

June 20, 2025

To whom it may concern

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Notice Concerning Disposal of Treasury Shares as Remuneration for Restricted Shares

PILLAR Corporation (the “Company”) hereby announces that it resolved at a meeting of its Board of Directors held on June 20, 2025 (the “Allotment Resolution Date”) to dispose of treasury shares (the “Disposal of Treasury Shares” or “Disposal”).

1. Summary of Disposal

(1) Date of Disposal	July 18, 2025
(2) Type and number of shares of Disposal	21,884 of the Company’s common shares
(3) Disposal value	3,655 yen per share
(4) Total amount of Disposal	79,986,020 yen
(5) Allottees, number of allottees, and number of shares of Disposal	Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members): four (4) persons; 21,884 shares

2. Purpose and reason for Disposal

The Company resolved at a meeting of its Board of Directors held on May 20, 2020 to introduce a remuneration plan for restricted shares (the “Plan”) as a new compensation plan for the Company’s Directors (the “Eligible Directors”), excluding Outside Directors and Directors who are Audit and Supervisory Committee Members, for the purpose of providing medium to long-term incentives to them and sharing shareholder value with them. In addition, the shareholders of the Company approved at the 77th Ordinary General Meeting of Shareholders held on June 20, 2025 the payment of monetary remuneration receivables of up to 200 million yen per year to the Eligible Directors as monetary remuneration for the acquisition of restricted shares (“Remuneration for Restricted Shares”) according to this Plan, and that the transfer restriction period shall be between 3 years and 50 years, as determined by the Board of Directors of the Company.

The outline of the Plan is as follows.

Outline of the Plan

The Eligible Directors will pay all of the monetary remuneration receivables paid by the Company under the Plan as assets contributed in kind and will receive shares of the Company’s common stock issued or disposed of by the Company. The total number of shares of common stock to be issued or disposed of by the Company for the Eligible Directors under this Plan shall be 50,000 shares or less per year, and the amount to be paid per share shall be determined by the Board of Directors on the basis of the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors (if no trading was effected on that date, the closing price on the immediately preceding business day), within an amount not particularly favorable to the Eligible Directors who shall receive such shares.

In addition, upon the issuance or disposal of shares of the Company's common stock under the Plan, the Company and the Eligible Directors shall enter into a restricted share allotment agreement, which shall include, among other restrictions, that (i) the Eligible Directors shall not transfer, pledge or otherwise dispose of the shares of the Company's common stock allotted under the restricted share allotment agreement for a certain period and (ii) the Company shall acquire such shares of common stock without consideration upon the occurrence of certain events.

Taking into consideration the purpose of the Plan, the Company's business conditions, the scope of each Eligible Directors' responsibilities, and various circumstances, the Company has decided to grant a total of 79,986,020 yen in monetary remuneration receivables (the "Monetary Remuneration Receivables") and 21,884 shares of common stock to further motivate each Eligible Director. In addition, in order to realize the purpose of introducing this Plan, which is to share the shareholder value over a long period of time, the transfer restriction period has been set at 50 years for this time.

In the Disposal of Treasury Shares, the four (4) Eligible Directors who are the scheduled allottees will pay all of the Monetary Remuneration Receivables to the Company as assets contributed in kind and will receive shares of the Company's common stock (the "Allotted Shares") for disposal under the Plan. An outline of the restricted share allotment agreement (the "Allotment Agreement") to be entered into between the Company and the Eligible Directors in connection with the Disposal of Treasury Shares is set forth in Section 3 below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period: July 18, 2025 to July 17, 2075

(2) Conditions for lifting transfer restrictions

The transfer restrictions of all of the Allotted Shares shall be lifted at the expiration of the transfer restriction period on the condition that the Eligible Directors continuously hold the position of Director, Executive Officer not concurrently serving as Director, or any other similar position at the Company or any of its subsidiaries during the transfer restriction period.

(3) In the event that an Eligible Director retires due to the expiration of his/her term of office or other justifiable reasons during the transfer restriction period, the following will apply.

(i) Time of lifting transfer restrictions

In the event that an Eligible Director retires from the positions of Director, Executive Officer not concurrently serving as Director, and any other similar position at the Company or any of its subsidiaries due to the expiration of his/her term of office or any other justifiable reasons (including retirement due to death), the transfer restrictions shall be lifted as of the time immediately following such retirement of the Eligible Director.

(ii) Number of shares subject to lifting of transfer restrictions

The number of shares shall be the number obtained by multiplying the number of the Allotted Shares held by the Eligible Director at the time of his/her retirement as specified in (i) above by the number obtained by dividing by 12 the period of service (in months) from the month following the month containing the commencement date of execution of duties for the 78th fiscal year to the month containing the date of retirement (if this number exceeds 1, it shall be 1) (any fraction less than 1 share resulting from the calculation shall be rounded down).

(4) Acquisition by the Company at no cost

The Company shall rightfully acquire at no cost the Allotted Shares for which the transfer restrictions are not lifted at the time of expiration of the transfer restriction period or at the time of lifting of the transfer restrictions stipulated in (3) above.

(5) Share management

The Allotted Shares shall be managed in an exclusive account opened by the Eligible Directors at Nomura Securities Co., Ltd. during the transfer restriction period so that the Allotted Shares may not be transferred, pledged or otherwise disposed of during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the account for the Allotted Shares held by each of the Eligible Directors in order to ensure the effectiveness of the transfer restrictions,

etc. of the Allotted Shares. The Eligible Directors shall also agree to the terms and conditions of the management of this account.

(6) Handling in organizational restructuring, etc.

In the event that a merger agreement under which the Company becomes a defunct company, a share exchange agreement under which the Company becomes a wholly owned subsidiary, a share transfer plan or any other matters relating to organizational restructuring, etc. are approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if such approval is not required) during the transfer restriction period, upon resolution of the Board of Directors, the transfer restrictions shall be lifted with respect to the number of shares obtained by multiplying the number of the Allotted Shares held as of the time immediately prior to the business day immediately preceding the effective date of the reorganization by the number obtained by dividing by 12 the number of months from the month following the month containing the commencement date of execution of duties for the 78th fiscal year to the month containing the date of such approval (if this number exceeds 1, it shall be 1) (any fraction less than 1 share resulting from the calculation shall be rounded down). In addition, the Company will rightfully acquire at no cost all the Allotted Shares for which the transfer restrictions have not been lifted as of the time immediately following the lifting of the transfer restrictions.

4. Grounds for calculation of the amount paid in and its specific details

The Disposal of Treasury Shares to the scheduled allottees will be made with the monetary remuneration receivables paid as Remuneration for Restricted Shares for the Company's 78th fiscal year under the Plan as the assets to be contributed. To eliminate arbitrariness, the disposal price is set at 3,655 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange on June 19, 2025 (the business day prior to the date of the Board of Directors' resolution). This is the market share price immediately prior to the date of the Board of Directors' resolution and we believe that it is reasonable and does not constitute a particularly favorable price.