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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

KOURAKUEN CORPORATION (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it has resolved to dispose of treasury shares (hereinafter the “Treasury Share Disposal”) as restricted stock compensation. The details are described below.

1. Outline of the disposal

(1) Disposal Date	July 17, 2026
(2) Class and Number of Shares to be Disposed	Common shares of the Company: 14,000 shares
(3) Intended Disposal Destination	Seven (7) directors* of the Company: 14,000 shares * Excluding outside directors
(4) Disposal price and total Disposal amount	The Treasury Share Disposal is to be granted without consideration as compensation, etc. for directors (Article 202-2 of the Companies Act). The total Disposal amount is based on a fair valuation calculated by multiplying the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors’ resolution held today (June 17, 2026) (1,083 yen) by the number of shares to be Disposal as described above (15,162,000 yen).
(5) Other	The Disposal of Treasury Shares does not require the submission of a securities registration statement under the Financial Instruments and Exchange Act.

2. Purpose and reason for the disposal

At a meeting of the Board of Directors held on May 13, 2026, the Company resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”) as a new compensation system for the Company’s directors (excluding outside directors; hereinafter “Eligible Directors”). The purpose is to provide incentives to Eligible Directors to promote the sustainable enhancement of the Company’s corporate value and to further share value with shareholders.

In addition, the following matters have been approved at the 56th Annual General Meeting of Shareholders held on June 18, 2026: under the plan, (1) Eligible Directors shall, pursuant to a resolution of the Company’s Board of Directors, either (i) receive the issuance or disposal of the Company’s common shares (restricted stock), without requiring monetary payment or other

consideration in exchange for the shares to be issued, as compensation for the execution of their duties as directors (hereinafter “Free Grant Method”), or (ii) receive the issuance or disposal of the Company’s common shares (restricted stock) by contributing all of the monetary compensation claims provided by the Company as property contributed in kind (hereinafter “In-kind Contribution Method”), (2) the total number of common shares of the Company to be issued or disposed of through the Free Grant Method or the In-kind Contribution Method shall be no more than 30,000 shares per director (excluding outside directors) per year (however, in the event of a stock split of the Company’s common shares (including the allotment of the Company’s common shares without consideration) or stock consolidation of such shares or other circumstances where an adjustment of the total number of the Company’s common shares to be issued or disposed of as restricted stock is necessary, the total number of such shares will be adjusted within a reasonable range), (3) the total amount of common shares of the Company to be issued or disposed of for granting restricted stock shall be separate from the existing monetary compensation limit and a maximum of 30 million yen per director (excluding outside directors) per year, including both the Free Grant Method and the In-kind Contribution Method (in the case of (i) the Free Grant Method, although no monetary payment is required for the grant of restricted stock, the compensation amount for the Eligible Directors shall be calculated per share based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution concerning the restricted stock grant (if no trading occurs on that day, the closing price on the most recent trading day prior to that), and in the case of (ii) the In-kind Contribution Method, the payment amount per share shall be determined by the Board of Directors within a range that is not particularly favorable to the Eligible Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution concerning the restricted stock grant (if no trading occurs on that day, the closing price on the most recent trading day prior to that)), and (4) when issuing or disposing of the Company’s common shares under this, a restricted stock allocation agreement shall be concluded between the Company and the Eligible Directors, which shall include the following:

- (i) The Eligible Directors shall not transfer, establish a security interest on, or otherwise dispose of the Company’s common shares allocated during the period from the date of grant of the restricted stock until the date on which the Eligible Director loses the position of director of the Company or any other position designated by the Company’s Board of Directors.
- (ii) The Company may acquire such common shares without compensation under certain circumstances.

Taking into consideration the purpose of the Plan, the Company’s financial results, the scope of duties of each scheduled allottee, and other relevant circumstances, the Company has resolved, pursuant to the Plan and based on a resolution at the meeting of the Company’s Board of Directors held today, to grant a total of 14,000 shares of the Company’s common shares to seven (7) directors (hereinafter “Directors Eligible for Allocation”) through Free Grant Method, as compensation for the execution of their duties as directors.

< Outline of the restricted stock allocation agreement >

The Company and Directors Eligible for Allocation will each enter into a restricted stock allocation agreement (hereinafter the “Allocation Agreement”), the outline of which is as follows.

(1) Transfer restriction period

The Directors Eligible for Allocation shall not transfer, establish a security interest on, or otherwise dispose of the allocated shares during the period from July 17, 2026 (date of allocation) until the date on which the Director Eligible for Allocation loses the position of director of the Company.

(2) Conditions for lifting of transfer restrictions

The transfer restrictions on all the allocated shares shall be lifted upon the expiration of the transfer restriction period, on the condition that the Director Eligible for Allocation has continuously held a position of director during the period from July 17, 2026 (date of allocation) until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027 (hereinafter “Service Provision Period”). However, if a Director Eligible for Allocation loses the position of director during the Service Provision Period due to death or any other reason deemed valid by the Company’s Board of Directors, the transfer restrictions on all the allocated shares shall be lifted upon the expiration of the transfer restriction period.

(3) Acquisition by the Company without consideration

The Company shall automatically acquire, without consideration, any allocated shares for which the transfer restriction has not been lifted upon the expiration of the transfer restriction period or at any other time specified in the agreement.

(4) Management of shares

During the transfer restriction period, the allocated shares will be managed in a dedicated account opened by Directors Eligible for Allocation at Daiwa Securities Co. Ltd., in order to ensure that the Directors Eligible for Allocation cannot transfer, establish a security interest on, or otherwise dispose of such shares.

(5) Treatment in organizational restructuring, etc.

If, during the transfer restriction period, matters relating to a merger agreement under which the Company will become a dissolving company, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or other organizational restructuring, etc., are approved at the Company's Annual General Meeting of Shareholders (or by a resolution of the Board of Directors if shareholder approval is not required for such organizational restructuring, etc.), then, pursuant to a resolution of the Board of Directors, the transfer restrictions of all the allocated shares shall be lifted immediately prior to the business day preceding the effective date of such organizational restructuring, etc.