

January 28, 2026

Company name: H.I.S. Co., Ltd.
Name of representative: Sawada Hidetaka, President
(Securities code: 9603; Prime Market)
Inquiries: Akao Shohei, Executive Officer
General Manager of Human Resources
(Telephone: +81-50-1746-4188)
(Mail: his-ir@his-world.com)

Notice of Disposal of Treasury Shares as Restricted Stock Compensations

The Board of Directors of H.I.S. Co., Ltd. (the "Company") resolved as described below the disposal of treasury shares as restricted stock compensation (the "Disposal of Own Shares" or the "Disposal") at today's board meeting.

1. Summary of the disposal

(1) Disposal date	February 26, 2026
(2) Class and number of shares to be disposed	27,478 shares of common stock of the Company
(3) Disposal price	JPY 1,292 per share
(4) Total value of shares to be disposed	JPY 35,501,576
(5) Method of subscription or allotment	Method of allotting specified restricted stock
(6) Method of Performance of contributions	Contribution of monetary compensation claim in kind
(7) Allottees and numbers of allottees and shares	Directors of the Company (excluding directors who are Audit and Supervisory Committee members and outside directors) : 6 Directors, 27,478 shares

2. Purpose & reasons for disposal

The Company's Board of Directors resolved on January 25, 2018 to introduce a transfer-restricted stock compensation plan (the "Plan") for the purpose of providing the Company's directors (excluding directors who are members of the Audit Committee and outside directors; (the "Subject Directors")) with incentives to continuously improve the Company's corporate value and to promote further value sharing between the Subject Directors and shareholders.

A summary of the plan is as follows.

The total amount of monetary compensation claims to be paid to the Subject Directors under the Plan shall be paid as in-kind assets and common shares of this company shall be issued or disposed of to them. The total amount of monetary compensation claims to be paid to the Subject Directors under the Plan shall be no more than 100 million yen per year (not including the employee salary for Directors who concurrently serve as employees), and the specific timing and allocation of payment to each Subject Director shall be determined by the Board of Directors.

The total number of shares of common stock to be issued or disposed of to Subject Directors by the Company

under this plan shall not exceed 100,000 shares per year. The amount to be paid per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board resolution (if no transaction is executed on that date, the closing price on the immediately preceding trading day).

In addition, upon the issuance or disposal of shares of common stock of the Company under the Plan, the Company shall enter into a Transfer-Restricted Share Allotment Agreement between the Company and the Subject Directors, which shall include, among other things: (1) The Subject Directors shall not transfer, grant a security interest in, or otherwise dispose of the shares of common stock of the Company allocated under that Restricted Share Allotment Agreement for a certain period, and (2) If certain grounds arise, the Company shall acquire said shares of common stock without compensation.

Now, taking into consideration the purpose of the Plan, the Company's business performance, the scope of each subject director's responsibilities, and various circumstances, the Company has decided to grant a total of 35,501,576 yen in monetary compensation claims ("Monetary Compensation Claims"), a total of 27,478 shares of common stock of the Company (the "Shares"). Also, in order to achieve the purposes of introducing the Plan, namely to provide incentives to continuously increase corporate value and share shareholder value, the restriction period for transfers is set to 30 years.

In disposing treasury shares, the six Subject Directors who are scheduled to receive allotment shall be paid all of the Monetary Compensation Claims against the Company as contribution in-kind in accordance with this plan by disposing of the Shares to them.

3. Summary of a Restricted Share Allotment Agreement

The Company and each of the Subject Directors will individually execute a restricted-transfer stock allotment agreement (the "Allotment Agreement"), a summary of which is as follows.

(1) Transfer restriction period

February 26, 2026, until February 25, 2056

(2) Conditions for Lifting of the Transfer Restrictions

In principle, the Company shall lift the restriction on transfer of all of the Shares allotted under the Allotment Agreement upon the expiration of the Restriction Period, provided that the Subject Directors have continuously held the position of director of the Company during the restriction period.

However, if a Subject Director retires from the position of Director of the Company due to death, expiration of term of office, retirement or other justifiable reason, the restriction on transfer shall be lifted immediately following such retirement with respect to the number of shares determined by dividing the number of months from the month that includes the date of disposal to the month that includes the date of such retirement by 12 (however, if the calculation results in a fraction exceeding 1, the number shall be 1) and multiplying by the number of shares (however, if the calculation results in a fraction less than one share, such fraction shall be truncated).

(3) Gratis acquisition by the Company

After the expiration of the transfer restriction period, the Company shall justifiably acquire at no cost all Allotted Shares for which transfer restrictions have not been lifted as of the time of said expiration.

(4) Management of shares

In order to ensure that shares cannot be transferred, mortgaged, or otherwise disposed of during the transfer restriction period, the shares are managed in dedicated accounts opened by the Subject Directors at Nomura Securities Co., Ltd. In order to ensure the effectiveness of the transfer restrictions etc. for these shares, the Company and the Subject Directors have entered into an agreement with Nomura Securities Co., Ltd. concerning the management of the account for the shares held by each Subject Director.

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

Notwithstanding the provisions of (1) above, in the event that, during this transfer restriction period, a merger agreement under which the Company will cease to exist, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or other matters relating to organizational restructuring, etc. are resolved at a general shareholders meeting of the Company (however, in the event that the Company's general shareholders meeting is not required to approve said organizational restructuring, the Board of Directors of the Company), the Company, by resolution of its Board of Directors may, as of the business day immediately preceding the date on which the reorganization takes effect, lift the transfer restriction on the number of shares determined by dividing the number of months from the month that includes the date of disposal to the month that includes the date of such approval by 12 (however, if the calculation results in a fraction exceeding 1, the number shall be 1) and multiplying by the number of shares that the Director concerned holds on the date on which the reorganization is resolved (however, if the calculation results in a fraction less than one share, such fraction shall be truncated). Furthermore, in the cases provided for above, immediately after transfer restrictions are lifted, the Company shall justifiably acquire without compensation any shares for which the transfer restrictions have not been lifted.

4. Basis of calculation of the amount to be paid in for shares

The disposal of treasury stock to the planned allottee will be handled as contributed assets with monetary compensation claims paid as transfer-restricted stock for the Company's fiscal year ending October 2026 under the plan. To avoid arbitrary pricing, the disposal price for the disposal of treasury shares shall be set at 1,292 yen, which is the closing price of a share of the Company's common stock on the Tokyo Stock Exchange on January 27, 2026, the business day immediately before the Board of Directors resolved. This is the market share price immediately prior to the date of the resolution, and the Company believes that it is reasonable and a not particularly advantageous price.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
