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November 12, 2026

Company name: KONDOTEC INC.
Representative: Noboru Hamano, President and Representative Director
(Securities code: 7438; Tokyo Stock Exchange Prime Market)
Inquiries: Hiroyuki Yada, Senior Executive Director, General Manager of Management Headquarters
(Telephone: +81-6-6582-8441)

Notice Concerning Disposal of Treasury Shares as Restricted shares

KONDOTEC INC. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, resolved to conduct a disposal of treasury shares as restricted shares (hereinafter collectively referred to as the "Disposal of Treasury Shares" or the "Disposal of shares") as described below.

1. Outline of the Disposal

(1) Disposal date	December 25, 2026
(2) Class and number of shares to be disposed	19,200 common shares of the Company
(3) Disposal value	1,771 yen per share
(4) Total amount of disposal	34,003,200 yen
(5) Planned recipients of share allocation and their number, as well as the number of shares to be allocated	1 Executive Officer of the Company, 1,800 shares 96 Certain Employees of the Company, 17,400 shares Further, we will not accept applications for a portion of the granted shares from our Executive Officers and Certain Employees.

2. Purpose and reasons for the disposal

The Company has resolved at a meeting of the Board of Directors held on November 9, 2021, to introduce a new incentive Plan utilizing restricted share (hereinafter, the "Plan") for our Executive Officers (hereinafter, the "Eligible Executive Officers") and Certain Employees (hereinafter, the "Eligible Employees", collectively referred to as " Eligible Employees, Etc. ").

The following section provides outline of the Plan.

<Outline, Etc. of the Plan>

Eligible Employees, Etc. shall contribute in kind of all monetary claims granted by the Company in accordance with the Plan to acquire shares of the Company's common share to be issued or disposed of. The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Director's resolution (or the closing price on the most recent trading day if no transaction on the above-mentioned day), within a scope that is not particularly favorable to Eligible Employees, Etc. who subscribe to the shares.

In addition, the issuance or disposal of the Company's common shares under the Plan shall be subject to the execution of a restricted share allotment agreement between the Company and Eligible Employees, Etc. which shall include provisions that (i) the Eligible Employees, Etc. shall be prohibited from transferring, creating any security interest in, or otherwise disposing of the Company's common shares allotted under the restricted share allotment agreement for a certain period; and (ii) the Company shall acquire the said common shares without contribution upon the occurrence of certain events.

In this Disposal of Treasury Shares, we have decided to grant a total monetary claim of 34,003,200yen (hereinafter, the "principal monetary claim") and 19,200 common shares to 97 Eligible Employees, Etc. Further, in order to realize the purpose of the Plan, which is to share shareholder value, over the medium term, the transfer restriction period has been set to approximately three years.

In this Disposal of Treasury Shares, 97 Eligible Employees, Etc. who are eligible allottees shall make a contribution in kind of all of the Monetary Claims to the Company and be allotted the shares of the Company's common share (hereinafter, the "Allotted Shares") under the Plan. The outline of the restricted share allotment agreement (hereinafter, the "Allotment Agreement") to be entered into between Eligible Employees, Etc. and the Company with respect to the Disposal of Treasury Shares is provided in 3. below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

December 25, 2026 – December 3, 2029

(2) Conditions to lift Transfer Restrictions

The Company shall lift the Transfer Restrictions of all Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that the Eligible Employee, Etc. has continued to remain in the position of Director, Executive Officer who do not also serve as directors, employee or any position equivalent to the above of the Company or a subsidiary of the Company throughout the transfer restriction period

(3) Treatment in the Event that Eligible Employees, Etc. Retire During the Transfer Restriction Period Due to Expiration of Term, Reaching Retirement Age, or Other Justifiable Reasons.

(i)Timing of Lifting Transfer Restrictions

As a general rule, if a Eligible Employee, Etc. retires or resigns from all positions held

at the Company or its subsidiaries including Director, Executive Officer who does not concurrently serve as a Director, employee, or any other equivalent position due to the expiration of their term, reaching the mandatory retirement age, or other justifiable reasons (excluding retirement or resignation due to death), the Company shall lift the Transfer Restrictions at the later of the time immediately following the resignation or retirement of the Eligible Employee, Etc., or the time immediately following July 1, 2027, which is three months after the end of the fiscal year to which the Disposal date for the Allotted Shares pertains.

In the case of retirement or resignation due to death, the transfer restrictions shall be lifted at a time separately determined by the Company after the death of the Eligible Employee, Etc.

However, notwithstanding the above provisions, if a Eligible Employee, Etc. resigns or retires due to death by the time immediately prior to July 1, 2027, the Company shall acquire all of the Allotted Shares, automatically without contribution.

(ii) Number of shares subject to Lifting Transfer Restrictions

The number of shares subject to lifting Transfer Restrictions as defined in (i) shall be the number of Allotted Shares held immediately after the resignation or retirement (excluding resignation or retirement due to death). If the resignation or retirement due to death occurs on or after July 1, 2027, the number of shares subject to lifting Transfer Restrictions shall be the number of Allotted Shares held by the Eligible Employee, Etc. at the time of death.

(4) Acquisition by the Company Without Contribution

The Company shall automatically acquire without contribution the Allotted Shares on which the transfer restriction has not been lifted upon the expiry of the transfer restriction period or at the time of lifting the transfer restriction as stipulated in the (3) above.

(5) Treatment at the time of Reorganization

As a general rule, if, during the transfer restriction period, matters relating to a merger agreement under which the Company is a disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or other reorganization, etc., are approved at the Company's General Meeting of shareholders (or at a meeting of the Board of Directors in cases where the approval of the Company's General Meeting of shareholders is not required), the Company shall, by resolution of the Board of Directors, lift the transfer restriction on all of the Allotted Shares immediately prior to the business day immediately preceding the effective date of such reorganization, etc. Further, the Company shall automatically acquire, without contribution, all of the Allotted Shares for which the transfer restriction has not been lifted as the time of the expiration of the transfer restriction period.

However, notwithstanding the above provisions, if the time immediately prior to the business day immediately preceding the effective date of such reorganization, etc. is before July 1, 2027, the Company shall automatically acquire without contribution all of the Allotted Shares.

(6) Administration of the Shares

Even if there is a request from Eligible Employees, Etc. any transfer of these allocated shares managed in the dedicated account shall be restricted during the transfer restriction period, the Allotted Shares shall be managed distinguishing it from other company shares that are not subject to transfer restrictions in a dedicated account opened by Eligible Employees, Etc. at Nomura Securities Co., Ltd. to prevent transfer, creation of any security interest, or any other disposals associated with the said shares during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the administration of accounts for the Allotted Shares held by respective Eligible Employees, Etc. to ensure the effectiveness of transfer restriction, etc., on the Allotted Shares. Further, Eligible Employees, Etc. shall consent to the content of the administration of such accounts.

4. Basis of the Calculation of the Amount to Be Paid in and Its Specific Details

The Disposal of Treasury Shares to Eligible Employees, Etc. designated allocation recipient will be based on the Monetary Claims paid as Restricted Share. The disposal price shall be 1,771 yen, the closing price of the Company's common share on the Prime Market of the Tokyo Share Exchange on November 11, 2026 (the business day immediately preceding the date of resolution by the Board of Directors), in order to eliminate arbitrariness. This is a market price at a time immediately preceding the date of resolution by the Board of Directors. Accordingly, the Company judges it reasonable and not considered as a price particularly favorable.