

June 25, 2025

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## **Notice Concerning Disposal of Treasury Shares as Stock Compensation (Shares with Restriction on Transfer)**

At the meeting of the Board of Directors held today, Nikko Co., Ltd. (the “Company”) resolved to dispose of treasury shares as stock compensation (shares with restriction on transfer) (hereinafter “Disposal of Treasury Shares”) as described below.

### 1. Outline of the disposal

(1)	Date of the disposal	July 14, 2025
(2)	Class and number of shares to be disposed of	35,400 shares of common stock of the Company
(3)	Disposal value	¥712 per share
(4)	Total disposal value	¥25,204,800
(5)	Planned recipients of disposal	19,600 shares for five (5) Directors* of the Company 2,200 shares for one (1) Audit & Supervisory Board Member* of the Company 13,600 shares for eight (8) Executive Officers* of the Company *excluding Outside Directors and Outside Audit & Supervisory Board Members

### 2. Purpose and reason for the disposal

At the Company’s Board of Directors meeting held on May 21, 2018, the Company resolved to introduce a stock compensation system (hereinafter the “System”) that grants restricted shares to the Company’s Directors (excluding Outside Directors), Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), and Executive Officers (hereinafter collectively referred to as “Eligible Officers”) for the purpose of providing incentives to Eligible Officers to promote the sustainable enhancement of the Company’s corporate value and to further advance value sharing between Eligible Officers and shareholders. The System was proposed at the Company’s 155th Business Year Ordinary General Shareholders’ Meeting held on June 22, 2018, and based on the System, the total amount of monetary compensation claims to be paid as compensation related to restricted shares was set at up to ¥40 million per year for Company Directors (excluding Outside Directors) and up to ¥10 million per year for Company Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members). The total number of restricted shares to be allocated in each fiscal year was set at up to 75,000 shares (equivalent to 15,000 shares prior to the stock split) for Company Directors (excluding Outside Directors), and for Company Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), up to 17,500 shares (equivalent to 3,500 shares prior to the stock split), and the restriction period for the transfer of restricted shares was set at 30 years, among other matters, for which shareholder approval was obtained.

Today, pursuant to a resolution of the Board of Directors of the Company and after consultation with the Audit

& Supervisory Board of the Company, it has been decided that, as stock compensation of restricted shares for the period from the 162nd Business Year Ordinary General Shareholders' Meeting of the Company to be held today until the 163rd Business Year Ordinary General Shareholders' Meeting of the Company scheduled to be held in June 2026, the Company shall pay a total of ¥25,204,800 in monetary compensation claims to five (5) Directors of the Company (excluding Outside Directors), one (1) Audit & Supervisory Board Member of the Company (excluding Outside Audit & Supervisory Board Members), and eight (8) Executive Officers of the Company (hereinafter the "Allottees"), and the Allottees shall contribute all of the monetary compensation claims in kind to the Company, whereby the Company allocates 35,400 shares of the Company's common stock as specified restricted shares. The amount of monetary compensation claims to be paid to each Allottee is determined based on a comprehensive consideration of various factors, including the contribution of each Allottee to the Company. In addition, such monetary compensation claims shall be paid on the condition that each Allottee enters into a Restricted Shares Allocation Agreement (hereinafter the "Allocation Agreement") with the Company, the contents of which shall include, in substance, the following.

### 3. Overview of Allocation Agreement

#### (i) Transfer restriction period

From July 14, 2025 to July 13, 2055

During the transfer restriction period specified above (hereinafter the "Transfer Restriction Period"), the Allottees may not transfer, establish a lien, establish a collateral interest, make a gift of, bequeath, or otherwise dispose of the restricted shares to any third party.

#### (ii) Acquisition of restricted shares without contribution

If an Allottee resigns or retires from any position as a Director, Audit & Supervisory Board Member, Executive Officer, or employee of the Company or any of its subsidiaries until the day before the date of the first Ordinary General Shareholders' Meeting of the Company following the commencement of the Transfer Restriction Period, the Company shall, except for reasons deemed valid by the Board of Directors of the Company (such as the expiration of the term of office, etc.), automatically and without consideration acquire the restricted shares allocated to said Allottee (hereinafter the "Allocated Shares") as of the date of such resignation or retirement.

In addition, if the transfer restrictions on any of the Allocated Shares have not been lifted pursuant to the reasons for lifting the transfer restrictions in (iii) below at the time the Transfer Restriction Period expires (hereinafter the "Expiration Date"), the Company shall automatically acquire such shares without consideration as of the date immediately following the Expiration Date.

#### (iii) Lifting of the transfer restrictions

The Company shall lift the transfer restrictions on all of the Allocated Shares held by the Allottees as of the Expiration Date of the Transfer Restriction Period, provided that the Allottees have continuously held the position of Director, Audit & Supervisory Board Member, Executive Officer, or employee of the Company or any of its subsidiaries from the commencement date of the Transfer Restriction Period until the date of the first Ordinary General Shareholders' Meeting of the Company held after such commencement date. However, if an Allottee resigns or retires from any position as Director, Audit & Supervisory Board Member, Executive Officer, or employee of the Company or its subsidiaries before the expiration of the Transfer Restriction Period due to a reason that is deemed valid by the Board of Directors of the Company (such as expiration of term of office), the transfer restrictions shall be lifted immediately after such resignation or retirement with respect to the number of Allocated Shares calculated by dividing the number of months from July 2025 to the month including the day on which the Allottee resigned or retired from any position as Director, Audit & Supervisory Board Member, Executive Officer, or employee of the Company or its subsidiaries by 12 (if the calculation results in a number greater than 1, then 1 will be used), multiplied by the number of Allocated Shares held by the Allottee at that time (provided that any fractional shares resulting from the calculation shall be rounded down).

#### (iv) Provisions concerning the management of stock

The Allottees shall open an account designated by the Company with SMBC Nikko Securities Inc. for the purpose of registering or recording the Allocated Shares, and they shall keep and maintain the Allocated Shares in said account until the transfer restrictions are lifted.

#### (v) Treatment during reorganization, etc.

During the Transfer Restriction Period, if a resolution regarding a merger agreement in which the Company

becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other organizational restructuring is approved at the Company's General Shareholders' Meeting (or, in cases where the approval of the Company's General Shareholders' Meeting is not required for the organizational restructuring, at the Company's Board of Directors Meeting), the Company shall, by resolution of the Company's Board of Directors, lift the transfer restrictions on the Allocated Shares calculated by dividing the number of months from July 2025 to the month including the date of such approval by 12 (if the calculation results in a number greater than 1, then 1 will be used), multiplied by the number of Allocated Shares held by the Allottee on the date of such approval (provided that any fractional shares resulting from the calculation shall be rounded down), and the transfer restrictions on such shares shall be lifted as of immediately before the business day preceding the effective date of the relevant organizational restructuring or similar transaction.

In such case, the Company shall, on the business day preceding the effective date of the organizational restructuring, etc., automatically acquire all of the Allocated Shares for which the transfer restriction has not been lifted on the same date, without consideration, in accordance with the above provisions.

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

The disposal value for the Disposal of Treasury Shares has been determined to exclude arbitrariness and is set at the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (June 24, 2025), which is ¥712. This represents the market price of the Company's common stock immediately prior to the date of the resolution of the Board of Directors and is considered reasonable.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.