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June 25, 2026

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Notice Concerning Disposal of Treasury Shares as Restricted Stock-Based Remuneration

BUFFALO INC. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of treasury shares as restricted stock-based remuneration (hereinafter the "Disposal of Treasury Shares") as described below.

1. Overview of the Disposal of Treasury Shares

(1) Allotment date	July 24, 2026
(2) Class and number of shares to be disposed of	Common shares of the Company: 22,700 shares
(3) Disposal price	The Disposal of Treasury Shares is for the purpose of disposing of the Company's common shares as remuneration, etc. for Directors of the Company, and no cash payment or delivery of property in exchange for such common shares is required. * The fair value of the common shares is ¥2,471 per share, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on June 24, 2026, the business day immediately preceding the Board of Directors meeting held today, and the total amount is ¥56,091,700.
(4) Planned allottees	Two Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors): 8,700 shares Four Directors who are full-time Audit and Supervisory Committee Members: 14,000 shares

2. Purpose and Reasons for the Disposal

At the Board of Directors meeting held on May 7, 2025, the Company resolved to introduce a restricted stock-based remuneration plan (hereinafter the "Plan") as a new remuneration plan for the Company's Directors (including Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) with the aim of sustainably improving the Company's corporate value and further promoting sharing of value with shareholders.

Additionally, at the 39th Annual General Meeting of Shareholders held on June 25, 2025, the Company received approval for the following proposals: (1) To grant restricted stock as remuneration, etc. or pay monetary remuneration claims for the grant of restricted stock as remuneration to Directors under the Plan, with the transfer restriction period to be determined by the Board of Directors of the Company within a period of three to five years; (2) The grant of restricted stock shall be made either by issuing or disposing of the Company's common stock without requiring any cash payment or other consideration as remuneration, etc. for

Directors, or by issuing or disposing of the Company's common stock in exchange for the entire amount of monetary remuneration claims granted to Directors as a contribution in kind, and (3) The total number of the Company' common shares to be issued or disposed of based on the Plan shall be 25,000 shares or lower per year for Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors), and 20,000 shares or lower per year for Directors who are Audit and Supervisory Committee Members (excluding part-time Directors who are Audit and Supervisory Committee Members). The amount is separated from the existing monetary remuneration framework, with ¥50 million or lower per year for Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) and ¥40 million or lower per year for Directors who are Audit and Supervisory Committee Members (excluding part-time Directors who are Audit and Supervisory Committee Members).

In connection with the above, at the Board of Directors meeting held today, the Company resolved to dispose of common shares of the Company as restricted stock to two of its Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and four Directors who are full-time Audit and Supervisory Committee Members (collectively, the "Eligible Directors"). Taking into consideration the purpose of the Plan, the scope of responsibilities of the Eligible Directors, and other various circumstances, the Company has resolved to dispose of 22,700 common shares of the Company as restricted stock to the Eligible Directors.

<Overview of Agreement on Allotment of Restricted Stock>

In connection with the Disposal of Treasury Shares, the Company and the Eligible Directors will individually enter into an agreement on allotment of restricted stock (hereinafter the "Allotment Agreement"), the summary of which is as follows:

(1) Transfer restriction period

The Eligible Directors may not transfer, pledge security interests on, or otherwise dispose of the Company's common shares allotted pursuant to the Allotment Agreement (hereinafter the "Allotted Share") from July 24, 2026 (allotment date) through the date of the Company's Annual General Meeting of Shareholders to be held in 2029.

(2) Conditions for lifting transfer restrictions

<For Directors (excluding Directors who are full-time Audit and Supervisory Committee Members)>

On the condition that the Eligible Director (excluding Directors who are full-time Audit and Supervisory Committee Members) continues to serve as a Director of the Company from the date of the Company's Annual General Meeting of Shareholders immediately preceding the allotment date to the date of the Company's Annual General Meeting of Shareholders to be held in 2029 (hereinafter the "Service Period"), the transfer restrictions shall be lifted for all of the Allotted Shares at the time of expiration of the transfer restriction period. However, if an Eligible Director (excluding Directors who are full-time Audit and Supervisory Committee Members) resigns from his or her position as a Director of the Company during the Service Period due to death, expiration of term of office, or any other reason that the Board of Directors deems valid, the transfer restrictions will be lifted on the day following the date of such resignation for the number of the Allotted Shares calculated by dividing the number of months, from the month following the month in which the Service Period begins to the month including the date of such resignation, by 36 (however, if the result of the calculation is greater than 1, it shall be 1), and multiplied by the original number of the Allotted Shares (however, if the calculation results in a fraction less than one share, such fraction will be rounded down).

<For Directors who are full-time Audit and Supervisory Committee Members>

On the condition that the eligible Director, who is full-time Audit and Supervisory Committee Member, continues to serve as Director of the Company during the Service Period, the transfer restrictions shall be lifted for all of the Allotted Shares at the time of expiration of the transfer restriction period. Also, on the condition that the eligible Director, who is full-time Audit and Supervisory Committee Member, resigns from his or her position as a Director of the Company during the Service Period for any reason that the Board of Directors deems valid, the transfer restrictions shall be lifted for all of the Allotted Shares on the day following the date of such resignation.

(3) Acquisition by the Company without consideration

The Company shall automatically acquire, without consideration, the Allotted Shares that are subject to transfer restrictions and for which such restrictions have not been lifted as of the date on which the transfer restriction period expires, or as of the day following the date on which the Eligible Director resigns from his or her position as a Director of the Company during the transfer restriction period.

(4) Management of shares

The Allotted Shares may not be transferred, pledged security interests on, or otherwise disposed of during the transfer restriction period, and to that end, the shares shall be managed in a dedicated account for restricted stock opened by the Eligible Director at Daiwa Securities Co. Ltd.

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

<For Directors (excluding Directors who are full-time Audit and Supervisory Committee Members)>

During the restriction period, if matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the number of the Allotted Shares for which the transfer restriction is to be lifted is calculated as the number of months obtained by dividing the number of months, from the month following the month in which the Service Period begins to the month in which the organizational restructuring, etc. is approved, by 36 (however, if the result of the calculation is greater than 1, it shall be 1), multiplied by the number of the Allotted Shares held at such time (however, if the calculation results in a fraction less than one share, such fraction shall be rounded down), and the transfer restriction shall be lifted by resolution of the Company's Board of Directors immediately before the business day preceding the effective date of the organizational restructuring, etc.

<For Directors who are full-time Audit and Supervisory Committee Members>

During the restriction period, if matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the transfer restrictions shall be lifted for all of the Allotted Shares by resolution of the Company's Board of Directors immediately before the business day preceding the effective date of the organizational restructuring, etc.

3. Basis for Calculation of Payment Amount and Details Thereof

The Disposal of Treasury Shares related to restricted stock-based remuneration granted to the Eligible Directors under the Plan is made as part of their remuneration, etc., and no cash payment or contribution of assets in kind is required in exchange for the offered shares. The fair value of the Company's common shares is set at ¥2,471 per share, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on June 24, 2026, the business day immediately preceding the Board of Directors meeting held today.

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