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June 27, 2025

To whom it may concern,

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Name of CEO Yuichi Shino
representative:

(Code No.: 5821, TSE Prime Market)

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Notice Concerning Disposal of Treasury Shares as Restricted Stock Incentives for the Employee Shareholding Association

HIRAKAWA HEWTECH CORP. (the Company) hereby announces that it resolved at the meeting of its Board of Directors held today to dispose of its treasury shares as restricted stock pursuant to the Restricted Stock Incentive Plan for Employee Shareholding Association (hereinafter referred to as the "Plan") to the HIRAKAWA HEWTECH Employee Shareholding Association (hereinafter referred to as the "Employee Shareholding Association") as the scheduled allottee (hereinafter referred to as the "Disposal of Treasury Shares" or the "Disposal"), as described below.

1. Outline of the Disposal

(1) Date of the Disposal	September 19, 2025
(2) Class and number of shares to be disposed of	Common stock of the Company: 39,900 shares (Note)
(3) The Disposal price	1,405 yen per share
(4) The amount of the Disposal	56,059,500 yen (Note)
(5) The Disposal method (Scheduled Allottees)	Subject to an application from the Employee Shareholding Association for subscription by the method of third-party allotment, the Company shall allocate to the Employee Shareholding Association the number of shares for the subscription as determined by the Employee Shareholding Association within the range of the number of shares to be disposed of as described in (2) above (the number of shares allocated will be the number of shares to be disposed of). (HIRAKAWA HEWTECH Employee Shareholding Association: 39,900 shares) Applications for part of the number of granted shares from each Eligible Employee (defined below) will not be accepted.

(Note) The Number of Shares to be Disposed of and the Total Disposal Amount are calculated on the assumption that 100 shares of the Company common stock will be granted as Restricted Stock to each of the Company's 399 employees, which is the maximum number of employees to which the Plan may be applicable. The Actual Number of Shares to be Disposed of and the Total Disposal Amount will be determined in accordance with the number of the Company employees who consent to the Plan, with 399 as its maximum, (hereinafter referred to as the "Eligible Employee(s)") after the completion of the promotion to join the Employee Shareholding Association for those who are not yet members and confirmation of consent to the Plan by members of the Employee Shareholding Association. Specifically, as described in (5) above, number of shares to be applied for as determined by the Employee Shareholding Association is the Number of Shares to be Disposed of, and the Total

Disposal Amount is the amount obtained by multiplying the number of shares by the disposal price per share. Furthermore, the Company will uniformly pay receivables of 140,500 yen to each Eligible Employee, and the Company will uniformly allocate 100 shares to each Eligible Employee through the Employee Shareholding Association.

2. The purpose and reasons for the Disposal

At the meeting of the Board of Directors held today, the Company resolved to introduce the Plan for the purpose of providing the Eligible Employees among the Company employees who are members the Employee Shareholding Association with an opportunity to acquire the Company Common Stock issued or disposed of by the Company as Restricted Stock through the Employee Shareholding Association as a measure to enhance the welfare of the Eligible Employees, thereby contributing to building assets of the Eligible Employees, providing the Eligible Employees with an incentive to continuously improve the corporate values of the Company, and further promoting the sharing of values between the Eligible Employees and the Company shareholders.

Incidentally, the outline of the Plan, etc. is as follows.

[Outline of the Plan, etc.]

Under the Plan, the Company will provide receivables as a special incentive for granting restricted stocks to the Eligible Employees (hereinafter referred to as the "Special Incentive"), and the Eligible Employees will contribute the Special Incentive to the Employee Shareholding Association. Then, the Employee Shareholding Association will receive the issuance or disposition of the Company common stock as restricted stock by making the Special Incentive contributed by the Eligible Employees a contribution in kind to the Company.

In the case where the Company common shares are newly issued or disposed of under the Plan, the amount to be paid in per share of such common stocks shall be determined by the Board of Directors based on the closing price of the Company common stocks on the Tokyo Stock Exchange as of the business day immediately preceding the date of each resolution of the Board of Directors pertaining to such issuance or disposition (if no transaction has been closed on the same day, the closing price of the most recent transaction day) to the extent that such amount is not particularly favorable to the Employee Shareholding Association and consequently to the Eligible Employees.

When issuing or disposing of the Company common stocks under the Plan, the Company and the Employee Shareholding Association will enter into a Restricted Stock Allotment Agreement, which includes the following provisions: (i) transfer to third parties, creation of security interest, or other disposition of the allotted shares will be prohibited for a certain period of time (hereinafter referred to as the "Transfer Restriction"); and (ii) the Company will acquire the allotted shares gratis in the event of certain events. The payment of the Special Incentive to the Eligible Employees will be made subject to the execution of the Restricted Stock Allotment Agreement between the Company and the Employee Shareholding Association.

In addition, until the transfer restriction is cancelled, the Eligible Employee shall be restricted from withdrawing the member's equity pertaining to the Restricted Stocks to be held by the Eligible Employee in accordance with the receivables contributed to the Employee Shareholding Association (hereinafter referred to as the "Restricted Stock Equity" or the "RS Equity") in pursuant to the Articles of Employee Shareholding Association and the Detailed Operating Rules of the Employee Shareholding Association (hereinafter referred to as the "Articles of the Employee Shareholding Association, etc.") (Note).

(Note) At a meeting of the Board of Directors of the Employee Shareholding Association to be held promptly after the resolution of the Board of Directors concerning the Disposal of Treasury Shares, the Employee Shareholding Association plans to adopt a resolution to amend the Articles of the Employee Shareholding Association, etc. in accordance with the Plan prior to receiving the Disposal of Treasury Shares, and such amendment is scheduled to become effective when two weeks have passed after the notification is sent to the members of the Employee Shareholding Association pursuant to the Articles of the Employee Shareholding Association, etc. after the resolution of the Board of Directors, and when objections from the members of the Employee Shareholding Association account for less than 1/3 of the members of the Employee Shareholding Association.

In the Disposal of Treasury Shares, the Employee Shareholding Association, the Scheduled Allottee, will be disposed of the Company's Common Stocks (hereinafter referred to as the "Allotted Shares") by paying all of the Special Incentive contributed to the Employee Shareholding Association by the Eligible Employees as property contributed in kind under the Plan. In the Disposal of Treasury Shares, outline of the Restricted Stock Allotment Agreement (hereinafter referred to as the "Allotment Agreement") to be concluded between the Company and the Employee Shareholding Association is as set forth below "3. Outline of the Allotment Agreement." The number of shares to be disposed of in the Disposal of Treasury Shares will be determined at a later date as described in the Note of 1. above. However, if all 399 employees of the Company, which is the maximum number to which the Plan can be applied, join the Employee Shareholding Association and consent to the Plan, the number of shares is expected to be 39,900. Assuming such number of shares is to be disposed of, the scale of dilution of stocks by the Disposal of Treasury Shares will be 0.23% (rounded to the second decimal place, the same applies to the calculation of the percentage hereinafter) of the total number of issued shares of 17,627,800 as of March 31,

2025, and the number of voting rights corresponding to the disposed share is 0.28% of the total number of voting rights of 140,394 as of March 31, 2025.

As a measure to enhance the welfare of the Eligible Employees, aim of introducing the Plan is not only to help the Eligible Employees build their assets by creating an opportunity to acquire the Company's common stock issued or disposed of by the Company as restricted stock through the Employee Shareholding Association, but also to provide the Eligible Employees with an incentive to continuously improve the corporate values of the Company, as well as to provide the Eligible Employees with the opportunity to further share values with the Company shareholders. The Company believes that the introduction of the Plan will contribute to increasing the corporate values of the Company, and that the number of shares to be disposed of and the scale of dilution of the shares by the Disposal of Treasury Shares are reasonable, and that the impact on the market will be insignificant even in light of the scale of dilution.

Additionally, the Disposal of Treasury Shares will be implemented on the condition that the revised Articles of the Employee Shareholding Association, etc. become effective by the day immediately preceding the date of the Disposal of Treasury Shares, and that the Allotment Agreement is concluded between the Company and the Employee Shareholding Association within the prescribed period.

3. Outline of the Allotment Agreement

(1) The Transfer Restriction period

From September 19, 2025 to September 30, 2030

(2) Conditions for lifting transfer restrictions

Provided that the Eligible Employee has been a member of the Stock Holding Association continuously throughout the transfer restriction period, the transfer restrictions will be lifted for all of the Allocated Shares in the number corresponding to the Eligible Employee's restricted stock holdings when the transfer restriction period expires.

(3) Treatment in the event of withdrawal from the Stock Holding Association

If an Eligible Employee withdraws from the Stock Holding Association during the transfer restriction period due to retirement age or other legitimate reason (meaning when the Eligible Employee loses membership or applies for withdrawal, including withdrawal due to death), the Company will lift the transfer restrictions for all of the Allocated Shares in the number corresponding to the Eligible Employee's restricted stock holdings as of the date on which the Stock Holding Association accepts the Eligible Employee's withdrawal application (in the case of loss of membership, the date of loss of membership (in the case of withdrawal due to death, the date of death) (hereinafter referred to as the "Date of Acceptance of Withdrawal Application").

(4) Treatment when Becoming a Nonresident

In case that a determination is made by the Company to the effect that an Eligible Employee falls under the category of a non-resident due to overseas transfer, etc. during the transfer restriction period, the transfer restriction shall be cancelled for all of the Allotted Shares corresponding to the number of shares of the Restricted Stock Equity held by the Eligible Employee as of the date of such determination (hereinafter referred to as the "Date of Determination of Overseas Transfer, etc.") on the Date of Determination of Overseas Transfer, etc.

(5) Acquisition by the Company Free of Charge

If an Eligible Employee suspends contributions to the Stockholding Plan during the transfer restriction period (excluding cases where the Company approves suspension due to unavoidable circumstances such as maternity leave or childcare leave), commits a violation of laws and regulations, or falls under any other specific circumstances specified in the Allocation Agreement, the Company will automatically acquire all of the Allocated Shares in the number corresponding to the Eligible Employee's restricted stock holdings at that time free of charge. In addition, the Company will automatically acquire free of charge any Allocated Shares on 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 specified in (3) or (4) above.

(6) Management of Shares

The Allocated Shares will be managed in a dedicated account opened by the Stockholding Plan at Nomura Securities Co., Ltd. during the transfer restriction period so that they cannot be transferred, security interests can be established, or otherwise disposed of during the transfer restriction period. In addition, the Stock Holding Association will register and manage the Restricted Stock Shares separately from the other member shares held by the Eligible Members (hereinafter referred to as "Ordinary Shares") in accordance with the provisions of the Stock Holding Association Rules, etc.

(7) Treatment in the Event of Reorganization, etc.

If, during the transfer restriction period, 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 reorganization, etc. are approved at the Company's General Meeting of Shareholders (or, if approval of the Company's General Meeting of Shareholders is not required for the reorganization, etc., at the Company's Board of Directors), the transfer restrictions will be lifted by resolution of the Board of Directors immediately before the business day preceding the effective date of the reorganization, etc. for all of the Allocated Shares held by the Stock Holding Association on the day of such approval, in the number corresponding to the Restricted Stock Shares held by the Eligible Members.

4. Grounds for calculating the Disposal amount and the specific details thereof

The Disposal of Treasury Shares to the Employee Shareholding Association, which is the Scheduled Allottee, will be conducted by the Eligible Employees through contributing to the Employee Shareholding Association with the Special Incentive provided to the Eligible Employees for the grant of Restricted Stocks as investment property. In order to eliminate arbitrariness, the Disposal amount is set at 1,405 yen, which is the closing price of the Company 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). This is the market share 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.

Additionally, the percentage of deviation of the Disposal amount from the average closing price of the Company common stock on the Prime Market of the Tokyo Stock Exchange (rounded off to the second decimal place) is as follows.

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
1 month (May 27, 2025 to June 26, 2025)	1,489 yen	-5.64%
3 months (March 27, 2025 to June 26, 2025)	1,344 yen	4.54%
6 months (December 27, 2024 to June 26, 2025)	1,411 yen	-0.43%

All three Auditors (including two Outside Auditors) who attended the Board of Directors meeting held today expressed their opinion that the above amount of the Disposal is legal because it does not correspond to an amount that is particularly favorable to the Scheduled Allottee in view of the fact that the Disposal of Treasury Shares is for the purpose of introducing the Plan and that the Disposal amount is the closing price of the Company Common Stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors.

5. Matters concerning procedures under the Corporate Code of Conduct

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