

Dear all,

| | |
|--------------------------|---|
| Company Name : | NITTOSEIKO CO., LTD. |
| Name of Representative : | Makoto Araga, Representative of Director and President (Securities code: 5957; Tokyo Stock Exchange Prime Market) |
| Contact information : | Shinichi Matsumoto, Director and General Manager of Financial Strategy Division (Telephone: +81-773-42-3111) |

Notice Concerning the Disposition of Treasury Shares through Third-Party Allotment to the Employee Stock Ownership Association

NITTOSEIKO Co., Ltd. (the “Company”) has published on February 10, 2026, the Notice Regarding the Introduction of an Incentive Scheme for the Employee Stock Ownership Association (Special Incentive Scheme). At today’s Board of Directors meeting, the Company resolved to implement the Special Incentive Scheme (the “Scheme”) for eligible employees of the Company and its subsidiary, excluding those at or above the rank of Section Manager at NITTO KOSHIN Co., Ltd. (the “Subject Employees”), and resolved to carry out a disposition of treasury shares through third-party allotment to Nitto Seiko Employee Stock Ownership Association (the “ESOA”) (the “Disposal of Treasury Shares”) as described below.

1. Overview of Disposal

| | |
|---|---|
| (1) Date of disposal | May 15, 2026 |
| (2) Class and number of shares for disposal | 46,960 common shares of the Company |
| (3) Disposal price | ¥768 per share |
| (4) Total disposal amount | ¥36,065,280 |
| (5) Disposal method | By means of a third-party allotment |
| (6) Scheduled allottee | Nitto Seiko Employee Stock Ownership Association (ESOA) |
| (7) Other matters | Regarding the Disposal of Treasury Shares, a Securities Notice under the Financial Instruments and Exchange Act shall be submitted. |

Note: The ESOA will, following the resolutions of the Board of Directors of the ESOA to be convened today, conduct enrollment of eligible employees with a sufficient notice period, inviting those who wish to join the ESOA. Accordingly, the number of shares to be disposed of and the total disposal amount are maximum figures, and the actual number of shares to be disposed of and the actual disposal amount will be determined after the enrollment period ends according to the number of eligible employees.

2. Purpose and Reason for Disposal

The Company intends to grant a certain number of its shares to eligible employees through the Scheme, as a means to support wealth formation, provide an incentive to sustain the Company’s corporate value, and promote further value sharing with the Company’s shareholders. Moreover, by using the introduction of the Scheme to encourage non-members to join the ESOA, the Company believes more employees will engage in long-term value sharing with shareholders.

This scheme provides a special incentive payment to members of the Shareholding Association (hereinafter referred to as “the Members”), and disposes of treasury stock to the Shareholding Association using funds contributed for the incentive, by means of a third-party allocation.

Regarding the number of shares to be disposed, as described in Note (Overview of Disposal), the final quantity will be determined at a later date; the plan is to dispose of up to 46,960 shares to the Shareholding Association.

In addition, the dilution magnitude is 0.12% of the issued shares outstanding as of December 31, 2025 (39,985,017 shares) and 0.13% of the total number of voting rights as of that date (367,791 voting rights) (both rounded to the third decimal place).

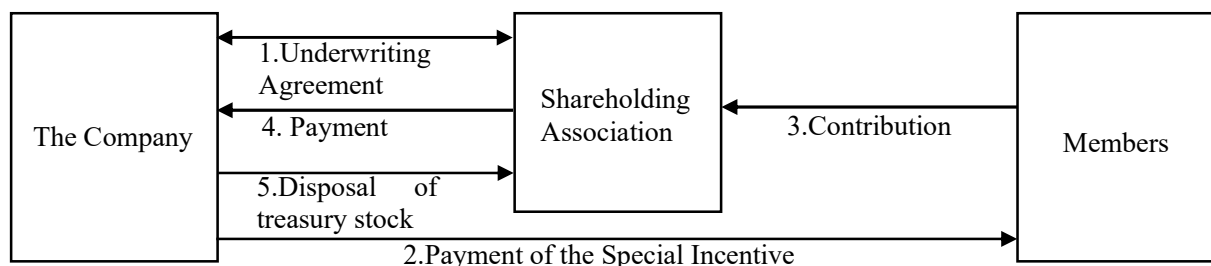
From the Company's perspective, it believes that enabling more employees to share in the medium- and long-term value with shareholders will contribute to the creation of long-term value, and that the volume of the treasury stock disposal and the resulting dilution are reasonable, with only a minor impact on the trading market.

Furthermore, even when including the 78,100 shares to be disposed in parallel with this treasury stock disposal, as described in today's disclosure document entitled "Notice Regarding the Disposal of Treasury Stock in Connection with the Continuation of the Employee Stock Compensation System," which covers a trust-based stock compensation program for directors (excluding outside directors), the dilution remains 0.31% of the issued shares (0.34% of the total voting rights as of December 31, 2025; both rounded to the third decimal place). The Company also believes that the disposal quantities and the scale of dilution resulting from this treasury stock disposal are reasonable, even when considering the effects of other treasury stock disposals conducted on the same day, and that the impact on the trading market will be minor.

The outline of the Shareholding Association to be allocated is as follows:

- (1) Name: Nitto Seiko Employees' Shareholding Association
- (2) Address: 20 Umegahata, Inokura, Ayabe City, Kyoto, Japan
- (3) Chairman: Koji Yamazaki
- (4) Shares held: 850,324 shares (as of December 31, 2025)
- (5) Holding ratio: 2.13% of issued shares outstanding

Overview of this scheme.



1. The Company and the Shareholding Association will enter into an underwriting agreement with respect to the disposal and underwriting of the Company's treasury stock.
2. The Company will pay a special incentive to the Members.
3. The Members will contribute the special incentive to the Shareholding Association.
4. The Shareholding Association will pool the funds contributed by Members for the special incentive and fund the third-party allotment.
5. The Company will dispose of treasury stock to the Shareholding Association.

3. Basis for the disposal price and its specific content

The disposal of treasury stock under this scheme is conducted by contributing the special incentive funds granted to Members to the Shareholding Association in order to implement the scheme. Regarding the disposal price, to eliminate arbitrariness, the price is set at 768 yen, the closing price of the Company's stock on February 18, 2026 on the Tokyo Stock Exchange Prime Market, which is the trading day immediately prior to the date of the Board resolution. This represents the market price immediately prior to the resolution date and is not considered to be a particularly favorable price.

The deviation of this price from the Prime Market's average closing price for the Company's stock (rounded to the third decimal place) is as follows:

| Period | Average closing price (rounded down to the nearest yen) | Deviation rate |
|--|--|-------------------|
| 1 month (Jan 19, 2026 – Feb 18, 2026) | 744 yen | 3.23% |
| 3 months (Nov 19, 2025 – Feb 18, 2026) | 719 yen | 6.82% |
| 6 months (Aug 19, 2025 – Feb 18, 2026) | 684 yen | 12.28% |

All three auditors who attended today's Board meeting (including two outside auditors) have expressed opinions that, given that the disposal is intended to implement this scheme and that the disposal price is the closing price on the business day prior to the date of the Board resolution, the disposal price does not constitute a particularly favorable price for the allottee and is lawful.

4. Matters concerning procedures under the Corporate Code of Conduct

This treasury stock disposal does not require obtaining an opinion from an independent third party or shareholder consent procedures under Article 432 of the Tokyo Stock Exchange's Securities Listing Regulations, because (i) the dilution rate is less than 25%, and (ii) it does not involve a change of controlling shareholder.