May 9, 2025

Company name: PILOT CORPORATION
Name of representative: Fumio Fujisaki, Representative Director and President
(Securities code: 7846; TSE Prime Market)
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Notice on Disposal of Treasury Shares by Third-Party Allocation

PILOT Corporation (the "Company") announces that at a meeting of its Board of Directors held on May 9, 2025, it passed the following resolution to dispose of its treasury shares through Third-Party Allotment (the "Disposal of Treasury Shares"). Details are as follows.

1. Outline of the disposal

(1) Disposal date	May 29, 2025
(2) Class and number of shares to be disposed of	60,300 shares of common stock of the Company
(3) Disposal amount	3,942 yen per share
(4) Total disposal amount	237,702,600 yen
(5) Allottee	The Master Trust Bank of Japan, Ltd. (Executive Remuneration Board Incentive Plan (BIP) Trust Account)
(6) Others	The Disposal of Treasury Shares is conditioned on the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the disposal

The Company received approval at the 23rd Ordinary General Meeting of Shareholders held on March 28, 2025 for the continuation and partial revision of the details of the performance-linked share remuneration plan for directors utilizing the Executive Remuneration Board Incentive Plan (BIP) Trust ("BIP Trust") introduced in fiscal 2021. BIP Trust was introduced for the purpose of clarifying the linkage between the remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors and non-residents of Japan) and Executive Officers (excluding non-residents of Japan) who do not concurrently serve as Directors of the Company ("Eligible Directors, etc." together with Directors) and the Company's business performance and share value, and to encourage the Eligible Directors, etc. to share corporate value with shareholders and to motivate them to contribute to improving business performance and increasing corporate value over the medium to long term. For an overview of the BIP Trust, please see the Notification regarding Renewal and Partial Amendment of Performance-linked Share-based Remuneration Plan

published on February 14, 2025.

In conjunction with the extension of the BIP Trust, disposal of treasury shares by third-party allotment will be made to The Master Trust Bank of Japan, Ltd. (Executive Remuneration Board Incentive Plan (BIP) Trust Account), the joint trustee of the Executive Remuneration BIP Trust Agreement (the “Trust Agreement”; A trust established based on the Trust Agreement shall be called the "Trust.") that the Company will enter into with Mitsubishi UFJ Trust and Banking Corporation.

The number of shares to be disposed of is the number of shares expected to be distributed to Eligible Directors, etc. during the trust period in accordance with the Share Delivery Rules. The scale of stock dilution will be 0.15% in relation to the total number of issued shares, which is 40,905,200 shares (rounded to two decimal places; ratio to the total number of voting rights held by shareholders as of December 31, 2024, which is 385,356: 0.16%).

The Company considers that the impact of the treasury share disposal on the stock market will be minor and that the number of shares to be disposed of and the extent of dilution are reasonable, as the shares of the Company’s stock to be allotted through the Disposal of Treasury Shares will be delivered to Eligible Directors, etc. in accordance with the Share Delivery Rules and are not anticipated to simultaneously flow into the stock market.

3. Basis of calculation and specific details for the disposal price

The disposal price is set at 3,942 yen, the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. (the “TSE”) on the business day (May 8, 2025) prior to the date of the Board of Directors' resolution on the Disposal of Treasury Shares in order to eliminate arbitrariness in light of the recent share price trends. The Company decided to adopt this price because it was the market price immediately prior to the Board of Directors' resolution and was judged to be highly objective and reasonable as the basis for the calculation.

Moreover, regarding the disposal value described above, the Audit & Supervisory Committee members (comprising three members, two of whom are Outside Directors), who attended the meeting of the Board of Directors, unanimously expressed its opinion that the basis for calculation of the disposal value was reasonable and that the above disposal value does not fall under especially favorable value.

4. Procedures under the Code of Corporate Conduct

The Disposal of Treasury Shares does not require obtaining opinions from independent third parties or shareholder approval procedures as stipulated in Article 432 of the TSE's Securities Listing Regulations, because the dilution rate is less than 25%, and it does not involve a change of controlling shareholders.