

<b>Q</b>	If I newly acquire Company shares in and after October 2025, will I still be eligible for shareholder benefits?
<b>A</b>	Under the revised shareholder benefit program, you will not be eligible for benefits based on the March 31, 2026 record date. However, if you continue to hold your shares, you will become eligible as early as the record date of March 31, 2027.