



June 24, 2025

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(URL <https://www.kotobukispirits.co.jp/>)
Name of Representative: Seigo Kawagoe, President and CEO
(Securities Code: 2222 TSE Prime Market)
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Notice of Disposal of Treasury Stock as Restricted Shares Remuneration

Kotobuki Spirits Co., Ltd. (“the Company”) hereby announces that the meeting of its Board of Directors held today resolved to dispose of treasury stock (“the Disposal of Treasury Stock” or “the Disposal”) as described below.

1. Overview of the Disposal

(1) Disposal date	July 23, 2025
(2) Class and number of shares to be disposed	Common stock of the Company 70,431 shares
(3) Disposal price	2,065 yen per share
(4) Total value of disposal	145,440,015 yen
(5) Eligible persons for disposal, number of eligible persons, and number of shares to be disposed	Four Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) 16,850 shares Four executive employees of the Company 2,128 shares 14 Directors of the Company’s subsidiaries 31,592 shares 38 executive employees of the Company’s subsidiaries 19,861 shares
(6) Other details	An Extraordinary Report as stipulated in the Financial Instruments and Exchange Act has been submitted with respect to the Disposal of Treasury Stock.

2. Purpose and Reason for Disposal

At the meeting of the Board of Directors held on May 14, 2024, the Company resolved to introduce a restricted shares remuneration plan (“the Plan”) as a new remuneration plan for the Company's directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; “the Eligible Directors”) and Directors of subsidiaries (collectively referred to as “the Eligible Directors, etc.” with the Eligible Directors) to provide an incentive to sustainably increase the Company's corporate value and to further promote value sharing with shareholders. The 72nd Ordinary General Meeting of Shareholders held on June 25, 2024 approved monetary claims of up to 60 million yen per year to be paid to the Eligible Directors as remuneration for the grant of restricted shares (“the Restricted Shares Remuneration”) under the Plan, the issuance or disposal of up to 40,000 shares of the Company's common stock per year, and the setting of the transfer restriction period for the restricted shares at between three years and 60 years as determined by the Board of Directors of the Company.

In addition, at the meeting of the Board of Directors held on May 13, 2025, the Company resolved to introduce the Plan

for executive employees of the Company and its subsidiaries (“Eligible Employees” and collectively referred to as “the Allottees” with the Eligible Directors, etc.).

The outline of the Plan and other details are as follows.

[Outline of the Plan, etc.]

The Allottees will pay all of the monetary claims provided by the Company under this Plan as in-kind contributions for the issuance or disposal of common stock of the Company. The paid-in amount per share will be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (or, if no trading is concluded on that day, the closing price on the most recent trading day preceding that date), within the scope of an amount that is not particularly advantageous to the Allottees, etc. who subscribe for the common stock.

In addition, when issuing or disposing of the Company's common stock under the Plan, a restricted stock allocation agreement will be concluded between the Company and the Allottees. The content of such an agreement will include: (i) the Allottees will be prohibited from transferring to a third party, creating a security interest in, or otherwise disposing of the Company's common stock allotted under the restricted stock allocation agreement for a certain period of time, and (ii) the Company will acquire the common stock without consideration if certain events occur.

On this occasion, after consultation with the Nominating and Remuneration Advisory Committee, and taking into consideration the purpose of the Plan, the Company's business performance, the scope of responsibilities of each Allottees, etc., and various other circumstances, it has been decided to grant monetary claims totaling 145,440,015 yen (“the Monetary Claims”) and 70,431 shares of common stock with the aim of further increasing the motivation of each Allottees, etc. In addition, in order to realize the purpose of introducing the Plan, which is value sharing with shareholders over the medium to long term, the transfer restriction period has been set at 60 years.

In the Disposal of Treasury Stock, pursuant to the Plan, the 60 Allottees, who are the intended allottees, will pay in all of the Monetary Claims to the Company as in-kind contributions and will receive the Company's common stock to be disposed (“Allotted Shares”). The outline of the restricted stock allocation agreement (“the Allocation Agreement”) to be concluded between the Company and the Allottees in relation to the Disposal of Treasury Stock is as described in 3. below.

3. Outline of the Allocation Agreement

<For the Eligible Directors, etc.>

(1) Transfer Restriction Period

From July 23, 2025 (“the Disposal Date”) to July 22, 2085

(2) Condition for Lifting of Transfer Restriction

The transfer restriction will be lifted for all of the Allotted Shares at the end of the transfer restriction period, on condition that the Eligible Directors, etc. continue to hold the position of director, executive officer, executive officer not concurrently holding the position of director, auditor, advisor, consultant, employee or other equivalent position of the Company or any of its subsidiaries during the transfer restriction period.

(3) Treatment in the event that an Eligible Director, etc. resigns or retires during the transfer restriction period due to the expiration of his or her term of office, reaching retirement age, or other legitimate reasons

(i) Timing for Lifting of Transfer Restriction

If an Eligible Director, etc. resigns or retires from his or her position as a director, executive officer, executive officer not concurrently holding the position of director, auditor, advisor, consultant, employee, or any other equivalent position of the Company or any of its subsidiaries due to the expiration of his/her term of office, reaching the retirement age, or any other legitimate reason (including resignation or retirement due to death), the transfer restrictions will be lifted immediately after the resignation or retirement of the Eligible Director, etc.

(ii) Number of Shares Subject to the Lifting of Transfer Restriction

The number of Allotted Shares held at the time of resignation or retirement specified in (i) shall be multiplied by the number of months from the month including the Disposal Date to the month including the date of resignation or retirement of the Eligible Director, etc., divided by 12 (if this number exceeds 1, it shall be set to 1) (however, if the calculation results in a fraction less than 1 share, such fraction shall be rounded down).

(4) Acquisition without Consideration by the Company

If an Eligible Director, etc. commits a violation of laws and regulations during the transfer restriction period or any other specific event set out in the Allocation Agreement applies, the Company will automatically acquire all of the Allotted Shares held by the Eligible Director, etc. at that time without consideration. The Company will automatically acquire without consideration all of the Allotted Shares on which the transfer restrictions have not been lifted immediately after the expiration of the transfer restriction period or the lifting of the transfer restrictions set out in (3) above.

(5) Treatment of Organizational Restructuring, etc.

During the transfer restriction period, if a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or, in cases where approval at the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc., then a meeting of the Company's Board of Directors), the transfer restrictions related to the number of Allotted Shares held at that time multiplied by the number obtained by dividing the number of months from the month including the Disposal Date to the month including the date of such approval by 12 (if this number exceeds 1, then 1 will be used) (however, if the calculation results in a fraction less than 1 share, such fraction will be rounded down), will be lifted immediately before the business day preceding the effective date of the organizational restructuring, etc. In addition, the Company will automatically acquire without consideration all of the Allotted Shares for which the transfer restrictions have not been lifted as of the business day preceding the effective date of the reorganization, etc.

(6) Administration of Shares

The Allotted Shares will be administered in a dedicated account opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the transfer restriction period to prevent transfer, creation of a security interest, or other disposal during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the administration of the accounts for the Allotted Shares held by each Eligible Director, etc. In addition, the Eligible Directors, etc. will agree to the details of the administration of such accounts.

<For Eligible Employees>

(1) Transfer Restriction Period

From the Disposal Date to July 22, 2085

(2) Condition for Lifting of Transfer Restriction

The transfer restriction will be lifted for all of the Allotted Shares at the end of the transfer restriction period, on condition that the Eligible Employee continues to hold the position of director, executive officer, executive officer not concurrently holding the position of director, auditor, advisor, consultant, employee or other equivalent position of the Company or any of its subsidiaries during the period from the Disposal Date to immediately before the conclusion of the first Ordinary General Meeting of Shareholders held thereafter (the "Service Period").

(3) If an Eligible Employee resigns or retires (including due to death) after the Service Period has elapsed due to reaching the retirement age or other legitimate reason (including for personal reasons), the transfer restrictions on all the Allotted Shares will be lifted immediately after such resignation or retirement.

(4) Acquisition without Consideration by the Company

If an Eligible Employee, etc. commits a violation of laws and regulations during the transfer restriction period or any

other specific event set out in the Allocation Agreement applies, the Company will automatically acquire all of the Allotted Shares held by the Eligible Employee, etc. at that time without consideration. The Company will automatically acquire without consideration all of the Allotted Shares on which the transfer restrictions have not been lifted immediately after the expiration of the transfer restriction period or the lifting of the transfer restrictions set out in (3) above.

(5) Treatment of Organizational Restructuring, etc.

During the transfer restriction period, if a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or, in cases where approval at the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc., then a meeting of the Company's Board of Directors), the transfer restrictions related to the number of Allotted Shares held at that time multiplied by the number obtained by dividing the number of months from the month including the Disposal Date to the month including the date of such approval by 12 (if this number exceeds 1, then 1 will be used) (however, if the calculation results in a fraction less than 1 share, such fraction will be rounded down), will be lifted immediately before the business day preceding the effective date of the organizational restructuring, etc. In addition, the Company will automatically acquire without consideration all of the Allotted Shares for which the transfer restrictions have not been lifted as of the business day preceding the effective date of the reorganization, etc.

(6) Administration of Shares

The Allotted Shares will be administered in a dedicated account opened by the Eligible Employees at Nomura Securities Co., Ltd. during the transfer restriction period to prevent transfer, creation of a security interest, or other disposal during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the administration of the accounts for the Allotted Shares held by each Eligible Employee. In addition, the Eligible Employees will agree to the details of the administration of such accounts.

4. Basis for and Specific Content of Paid-in Amount Calculations

The Disposal of Treasury Stock to the intended allottees will be conducted by using the monetary claims paid as Restricted Shares Remuneration under the Plan as assets contributed in kind. In order to eliminate arbitrariness, the disposal price has been set at 2,065 yen, calculated by rounding up the first decimal place of 2,064.5 yen which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 23, 2025 (the business day before the date of the Board of Directors' resolution). This is the market stock price immediately prior to the date of the resolution by the Board of Directors, and the Company believes that it is reasonable and does not constitute a particularly advantageous amount.