

May 21, 2025

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Representative Director
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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

HIKARI TSUSHIN, INC. (the “Company”) hereby announces that it has resolved at a meeting of its Board of Directors held on May 21, 2025 to dispose of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”) as follows.

1. Overview of the Disposal of Treasury Shares

(1)	Disposal date	June 13, 2025
(2)	Class and number of shares to be disposed	4,485 shares of our common stock
(3)	Disposal price	38,840 yen per share
(4)	Total value of shares to be disposed	174,197,400 yen
(5)	Planned Allottees	4,485 shares to 7 employees of our subsidiaries
(6)	Other	An Extraordinary Report has been submitted in accordance with the Financial Instruments and Exchange Act regarding this Disposal of Treasury Shares.

2. Purpose and Reason for the Disposal

Based on the resolutions of the Board of Directors held on November 13, 2023 and May 15, 2024, the Company has introduced a restricted stock compensation plan (the “Plan”) with the aim of providing incentives to employees of the Company and directors and employees of its subsidiaries to promote the sustainable enhancement of the corporate value of the Group, and to further align interests with shareholders. Under the Plan, restricted stock is granted to executive officers or equivalent employees of the Company, directors of subsidiaries, and executive officers or equivalent employees of subsidiaries who are recognized by the Company as playing particularly important roles in achieving sustainable corporate value enhancement (the “Eligible Recipients”).

[Overview of the Plan]

Under the Plan, Eligible Recipients will make an in-kind contribution of the entirety of their monetary compensation claims granted by the Company or its subsidiaries, and in return will be allotted or receive disposition of common shares of the Company (the “Shares”).

The total amount of monetary compensation claims to be granted to the Eligible Recipients under the Plan shall not exceed 450 million yen per year, and the total number of shares to be issued or disposed of under the Plan shall not exceed 20,000 shares per year. In the event of a stock split, reverse stock split, or any other event necessitating an adjustment to the number of common shares of the Company, the total number of shares to be issued or disposed of shall be adjusted in a reasonable manner.

The amount to be paid per common share to be newly issued or disposed of by the Company under the Plan shall be based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution concerning such issuance or disposition (or, if no trade was executed on that day, the closing price

on the most recent trading day prior to that day).

In connection with the issuance or disposition of the Shares, the Company and the Eligible Recipients shall enter into a Restricted Stock Allotment Agreement, which shall include the following terms:

- (1) The Eligible Recipients shall not transfer, pledge, or otherwise dispose of the Shares to any third party for a certain period.
- (2) In certain cases, the Company shall acquire the Shares without consideration.

Taking into consideration the objectives of the Plan, the Company's business performance, the responsibilities and scope of duties of the Eligible Recipients, and other relevant circumstances, the Company has decided to grant monetary compensation claims totaling 174,197,400 yen (the "Monetary Compensation Claims") from its subsidiary to 7 Eligible Recipients. In exchange, 4,485 Shares of the Company's common stock shall be allotted. In this Disposal of Treasury Shares, the Eligible Recipients will make an in-kind contribution of the entirety of their Monetary Compensation Claims against the Company's subsidiary and receive disposition of the Company's common shares (the "Allotted Shares") under the Plan. Furthermore, in line with the objective of the Plan, including providing incentives to enhance sustainable corporate value, the restriction period on the transfer of the Allotted Shares shall be three years. An overview of the Restricted Stock Allotment Agreement (the "Allotment Agreement") to be executed between the Company and the Eligible Recipients for this Disposal of Treasury Shares is provided in Section 3 below.

3. Overview of the Allotment Agreement

- (1) Transfer Restriction Period: From June 13, 2025 to June 12, 2028

- (2) Conditions for Lifting the Transfer Restrictions

The transfer restrictions on all of the Allocated Shares held by an Eligible Recipient will be lifted at the end of the transfer restriction period, provided that the Eligible Recipient has continuously maintained the status of an employee of the Company or any of its subsidiaries (collectively, the "Company Group") throughout the transfer restriction period.

However, if an Eligible Recipient retires from the Company Group for a legitimate reason during the transfer restriction period, the Company shall lift the transfer restrictions on the Allotted Shares, the number of which is obtained by dividing the number of months from the month including the disposal date to the month including the date of resignation by 36 (provided that if the result exceeds 1, it shall be treated as 1) and multiplying that by the number of the Allocated Shares held by the Eligible Recipient at the time of retirement (any fractional shares resulting from this calculation shall be rounded down), with the transfer restrictions being lifted immediately after such retirement, provided that the Eligible Recipient continuously maintained the status of an employee of the Company Group during the period from the disposal date to the date of retirement.

In cases where the date of retirement falls before the date that is three months after the end of the fiscal year in which the disposal date falls, the transfer restrictions will be lifted on the first business day following the date that is three months after the end of such fiscal year, if such date is not a business day.

- (3) Acquisition by the Company without consideration

If, during the transfer restriction period, an Eligible Recipient ceases to hold the status of an employee of the Company Group or otherwise falls under certain specified circumstances (excluding the cases specified in the proviso of item (2) above), the Company shall, as of such time, acquire without consideration all of the Allocated Shares held by the Eligible Recipient at that time.

In addition, if, at the end of the transfer restriction period or at the time that the transfer restrictions are lifted according to the proviso to item (2) above, there remain Allocated Shares for which the transfer restrictions have not been lifted, the Company shall acquire all such shares without consideration immediately thereafter.

- (4) Management of Shares

The Allocated Shares will be managed in dedicated accounts opened by the Eligible Recipients at

Nomura Securities Co., Ltd., and during the transfer restriction period, such shares may not be transferred, pledged, or otherwise disposed of.

To ensure the effectiveness of the transfer restrictions and related provisions, the Company has entered into agreements with Nomura Securities Co., Ltd. regarding the management of the accounts holding the Allocated Shares for each Eligible Recipient. In addition, the Company will obtain consent from each Eligible Recipient regarding the terms and conditions of the transfer restrictions.

(5) Treatment in the Event of Organizational Restructuring

If, during the transfer restriction period, matters related to organizational restructuring—such as a merger agreement under which the Company becomes the disappearing entity, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or other similar events—are approved at a general meeting of shareholders of the Company (or at a meeting of the Board of Directors if such shareholder approval is not required), and if the effective date of such restructuring (the “Effective Date of Restructuring”) falls within the transfer restriction period and is approved by the Board of Directors, the transfer restrictions shall be lifted, as of the business day immediately prior to the Effective Date of Restructuring, on the number of the Allotted Shares held by the Eligible Recipients on the approval date of the restructuring (the “Restructuring Approval Date”) calculated by dividing the number of months from the month including the allocation date to the month including the Restructuring Approval Date by 36 and multiplying the number of Allocated Shares held on the Restructuring Approval Date (any fractional shares resulting from this calculation shall be rounded down).

Furthermore, any Allotted Shares for which transfer restrictions have not been lifted as of the business day immediately preceding the Effective Date of Restructuring shall be acquired by the Company without consideration on that same day.

4. Basis and Specific Details for the Calculation of the Amount to be Paid in Contribution

This Disposal of Treasury Shares is conducted by way of contribution in kind, using monetary compensation claims granted by our subsidiaries under the Plan. To eliminate arbitrariness in determining the disposal price, the price has been set at 38,840 yen, which is the closing price of our common stock on the Prime Market of the Tokyo Stock Exchange on May 20, 2025 (the business day immediately preceding the day of resolution of the Board of Directors). As this is the market price immediately prior to the resolution date of the Board of Directors and the Company believes that it is reasonable and does not constitute a particularly favorable price.