



July 29, 2025

To whom it may concern

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Notice Concerning Revisions to Share-Based Remuneration Plan and Additional Contribution

HOKURIKU ELECTRICAL CONSTRUCTION CO., LTD. (hereinafter referred to as the “Company”) hereby announces matters about the Share-Based Remuneration Plan. As advised in “Notice Concerning Abolition of Retirement Benefit System for Officers and Introduction of Share-Based Remuneration Plan” dated April 30, 2024 and “Notice Concerning Disposal of Treasury Shares by Third-Party Allotment in Connection with Introduction of Share-Based Remuneration Plan” dated July 29, 2024, the Company has introduced a share-based remuneration plan, “Board Benefit Trust (BBT)” for the Company’s Directors (excluding Outside Directors and part-time Directors) and Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) (hereinafter referred to as the “Plan.” The trust that is established based on the trust agreement, concluded with Mizuho Trust & Banking Co., Ltd. concerning the Plan, is referred to as the “Trust”). This time, the Company resolved, at the Board of Directors’ meeting held today, to add the Company’s Executive Officers to eligible persons for the Plan and make revisions to the effect of making additional monetary contributions to the Trust (hereinafter referred to as the “Revision”). Details are as follows.

1. Background and purpose of the Revision

The Company has introduced the Plan after approval was given at the 110th Ordinary General Meeting of Shareholders held on June 27, 2024 (hereinafter referred to as the “General Meeting of Shareholders”). The Board of Directors of the Company has just resolved to add the Company’s Executive Officers to the eligible persons for the Plan, with the aim of raising their awareness for contributing to medium- to long-term performance enhancement and corporate value growth by further clarifying the linkage between the remuneration for Executive Officers and the value of the Company’s shares.

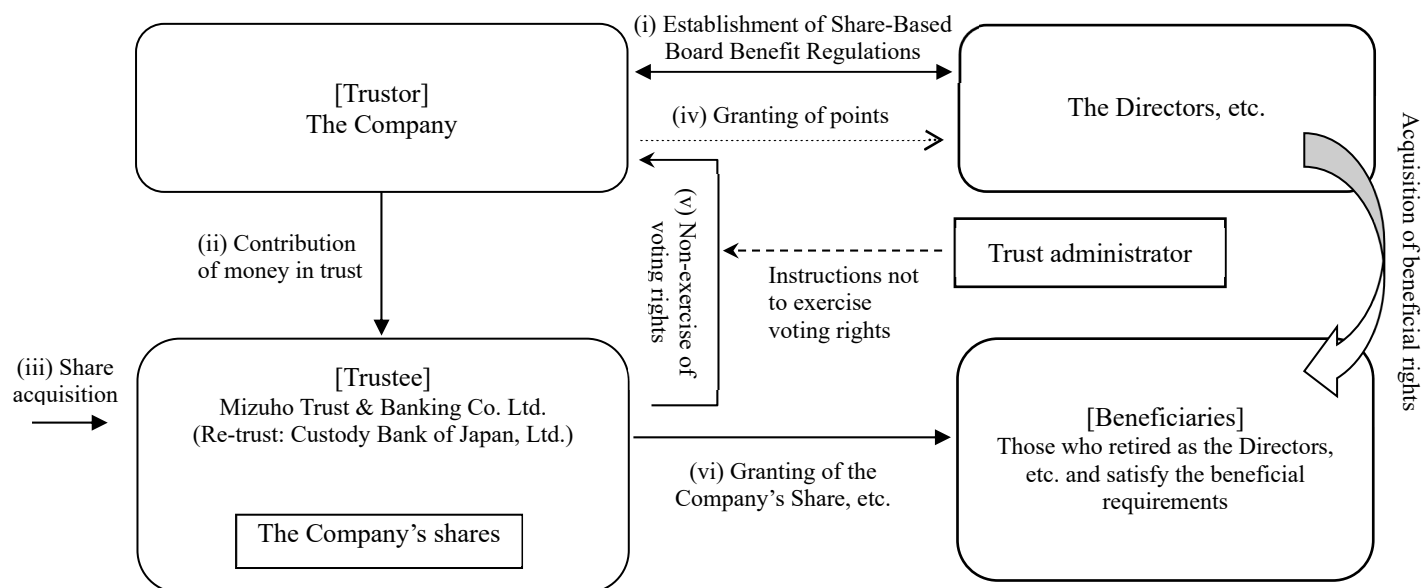
2. Overview of the Plan (The underlined parts indicate main changes to the current Plan)

(1) Outline of the Plan

The Plan is a share-based remuneration plan which, using the money the Company contributes as funds, the Company’s shares are acquired by a trust (hereinafter, the trust that is established based on the Plan is referred to as the “Trust”), and the Company’s shares and money equivalent to the amount of the Company’s shares converted at market price (hereinafter referred to as the “Company’s Shares, etc.”) are provided through the Trust to the Company’s Directors (excluding Outside Directors and part-time Directors) and Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) as well as Executive Officers (hereinafter collectively referred to as the “Directors, etc.”) in accordance with the Share-

Based Board Benefit Regulations stipulated by the Company. The timing when the Directors, etc. receive the Company's Shares, etc. shall be, in principle, the time of the retirement of the Directors, etc.

<Mechanism of the Plan>



- [1] The Company will establish the "Share-Based Board Benefit Regulations" within the scope approved by the General Meeting of Shareholders after the resolution on the Plan at the General Meeting of Shareholders. In accordance with the revisions, the Company will revise the Share-Based Board Benefit Regulations to add the Company's Executive Officers to eligible persons for the Plan, based on the resolution at the Board of Directors.
- [2] The Company trusts money to a trustee within the scope approved by the General Meeting of Shareholders in [1] and the Board of Directors.
- [3] The Trust acquires the Company's shares through a security exchange market or by underwriting the disposition of the Company's treasury shares using the money contributed as funds by the Company in [2].
- [4] The Company grants points to the Directors, etc. in accordance with the Share-Based Board Benefit Regulations.
- [5] In accordance with the instructions by a trust administrator independent from the Company, the Trust will not exercise any voting rights attached to the Company's shares in the Trust's account.
- [6] The Trust provides the Company's shares to those who retired as the Directors, etc. and satisfy the beneficiary requirements stipulated in the Share-Based Board Benefit Regulations (hereinafter referred to as "Beneficiaries"), based on the number of points granted to such Beneficiaries. Provided, however, the Directors, etc. who satisfy the requirements stipulated in the Share-Based Board Benefit Regulations shall receive a certain portion of the point benefits in money, in the amount equivalent to the market value of the Company's shares.

(2) Those who are eligible for the Plan

Directors (excluding Outside Directors and part-time Directors. The same applies hereinafter unless otherwise noted), Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members. The same applies hereinafter unless otherwise noted) and Executive Officers

(3) The period of the Trust

From August 23, 2024 to the termination of the Trust (No specific termination dates have been determined regarding the period of the Trust, and the Trust will be continued as long as the Plan continues. The Plan will be terminated in events such as the delisting of the Company and the abolition of the Share-Based Board Benefit Regulations.)

(4) The amount of the Trust

With approval of this proposal by shareholders at the Ordinary General Meeting of Shareholders, the Company has introduced the Plan covering the following period: the five fiscal years starting from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2029 (hereinafter such period of five fiscal years shall be referred to as the “Initial Evaluation Period,” and the Initial Evaluation Period and each of the subsequent periods of five fiscal years, which commence after the elapse of the Initial Evaluation Period, shall be individually referred to as the “Evaluation Period.”) and each of Evaluation Periods that follow. As funds for providing the Directors, etc. with the Company’s Shares, etc. based on the Plan concerning the Initial Evaluation Period, the Company contributed the money of 71,695,000 yen to the Trust and established the Trust. The Trust has acquired 65,000 shares of the Company concerning the Initial Evaluation Period by using the money the Company trusted as funds.

In order to partially revise and continue the Plan, the Company will contribute the following additional amount of money, as stated in 4 below, as funds for acquiring shares to be granted to Executive Officers based on the Plan concerning for the Initial Evaluation Period. After the elapse of the Initial Evaluation Period until the time when the Plan is terminated, the Company shall, in principle, reasonably estimate the number of shares necessary to provide to the Directors, etc. under the Plan for each Evaluation Period and make additional contributions to the Trust in the amount deemed necessary for the Trust to acquire such shares in advance. Provided, however, if, at the time of such additional contributions, there remain the Company’s shares (excluding the Company’s shares corresponding to the points, which were granted to the Directors, etc. for each of the Evaluation Periods to date, but have not been provided yet) and money (hereinafter collectively referred to as the “Remaining Shares, etc.”) in the trust assets, such Remaining Shares, etc. shall be appropriated for the funds of benefits based on the Plan in the subsequent Evaluation Period, and therefore the amount of the Remaining Shares, etc. shall be taken into account when calculating the amount for additional contributions. Upon determination of additional contributions, the Company shall make appropriate disclosure in a timely manner.

(Note) The money which the Company practically contributes to the Trust includes the estimated necessary expenses such as trust fees, in addition to the above funds contributed for the purpose of acquiring the Company’s shares.

(5) Method for acquiring the Company’s shares and number of shares to be acquired by the Trust

The Trust shall acquire the Company’s shares through a security exchange market or by underwriting the disposition of the Company’s treasury shares using the money contributed by the Company in the manner set forth in (4) above as funds, and no new shares will be issued.

Since the maximum points to be granted to the Directors, etc. are 23,000 points per one fiscal year as indicated in (6) below, the maximum number of the Company’s shares to be acquired by the Trust for each Evaluation Period is 115,000 shares. The Company shall disclose the details of the acquisition of the Company’s shares by the Trust in a timely and appropriate manner.

Regarding the Initial Evaluation Period, a maximum of 40,000 shares shall be additionally acquired without delay after the additional trust described in 4. below.

(6) The maximum number of the Company’s Shares, etc. to be granted to the Directors, etc.

The Directors, etc. shall be granted points that are decided by taking into consideration their respective positions in accordance with the Share-Based Board Benefit Regulations. The maximum number of points to be granted to the Directors, etc. per one fiscal year shall be 23,000 points (of which, 11,300 points for Directors, 1,700 points for Audit & Supervisory Board Members and 10,000 points for Executive Officers). These numbers were decided by comprehensively considering the current level of officers’ remuneration as

well as the trends and outlook in the number of the Directors, etc., and therefore are deemed appropriate. Each point granted to the Directors, etc. shall be converted into one share of the Company's common stock at the time of provision of the Company's Shares, etc., as described in (7) below (provided, however, if, with regard to the Company's shares, a share split, gratis allotment of shares, or consolidation of shares, etc. is carried out after the approval by shareholders at the Ordinary General Meeting of Shareholders and the resolution by the Board of Directors, then the maximum number of points and the number of points already granted, or the conversion ratio shall be adjusted in a reasonable manner in proportion to the relevant ratios.) The number of voting rights attached to shares equivalent to the number of maximum points to be granted to the Directors, etc. per one fiscal year (230 voting rights) accounts for approximately 0.08% of the total voting rights attached to outstanding shares (279,902 voting rights as of March 31, 2025, net of treasury shares.)

In principle, the number of points of the Directors, etc. that will be the basis for the provision of the Company's Shares, etc. in (7) below, shall be defined as the number of points granted to the said Directors, etc. until their retirement (Points calculated in such manner shall hereinafter be referred to as the "defined number of points.")

(7) Provision of the Company's Share, etc.

When any of the Directors, etc. retires and has satisfied the beneficiary requirements stipulated in the Share-Based Board Benefit Regulations, such Director, etc. shall, in principle, receive the Company's shares from the Trust after his/her retirement, in the number corresponding to the defined number of points set forth in (6) above, by carrying out beneficiary certification procedures as required. Provided, however, if such Director, etc. satisfies the requirements stipulated in the Share-Based Board Benefit Regulations, he/she shall receive a certain portion of the benefit in money in lieu of the Company's shares, in the amount equivalent to the market value of the shares. The Trust may sell the Company's shares in order to provide benefit in money.

Note that if any of the Directors, etc. is dismissed by a resolution of a General Meeting of Shareholders or retires in connection with a certain illegal act carried out during their time in office, or has engaged in misconduct or other act that causes damage to the Company during their time in office, such Director, etc., will not be given rights to receive the benefit, whether partial or total.

(8) Exercise of voting rights

The voting rights of the Company's shares in the Trust's account shall not be executed uniformly based on the instructions of the trust administrator. The Company intends to ensure the neutrality of the management of Company with respect to the exercise of the voting rights attached to the Company's shares in the Trust's account through this arrangement.

(9) Treatment of dividends

The Trust will receive dividends of the Company's shares held in the Trust's account and allot such dividends to the payment of the acquisition price of the Company's shares, the trust fees for the trustee of the Trust, and others. If the Trust is terminated, the dividends, etc. remaining in the Trust will be distributed to the Directors, etc. then in office in proportion to the number of points held by each of the Directors, etc. in accordance with the provisions of the Share-Based Board Benefit Regulations.

(10) Treatment upon termination of the trust

The Trust will terminate upon events such as delisting of the Company's shares or the abolition of the Share-Based Board Benefit Regulations. All of the Company's shares in the residual assets of the Trust at the time of termination of the Trust will be acquired by the Company free of charge and cancelled in accordance with a resolution of the Board of Directors. Any money in the residual assets of the Trust at the time of termination of the Trust shall be distributed to the Company, excluding the portion that will be distributed to the Directors, etc. in accordance with (9) above.

[Overview of the Trust]

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|-------------------|------------------------------------------------------------------------------------|
| (1) Name | : Board Benefit Trust (BBT) |
| (2) Trustor | : The Company |
| (3) Trustee | : Mizuho Trust & Banking Co., Ltd.
(Re-trustee: Custody Bank of Japan, Ltd.) |
| (4) Beneficiaries | : Those who retired as the Directors, etc. and satisfy the beneficial requirements |

- stipulated in the Share-Based Board Benefit Regulations
- (5) Trust administrator : A third party that has no interest with the Company will be chosen
 - (6) Type of trust : Pecuniary trusts other than money trusts (third party benefit trust)
 - (7) Date to conclude the Trust Agreement : August 23, 2024
 - (8) Date when money was placed in trust : August 23, 2024
 - (9) Period of the Trust : From August 23, 2024 to the termination of the Trust
(No specific termination dates have been determined regarding the period of the Trust, and the Trust will be continued as long as the Plan continues.)

3. Reason for additional contribution

As stated at (4) in 2 above, in order to partially revise and continue the Plan, the Company has decided to contribute additional money as funds for acquiring shares to be granted to the Directors, etc. based on the Plan concerning the Initial Evaluation Period.

4. Overview of additional trust

- (1) Date that additional money will be placed in the Trust: August 22, 2025
- (2) Amount to be additionally placed in the Trust: 52,000,000 yen
- (3) Maximum number of shares to be acquired: 40,000 shares
- (4) Period during which shares will be acquired: From August 22, 2025 to October 22, 2025 (provisional)
- (5) Method of acquiring shares: Acquire from a security exchange market