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July 11, 2025

To whom it may concern

Company name: KOHSOKU CORPORATION
 Name of representative: Representative Director, President Yuki Terashi
 (Securities code: 7504; TSE Prime Market)
 Person responsible for inquiries: Director, Managing Executive Officer
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Notice regarding disposal of treasury shares as restricted stock compensation

KOHSOKU CORPORATION ("KOHSOKU" or the "Company") hereby announces its Board of Directors reached the decision to dispose of treasury shares as restricted stock compensation during a meeting held on July 11, 2025. Details follow below.

1. Overview of disposal

(1)	Disposal date	August 6, 2025
(2)	Type and number of shares to be disposed	60,000 common shares in the Company
(3)	Disposal price per share	2,774 yen per share
(4)	Total disposal amount	166,440,000 yen
(5)	Recipients	Directors of the Company*: 7 persons — 29,000 shares Executive officers of the Company: 9 persons — 9,700 shares Employees of the Company: 87 persons — 21,300 shares *Not including outside directors or directors serving concurrently as Audit and Supervisory Committee members
(6)	Other information	In accordance with Japan's Financial Instruments and Exchange Act, the Company has submitted an extraordinary report regarding this disposal of treasury shares.

2. Purpose and reasons for disposal

During its 60th Annual General Meeting of Shareholders held on June 26, 2023, KOHSOKU received approval for the introduction of a restricted stock compensation plan for its directors (excluding outside directors and directors serving concurrently as Audit and Supervisory Committee members; hereinafter referred to as "eligible directors"). The Company proposed this restricted stock compensation plan to further motivate eligible directors to enhance share price and corporate value and ensure their interests align more closely with those of shareholders by guaranteeing they share in the benefits and risks of share price fluctuations. Under this restricted stock compensation plan, the total amount of annual

monetary compensation claims to be granted to eligible directors was limited to 20 million yen. Additionally, the maximum number of shares to be allotted per fiscal year was set at 5,000, and the transfer restriction period for shares allotted under the plan was set to last from the allotment date until the date upon which the eligible director resigns or retires from all positions with the Company as a director, executive officer, or employee.

During its 62nd Annual General Meeting of Shareholders held on June 25, 2025, the Company received approval to increase the annual cap on monetary compensation for restricted stock awards for eligible directors to 160 million yen and set the annual maximum number of restricted shares allotted to eligible directors at 40,000.

During a meeting held on July 11, 2025, the Company's Board of Directors resolved to grant restricted stock compensation for the period beginning with the Company's 62nd Annual General Meeting of Shareholders and ending with its 63rd, which is scheduled for June 2026. A total of 166,440,000 yen in monetary compensation claims will be granted to seven eligible directors, nine executive officers, and 87 employees (collectively, the "recipients"), who will contribute the full amount of these claims as payment in kind. Through this exchange, 60,000 common shares in the Company will be allocated to the recipients as specifically designated restricted shares. The dilution resulting from this disposal of treasury shares will be 0.31% (rounded to two decimal places) of the 19,494, 251 shares outstanding as of June 30, 2025 (excluding treasury shares). Accordingly, the Company views this dilutive impact as minimal and consistent with the goals of its restricted stock compensation plan.

The amount of monetary compensation claims granted to each recipient has been determined based on a comprehensive evaluation of their contributions to the Company and other relevant factors. The granting of claims shall be contingent upon each recipient concluding a restricted stock allotment agreement (hereinafter, the "allotment agreement") with the Company. Each allotment agreement shall include, in substance, the provisions outlined below.

3. Outline of the restricted stock allotment agreement

(1) Transfer restriction period

From August 6, 2025 (the payment date) until the date upon which the recipient resigns or retires from all positions with the Company as a director, executive officer, or employee (the "transfer restriction period"), the recipient may not dispose of his or her allotted shares ("allotted shares") to any third party, whether through transfer, creation of a pledge, assignment as collateral, gifting inter vivos, bequest, or any other form of disposition.

(2) Acquisition of restricted shares without compensation

If a recipient resigns or retires from all positions with the Company as a director, executive officer, or employee on or after the start date of the transfer restriction period but before the day of the first Annual General Meeting of Shareholders thereafter, the Company shall automatically and without compensation acquire the allotted restricted shares at the time of the recipient's resignation or retirement, unless the Board of Directors identifies a justifiable reason for his or her departure.

When the transfer restriction period expires, if any allocated restricted shares remain subject to transfer restrictions because vesting conditions specified in section (3) below were not satisfied, the Company shall automatically and without compensation acquire such shares immediately upon expiry of the transfer restriction period.

(3) Lifting of transfer restrictions

If a recipient has continuously held a position with the Company as a director, executive officer, or employee from the beginning of the transfer restriction period until the date of the following Annual General Meeting of Shareholders, the Company shall lift the transfer restrictions on all restricted shares held by the recipient upon expiry of the transfer restriction period. However, if the recipient resigns or retires from all such positions prior to the day of the Annual General Meeting of Shareholders for a reason deemed justifiable by its Board of Directors, the Company shall, at the time of such resignation or retirement, lift the transfer restrictions on a number of shares calculated by multiplying (i) the quotient obtained by dividing the number of months served by the recipient from July 2025 through the month including the recipient's departure date by 12, and (ii) the number of allotted restricted shares held by the recipient and rounding the resulting product down to the nearest whole share. Additionally, when recipients who were executive officers or employees with the Company and left their positions due to term expiration or mandatory retirement, the Company shall lift transfer restrictions on all allotted restricted shares held by these recipients.

(4) Provisions regarding the management of shares

All recipients of shares allotted through this restricted stock compensation plan shall open an account with SMBC Nikko Securities Inc. in accordance with methods specified by the Company, into which the allotted shares will be entered or recorded. These allotted shares shall be held and maintained in these accounts until transfer restrictions are lifted.

(5) Handling in cases of organizational restructuring, etc.

If, during the transfer restriction period, (i) a proposal for a corporate reorganization—such as a merger under which the Company is the vanishing entity or a share exchange through which the Company becomes a wholly owned subsidiary—is approved through general meeting of shareholders (or by the Board of Directors if shareholder approval is not required), (ii) this reorganization is to take effect prior to the expiration of the transfer restriction period, and (iii) a recipient of restricted shares is compelled to resign or retire from all positions with the Company as a director, executive officer, or employee as a result of this reorganization, the Company shall, by resolution of the Board of Directors and upon close of business on the business day immediately preceding the effective date of the relevant reorganization, lift transfer restrictions on shares allotted to the recipient under this restricted stock compensation plan. The number of shares to be so released from transfer restrictions shall be calculated by multiplying (i) the number of restricted shares held by the recipient as of the reorganization approval date by (ii) the quotient (capped at a maximum of 1.0) obtained when dividing the number of months

from July 2025 through the month including the reorganization approval date by 12 and rounding the resulting product down to the nearest whole share.

If, following approval of the relevant reorganization, any restricted shares which have not been released from transfer restrictions in accordance with the above provisions remain as of the business day immediately preceding the effective date of the relevant reorganization, the Company shall automatically and without compensation acquire all these shares effective as of the same day.

4. Basis for calculation of the payment amount and specific details thereof

To eliminate any potential arbitrariness or subjectivity in pricing for this disposal of treasury shares as restricted stock compensation, the Company has set a fixed disposal price of 2,774 yen per share, the closing price of common shares in the Company on the Tokyo Stock Exchange as of the business day immediately preceding the date upon which the Company's Board of Directors approved the resolution for this disposal of shares (July 10, 2025). This price reflects the market value prevailing immediately before the resolution; accordingly, the Company has determined this price to be reasonable and not unduly favorable to recipients.