



Feb 5, 2026

Company name: FLECT Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4414
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Representative Director and CEO
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Notice Regarding the Decision on Matters
Related to the Acquisition of Treasury Shares

Tokyo, JAPAN (February 5, 2026) – Flect Co., Ltd. (TSE: 4414) (the “Company”) announced that its Board of Directors resolved today to implement the Acquisition of Treasury Shares of up to a maximum of 860,000 shares, and a maximum total purchase amount of 1.2 billion yen as set forth below.

Pursuant to this resolution, the Company will commence market purchase on the Tokyo Stock Exchange through an appointed securities dealer with transaction discretion. The acquisition of treasury shares period is scheduled to be from February 6, 2026 to February 27, 2026.

1. Reason for acquisition of treasury shares

As the Company has been considering the resolution of its accumulated earning tax issue as an important management matter, it approached KURO LLC. (an asset management company of which 100% of the voting rights are held by Koji Kurokawa, Representative Director and CEO of the Company, as per his own account) regarding the potential sale of a portion of the Company’s share held by KURO LLC. As a result, the Company confirmed KURO LLC.’s intention to sell part of such shares. Although this acquisition of treasury shares alone will not satisfy the requirement that the controlling shareholder’s voting rights ratio be reduced to 50% or less, which is necessary to resolve the accumulated earning tax issue, after considering the Company’s stock price, financial condition, and market trends, the Company has decided to acquire these shares as treasury shares. We believe that this acquisition of treasury shares will lead to an increase in the value per share, improved capital efficiency and enhanced governance through the reduction of the controlling shareholder’s ownership

ratio.

The treasury shares acquired through this acquisition of treasury shares may be utilized for M&A and capital and business alliances using shares as consideration, or for stock compensation plans.

2. Details of acquisition of treasury shares

Class of shares to be acquired	Common stock
Total number of shares to be acquired	860,000 shares (upper limit) (13.99% of total number of issued shares (excluding treasury shares))
Total amount of share acquisition costs	¥1.2 billion (upper limit)
Acquisition period	From February 6, 2026 to February 27, 2026
Method of acquisition	Purchase through off-auction treasury share repurchase trading system (ToSTNeT-3) of the Tokyo Stock Exchange

Notes

(1) No changes will be made to the number of above-mentioned shares. Depending on market conditions and other factors, it is possible that no acquisition of treasury shares, or only a portion of the above, will be carried out.

(2) Acquisition of treasury shares will be made with sell orders corresponding to the number of shares to be acquired.

3. Matters Concerning Transactions with Controlling Shareholder

In connection with this acquisition of treasury shares, KURO LLC., the Company's controlling shareholder, is scheduled to sell a portion of its shareholdings, and this transaction constitutes "material transactions, etc. with a controlling shareholder" as prescribed in Article 441-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

As stipulated in the "Guidelines on measures to protect minority shareholders when conducting transactions with its controlling shareholder, etc." in the Corporate Governance Report disclosed on June 19, 2025, the Company's basic policy regarding transactions with its controlling shareholder is not to conduct such transactions unless it is ensured that there is a rational basis (business necessity) for entering into the transaction and that the transaction terms are appropriate (i.e., they are on terms equivalent to those offered to other counterparties and the appropriateness of such terms can be

confirmed on a case-by-case basis), and unless the transaction is not in a situation that could harm the Company's interests. When implementing a transaction with the controlling shareholder, the Company recognizes that a high level of caution is required from the perspective of maintaining sound management, and will carefully determine whether the above is ensured and, after sufficient deliberation by the Board of Directors, obtain appropriate approval.

The acquisition of treasury shares through the ToSTNeT-3 market is an in-market transaction based on prior announcement, and under the system, purchases from a specified counterparty are not guaranteed. Therefore, it is not a bilateral transaction, and no direct conflicts of interest arise. However, considering the possibility of it becoming a transaction with an asset management company, which constitutes the controlling shareholder, of which 100% of the voting rights are held by Koji Kurokawa, Representative Director and CEO of the Company, we have decided to take the same procedures as those for a conflict-of-interest transaction. Koji Kurokawa did not participate in any discussions or resolutions concerning this acquisition of treasury shares. At the meeting of the Board of Directors held today, in accordance with the guidelines for measures to protect minority shareholders when conducting transactions with the controlling shareholder as set forth in the Corporate Governance Report, the Board deliberated on the business necessity of this acquisition of treasury shares with the aim of resolving the accumulated earnings tax issue, and confirmed that the appropriateness of the transaction terms is ensured through the in-market transaction based on prior announcement on the ToSTNeT-3 market. Following such deliberations and confirmation, this acquisition of treasury shares was resolved with the approval of all four Directors excluding Koji Kurokawa (including External Directors).

The acquisition of treasury shares through the ToSTNeT-3 ensures that if the number of shares offered for sale exceeds the number of shares to be purchased, the transaction will be executed on a pro-rata basis, thereby providing equal trading opportunities to our shareholders. Furthermore, acquisition of these treasury shares is conducted after disclosing all material facts related to insider trading regulations and publicly announcing the specific details of the purchase in advance. Therefore, it is believed that issues of disadvantage to minority shareholders due to information asymmetry are unlikely to arise.

Furthermore, opinions have been received today from three External Directors, who are independent officers of the Company—Yosuke Tetsukawa, Shoichi Fujiwara, and Shuya Ogawa—stating that this acquisition of treasury shares is not disadvantageous to the Company's minority shareholders. These External Directors noted, among other things, that the purpose of the acquisition is to resolve the accumulated earnings tax issue; that measures have been taken to ensure the fairness of the decision-making process and to avoid conflicts of interest by conducting the deliberation and decision-making procedures solely by directors without interests in the transaction; and that, because the acquisition is to be conducted through the ToSTNeT-3 market, there is no arbitrariness in the transaction price, the

fairness of the price is ensured, and equal transaction opportunities are provided to other shareholders as well, in light of the purpose, decision-making process, and method of acquisition.

Treasury Stock Held as of December 31, 2025

Total number of issued shares issued shares (excluding treasury shares)	6,146,443 shares
Total number of shares of treasury stock*	46,117 shares

*It includes 45,909 shares of the Company held by the BIP trust and the ESOP trust.