



July 9, 2025

To all concerned parties

Company name: ALINCO INCORPORATED  
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## Notice Concerning the Disposal of Treasury Shares as Restricted Stock Compensation

Alinco Incorporated (the “Company”) hereby announces that at the Board of Directors meeting held on July 9, 2025, the Company’s directors decided to dispose of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”) as follows:

### 1. Overview of the Disposal

|     |   |   |
|-----|---|---|
| (1) | Disposal date   | July 31, 2025   |
| (2) | Class and number of shares disposed                         | 40,579 shares of the Company’s common stock   |
| (3) | Disposal price  | 1,020 yen per share   |
| (4) | Total value of shares disposed                              | 41,390,580 yen  |
| (5) | Allottees and number thereof, and number of shares disposed | Directors of the Company (excluding outside directors and directors who are members of the Audit and Supervisory Committee Member)<br>5 directors (20,979 shares)<br>Officers of the Company<br>12 officers (19,600 shares) |

### 2. Purposes and Reasons of the Disposal

Based on the restricted stock compensation plan introduced at the Board of Directors meeting held on May 8, 2019 for the purpose of providing incentives to sustainably improve the Company’s corporate value and for the purpose of sharing shareholder value, at the 49th Ordinary General Meeting of Shareholders held on June 18, 2019, the Company obtained approval for the payment of monetary remuneration claims of no more than 100 million yen per year to the Company’s directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee Member, hereinafter referred to as the “Eligible Directors”) as monetary compensation to be used as investment assets for the acquisition of restricted stock. The Company also obtained

approval to set the total number of shares of common stock to be issued or disposed of as restricted stock to be no more than 100,000 shares per year, and to set the transfer restriction period of restricted stock to be determined by the Company's Board of Directors to be between 3 and 30 years.

In addition, at the Board of Directors meeting held on May 8, 2020, the Company introduced a similar restricted stock compensation plan (hereinafter collectively referred to as the "Plan") for the Company's officers (excluding non-residents; hereinafter collectively referred to, together with the Eligible Directors, as the "Eligible Directors, etc.").

An overview, etc. of the Plan is explained below.

[Overview, etc. of the Plan]

The Eligible Directors, etc. will pay all of the monetary remuneration claims paid by the Company based on the Plan as assets contributed in kind, and the Company's common stock shall be issued or disposed of. The amount paid per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange (or based on the closing price on the immediately preceding trading day if no trade is completed on the same day) on the business day immediately preceding the date of each Board of Directors resolution, to the extent that the amount is not particularly favorable to the Eligible Directors, etc. who subscribe to such common stock.

In addition, upon issuing or disposing of the Company's common stock under the Plan, the Company and the Eligible Directors, etc. shall enter into a restricted stock allotment agreement, the details of which are as follows: (1) The Eligible Directors, etc. shall not transfer, establish security interest or otherwise dispose of the Company's common stock allotted under the restricted stock allotment agreement for a certain period of time; (2) In the event of certain circumstances, this shall include, among other things, the Company's acquisition of such common stock without consideration.

On this occasion, taking into account the purpose of the Plan, the business conditions of the Company, the scope of duties of each Eligible Director, etc., and other various circumstances, the Company decided to grant a total of 41,390,580 yen in monetary remuneration claims (hereinafter referred to as the "Monetary Remuneration Claims") and 40,579 shares of common stock. In addition, in order to realize the sharing of shareholder value over the medium to long term, which is the purpose of introducing the Plan, the transfer restriction period has been set to 30 years. In the Disposal of Treasury Shares, the 17 Eligible Directors, etc., to whom the treasury shares are scheduled to be allotted, will pay all of the Monetary Remuneration Claims to the Company as assets contributed in kind, and the Company's common stock (hereinafter referred to as the "Allotted Shares") shall be disposed of. In the Disposal of Treasury Shares, an overview of the restricted stock allotment agreement concluded between the Company and the

Eligible Directors, etc. (hereinafter referred to as the “Allotment Agreement”) is as stated in 3. below.

### 3. Overview of the Allotment Agreement

(1) Transfer restriction period: July 31, 2025-July 30, 2055

(2) Conditions for lifting transfer restrictions

The transfer restrictions regarding all of the Allotted Shares shall be lifted upon the expiration of the transfer restriction period on the condition that, during the transfer restriction period, the Eligible Directors, etc. have continued to serve in the position of either a director (including director who is a member of the Audit and Supervisory Committee Member), an officer that does not concurrently serve as a director, auditor, employee, or any other equivalent position of the Company or its subsidiaries (hereinafter referred to as “Officer Status, etc.”).

(3) Handling of cases when the Eligible Directors, etc. resign or retire from their position due to the expiration of their term of office, death, or other justifiable reason during the transfer restriction period

(I) Timing of when transfer restrictions are lifted

If an Eligible Director, etc. resigns or retires from any position considered Officer Status, etc. at the Company or its subsidiary due to the expiration of their term of office or other justifiable reason (excluding the case of death), the transfer restrictions shall be lifted immediately after such resignation or retirement.

In the case of resignation or retirement due to death, the transfer restrictions shall be lifted at a time separately determined by the Board of Directors after the death of the Eligible Director, etc.

(II) Number of shares subject to the lifting of transfer restrictions

This number shall be calculated by multiplying the number of Allotted Shares held at the time of such resignation or retirement as set for in (I) by the number obtained by dividing the period of service (in months) from the month including the date when the 55th Ordinary General Meeting of Shareholders of the Company was held to the month including the date when the Eligible Director, etc. resigns or retires by 12 (if that number exceeds 1, it shall be set to 1) (however, if this calculation yields a fraction of less than 1, this shall be rounded down).

(4) Free acquisition by the Company

The Company shall naturally acquire, free of charge, the Allotted Shares for which the transfer restriction is not lifted at the time when the transfer restriction period expires or at the time when the transfer restrictions are lifted as set forth in (3) above.

(5) Management of shares

In order to ensure that the Allotted Shares may not be transferred, pledged, or otherwise

disposed of during the transfer restriction period, the shares shall be managed in a dedicated account at Nomura Securities Co., Ltd., opened by the Eligible Directors, etc. In order to ensure the effectiveness of the transfer restrictions, etc. pertaining to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of the accounts for the Allotted Shares held by each Eligible Director, etc. In addition, the Eligible Directors, etc. shall give consent to the content of the management of the said account.

(6) Handling during organizational restructuring, etc.

If, during the transfer restriction period, matters relating to a merger agreement under which the Company will become the dissolving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or other organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or, in the case where the approval at the Company's General Meeting of Shareholders is not required, in relation to the organizational restructuring in question, a meeting of its Board of Directors), by resolution of the Board of Directors, the transfer restriction shall be lifted with respect to the number of shares obtained by multiplying the number of the Allotted Shares held as of the relevant time by the number of months from the month including the date when the 54th Ordinary General Meeting of Shareholders was held to the month including the date of such approval divided by 12 (if that number exceeds 1, it shall be 1) (however, any fraction less than one share resulting from the calculation shall be rounded down), as of the time immediately before the business day preceding the effective date that the organizational restructuring, etc., begins.

In addition, the Company will naturally acquire all of the Allotted Shares for which the transfer restrictions have not been lifted free of charge immediately after the transfer restrictions are lifted.

#### 4. Basis of Calculation and Specific Details for the Payment Amount

The Disposal of Treasury Shares to whom the treasury shares are scheduled to be allotted shall be made with the monetary remuneration claims paid as restricted stock compensation under the Plan as invested assets. In order to eliminate arbitrariness, the disposal price is set at 1,020 yen, which was the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 8, 2025 (the business day before the date of the Board of Directors' resolution). This is the market share price immediately prior to the date when the Board of Directors' resolution was made, which we believe is reasonable and does not constitute a particularly favorable price.