

March 27, 2025

News Release

KITZ CORPORATION

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Tokyo Stock Exchange Prime Market (6498)

Notice Concerning Disposal of Treasury Shares as Restricted Share Awards under the Restricted Share and Post-Delivery Performance-Linked Share Award Plans for Directors, Senior Executive Officers, and Executive Officers

KITZ Corporation (the “Company”) hereby announces that it was resolved at today's Board of Directors meeting to dispose of treasury shares as restricted share awards under the Restricted Share and Post-Delivery Performance-Linked Share Award Plans (hereinafter referred to as the “Treasury Share Disposal”). The details are provided below.

1. Overview of the disposal

(1) Payment date	April 24, 2025
(2) Class and number of shares to be disposed	Common shares of the Company: 87,099 shares
(3) Disposal price	1,234 yen per share
(4) Total disposal amount	107,480,166 yen
(5) Allottee(s)	9 Directors* ¹ : 37,332 shares 6 Senior Executive Officers* ² : 37,948 shares 7 Executive Officers: 11,819 shares * ¹ Excluding those concurrently serving as Senior Executive Officers * ² Including those concurrently serving as Directors
(6) Other	An Extraordinary Report under the Financial Instruments and Exchange Act has been filed regarding this disposal of treasury shares.

2. Purpose of and reasons for disposal

At the Board of Directors meeting held on February 10, 2022, the Company resolved to introduce the Restricted Share Award Plan (“Plan I”) and the Post-Delivery Performance-Linked Share Award Plan (“Plan II,” collectively referred to as “the Plans”) as new share award systems for its Directors (excluding Outside Directors), including those elected in the future. The purpose of these plans is to incentivize the continuous enhancement of the Group's corporate value and strengthen alignment with shareholder interests. In conjunction with the transition to a company with a nominating committee, etc., as resolved at the 110th Ordinary General Meeting of Shareholders, the Company's Compensation Committee has reintroduced equivalent plans. In reintroducing the Plans, Plan I was revised to include Outside Directors as eligible recipients, thereby expanding the scope to encompass all Directors, Senior Executive Officers, and Executive Officers of the Company (hereinafter referred to as “Eligible Persons”).

<Overview of Plan I>

Under Plan I, the Board of Directors will determine the amount paid per share of the Company's common shares issued or disposed of to Eligible Persons based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the resolution date (the closing price from the most recent prior trading day if no trading occurred on that day). The amount will be set within a range that ensures no special benefit to eligible recipients of the allocation.

A Restricted Share Allocation Agreement (“Allocation Agreement I”) will also be executed between the Company and the eligible recipients of the allocation for the issuance or disposal of the Company's

common shares under Plan I with terms including:

- (1) The allocated shares cannot be transferred, pledged, or otherwise disposed of during a predetermined period.
- (2) The Company will acquire the shares without consideration if certain circumstances arise.

<Overview of Plan II>

Plan II is a performance-linked share award plan where share awards are granted to eligible Directors and Executive Officers (hereinafter referred to as “Eligible Officers,” after transitioning to a company with a nominating committee, etc., this refers to Senior Executive Officers or Executive Officers; the same applies hereinafter). Share awards are calculated based on performance indicators (“Performance Indicators”), which are separately determined by the Board of Directors (or the Compensation Committee for Senior Executive Officers or the Board of Senior Executive Officers for Executive Officers after the transition to a company with a nominating committee, etc.; the same applies hereinafter) during a specified period (the “Evaluation Period”). Specifically, this performance-linked share award plan grants Eligible Officers shares of the Company’s common shares as part of their compensation. The number of shares is calculated based on Performance Indicators during the Evaluation Period, using a formula separately determined by the Board of Directors.

A Restricted Share Allocation Agreement (“Allocation Agreement II”) will also be executed between the Company and the Eligible Officers of the allocation for the issuance or disposal of the Company’s common shares under Plan II with terms including:

- (1) Eligible Officers shall not transfer, pledge, or otherwise dispose of the Company’s common shares allocated to them under Allocation Agreement II from the date of allocation until the day they cease to hold their position as a Director or any other position determined by the Company’s Board of Directors.
- (2) The Company will acquire the shares without consideration if certain circumstances arise.

As resolved at the Board of Directors meeting held today, (i) Under Plan I, the Company will allocate a total of 66,709 shares of its common shares (hereinafter referred to as “Allocated Shares I”) to 9 Directors (excluding those concurrently serving as Senior Executive Officers; the same applies hereinafter), 6 Senior Executive Officers (including those concurrently serving as Directors; the same applies hereinafter), and 7 Executive Officers (hereinafter collectively referred to as “Allocation Recipients I”). This allocation is carried out through a contribution in kind, using monetary compensation claims totaling 82,318,906 yen (with 1,234 yen per share as the amount contributed in exchange for each share), taking into account the purpose of Plan I, the Company’s performance, the scope of responsibilities of each recipient, and other relevant factors. (ii) Under Plan II, the Company will allocate a total of 20,390 shares of its common shares (hereinafter referred to as “Allocated Shares II”) to 2 Directors, 5 Senior Executive Officers, and 7 Executive Officers (hereinafter collectively referred to as “Allocation Recipients II”). This allocation, valued at a total monetary compensation claim of 25,161,260 yen, is based on the achievement of last year’s performance targets. (The recipients of Allocated Shares I and Allocated Shares II are collectively referred to as “Allocation Recipients,” and the shares granted to them are collectively referred to as “Allocated Shares.”)

The Allocation Recipients will fully pay the monetary compensation claims as contributions in kind and subscribe to the Allocated Shares.

<Overview of Allocation Agreement I and Allocation Agreement II>

The Company and the Allocation Recipients will individually enter into Restricted Share Allocation Agreements, the key details of which are outlined below:

(1) Transfer restriction period

Allocation Recipients are prohibited from transferring, pledging, or otherwise disposing of the Allocated Shares from April 24, 2025 (payment date), until they cease to hold any position as a Director, Senior Executive Officer, or Executive Officer of the Company.

(2) Conditions for lifting of transfer restriction

(i) Allocation Agreement I

For Allocation Recipients I, if they continuously hold any of the positions of Director, Senior Executive Officer, or Executive Officer of the Company (“Eligible Position”) during the period from April 24, 2025 (payment date), to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending December 2025 (or from January 1, 2025 to December 31, 2025 in the case of Senior Executive Officers and Executive Officers; hereinafter collectively referred to as Service Provision Period), transfer restrictions on all Allocated Shares I will be lifted upon the expiration of the transfer restriction period. However, if they lose their Eligible Position during the Service Provision Period due to death, expiration of their term, or other reasons deemed valid by the

Compensation Committee (or the Board of Senior Executive Officers for Executive Officers), the transfer restrictions will be lifted upon the expiration of the transfer restriction period for the number of Allocated Shares I calculated by multiplying the total number of Allocated Shares I by a fraction. This fraction is determined by dividing the number of months from April 2025 (or January 2025 in the case of Senior Executive Officers or Executive Officers) to the month including the date of loss by 12 (with a maximum value of 1). Any fractional shares resulting from this calculation will be rounded down.

(ii) Allocation Agreement II

For Allocation Recipients II, if they continuously hold an Eligible Position throughout the transfer restriction period, transfer restrictions on all Allocated Shares II will be lifted upon the expiration of the transfer restriction period. However, if the transfer restriction period ends before the filing date of the Company's semi-annual report for the fiscal year 2025, the transfer restrictions will be lifted on the day following the filing date of the Company's semi-annual report for the fiscal year 2025, unless they lose their Eligible Position due to death, expiration of their term, or other reasons deemed valid by the Compensation Committee (or the Board of Senior Executive Officers for Executive Officers).

(3) Acquisition by the Company without consideration

The Company shall acquire without consideration any Allocated Shares for which transfer restrictions have not been lifted upon the expiration of the transfer restriction period or at other specified times as stipulated in the agreement.

(4) Share management

To prevent the transfer, pledge, or other disposal of the Allocated Shares during the transfer restriction period, the shares will be managed in a dedicated account opened by the recipients at Daiwa Securities Co., Ltd.

(5) Handling of organizational restructuring

(i) Allocation Agreement I

If, during the transfer restriction period, matters such as a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring matters are approved by the General Meeting of Shareholders (or the Board of Directors if approval by the General Meeting of Shareholders is not required), the Board of Directors may resolve to lift transfer restrictions. The transfer restrictions will be lifted as of the time immediately prior to the close of business on the business day preceding the effective date of such organizational restructuring for the number of Allocated Shares I, calculated by multiplying the total number of Allocated Shares I by a fraction. This fraction is determined by dividing the number of months from April 2025 (or January 2025 in the case of Senior Executive Officers or Executive Officers) to the month including the effective date of the restructuring by 12 (with a maximum value of 1). Any fractional shares resulting from this calculation will be rounded down.

(ii) Allocation Agreement II

If, during the transfer restriction period, matters such as a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring matters are approved by the General Meeting of Shareholders (or the Board of Directors if approval by the General Meeting of Shareholders is not required), the Board of Directors may resolve to lift transfer restrictions on all Allocated Shares II as of the time immediately prior to the close of business on the business day preceding the effective date of such organizational restructuring.

3. Basis and specific details for calculating the amount to be paid in

The Treasury Share Disposal will be conducted using monetary compensation claims granted to the allottees under the Plans as contributions in kind. The payment amount is set at 1,234 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on March 26, 2025 (the business day prior to the date of the Board of Directors resolution), to ensure the elimination of arbitrariness. This represents the market share price immediately prior to the date of the Board of Directors' resolution. In the absence of special circumstances suggesting the unreliability of the most recent share price, the Company considers this to be a reasonable valuation. It appropriately reflects the Company's corporate value and does not confer any undue advantage on the allottees.