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Notice regarding Disposal of Treasury Stock as Restricted Stock Compensation

Hosiden Corporation (the “Company”) hereby announces that it has resolved to dispose of its treasury stock as Restricted Stock Compensation (“Disposal of Treasury Stock”) at the meeting of the board of directors held on June 25, 2026, the details are described below.

1. Outline of Disposal of Treasury Stock

(1) Disposal date	July 24, 2026
(2) Class and number of shares to be disposed	5,859 shares of common stock of the Company
(3) Disposal price	2,730 Japanese yen per share
(4) Total value of share disposal	15,995,070 Japanese yen
(5) Allottees and number thereof, number of shares to be disposed	Directors: 3, 5,859 shares

2. Purpose and reasons for Disposal

At the Board of Directors meeting held on February 4, 2022, the Company resolved to introduce a new compensation plan— a restricted stock compensation plan (hereinafter referred to as the “ Plan ”)— for directors of the company (excluding outside directors, including those who may be appointed in the future; hereinafter referred to as the “ Eligible Directors ”), with the aim of providing incentives for continuous improvement of the company's corporate value and promoting greater value-sharing with shareholders. The details of the Plan were subsequently resolved at the Board of Directors meeting held on May 13, 2022.

Furthermore, at the 72nd Annual General Meeting of Shareholders held on June 29, 2022, the shareholders approved the following under the Plan:

- The granting of monetary compensation claims up to a maximum of 30 million yen per year to Eligible Directors, in addition to the existing compensation framework;

- The total number of shares of common stock to be issued or disposed of under the Plan shall not exceed 50,000 shares per year;
- The transfer restriction period for the restricted stock shall continue from the date of grant until the day the Eligible Director loses their position as a company director.

<Outline of the Plan>

Eligible Directors will pay all monetary remuneration claims to be paid to them by the Company under the Plan in the form of property contributed in kind, and will, in return, receive common shares of the Company issued or disposed of by the Company. The total number of common shares issued or disposed of under the Plan shall be equivalent to the value of up to 30 million yen per year. The per-share issue price shall be based on 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 resolution (or the most recent trading day prior thereto if there is no trading on that day), and shall not be particularly favorable to any Eligible Director.

Eligible Directors receiving shares under the Plan shall enter into a restricted stock allocation agreement with the Company, which shall include the following terms:

- 1) The Eligible Director shall not transfer, pledge, or otherwise dispose of the allocated shares for a predetermined period.
- 2) If certain events occur, the Company may acquire the shares free of charge.
- 3) If the Board determines that a serious legal violation or other specified event occurred during the Eligible Director's tenure, a clawback shall be implemented (i.e., return of the shares after the transfer restriction is lifted or the equivalent monetary amount if the shares are no longer held).

Taking into consideration the purpose of the Plan, the Company's performance, the responsibilities of each Eligible Director, and other relevant factors, the Board of Directors resolved at the meeting held today to grant a total of 15,995,070 yen in monetary compensation claims to three directors. These claims will be contributed in kind in exchange for the issuance of 5,859 shares of common stock of the Company (hereinafter, the "Allocated Shares"), at a per-share value of 2,730 yen.

<Outline of the Restricted Stock Allocation Agreement>

Each Eligible Director shall individually enter into a restricted stock allocation agreement (hereinafter, the "Agreement") with the Company. The key terms of the Agreement are as follows:

1) Transfer Restriction Period

The Allocated Shares may not be transferred, pledged, or otherwise disposed of by the Eligible Directors during the period commencing on July 24, 2026 (the payment date), and ending on the date on which the director is no longer serving as a director of the Company; provided, however, that if such date falls prior to the submission date of the Company's semi-annual securities report for the fiscal year 2026, the restriction shall remain in effect until such submission date.

2) Lifting of Transfer Restrictions

Provided the Eligible Director remains in office from July 24, 2026, through the conclusion of the Annual General Meeting for the fiscal year ending March 2027 (the “ Service Period ”), all Allocated Shares will be released from transfer restrictions upon expiry of the restriction period. If the Eligible Director loses their position due to death or any other reason deemed legitimate by the Board of Directors during the Service Period, the transfer restrictions shall be lifted the day after such cessation with respect to a number of allocated shares calculated by multiplying the total allocated shares by a fraction obtained by dividing the number of months from July 2026 through the month including the cessation date by 12; provided, however, that if this fraction exceeds 1, it shall be deemed as 1, and any fractional shares less than one resulting from the calculation shall be rounded down.

3) Acquisition Without Consideration by the Company

Any shares not released from transfer restrictions at the end of the restriction period will be automatically acquired by the company without consideration.

4) Claw back Clause

If the Board determines that serious legal violations or other designated events occurred during the director ’ s tenure, a claw back will be enforced (return of shares or an equivalent monetary amount if shares are no longer held).

5) Administration of shares

To ensure that the Allocated Shares shall not be transferred, pledged, or disposed of during the transfer restriction period, the Allocated Shares shall be administered in a dedicated account at Daiwa Securities Co. Ltd., to be opened by the Eligible Directors during the transfer restricted period.

6) Treatment in Organizational Restructuring

If, during the restriction period, a merger (in which the company is the disappearing entity), share exchange, share transfer, or other restructuring involving the company is approved at a general meeting (or by the Board if such meeting is not required), a portion of the Allocated Shares (pro rata to the months from July 2026 to the month of the effective date) will have their transfer restrictions lifted immediately before the effective date of the restructuring.

3. Basis for Calculation and Specific Details of Payment Amount

The disposal of treasury shares under this Plan is based on monetary compensation claims granted under the Plan being contributed in kind. To ensure objectivity, the payment amount per share is set at 2,730 yen, the closing price of the company ’ s common shares on the Tokyo Stock Exchange on June 24, 2026 (the business day immediately preceding the date of the resolution by the meeting of the board of directors).

This value reflects the market price immediately preceding the resolution and is deemed reasonable, not particularly favorable to the Eligible Directors, and appropriately reflective of the company ’ s corporate value.