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November 7, 2025

To whom it may concern:

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Listing: Prime Market, Tokyo Stock Exchange
Stock code: 4958
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Notice Concerning Introduction of Restricted Stock Compensation Plan

T. HASEGAWA CO., LTD. (the “Company”) hereby announces that it resolved at the Board of Directors’ meeting held on November 7, 2025, to review the executive compensation system and introduce a Restricted Stock Compensation Plan (the “Plan”). It also resolved to submit a proposal regarding the Plan (the “Proposal”) to the 64th Annual General Meeting of Shareholders scheduled to be held on December 18, 2025 (the “General Meeting of Shareholders”), as described below.

1. Purpose of introducing the Plan

The Plan is being introduced with the aim of providing an incentive for the continuous enhancement of the Company’s corporate value and promote value sharing between the Company’s Directors and shareholders by allotting restricted shares to Directors (excluding outside Directors, hereinafter referred to as “Eligible Directors”) and having them hold the Company’s shares.

2. Overview of the Plan

(1) Conditions for introducing the Plan

Under the Plan, monetary claims of compensation will be granted to the Eligible Directors for the allotment of restricted share, and the Eligible Directors will receive shares of the Company’s common shares issued or disposed of by the Company by contributing such monetary claims in kind.

Accordingly, the introduction of the Plan is conditional upon obtaining shareholders’ approval for the provision of such compensation at the General Meeting of Shareholders.

With regard to the amount of compensation for Directors of the Company, it was approved at the 60th Annual General Meeting of Shareholders held on December 22, 2021 and 56th Annual General Meeting of Shareholders held on December 21, 2017, that the annual compensation shall be not more than ¥500 million (of which no more than ¥50 million shall be paid to Outside Directors, excluding employee salaries of Directors who concurrently serve as employees). In addition, at the 54th Annual General Meeting of Shareholders that convened on December 17, 2015, separate from the aforementioned compensation framework, the compensation framework for compensation-type stock options for Eligible Directors was approved as no more than ¥140 million per annum, and no more than 2,000 share acquisition rights to be allocated (total number of shares of the intended class: 200,000 shares of common shares). At the General Meeting of Shareholders, the Company plans to request shareholders’ approval to newly introduce the Plan and to establish a compensation framework for Eligible Directors under the Plan that is separate from the aforementioned compensation framework. Contingent on approval and adoption of the Proposal at the General Meeting of Shareholders, the current compensation-type stock option system will be abolished, and no new compensation-type stock options will be issued thereafter.

(2) Overview of the compensation framework for Directors

The total amount of monetary claims to be provided to Eligible Directors under the Plan shall be no more than ¥150 million per annum (excluding the amount of employee's salaries portion for Directors who are also employees).

Additionally, the total number of the Company's common shares to be issued or disposed of by the Company under the Plan will be within 170,000 shares per year. However, if, on or after the effective date of the day on which the Proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common shares, the relevant total number shall be reasonably adjusted, as necessary, in accordance with the share split or reverse share split ratio, effective from the said effective date.

Eligible Directors shall pay in all monetary claims provided by the Company under the Plan as assets contributed in kind and shall receive the issuance or disposition of the Company's common shares. The amount to be paid per one share of the Company's common shares to be issued or disposed of shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of the relevant Board resolution (or, if no trading occurred on that day, the closing price on the immediately preceding trading day), within the scope that does not constitute an amount particularly favorable to the Eligible Directors receiving such common shares.

The specific timing and allocation for each Eligible Director shall be determined by the Board of Directors after receiving a recommendation from the Compensation Committee.

(3) Restricted share allotment agreement

In issuing or disposing of the common shares of the Company based on the Plan, a restricted share allotment agreement will be concluded between the Company and the Eligible Directors. The main contents of this agreement are as follows.

- (i) The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the allotted shares for a certain period of time.
- (ii) In the event that certain specified circumstances arise, the Company shall acquire the allocated shares without compensation.

The common shares of the Company allotted to the Eligible Directors are expected to be managed in a dedicated account opened by the Eligible Directors during the transfer restriction period, ensuring that they cannot be transferred, pledged, or otherwise disposed of during this period.

(Reference)

Contingent on approval and adoption of the Proposal at the General Meeting of Shareholders, the Company also plans to grant restricted shares with the same terms as above to the Company's Senior Vice Presidents, Group Executive Officers (residents in Japan), and fellows, based on a resolution by the Board of Directors of the Company.