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MEMBERSHIP

July 23, 2026

For Immediate Release

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Disposition of Treasury Shares as Restricted Stock Compensation

YUKIGUNI FACTORY CO., LTD, (the "Company") hereby announces that at a meeting of the Board of Directors held on July 23, 2026, it resolved to dispose treasury shares as restricted stock compensation (hereinafter, the "disposition of treasury shares"), as follows.

1. Outline of disposition of treasury shares

(1)	Date of disposition	August 10, 2026
(2)	Class and number of shares to be disposed	20,784 shares of the Company's common stock
(3)	Disposition price	¥1,151 per share
(4)	Total disposition value	¥23,922,384
(5)	Allottees of shares and the number of shares to be allotted	Directors of the Company*: 1 Director, 3,634 shares Executive Officers of the Company: 4 Executive Officers, 4,334 shares Employees of the Company: 90 Employees 12,816 shares *Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors

2. Purpose and reason for disposition

The Company resolved at the 5th Ordinary General Meeting of Shareholders held on June 24, 2022, to introduce a stock compensation plan (hereinafter, the "Plan") under which the Company's directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors. hereinafter, the" Eligible Directors") will be granted shares with restriction on their transfers, in order to share the benefits and risks of stock price fluctuation with shareholders and to increase their motivation to contribute to stock price increases and corporate value. The total amount of monetary compensation claims to be paid to the Eligible Directors as compensation for shares with transfer restriction under the Plan shall be set at no more than ¥50 million per year, the total number of shares with transfer restriction to be allotted to the Eligible Directors in each fiscal year shall be limited up to 50,000 shares, and the period of restriction on transfer of shares shall be set during the period from the date of allotment to the date on which they resign or retire from their positions as either a director or an executive officer of the Company.

At a meeting of the Board of Directors held on July 23, 2026, and pursuant to a decision of the Representative Directors and President of the Company, it was resolved that cash compensation claims in an aggregate amount of ¥23,922,384 be granted to one eligible director, four executive officers and 90 employees (collectively, the "Allottees") as restricted stock compensation. The restricted stock compensation for the director and executive officers covers the period from the Company's 9th Ordinary General Meeting of Shareholders to its 10th Ordinary General Meeting of Shareholders scheduled to be held in June 2027, while that for employees relates to the Company's 10th fiscal year (from April 1, 2026 to March 31, 2027).

Subject to the contribution in kind of all such cash compensation claims by the Allottees, the Company will allot 20,784 shares of its common stock as restricted stock. The amount of the cash compensation claims to be granted to each Allottee has been determined after comprehensively considering various factors, including each Allottee's contribution to the Company. In addition, the dilution resulting from the disposal of treasury shares is expected to be approximately 0.05% of the total number of issued shares as of June 30, 2026 (39,910,700 shares) (rounded to the third decimal place). As the level of dilution is minimal, the Company believes that the disposal is reasonable and proportionate in light of the purpose of the Plan. The monetary compensation claims will be paid to Allottees subject to the execution of a restricted stock allotment agreement (hereinafter, "Allotment Agreement") with the Company, which includes the following contents in summary.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

The period from August 10, 2026 to the date immediately following the eligible person's resignation or retirement from all positions as a director, executive officer, or employee of the Company.
During the restricted transfer period set forth above (hereinafter referred to as the "Restricted Transfer Period"), the Allottees may not transfer, pledge, set collateral, make a gift of one's lifetime and bequeath allotted shares with transfer restriction (hereinafter, the "Allotted Shares") to any third party during the transfer restriction period (hereinafter, the "Transfer Restriction").

(2) Gratis acquisition of restricted stocks

If an Allottee resigns or retires from all positions as a director, executive officer, and employee of the Company before the day immediately preceding the date of the first Ordinary General Meeting of Shareholders of the Company following the commencement date of the Transfer Restriction Period (or, in the case of an employee, before the day immediately preceding the last day of the first fiscal year of the Company ending after such commencement date), the Company shall automatically acquire the Allocated Shares without consideration at the time of such resignation or retirement, unless the Board of Directors determines that there is a justifiable reason therefor.
In addition, if any of the Allotted Shares have not been lifted from the Transfer Restriction in accordance with the provisions of (3) below at the time when the Restricted Transfer Period expires (hereinafter, the "Time Expiration"), the Company shall rightfully acquire such Allotted Shares without consideration as of the time immediately following the Time Expiration.

(3) Lifting of the Transfer Restriction

The Company shall lift the transfer restrictions on all Allocated Shares held by an Allottee upon the expiration of the Transfer Restriction Period, provided that the Allottee has continuously served as a director, executive officer, or employee of the Company until the date of the first Ordinary General Meeting of Shareholders of the Company following the commencement of the Transfer Restriction Period (or, in the case of an employee, until the last day of the first fiscal year of the Company ending after such commencement date). Notwithstanding the foregoing, if an Allottee resigns or retires from all positions as a director, executive officer, and employee of the Company before such date for a reason determined by the Board of Directors to be justifiable, the Company shall lift the transfer restrictions immediately after such resignation or retirement on the number of Allocated Shares obtained by multiplying the number of Allocated Shares held by the Allottee at that time by the number of months from July 2026 (or, in the case of an employee, April 2026) to the month including the date of such resignation or retirement divided by 12, with any fractional share rounded down.

(4) Share management
Allottees shall complete the opening of an account with SMBC Nikko Securities Inc. in a manner designated by the Company to record the Allotted Shares, and shall keep and maintain the Allotted Shares in such account until the Transfer Restriction is lifted.

(5) Treatment in organizational restructuring, etc.
If, during the Transfer Restriction Period, a merger agreement under which the Company becomes a dissolved company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to an organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or, where such approval is not required, by the Board of Directors of the Company), and the effective date of such organizational restructuring, etc. occurs prior to the expiration of the Transfer Restriction Period (the "Approval Date of Organizational Restructuring, etc."), and if, as a result thereof, an Allottee ceases to serve as a director, executive officer, or employee of the Company, the Company shall, by resolution of the Board of Directors, lift the transfer restrictions on a portion of the Allocated Shares. The number of Allocated Shares for which the transfer restrictions will be lifted shall be the number obtained by multiplying the number of Allocated Shares held by the Allottee as of the Approval Date of Organizational Restructuring, etc. by the number of months from July 2026 (or, in the case of an employee, April 2026) to the month including the Approval Date of Organizational Restructuring, etc. divided by 12 (provided, however, that if the fraction exceeds 1, it shall be deemed to be 1), with any fractional share rounded down. The transfer restrictions shall be lifted immediately prior to the business day preceding the effective date of such organizational restructuring, etc.
At the time of approval of reorganization, etc., the Company shall rightfully acquire without consideration all of the Allotted Shares whose Transfer Restriction has not been lifted as of the same date, as of the business day preceding the effective date of such reorganization, etc.

4. Basis of calculating the amount to be paid in for Allotted Shares and its specific details

The disposition price of the disposition of treasury shares for the Allottees shall be ¥1,151, the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors' Meeting (July 22, 2026), in order to preclude any arbitrariness in this price. This price will therefore be the market price immediately before the date of resolution by the Board of Directors' Meeting, and thus the Company believes that it is reasonable and not particularly advantageous.

(end)