



DISCLAIMER: This English document is translated using a machine translation. You may use this for reference purposes only, fully understanding that it may include inaccurate translations. It is your sole responsibility if you rely not on the Japanese original but on this translation.

June 27, 2025

To whom it may concern,

Company name: HIRAKAWA HEWTECH CORP.  
Name of the CEO Yuichi Shino  
representative:  
(Code: 5821; TSE Prime)  
Inquiries: Manager General Hideo Takahashi  
Affairs Div.  
(TEL. +81-3-3457-1400)

## Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

HIRAKAWA HEWTECH CORP. (the "Company") hereby announces that its Board of Directors meeting held today resolved to dispose of its treasury shares (hereinafter referred to as the "Disposal of Treasury Shares" or the "Disposal") as follows.

### 1. Overview of the Disposal

<For Eligible Directors, etc. (It is defined below.)>

(1) Date of disposal	July 25, 2025
(2) Class and number of stocks to be disposed of	The Company's common stock 4,500 shares
(3) Disposal price	1,405 yen per share
(4) Total disposal amount	6,322,500 yen
(5) Allottees, the number of allottees, and the number of stocks to be disposed of	Directors of the Company (excluding outside directors) 3 persons 3,000 shares Directors of the Company's subsidiaries 3 persons 1,500 shares

<For Eligible Employees, etc. (It is defined below.)>

(1) Date of disposal	September 30, 2025
(2) Class and number of stocks to be disposed of	The Company's common stock 25,700 shares
(3) Disposal price	1,405 yen per share
(4) Total disposal amount	32,736,500 yen
(5) Allottees, the number of allottees, and the number of stocks to be disposed of	Executive officers who do not serve concurrently as directors of the Company 6 persons 6,000 shares The Company's employees 73 persons 17,300 shares

## 2. Purpose and reason for the Disposal

At the Board of Directors meeting held on May 21, 2025, the Company resolved to introduce a restricted stock compensation plan (the "Plan") as a new compensation plan, with the objective of providing incentives to directors of the Company (excluding outside directors; hereinafter referred to as "Eligible Directors"), directors of the Company's subsidiaries (hereinafter collectively referred to as the "Eligible Directors, etc." together with the Eligible Directors), and executive officers who do not concurrently serve as directors of the Company and employees (hereinafter collectively referred to as the "Eligible Employees, etc." and collectively referred to as "Eligible Recipients" together with Eligible Directors, etc.) for sustainable improvement of the corporate values of the Company, and to further share the values with shareholders. At the 84th Ordinary General Meeting of Shareholders held on June 27, 2025, approved were that the remuneration to be paid to the Eligible Directors under the Plan shall be (1) common stocks of the Company or (2) receivables as property contributed in kind for the acquisition of common stocks of the Company, and that the total amount of common stock of the Company or receivables to be paid to the Eligible Directors under the Plan shall not exceed 72 million yen per year, the total number of common stocks of the Company to be issued or disposed of for the Eligible Directors shall not exceed 24,000 shares per year, and that the transfer restriction period for the restricted stocks shall be from the day on which the Company's common stocks are allotted under the restricted stocks allotment agreement concluded between the Company and the Eligible Directors to the time immediately after the resignation or retirement from the positions, predetermined by the Board of Directors of the Company, of officers and employees of the Company or the Company's subsidiaries.

The outline of the Plan is as follows.

[Outline of the Plan, etc.]

Under the Plan, the Company will issue or dispose of the Company's common stock to the Eligible Recipients through a method in which issuance or disposal of the Company's common stock as remuneration, etc. for Eligible Directors without the need for payment of money or delivery of properties contributed in kind (the "Free Delivery"), or by a method in which Eligible Directors receive the issuance or disposal of common stocks by providing receivables as remuneration, etc. to Eligible Directors, and Eligible Directors receive the issuance or disposal of the Company's common stocks by delivering all of the receivables as properties contributed in kind (the "Contribution in Kind"), and by the delivery of the Contributions in Kind to the Eligible Recipients other than Eligible Directors; at the time of such issuance or disposal, the Company and the Eligible Recipients shall conclude a restricted stock allotment agreement, which stipulates that (1) the Eligible Recipients shall be, for a certain period of time, prohibited from transferring the stocks to third parties, creating security interests, and any other disposal of the Company's common stocks allotted under the restricted stock allotment agreement, (2) in the event that certain circumstances arise, the Company will acquire such common stocks without consideration.

If the allotment to the Eligible Directors is made by way of Free Delivery, the Eligible Directors shall not be required to pay receivables as property contributed in kind in exchange for the common stocks of the Company when they are issued or disposed of. The price of the Company's common stock per share shall be calculated based on the closing price of the Company's common stock per share on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (If no transaction has been closed on the day, the closing price of the most recent transaction day), as the price per share of the Company's common stock to be issued or disposed of.

In addition, if the allotment to the Eligible Recipients is through the Contribution in Kind, the Eligible Recipients will pay all of the receivables provided by the Company under the Plan as contributions in kind and will be issued or disposed of the common stocks of the Company. The amount to be paid in 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 each resolution of the Board of Directors (If no transaction has been closed on the day, the closing price of the most recent transaction day), to the extent that the amount is not particularly favorable to the Eligible Recipients who receive the said common stock.

Taking into consideration the purpose of the Plan, the Company's business conditions, the scope of responsibilities of each of the Eligible Recipients, and various circumstances, it has been resolved to grant 27,800 shares of common stock with a total of 39,059,000 yen in receivables (hereinafter referred to as "The Receivables") for the purpose of further motivating each of the Eligible Recipients.

An outline of the restricted stock allotment agreement (the "Allotment Agreement") to be concluded between the Company and the Eligible Recipients in connection with the Disposal of Treasury Shares is

described in 3. below.

### 3. Outline of the Allocation Agreement

<For Eligible Directors, etc.>

#### (1) Transfer restriction period

The period from July 25, 2025 (the "Disposal Date") up to the time immediately after resignation or retirement from any of the positions of director, executive officer, executive officer who does not concurrently serve as director, auditor, advisor, consultant, employee, or any other position equivalent thereto of the Company or the Company's subsidiaries

#### (2) Conditions for cancellation of transfer restriction

The transfer restriction shall be cancelled for all of the allotted stocks at the time of expiration of the transfer restriction period on the condition that the Eligible Directors, etc. continuously held any position of director, executive officer, executive officer who does not concurrently serve as director, auditor, advisor, consultant, employee, or any other position equivalent thereto of the Company or the Company's subsidiaries during the period from the commencement date of execution of duties until immediately prior to the conclusion of the first annual general meeting of shareholders (the "Service Period").

#### (3) Handling in the event that one of the Eligible Directors, etc. resigns or retires due to expiration of term of office, retirement age or other justifiable reasons during the Service Period

##### (i) Time of cancellation of transfer restriction

If one of the Eligible Directors, etc. resigns or retires from the position of director, executive officer, executive officer who does not concurrently serve as director, auditor, advisor, corporate consultant, employee, or any other position equivalent thereto of the Company or the Companies subsidiary due to the expiration of the term of office, mandatory retirement age or any other justifiable reason (including resignation or retirement due to death), the restriction on transfer shall be cancelled immediately after the resignation or retirement of the Eligible Director, etc.

##### (ii) Number of stocks subject to cancellation of transfer restriction

The number shall be the number of shares obtained by multiplying the number of allotted stocks held at the time of the resignation or retirement specified in (i) by the number obtained by dividing the number of months from the month including the Disposal Date to the month including the day of resignation or retirement of the Eligible Directors, etc. by the number of months during the Service Period (12) (If the number exceeds 1, it shall be 1.) (However, if a fraction less than one share occurs as a result of the calculation, such fraction shall be rounded down.).

#### (4) Acquisition by the Company without consideration

At the time of expiration of the transfer restriction period or at the time of cancellation of the transfer restriction as specified in (3) above, the Company shall naturally acquire the allotted stocks,

for which the transfer restriction has not been cancelled, without consideration.

(5) Treatment in organizational restructuring, etc.

During the transfer restriction period, if a merger agreement under which the Company becomes the dissolved company, a stocks exchange agreement under which the Company becomes a wholly-owned subsidiary, or a stocks transfer plan or other matters related to organizational restructuring, etc. is approved at a general meeting of shareholders (provided, however, that in cases where the organizational restructuring, etc. does not require approval at a shareholders meeting of the Company, the board of directors of the Company) of the Company, the transfer restriction related to such matters shall be cancelled by a resolution of the Board of Directors of the Company immediately prior to the business day immediately preceding the effective date of organizational restructuring, etc. for the number of stocks obtained by multiplying the number of allotted stocks held at such time by the number obtained by dividing the number of months from the month including the Disposal Date to the month including the date of such approval by 12 (If the number exceeds 1, it shall be 1.) (However, if a fraction less than one share occurs as a result of the calculation, such fraction shall be rounded down.). In addition, at the time immediately after the cancellation of the transfer restriction, the Company will naturally acquire all of the allotted stocks, for which the transfer restriction has not been cancelled, without consideration.

(6) Management of stocks

During the transfer restriction period, the allotted stocks shall be managed in a dedicated account opened at Nomura Securities Co., Ltd. by the Eligible Directors, etc., so that they may not be transferred, pledged as security interests, or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the restriction on transfer of the allotted stocks, the Company has concluded an agreement with Nomura Securities Co., Ltd. in connection with the management of the accounts of the allotted stocks held by each of the Eligible Directors, etc. In addition, the Eligible Directors, etc. shall consent to the details of the management of the relevant accounts.

<For Eligible Employees, etc.>

(1) Transfer Restriction Period

September 30, 2025 (hereinafter referred to as the "Disposal Date") to September 30, 2030

(2) Conditions for lifting transfer restrictions

On the condition that the Eligible Employees have continuously held the position of director, executive officer, executive officer not concurrently serving as director, auditor, advisor, consultant, employee, or other equivalent position of the Company or its subsidiaries during the transfer restriction period, the transfer restrictions will be lifted for all of the Allocated Shares at the end of the transfer restriction period.

(3) Treatment in the event that an eligible employee resigns or retires during the transfer restriction period due to the expiration of his/her term of office, reaching retirement age, or other valid reason

(i) Timing of lifting transfer restrictions

If an eligible employee resigns or retires from any position of director, executive officer, executive officer not concurrently serving as director, auditor, advisor, consultant, employee, or other equivalent position of the Company or its subsidiaries due to the expiration of his/her term of office, reaching retirement age, or other valid reason (including resignation or retirement due to death), the transfer restrictions will be lifted immediately after the eligible employee's resignation or retirement.

(2) Number of shares subject to lifting transfer restrictions

The number of shares (however, if a fraction less than one share is generated as a result of the calculation, it will be rounded down) obtained by multiplying the number of Allocated Shares held at the time of the resignation or retirement specified in (i) by the number of months from the month following the month including the date of disposal to the month including the date of the resignation or retirement of the eligible employee divided by 60 (if the number exceeds 1, it will be set to 1).

(4) Acquisition by the Company Free of Charge

The Company will naturally acquire, free of charge, the Allocated Shares for which the transfer restrictions are not lifted at the time of the expiration of the transfer restriction period or the time of the lifting of the transfer restrictions as specified in (3) above.

(5) Treatment in the event of organizational restructuring, etc.

During the transfer restriction period, if a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or, if approval at the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc., at the Company's Board of Directors), the Company will, by resolution of the Board of Directors, lift the transfer restrictions on all of the Allocated Shares held at that time, immediately before the business day preceding the effective date of the organizational restructuring, etc. In addition, the Company will naturally acquire, free of charge, all of the Allocated Shares for which the transfer restrictions are not lifted immediately after the lifting of the transfer restrictions.

(6) Management of shares

The Allocated Shares will be managed in a dedicated account opened by the Eligible Employee at Nomura Securities Co., Ltd. during the transfer restriction period so that they cannot be transferred, secured or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions on the Allocated Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of the accounts of the Allocated Shares held by each Eligible Employee. In addition, the Eligible Employee shall agree to

the content of the management of the account.

4. Basis of calculation and specific details of the amount to be paid in

The Disposal of Treasury Shares to the scheduled allottees will be made using receivables that were paid as restricted stock compensation for the 85th fiscal year of the Company under the Plan as investment assets. The disposal price is set at 1,405 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 26, 2025 (the business day immediately preceding the date of the resolution by the Board of Directors), in order to eliminate arbitrariness. This is the market stock price immediately before the resolution date of the Board of Directors, and we believe that it is reasonable and does not fall under a particularly favorable amount.