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 (Securities code: 2674 ; Prime Market)
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Notice Concerning Disposal of Common Stock as Granting Restricted Stock for Employee Shareholding Association

On November 8, 2022, our company announced the introduction of a restricted stock incentive system (Hereinafter referred to as the "Plan".) for employee shareholding associations. The Company hereby announces that a resolution was passed at the Board of Directors meeting held today to dispose of treasury shares as restricted shares (Hereinafter referred to as the "Disposal of Treasury Shares" or "Disposal".) to Hardoff Corporation Employee Shareholding Association (Hereinafter referred to as the "Shareholding Association".) as the scheduled allottee pursuant to the system as follows.

1. Outline of Disposal

(1) Date of Disposal	October 31, 2025
(2) Number of shares for disposal	22,140 shares of our company common stock (Note)
(3) Disposal value	¥1,733 per share
(4) Total disposal value	¥38,368,620 (Note)
(5) Disposal Method (Planned allottees)	Conditional on an application for subscription being received from the Shareholding Association, the number of subscription shares specified by the Shareholding Association within the range indicated in (2) above for the number of shares for disposal shall be allotted to the Shareholding Association through third-party allotment (the number of allotted shares is the number of shares for disposal). (HARD OFF CORPORATION Employee Shareholding Association 22,140 shares) Note that applications from eligible employees (defined below) for only a portion of the number of shares to be granted will not be accepted.

(Note) The “number of shares for disposal” and the “total disposal value” were calculated on the assumption that restricted shares were granted to 835 employees of the Company, which is the maximum number of eligible persons under the Plan. The actual number of shares for disposal and the total disposal value will be determined according to the number of employees of the Company (maximum of 835 employees) who have agreed to the Plan and the number of shares to be granted per employee as stipulated according to the employee levels established by the Company (Grade7 : 150 shares for up to 3 employees, Grade6 : 450 shares for up to 9 employees, Grade5: 1,680 shares for up to 42 employees, Grade4: 3,400 shares for up to 85 employees, Grade3: 7,620 shares for up to 254 employees, Grade2: 5,600 shares for up to 280 employees, and Grade1: 3,240 shares for up to 162 employees) after the membership promotion for those who have not joined the Shareholding Association has been completed and the approval of the Plan has been obtained from members of the Shareholding Association. Specifically, as described in (5) above, the number of subscription shares specified by the Shareholding Association is the “number of shares for disposal” and the “total disposal value” is the amount obtained by multiplying that number by the disposal value per share.

2. Purpose and reason for disposal

The Company has resolved to introduce this Plan with the aim of providing Applicable Employees with incentives to achieve the sustainable enhancement of the Company's corporate value and to further promote value sharing between the Applicable Employees and the Company's shareholders.

In addition, the Plan is intended to support the asset-building efforts of the Applicable Employees by creating opportunities for them to acquire the Company's common stock with transfer restrictions (Restricted Shares) to be disposed of by the Company through the Shareholding Association, as a measure to improve their benefits and welfare.

The outline of the Plan is as follows:

[Outline of the Plan]

Under the Plan, the Company provides monetary claims as a special financial incentive (hereinafter, the "Special Financial Incentive") to the Eligible Employees for granting restricted shares, and the Eligible Employees contribute the Special Financial Incentive to the Shareholding Association. In addition, the Shareholding Association provides the entire amount of the Special Financial Incentive contributed by the Eligible Employees to the Company as in-kind contribution, and receives common stock issued or disposed of by the Company as restricted shares.

The amount to be paid in per share of the Company's common stock when the Company newly issues or disposes of common stock based on the Plan shall be determined by the Board of Directors within a range that is not especially advantageous to the Shareholding Association (and by extension, the Eligible Employees) based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution by the Board of Directors regarding the issuance or disposal (if no transactions are concluded on that day, the closing price on the immediately preceding date).

For the issuance and disposal of the Company's common stock based on the Plan, the Company and the Shareholding Association shall conclude an agreement on the allotment of restricted shares stipulating such terms as (i) it is prohibited to transfer the allotted shares to a third party or to establish a security interest on and otherwise dispose of the shares during a certain period (hereinafter, the "Transfer Restrictions") and (ii) the Company shall acquire the allotted shares without consideration under certain specified circumstances.

In addition, the provision of the Special Financial Incentive to the Eligible Employees is conditional on the Company and the Shareholding Association concluding the agreement on the allotment of restricted shares.

In addition, regarding the individual members' equity interest related to the restricted shares acquired by the Shareholding Association through the issuance or disposal (hereinafter, the "Restricted Share Equity Interest"), the Eligible Employees are not allowed to withdraw the restricted shares corresponding to the Restricted Share Equity Interest until the Transfer Restrictions on the restricted shares are removed based on the Shareholding Association Rules and the Detailed Rules on the Operations of the Shareholding Association (hereinafter, the "Shareholding Association Rules, etc.")

For the Disposal of Common Stock, the Company will dispose of shares of the Company's common stock (hereinafter, the "Allotted Shares") for the Shareholding Association with the Shareholding Association, as the planned allottee, providing the entire amount of the Special Financial Incentive contributed by the Eligible Employees as in-kind contribution based on the Plan. The outline of the agreement on the allotment of restricted shares to be concluded between the Company and the Shareholding Association for the Disposal of Common Stock (hereinafter, the "Allotment Agreement") is as described in "3. Overview of the Allotment Agreement" below.

Note that the Disposal of Common Stock is conditional on the amended Shareholding Association Rules, etc. taking effect by the day immediately prior to the disposal date for the Disposal of Common Stock and on the Company and the Shareholding Association concluding the Allotment Agreement during the subscription period.

3. Outline of the Allotment Agreement

(1) Transfer Restriction Period: October 31, 2025 to October 30, 2028

(2) Conditions for Cancellation of Transfer Restrictions

Subject to the condition that the Target Employee has been a member of the Shareholding Association and has made regular contributions continuously during the Transfer Restriction Period, the

transfer restriction shall be lifted on the business day following the expiration of the Transfer Restriction Period with respect to all of the Allotted Shares held by the Shareholding Association in a number corresponding to the Restricted Shares held by the Target Employee who satisfied such conditions. In this case, our company shall inform the Shareholding Association of the cancellation of the transfer restriction and the number of the Allotted Shares for which the transfer restriction is to be cancelled, and the Shareholding Association shall, in accordance with the provisions of the Shareholding Association Articles of Incorporation, transfer the portion corresponding to the Allotted Shares for which the transfer restriction has been cancelled out of the interest in the Restricted Shares held by the Target Employee who satisfies such conditions to the membership interest of the Target Employee pertaining to shares of our company common stock acquired by the Shareholding Association other than under the System (Hereinafter referred to as "Ordinary Equity".), in principle.

(3) Treatment in the case of withdrawal from the Shareholding Association

In the event that an Eligible Employee withdraws from the Shareholding Association (This means when a member loses his/her membership or when he/she applies for withdrawal, including withdrawal due to death.) during the Transfer Restriction Period due to the appointment as an officer or for other justifiable reasons for the convenience of the Company (This does not include cases in which the Relevant Member's decision was made for his/her own personal reasons not based on unavoidable reasons.), the transfer restriction on the number of Allotted Shares corresponding to the Restricted Shares held by the Eligible Employee as of the date on which the Eligible Employee applies for withdrawal from the Shareholding Association (Hereinafter referred to as the "Date of Receipt of Application for Withdrawal".) shall be lifted as of the date on which the application for withdrawal is accepted.

(4) Acquisition by our company without consideration

Our company shall automatically acquire without consideration the Allotted Shares for which the transfer restriction has not been lifted on the business day following the expiration of the transfer restriction period or on the lifting of the transfer restriction set forth in (3) above. In such case, our company shall inform the Shareholding Association that it will acquire the Allotted Shares without consideration and the number of the Allotted Shares to be acquired without consideration, and the Shareholding Association shall, in accordance with the provisions of the Shareholding Association Articles of Incorporation, deduct the portion corresponding to the Allotted Shares to be acquired without consideration out of the interest in the Restricted Shares held by the Target Employee at such time.

(5) Management of Shares

The Allotted Shares will be managed in a dedicated account (Hereinafter referred to as the "RS Equity Account".) opened by the Shareholding Association at Nomura Securities Co., Ltd., during the transfer restriction period so that they cannot be transferred, secured, or otherwise disposed of during the transfer restriction period. In accordance with the provisions of the Shareholding Association Articles of Incorporation, the Shareholding Association shall register and manage the interest in the Restricted Shares held by the Target Employee in relation to the Allotted Shares separately from the ordinary shares held by the Target Employee.

(6) Treatment in the event of organizational restructuring, etc.

If a merger agreement under which the Company is to be dissolved, a share exchange agreement or share transfer plan under which the Company is to become a wholly owned subsidiary, or other matters concerning reorganization are approved at a general meeting of the shareholders of the Company (or at a meeting of the Board of Directors of the Company, if approval at a general meeting of shareholders of the Company is not required for the reorganization) during the Transfer Restriction Period, the Transfer Restrictions on all of the Allotted Shares held by the Applicable Employees corresponding to the number of the Restricted Stock Interests held by the Shareholding Association as of the date of the approval, will be lifted immediately before the business day immediately preceding the effective date of the reorganization, etc., by a resolution of the Board of Directors.

4. Basis for Calculation of the Disposal Amount and Specific Details Thereof

The disposal of Treasury Shares for the Shareholding Association, which is the Expected Allottee, will be implemented, using the contribution to the Shareholding Association made by Applicable Employees, which is the Special Incentive provided to the Applicable Employees as their investment property for the purpose of granting the Restricted Shares. In order to ensure that the disposal amount is not arbitrary, the disposal amount is set at 1,733yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on August 8, 2025 (the business day immediately preceding the date of resolution by the Board of Directors). This is a market share price immediately before the date of resolution by the Board of Directors, and is considered reasonable and not particularly favorable.

(Reference)

[System of the Plan]

- ① The Company provides monetary claims to Applicable Employees as Special Incentives for the granting of
- ② The Applicable Employees contribute the monetary claims described in ① above to the Shareholding Association.
- ③ The Shareholding Association collects the monetary claims contributed in ②above and pays them to the Company.
- ④ The Company provides the Shareholding Association with the Allotted Shares.
- ⑤ The Allotted Shares are deposited in a dedicated account opened by the Shareholding Association through Nomura Securities Co., Ltd., and withdrawals during the Transfer Restriction Period are restricted.
- ⑥ After the transfer restriction is lifted, the RS Share will be transferred to an ordinary share or transferred to a securities account in the name of the Target Employee.