



June 25, 2025

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Notice Concerning Disposal of Treasury Stock as Restricted Stock Compensation

Hakuto Co., Ltd. (the “Company”) announces that the Board of Directors has decided to dispose treasury stock (hereinafter referred to as the "disposal of treasury stock" or “disposal”). The details are described below.

1. Outline of Disposal

(1) Disposal date	July 24, 2025
(2) Class and number of shares to be disposed	9,600 shares of common stock of the Company
(3) Disposal price	3,540 yen per share
(4) Total value of shares to be disposed	33,984,000 yen
(5) Allottees and number thereof, number of shares to be disposed	Directors (excluding non-executive directors and outside directors): 6 persons, 9,600 shares
(6) Others	The Company has submitted an extraordinary report regarding the Disposal of Treasury Stock pursuant to the Financial Instruments and Exchange Act.

2. Purpose and reasons for disposal

At the Board of Directors meeting held on May 22, 2020, the Company was decided to introduce a new compensation system targeting certain directors (excluding outside directors, non-executive directors, and directors who are members of the Audit and other Committees, hereinafter referred to as “Target Directors”), in order to provide incentives aimed at sustainably enhancing our corporate value and furthering the sharing of shareholder value as a Transfer-Restricted Stock Compensation System (hereinafter referred to as “this System”). Furthermore, at the 68th Annual General Meeting of Shareholders held on June 25, 2020, based on this System, it was approved that monetary compensation rights of up to 70 million yen per annum would be provided to the Target Directors as consideration for acquiring transfer-restricted shares, and that the transfer restriction period for these shares would extend from the date of allocation until immediately after the resignation from their position as directors of our company.

[Outline of the Plan]

Target directors will pay in the full amount of the monetary compensation claims provided by the company under this system as in-kind contributed assets and will receive an issuance or disposal of

our common stock. Furthermore, the total number of common shares issued or disposed of to target directors under this system shall not exceed 70,000 shares per year, and the payment amount per share will be determined by the board of directors based on the closing price of our common shares on the Tokyo Stock Exchange on the business day prior to the day of the board's resolution (if no transaction was concluded on that day, based on the closing price of the most recent trading day prior to it) so that it is not unduly favorable to the target directors.

Additionally, when issuing or disposing of our common shares under this system, our company will enter into a restricted stock allocation agreement with the target directors, which includes that (1) the target directors may not transfer, set rights of pledge, or otherwise dispose of the common stock allocated to them under the restricted stock allocation agreement for a certain period, and (2) in certain circumstances, our company will acquire such common shares at no cost.

Taking into account the purpose of this system, our company's business conditions, the scope of responsibilities of each target director, and various other circumstances, and with the aim of further enhancing the motivation of each target director, we have decided to grant a total of 33,984,000 yen in monetary compensation claims (hereinafter referred to as "monetary compensation") and 9,600 shares of common stock.

In this self-share disposal, 6 target directors, who are the planned allottees under this system, will pay in the full amount of their monetary compensation claims to our company as in-kind contributed assets and will receive disposal of our common stock (hereinafter referred to as "allotted shares"). The outline of the restricted stock allocation agreement (hereinafter referred to as "allocation agreement") to be concluded between our company and the target directors in this self-share disposal is as indicated in 3 below.

3. Overview of Allotment Agreement

(1) Transfer Restriction Period: From July 24, 2025 (Disposal Date) until immediately after the director resigns from their position in the company.

(2) Conditions for Lifting Transfer Restrictions:

The transfer restrictions on all the allocated shares shall be lifted at the end of the transfer restriction period, on the condition that the target director continuously holds the position during the service provision period, which spans from the start date of duty execution for the 74th fiscal year to just before the end of the first subsequent regular shareholders' meeting ("the Service Provision Period").

(3) Handling in Case the Target Director Resigns for Just Cause During the Service Provision Period:

i) Timing of Lifting Transfer Restrictions:

If the target director resigns from their position in the company for just cause (including due to death), the transfer restrictions shall be lifted immediately after the resignation.

ii) Number of Shares for Which Transfer Restrictions Are Lifted:

The number of allocated shares held at the point of resignation, multiplied by the quotient of the number of months from the month including the start date of duty execution for the 74th fiscal year to the month including the resignation date divided by 12 (replacing the result with 1 if it exceeds 1), rounding down any fraction below the unit share.

(4) Uncompensated Acquisition by the Company:

If the target director commits any statutory violation or meets certain conditions defined in the allocation agreement during the restriction period, the company will automatically acquire all the allocated shares uncompensated either at the point of breach or at the point of non-lifting of transfer restrictions at the end of the restriction period or specified in (3).

(5) Management of Shares:

During the transfer restriction period, the allocated shares will be managed in a dedicated account opened by the target director at Nomura Securities Co., Ltd., and no transfer, collateral placement, or other disposal of the shares can occur. The company has concluded an agreement with Nomura Securities Co., Ltd. regarding the management of the account holding the allocated shares to ensure the effectiveness of the transfer restrictions and related matters. The target director shall consent to the management of said account.

(6) Handling in Organizational Restructuring, etc.:

If during the transfer restriction period, the shareholder meeting of the company (or the Board of Directors, if shareholder approval is not required) approves a merger contract where the company becomes the extinguished company, a share exchange agreement where the company becomes a wholly-owned subsidiary, a share transfer plan, or other organizational restructuring related matters, the Board of Directors may decide that the shares held at that point, multiplied by the quotient of the number of months from the month including the start date of duty execution for the 74th fiscal year to the month including the day of approval divided by 12 (replacing the result with 1 if it exceeds 1) and rounding down any fraction below the unit share, will have their respective transfer restrictions lifted on the business day immediately prior to the organizational restructuring's effective date. Moreover, immediately after such restriction lifting, all the remaining allocated shares that haven't had their transfer restrictions lifted will be automatically and uncompensatedly acquired by the company.

4. Basis for calculating the payment amount and its specific details

The disposal of these treasury shares to the designated allottees will be implemented as an equity contribution using the monetary compensation claims provided as restricted stock remuneration under this system for our 74th fiscal year. As for the disposal price, in order to eliminate discretion, it is set at 3,540 yen, which is the closing price of our common stock on the Tokyo Stock Exchange Prime Market on the last business day before the date of the board of directors' resolution, June 24, 2025. This price reflects the market stock price just before the resolution by the board of directors and is considered reasonable and not particularly advantageous.