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February 9, 2026

For Immediate Release

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Notice Concerning the Disposal of Treasury Stock
as Stock Allotment through the Employee Stock Ownership Program

YAHAGI CONSTRUCTION CO., LTD. (the “Company”) announces that its Board of Directors have today resolved to adopt a special incentive scheme (hereinafter, “Scheme”) and dispose of treasury stock (hereinafter, “Disposal of Treasury Stock” or “Disposal”) for the allotment of shares through the Employee Stock Ownership Program as described below. Through this Scheme, Disposal will be conducted with YAHAGI CONSTRUCTION Employee Shareholders Association (hereinafter, “Employees Shareholders Associations”) designated as the planned allotment recipients. Further details follow:

1. Overview of Disposal

(1) Disposal date	March 17, 2026
(2) Type and number of shares subject to disposal	The Company common stock: 149,600 shares *
(3) Disposal price	JPY 2,400 per share
(4) Total disposal value	JPY 359,040,000*
(5) Disposal method (planned allotment recipient)	Conditional to the submission of an underwriting request by Employees Shareholders Associations, the number of requested shares, which shall be a number of shares determined by Employees Shareholders Associations that is within the number of shares subject to disposal as indicated in (2) above, shall be allotted to Employees Shareholders Associations via the method of third-party allotment (said number of allotted shares shall be the number of disposed shares). (YAHAGI CONSTRUCTION Employees Shareholders Association: 149,600 shares) However, applications from individual eligible members (defined below) for a portion of the number of shares allocated will not be accepted.

(6) Others	Disposal of Treasury Stock shall be conditional to the effectuation of a securities registration statement in accordance with the Financial Instruments and Exchange Act.
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Note: The “number of shares subject to disposal” and the “total disposal value” shall be calculated based on the assumption that 100 shares of the Company common stock will be allotted to the Company and the subsidiaries employees who would be eligible for Scheme (hereinafter, “Eligible Employees”) up to a maximum 1,496 persons. The actual number of shares subject to disposal and the total disposal value shall be determined based on the number of Employees Shareholders Associations members (hereinafter, “Eligible Members”) who are Eligible Employees after the termination of the promotional campaign targeting enrollment by employees not yet enrolled in Employees Shareholders Associations. Specifically, as is indicated in (5) above, the number of requested shares determined by Employees Shareholders Associations shall be the “number of shares subject to disposal” and the amount derived by multiplying said number by the per-share disposal price shall be the “total disposal value”. Furthermore, the Company and the subsidiaries will pay the amount of 240,000yen to all Eligible Members and the Company will allot 100 shares to all Eligible Members through Employees Shareholders Associations.

2. Purpose and reasons for Disposal

The YAHAGI CONSTRUCTION Group has established its vision for 2030: to transform into a problem-solving and value-creating company to achieve sustainable growth. To achieve this vision, the Group is currently implementing a medium-term management plan for the fiscal years 2021 to 2025. This period is viewed as an opportunity to lay a foundation for accelerated growth. The plan focuses on deepening and evolving existing businesses, exploring and developing new areas and fields, and establishing a management foundation to support growth.

In the final year of the mid-term management plan, the Group has decided to grant stock to its employees in recognition of their hard work and to reinforce its foundation for sustainable growth.

The goal of the introduction of this scheme is to create an environment where employees can have job satisfaction and be fulfilled, strongly motivating them and increasing employee retention. Additionally, the stock grants will increase employees' awareness of their role in management, encourage the sharing of their value with that of shareholders, and foster the development of human resources who make decisions from the perspectives of shareholders and other stakeholders. The Company views the granting of this stock as an investment in human capital to develop individuals able to effectively solve problems and create value as outlined in the Company's human resources strategy.

The Scheme is based on the third-party allotment method, through which a special incentive amount equivalent to 100 shares of the Company common stock is allotted to each Eligible Member, and said special incentive amount is used as a contribution for the disposal of treasury stock to Employees Shareholders Associations. As indicated in the notes to “1. Overview of Disposal,” the number of shares disposed is finalized at a later date, but the Company plans to dispose of a maximum of 149,600 shares to Employees Shareholders Associations. The allotment of special incentives to Eligible Members entails a cash allotment, thus this does not constitute the allocation of monetary rights. Furthermore, no monetary contributions are made by Eligible Members other than the contribution of the allotted special incentives.

The Company plans to dispose of 149,600 shares if all of the maximum 1,496 Eligible Employees enroll in Employees Shareholders Associations. Assuming said number of disposed shares, the scope of dilution of stock due to this Disposal of Treasury Stock would be 0.34% for the 44,607,457 total number of shares issued as of September 30, 2025 and 0.35% for the 433,331 total number of units with voting rights at the General Meeting of Shareholders available as of September 30, 2025 (both percentages have been rounded to the nearest one-hundredth).

The adoption of this Scheme is a measure to enhance benefits for Eligible Employees. The objective of this scheme is to assist in asset formation through Employees Shareholders Associations to create opportunities to acquire Company Stock. Additionally, the Company aims to provide incentives for pursuing sustainable improvements in the Company's corporate value and to further promote the sharing of value with Company shareholders. The Company believes that the adoption of this Scheme will contribute to increasing the Group's corporate value. As such, the Company views the number of disposed shares and the scope of dilution of stock due to this Disposal of Treasury Stock as reasonable, and furthermore, has made the assessment that, even after said scope of dilution, the market impact will be minor.

3. Basis of calculating the disposal price and other specific details

The Disposal of Treasury Stock to Employees Shareholders Associations, the planned allotment recipient, entails Eligible Members, who are paid special incentives through Employees Shareholders Associations for the purpose of stock allotment, contributing said special incentives to Employees Shareholders Associations as paid-in capital. The disposal price is the amount from which arbitrariness is eliminated, thus the Company uses the amount of 5,230 yen, which is the closing price for the Company common stock on the TSE Prime Market on May 12, 2025 (the business day prior to the resolution date for the Board of Directors). This is the most recent stock price prior to the resolution date for the Board of Directors, which the Company believes to be rational and not constituting any particularly beneficial price to the planned allotment recipient.

Furthermore, the rate of deviation (rounded to the nearest one-hundredth) of this disposal price from the average closing price for the Company common stock on the TSE Prime Market is as indicated below.

Periods	Average closing price (rounded to the nearest yen)	Rate of deviation
1 month (from January 7, 2026 to February 6, 2025)	2,397yen	0.13%
3 months (from November 7, 2025 to February 6, 2025)	2,302yen	4.26%
6 months (from August 7, 2025 to February 6, 2025)	2,250yen	6.67%

All five corporate auditors (including three outside auditors) who attended the Board of Directors meeting convened today expressed the opinion that, with respect to the above disposition price, in light of the facts that this disposition of treasury shares is intended for the introduction of this scheme and the disposal price is within the confines of the law given that it is the closing price of the Company common stock on the TSE Prime Market on the business day before the voting date for the Board of Directors, and is not an amount that is particularly favorable to the planned allotment recipient.

4. Matters concerning procedures required by Corporate Code of Conduct

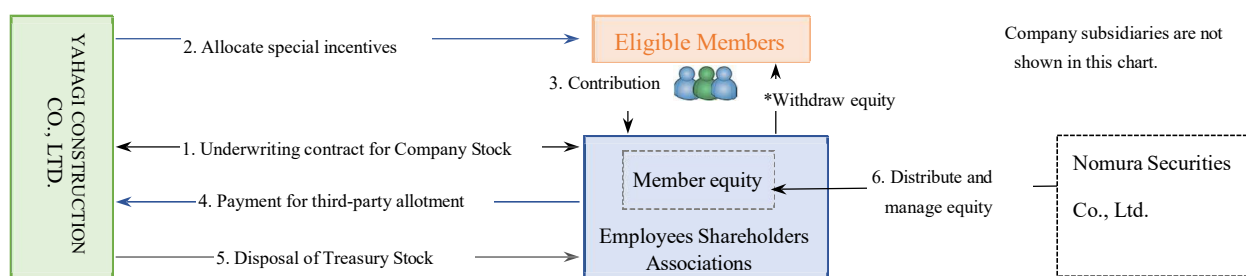
Since (1) the dilution rate is less than 25% and (2) there is no change in controlling shareholders, this Disposal of Treasury Stock does not require that the Company obtains the opinion of an independent third party or the

confirmation of shareholder intent as set forth in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

(Reference)

[Framework of this Scheme]

1. The Company and Employees Shareholders Associations conclude a stock underwriting agreement concerning underwriting for the Disposal of Treasury Stock.
2. The Company and Company subsidiaries pay special incentives for the allotment of Company Stock to Eligible Members.
3. Eligible Members contribute paid special incentives to Employees Shareholders Associations.
4. Employee Shareholders Associations collect special incentives contributed by Eligible Members and make payment for third-party allotment.
5. The Company disposes of treasury stock to Employees Shareholders Associations.
6. Allotted Company Stock is distributed according to the holdings of Eligible Members in Employees Shareholders Associations and managed by Nomura Securities Co., Ltd., to which Employees Shareholders Associations has consigned the management of Employees Shareholders Associations equity of Eligible Members.



Note: Eligible members can withdraw allotted Company Stock to securities accounts in their name at their own discretion.

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