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News Release

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Notice of Disposal of Treasury Shares Through Restricted Stock Incentive Plan for Employees

On June 25, 2025, Asahi Kogyosha Co., Ltd. (“Company” hereinafter) announced the introduction of a restricted stock incentive plan (“Plan” hereinafter) for employees, under which employees will acquire restricted stock in the Company via the Employee Shareholding Association. At today’s meeting, the Company Board of Directors resolved to dispose of treasury shares to the Employee Shareholding Association as restricted share compensation under this Plan (“disposal” hereinafter), as summarized below.

Details

1. Overview of disposal

(1)	Date of disposal	November 28, 2025
(2)	Class and number of shares to be disposed of	108,200 shares of Company common stock *
(3)	Disposal price	2,778 yen/share
(4)	Total disposal amount	300,579,600 yen *
(5)	Method (planned assignees) of disposal	The Employee Shareholding Association will ask to accept shares by third-party allotment. Shares will be allotted to the Employee Shareholding Association in the number of shares requested, not to exceed the number of shares to be disposed of under (2) above. (The number of shares allotted in this way will be the number of shares disposed of.) (Asahi Kogyosha Employee Shareholding Association: 108,200 shares) Requests for partial allotment of the number of shares to be allotted will not be accepted from individual eligible employees (defined below).
(6)	Other matters	An extraordinary report pursuant to the Financial Instruments and Exchange Act has been submitted regarding this disposal.

* The number of shares to be disposed of and the total disposal amount assume an allotment of 100 shares of Company common stock to each of the maximum number of permanent full-time employees at the Company

and at subsidiaries who are eligible for the Plan, or 1,082 persons. The actual number of shares to be disposed of and total disposal amount will be finalized based on the number of permanent full-time employees at the Company and at subsidiaries who consent to participation in the Plan, following measures to encourage employees who are not members of the Employee Shareholding Association to join and confirmation of the consent of Employee Shareholding Association members to participate in the Plan (1,082 persons at most). Specifically, as described under (5) above, the number of shares requested by the Employee Shareholding Association will be the number of shares to be disposed of, while the total disposal amount will be the amount obtained by multiplying that number by the disposal price per share. The Company or subsidiary will pay to each eligible employee a uniform monetary claim of 277,800 yen. The Company will allot to each eligible employee a uniform number of 100 shares through the Employee Shareholding Association.

2. Purpose of and reasons for disposal

As announced in the June 25, 2025 news release, “Notice of Introduction of Restricted Stock Incentive Plan for Employees,” the Company introduced this Plan to enhance the welfare of eligible employees at the Company and subsidiaries who are members of the Employee Shareholding Association. The purpose of the Plan is to support eligible employees in building their assets by enabling them to acquire restricted common stock in the Company via the Employee Shareholding Association. In addition, the Plan is intended to motivate employees to contribute to the sustainable enhancement of the Company’s corporate value and to promote further value-sharing with shareholders.

A summary of the Plan and other information is provided below.

[Plan summary and other information]

Under the Plan, the Company and subsidiaries will pay to an eligible employee a monetary claim as a special incentive allotted as 100 transfer-restricted shares per person (“Special Contribution” hereinafter); the eligible employee will then contribute the Special Contribution to the Employee Shareholding Association. The Employee Shareholding Association will receive issuance or disposal of Company common stock as transfer-restricted shares through investments in kind in the Company of the Special Contributions contributed by eligible employees.

When new shares of Company common stock under this Plan are issued or shares are disposed of, the amount paid per share of common stock will be determined by the Board of Directors to avoid conferring undue advantages to the Employee Shareholding Association (and, by extension, to the eligible employees), based on the closing price of Company common stock on the Tokyo Stock Exchange Prime Market on the trading day immediately preceding the date of each Board of Directors resolution regarding such issuance or disposal (or, if no trades occurred on that date, the most recent date on which a trade took place).

For the issuance or disposal of Company common stock through the Plan, the Company and the Employee Shareholding Association will conclude an agreement on the allotment of transfer-restricted shares. This agreement will include provisions (1) prohibiting the transfer, pledge, or other disposal of allotted shares to any third party during a certain period of time (“transfer restrictions” hereinafter) and (2) allowing the

Company to acquire allotted shares *gratis* under certain conditions. In addition, the payment of the Special Contribution to eligible employees shall be conditional on the conclusion between the Company and the Employee Shareholding Association of such an agreement concerning the allotment of transfer-restricted shares.

During the period and until the transfer restrictions are lifted, withdrawal by eligible employees of the transfer-restricted shares that they hold (“restricted shareholdings” hereinafter) in exchange for their monetary claims contributed to the Employee Shareholding Association based on the Employee Shareholding Association’s membership regulations and detailed operating procedures (“Employee Shareholding Association Regulations” hereinafter)* shall be restricted.

* Plans call for the Employee Shareholding Association, in a meeting of the Employee Shareholding Association board of trustees to be held immediately after the Board of Directors resolution on this Disposal and prior to the receipt of this Disposal, to decide on amendments to the Employee Shareholding Association Regulations in accordance with this Plan. Plans call for such amendments to take effect when two weeks have passed since the issuance of a notification thereof to Employee Shareholding Association members pursuant to the Employee Shareholding Association Regulations, as long as fewer than one-third of Employee Shareholding Association members objects to the amendments.

In this Disposal under the Plan, the Employee Shareholding Association, as the planned recipient of the allotment, will pay the entire Special Contribution contributed by eligible employees as in-kind investment assets. The shares of Company common stock (“Shares Allotted” hereinafter) will be disposed of by allotment to the Employee Shareholding Association. The agreement on the allotment of transfer-restricted shares to be concluded between the Company and the Employee Shareholding Association for the purposes of this Disposal (“Allotment Agreement” hereinafter) will be as described under “3. Summary of the Allotment Agreement ” below. As described in the footnote to “1” above, the number of shares to be disposed of through this Disposal will be finalized at a later date. Plans call, however, for this number to be 108,200 shares in the event that the maximum number of Company and subsidiary employees who may be eligible for the Plan (1,082 persons) joins the Employee Shareholding Association and consents to participate in the Plan. Assuming this maximum value, the extent of the dilution of shares implemented through this Disposal would be 0.40% of the total number of 27,200,000 shares issued and outstanding as of March 31, 2025 (percentages are rounded to two decimal points hereinafter) and 0.42% of the total number of 257,272 voting rights extant as of March 31, 2025.

As a measure intended to improve the welfare of eligible employees implemented in commemoration of the Company’s 100th anniversary, the adoption of this Plan is intended to contribute to asset-building by eligible employees by creating opportunities for them to acquire Company common stock issued or disposed of by the Company through the Employee Shareholding Association as transfer-restricted shares. At the same time, the Plan is intended to strengthen a sense of participation in management among individual employees as stakeholders responsible for achieving sustained growth in the Company’s corporate value. The Plan is intended to help strengthen the Company’s corporate value; the number of shares to be disposed of and the

scale of the dilution of shares in this Disposal are deemed reasonable; and the market effect of such dilution is expected to be minor.

Implementation of this Disposal is conditional on the amended Employee Shareholding Association Regulations taking effect by the day before the disposal date of this Disposal and the Company and the Employee Shareholding Association concluding the Allotment Agreement during the designated period.

3. Summary of the Allotment Agreement

(1) Transfer-restricted period: November 28, 2025 through April 30, 2029

(2) Conditions for lifting of transfer restrictions

Upon the end of the transfer-restricted period, the transfer restrictions shall be lifted for all Shares Allotted in the number corresponding to restricted shareholdings owned by an eligible employee who satisfies the condition of having been a member of the Employee Shareholding Association continuously during the transfer-restricted period.

(3) Handling upon withdrawal from the Employee Shareholding Association

If an eligible employee withdraws from membership in the Employee Shareholding Association (referring to loss of eligibility as a member or withdrawal request, including withdrawal due to death) during the transfer-restricted period because he or she reaches retirement age or for other valid reasons, the Company shall lift the transfer restrictions for all Shares Allotted in the number corresponding to restricted shareholdings owned by the eligible employee as of the date on which the Employee Shareholding Association receives the request for withdrawal of the eligible employee (or, in cases involving loss of eligibility as member or the date of death in cases involving the death of the member, the date of loss of eligibility; “date of receipt of withdrawal request” hereinafter).

(4) Handling of nonresidents

During the transfer-restricted period, if the Company or a subsidiary makes a decision that would result in an eligible employee becoming a nonresident of Japan due to transfer overseas or other reasons, the transfer restrictions shall be lifted for all Shares Allotted in the number corresponding to restricted shareholdings owned by the eligible employee as of the date of such decision (“date of decision on overseas transfer, etc.” hereinafter) as of the date of decision on overseas transfer, etc.

(5) *Gratis* acquisition by the Company

If during the transfer-restricted period an eligible employee acts in violation of laws and regulations or comes to meet any of the other conditions stipulated in the Allotment Agreement, the Company shall duly acquire *gratis* all Shares Allotted corresponding to the number of restricted shareholdings owned by the eligible employee as that time. In addition, the Company shall duly acquire *gratis* any Shares Allotted for which the transfer restrictions are not lifted at the end of the transfer-restricted period or at the time of the lifting of transfer restrictions described under “(3)” or “(4)” above.

(6) Share management

During the transfer-restricted period, the Shares Allotted shall be managed in a dedicated account opened by the Employee Shareholding Association with Nomura Securities, preventing their transfer, pledge, or other disposal. In addition, in accordance with the provisions of the Employee Shareholding Association Regulations, the Employee Shareholding Association shall register and manage restricted shareholdings apart from other Employee Shareholding Association member shareholdings owned by the eligible employees (“ordinary holdings” hereinafter).

(7) Handling in reorganization, etc.

During the transfer-restricted period, should a Company General Meeting of Shareholders (or the Company Board of Directors, in the case of a reorganization not requiring approval at a Company General Meeting of Shareholders) approve a merger agreement in which the Company is the extinguished company, a stock swap agreement or stock transfer plan that would make the Company a wholly-owned subsidiary, or similar reorganization, the transfer restrictions shall be lifted by the resolution of the Board of Directors as of the business day preceding the effective date of such reorganization for all Shares Allotted in the number corresponding to restricted shareholdings owned by eligible employees among Shares Allotted held by the Employee Shareholding Association as of the date of such approval.

4. Basis for calculating payment amount and associated specifics

This Disposal of shares to the Employee Shareholding Association as the planned recipient of allocation shall be implemented through contributions to the Employee Shareholding Association by eligible employees, using as investment assets the Special Contribution paid to eligible employees for the purpose of awarding transfer-restricted shares. To eliminate the potential for arbitrary pricing, said amount shall be the closing price of Company common stock on the Tokyo Stock Exchange Prime Market on August 5, 2025 (the trading day preceding the date of the Board of Directors resolution) of 2,778 yen. Since this is the market price of a share of Company stock on the trading day preceding the date of the Board of Directors resolution, the price is deemed reasonable and one not unduly advantageous.

Departures in this disposal amount from the average closing price of Company common stock on the Tokyo Stock Exchange Prime Market (rounded to two decimal points) are shown below.

Period	Average closing price (rounded down to the nearest whole yen)	Deviation
One month (July 7 – August 5, 2025)	2,555 yen	8.73 %
Three months (May 7 – August 5, 2025)	2,381 yen	16.67 %
Six months (February 6 – August 5, 2025)	2,202 yen	26.16 %

All four Audit and Supervisory Committee members (including three Outside Directors) who attended the Board of Directors meeting held today have given the opinion that the above disposal amount is lawful and is not unduly advantageous to the planned recipients of the allocation, given that this Disposal is intended for the adoption of the Plan and that the disposal amount is the closing price of Company common stock on the Tokyo Stock Exchange Prime Market on the trading day preceding the date of the Board of Directors resolution.

5. Matters related to procedures under the Corporate Code of Conduct

Since this Disposal (1) entails a dilution of less than 25% and (2) does not involve a change in controlling shareholders, it does not require the procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders under Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

(Reference)

[Structure of the Plan]

- (1) The Company and subsidiaries shall pay to eligible employees monetary claims as special incentives for the awarding of transfer-restricted shares.
- (2) Eligible employees shall contribute the monetary claims under (1) above to the Employee Shareholding Association.
- (3) The Employee Shareholding Association shall collect the monetary claims contributed under (2) above and pay them to the Company.
- (4) The Company shall allot the Shares Allotted to the Employee Shareholding Association as transfer-restricted shares (“RS” in the diagram below).
- (5) The Shares Allotted shall be deposited into a dedicated account opened by the Employee Shareholding Association through Nomura Securities, from which withdrawals shall be restricted during the transfer-restricted period.
- (6) After the lifting of transfer restrictions, the Shares Allotted shall be transferred to ordinary holdings or to securities accounts in the names of the eligible employees.

