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## PRESS RELEASE

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### **Announcement Regarding the Disposal of Treasury Shares as a Restricted Stock Remuneration Plan**

At the meeting of the Board of Directors held today, KOITO MANUFACTURING CO., LTD. (“the Company”) resolved to dispose of treasury shares as a Restricted Stock Remuneration Plan (hereinafter, “Treasury Share Disposal”), as follows;

#### **1. Overview of Disposal**

(1) Date of disposal	July 14, 2025
(2) Class and number of shares for disposal	156,700 shares of the Company’s common stock
(3) Disposal value	¥1,715 per share
(4) Total disposal value	¥268,740,500
(5) Planned allottees	9 Directors* 87,300 shares 15 Corporate Officers 69,400 shares Note: excludes Outside Directors
(6) Others	The Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act regarding this Treasury Share Disposal.

#### **2. Purpose and Reason of the Disposal**

At the Company’s 125th Ordinary General Meeting of Shareholders held on June 27, 2025, the Company obtained approval for the introduction of a restricted stock remuneration plan (hereinafter, the “Plan”) for the Company’s Directors (excluding Outside Directors), with the aim of further enhancing their motivation to contribute to stock price appreciation and corporate value improvement by sharing the benefits and risks of stock price fluctuations with its shareholders. Under the Plan, the total amount of monetary remuneration claims to be granted annually to the Company’s Directors (excluding Outside Directors) as remuneration for restricted stock shall not exceed 500 million yen; and the maximum number of shares of restricted stock to be allotted to the Company’s Directors (excluding Outside Directors) in each fiscal year shall be 320,000 shares; and the restriction period shall extend from the allotment date of the restricted stock until the Director resigns or retires from the positions of a member of the Board of Director or Corporate Officer of the Company.

Today, the Company’s Board of Directors resolved to allot restricted stock for the period from the 125th Ordinary General Meeting of Shareholders to the 126th Ordinary General Meeting of Shareholders scheduled for June 2026 monetary remuneration claims in the total amount of ¥268,740,500 will be granted to 9 Directors (excluding Outside Directors) and 15 Corporate Officers (hereinafter, “Eligible Allottees”). The Eligible Allottees will contribute the entire amount of these monetary remuneration claims as contributions in kind, and in exchange, a total of 156,700 shares of the Company’s common stock will be allotted as restricted stock. The amount of monetary remuneration claims to be granted to each Eligible Allottee has been determined by comprehensively taking into account factors such as the individual’s level of contribution to the Company. The monetary remuneration claims will be granted on the condition that each Eligible Allottee enters into a restricted stock allotment agreement (hereinafter, the “Allotment Agreement”) with the Company, which includes terms and conditions substantially as outlined below.

### **3. Overview of the Allotment Agreement**

#### **(1) Restricted Period**

During the period from July 14, 2025 until the date when the Eligible Allottees resign or retire from the positions of member of the Board of Directors or Corporate Officer of the Company.

During the above transfer restriction period (hereinafter “Transfer Restriction Period”), an Eligible Allottee who receives an allotment of Restricted Shares may not transfer, create a pledge or security interest, or provide as a gift during life or as a bequeathment to a third party, or engage in any other act to dispose of (hereinafter “Transfer Restrictions”) the allotted shares of Restricted Shares (hereinafter “Allotted Shares”)

#### **(2) Acquisition of Restricted Shares without Contribution**

If an Eligible Allottee, who has received an allotment of Restricted Shares, resigns or retires from the positions of member of the Board of Directors or Corporate Officer of the Company by the day before the first Ordinary General Meeting of Shareholders of the Company following the start date of the Transfer Restriction Period, the Company will automatically acquire without payment the Allotted Shares unless such resignation or retirement is due to a reason deemed justifiable by the Company’s Board of Directors.

In addition, the Company will automatically acquire without payment any Allotted Shares for which Transfer Restrictions have not been lifted in accordance with provisions in (3) Lifting of the Transfer Restrictions below upon the expiration of the Transfer Restriction Period.

#### **(3) Lifting of the Transfer Restrictions**

The Company will lift the Transfer Restrictions of all of the Allotted Shares at the expiration of the Transfer Restriction Period, on the condition that the Eligible Allottee who received the allotment of Restricted Shares continuously held the position of member of the Board of Directors or Corporate Officer of the Company from the day of commencement of the Transfer Restriction Period until the day the first Ordinary General Meeting of Shareholders of the Company is held after the start of that period.

However, if the Eligible Director concerned resigns or retires from the position of member of the Board of Directors or Corporate Officer of the Company during the period from the start date of the Transfer Restriction Period until the day before the first Ordinary General Meeting of Shareholders of the Company is held after the start of that period, due to a reason deemed justifiable by the Board of Directors, the transfer restrictions on a portion of the allotted shares will be lifted effective immediately after the date on which the Eligible Allottee resigns or retires from both positions as a director and an executive officer of the Company, with respect to the number of allotted shares, that any fractional share resulting from the calculation, held by the Eligible Allottee at that time. The number of shares subject to the lifting of the Transfer Restrictions shall be calculated by multiplying by a fraction obtained by dividing the number of months from July 2025 through the month including the date of such resignation or retirement by 12, with any fractional shares resulting from the calculation to be rounded down.

#### **(4) Provisions Regarding the Management of Shares**

The Eligible Allottee shall, in the manner designated by the Company, complete the opening of an account with SMBC Nikko Securities Inc. in which the Allotted Shares will be recorded or registered, and shall hold and maintain the Allotted Shares in such account until the transfer restrictions are lifted.

#### **(5) Treatment in Organizational Restructuring, etc.**

In the event that, during the Transfer Restriction Period, a proposal for a merger agreement under which the Company will become the absorbed entity, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or any other form of organizational restructuring (hereinafter, the “Organizational Restructuring”) is approved at a General Meeting of Shareholders of the Company (or, in cases where such approval is not required, at a meeting of the Board of Directors of the Company), and the effective date of such Organizational Restructuring precedes the expiration of the Transfer Restriction Period (such date of approval, the “Organizational Restructuring Approval Date”), and if, as a result of such Organizational Restructuring, the Eligible Allottee is to resign or retire from both positions of Director and Corporate Officer of the Company, the Company may, by resolution of the Board of Directors, lift the

transfer restrictions on the number of Allotted Shares held by the Eligible Allottee on the Organizational Restructuring Approval Date, calculated by multiplying the number of months from July 2025 through the month including the Organizational Restructuring Approval Date (provided, however, that if the result exceeds one, it shall be deemed as one), by the number of Allotted Shares held by the Eligible Allottee on such date; provided, however, that any fractional shares resulting from such calculation shall be rounded down. The transfer restrictions on such shares shall be lifted as of the time immediately before the business day preceding the effective date of the Organizational Restructuring.

Furthermore, on the Organizational Restructuring Approval Date, the Company shall automatically acquire, without compensation, all Allotted Shares for which the transfer restrictions have not been lifted as of the business day immediately preceding the effective date of such Organizational Restructuring.

#### **4. Basis and Details of the Disposal Value**

The disposal value for this Treasury Share Disposal has been set at ¥1,715, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution (June 26, 2025). This value reflects the market price immediately prior to the resolution and is considered to be reasonable and not particularly advantageous to any specific party.