Translation

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To whom it may concern,

February 26, 2025

Company name: KOHOKU KOGYO CO., LTD.

Representative: President and CEO Futoshi Ishii

(Securities code: 6524 TSE)

Contact: Director, Executive Officer and General Manager of Accounting Department Kunio Uehara

(TEL: +81-749-85-3211)

Notice Regarding Repurchase of Own Shares, Repurchase of Own Shares Through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), and Cancellation of Own shares

(Acquisition of own shares pursuant to the provisions of the Articles of Incorporation pursuant to Article 165, Paragraph 2 of the Companies Act, purchase of own shares through off-auction own share repurchase trading system (ToSTNeT-3), and cancellation of own shares pursuant to Article 178 of the same Act)

Kohoku Kogyo Co., Ltd. hereby announces that at the Board of Directors meeting held on February 26, 2025, by resolution in electromagnetic record pursuant to Article 370 of the Companies Act and our Articles of Incorporation, the Company resolved to acquire own shares pursuant to Article 156 of the Companies Act, as applied pursuant to Article 165, Paragraph 3 of the Companies Act, and the specific method of such acquisition, as well as to cancel own shares pursuant to Article 178 of the Companies Act, as follows.

1. Reasons for the acquisition and cancellation of own shares

In the "Responses to Realize Management with an Awareness of Capital Costs and Stock Price," the Company has set targets for capital efficiency such as ROIC and ROE in the medium-term management plan disclosed on February 12, 2025 (target ROIC: 16%, ROE: 18% for the fiscal year ending December 2027) and targets for dividend payout ratio (target consolidated dividend payout ratio of 30%, DOE: 3% or more as standard). As part of its flexible capital policy, the Company has decided to acquire and cancel own shares with the aim of further enhancing shareholder returns and improving capital efficiency, thereby increasing corporate value.

2. Method of acquisition

The purchase will be commissioned to take place at today's (February 26, 2025) closing price of 2,264 yen through the Tokyo Stock Exchange off-auction own share repurchase trading system (ToSTNeT-3) at 8:45 a.m. on February 27, 2025 (there will be no changes to other trading systems or trading hours).

The purchase order will be valid only for the relevant trading hours.

3. Details of acquisition

(1) Class of shares to be acquired	Common shares
(2) Total number of shares to be acquired	1,200,000 shares (upper limit) (4.45% of the total number of issued shares (excluding own shares))
(3) Total amount of share acquisition costs	2,716,800,000 yen (upper limit)
(4) Announcement of results of acquisition	The acquisition results will be announced after the close of trading at 8:45 a.m. on February 27, 2025.

Note 1: No change will be made to the number of shares specified above. Note, however, that part or all of the acquisition may not be carried out depending on market trends and other factors.

Note 2: The purchase will be made on the basis of sell orders corresponding to the number of shares scheduled to be acquired.

4. Matters concerning transactions with controlling shareholders

（1） Applicability of transactions with controlling shareholders and compliance with guidelines regarding policies for protecting minority shareholders

This share repurchase (hereinafter, this transaction) is intended to involve the participation of Futoshi Ishii, President and CEO of the Company, as the seller, and therefore this transaction constitutes a transaction with a controlling shareholder.

The "Guidelines for measures to protect minority shareholders when conducting transactions, etc. with controlling shareholders" set out in the Corporate Governance Report disclosed by the Company on March 29, 2024 are as follows.

"While we have no business relationship between the Company and a controlling shareholder, if such a transaction were to occur in the future, we would establish a special committee consisting of independent persons, including independent outside directors, in order to sufficiently examine the rationality of the transaction (business necessity) and appropriateness in terms of the transaction, and to take measures to ensure that the interests of minority shareholders are not harmed."

This transaction was decided based on the above guidelines.

（2） Matters concerning measures to ensure fairness and avoid conflicts of interest

As a measure to ensure fairness, the Company plans to use off-auction own share repurchase trading system (ToSTNeT-3) and conduct this transaction at the closing price of the day before the acquisition date.

In addition, as a measure to avoid conflicts of interest, on February 19, 2025, a "special committee composed of independent persons, including independent outside directors" deliberated whether the Transaction would be disadvantageous to the Company's minority shareholders, and after providing a detailed explanation of the Transaction only to directors other than Futoshi Ishii, who is a director with an interest, the proposal for the Transaction was passed in an electronic record.

（3） Opinion obtained from a person with no interest in the controlling shareholder regarding whether the decision on the transaction, etc. is disadvantageous to minority shareholders

With regard to the resolution of the Board of Directors regarding the Transaction, a special committee consisting of Yutaka Kuriyama, Takeshi Nishimura, and Shoko Sawaki, who are independent outside directors with no conflict of interest with the controlling shareholders, and Masaya Nakamura, an independent outside auditor, submitted a report on February 19, 2025 stating its opinion that the decision to proceed with the Transaction was not disadvantageous to minority shareholders because measures to ensure fairness and to avoid conflicts of interest had been taken as described below.

① The acquisition of own shares pursuant to this transaction is intended to improve capital efficiency and flexibly implement shareholder returns, and is not being carried out with the purpose or intent of causing detriment to minority shareholders.

② The deliberations and resolutions of the board of directors regarding the acquisition of own shares pursuant to this transaction are planned to be conducted only by directors excluding Futoshi Ishii, who is a director with an interest, and measures have been taken to ensure the fairness of the decision-making process and avoid conflicts of interest.

③ This transaction will utilize the Tokyo Stock Exchange's off-auction share repurchase trading system (ToSTNeT-3), which ensures the fairness of the price and gives other shareholders an equal opportunity to trade, thereby ensuring fairness in the transaction terms.

5. Details of cancellation

(1) Class of shares to be cancelled	Common shares
(2) Number of shares to be cancelled	1,000,000 shares
(3) Scheduled cancellation date	March 31, 2025