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To whom it may concern

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Notice Concerning Determination of Matters Related to Acquisition of Treasury Shares and the Adoption of ESG Share Buyback

(Acquisition of Treasury Shares Under the Provisions of the Articles of Incorporation Pursuant to the
Provisions of Article 459, Paragraph (1) of the Companies Act)

PALTAC CORPORATION (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, the matters concerning the acquisition of treasury shares pursuant to the provisions of Article 459, paragraph (1) of the Companies Act and the provisions of Article 38, paragraph (3) of the Company’s Articles of Incorporation. The details are described below.

1. Reason for acquisition of treasury shares

With a view to creating value for the environment and society, the Company has resolved to acquire treasury shares to enhance shareholder returns, improve capital efficiency, and implement flexible capital policies in response to the business environment.

2. Details of matters related to acquisition

(1) Class of shares to be acquired	Common Stock
(2) Total number of shares to be acquired	1,500,000 shares (maximum) (2.43% of the total number of shares issued, excluding treasury shares)
(3) Total amount of shares to be acquired	¥5,000 million (maximum)
(4) Acquisition period	From August 5, 2025 to May 29, 2026
(5) Method of acquisition	Open market purchase on the Tokyo Stock Exchange

[Reference] Status of treasury shares as of June 30, 2025

Total number of shares issued (excluding treasury shares) 61,676,089 shares

Total number of treasury shares 1,323,911 shares

3. Adoption of ESG Share Buyback

This acquisition of treasury shares, following last year's initiative, will be conducted under the "ESG Share Buyback Scheme" (hereinafter referred to as "the Scheme").

The Company regards both the distribution of profits to shareholders and the enhancement of corporate value through sustainable growth as top management priorities. As a social infrastructure company engaged in the wholesale distribution of daily necessities, the Company is committed to maintaining sound financial health while pursuing a balanced approach to profit distribution—one that emphasizes both enhanced shareholder returns and strategic investments for sustainable growth.

By utilizing the Scheme, the Company aims to achieve a dual objective: the acquisition of treasury shares as a means of shareholder return, and the allocation of funds to ESG-related initiatives that contribute to the long-term enhancement of corporate value. For details regarding the Scheme, please refer to the section titled "Overview of ESG Share Buyback."

4. Overview of ESG Share Buyback

The Scheme is an initiative whereby the Company allocates funds to its ESG-related initiatives in connection with the execution of treasury share acquisitions. It is designed to achieve a balance between "acquisition of treasury shares as a means of shareholder return" and "fund contributions to ESG-related initiatives," as outlined below.

- In conjunction with the execution of share acquisition, the Company will determine the amount of funds to be allocated to its ESG-related initiatives as part of the Scheme (Note 1).
- To ensure that shareholder returns are not diminished, the funds contributed to ESG initiatives (hereinafter referred to as "ESG Contributions") will be capped at the amount of outperformance expected to be generated through market purchases of treasury shares (Note 2).

Note 1: For details regarding the Company's ESG-related initiatives, please refer to the section titled "Overview of the Company's ESG-Related Initiatives."

Note 2: The benchmark for outperformance is the simple average of the daily VWAP (Volume Weighted Average Price) during the actual period for share acquisition. If the weighted average purchase price in the open market is lower than this benchmark (i.e., shares are acquired at a price below the benchmark), the difference (hereinafter referred to as "Outperformance") will be used as the upper limit for ESG Contributions. The open market purchases of treasury shares under the Scheme will be conducted through the discretionary trading service provided by Nomura Securities Co., Ltd., the Scheme's agent. The presence and extent of Outperformance will depend on market conditions and the execution details of the discretionary trading service.

5. Overview of the Company's ESG-Related Initiatives (Note 3)

The Company has set the following targets for reducing Scope 1 and Scope 2 CO₂ emissions in order to contribute to limiting global temperature rise to below 2°C by the end of this century: a 50% reduction by fiscal year 2030 compared to fiscal year 2020, and net zero emissions by fiscal year 2050. In line with its commitment to carbon neutrality and broader societal transformation by 2050, the Company is participating in the GX League, a cross-sector initiative involving industry, academia, and government aimed at driving green transformation (GX), and is actively promoting efforts to reduce CO₂ emissions.

For Scope 1 and 2 emissions, the majority of the Company's emissions originate from electricity usage at its distribution centers. As the shipment of essential goods cannot be halted, significant reductions in electricity consumption are difficult to achieve. Therefore, the Company is focusing on initiatives to "generate" and "procure" renewable energy as the core of its emission reduction strategy. Specific measures include the purchase of non-fossil certificates and the transition to renewable energy power plans.

Funds contributed under the Scheme (ESG Contributions) will primarily be allocated to these activities, particularly toward the purchase of non-fossil certificates, thereby supporting progress toward the Company's CO₂ reduction targets.

As a wholesaler of daily necessities, the Company will continue to work alongside its supply chain partners to create a people's rich and comfortable daily lives.

Note 3: For further details regarding the Company's CO₂ reduction initiatives, please refer to the Company's Annual Securities Report and its website.
(https://www.paltac.co.jp/en/sustainability/environment/climate_action/)