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To whom it may concern

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Title of Hiroshige Aono, President and
Representative Representative Director
(Code No. 7611, Tokyo Stock Exchange Prime Market)
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Notice as for Introduction of a Restricted Stock Compensation Plan

The Company hereby announces that, at a meeting of its Board of Directors held today, it resolved to revise its executive compensation system and introduce a Restricted Stock Compensation Plan (the “Plan”). The Company also resolved to submit the relevant proposal concerning the Plan to the 48th Annual General Meeting of Shareholders scheduled to be held on May 26, 2026 (the “General Meeting of Shareholders”), as outlined below.

The above resolution of the Board of Directors was made based on the deliberations and recommendations of the Nomination and Compensation Committee, which serves as a voluntary advisory body to the Board of Directors and is composed of a majority of independent outside directors.

1. Purpose and Conditions of the Introduction of the Plan

(1) Purpose of the Introduction

The Plan is intended to provide the Company’s directors, including those who may be appointed in the future, (excluding outside directors and directors who are Audit and Supervisory Committee members, hereinafter referred to as “Eligible Directors”), with incentives to continuously enhance the Company’s corporate value and to further promote the sharing of value with shareholders.

(2) Conditions of the Introduction

If the Plan is introduced, Eligible Directors will, pursuant to resolutions of the Board of Directors, receive an issuance or disposition of the Company’s common stock (restricted stock) by either of the following methods:

(i) receiving, as consideration for the performance of their duties as directors, an issuance or disposition of common stock (restricted stock) without any monetary or other contribution in exchange for the shares (the “Non-Contribution Method”); or

(ii) contributing in kind the full amount of monetary compensation receivables granted by the Company and

receiving an issuance or disposition of common stock (restricted stock) in return (the “In-Kind Contribution Method”).

Accordingly, the introduction of the Plan is subject to obtaining approval from shareholders at the General Meeting of Shareholders for the payment of such compensation.

The maximum amount of compensation payable to the Company’s directors (excluding Audit and Supervisory Committee members) was approved at the 45th Annual General Meeting of Shareholders held on May 24, 2023, as follows: a fixed portion of up to ¥160 million per year (including up to ¥20 million for outside directors), and a variable portion of up to 3% of net income for the relevant fiscal year (capped at ¥50 million and not applicable to outside directors). At the General Meeting of Shareholders, the Company plans to propose revising the variable portion of monetary compensation to 0.5% of operating income for the relevant fiscal year (capped at ¥50 million and not applicable to outside directors), and, separately from the monetary compensation framework for directors, establishing a compensation framework for the Plan for Eligible Directors, for which shareholder approval will be sought.

2. Overview of the Plan

Under the Plan, Eligible Directors will receive an issuance or disposition of the Company’s common stock by either the Non-Contribution Method or the In-Kind Contribution Method described above.

The total number of shares of the Company’s common stock to be issued or disposed of under the Plan through both methods combined shall be limited to 20,000 shares per year. In the event that an unavoidable circumstance requiring an adjustment arises, such as a stock split or stock consolidation of the Company’s common stock, the number of shares to be issued or disposed of may be reasonably adjusted.

The total amount of the Company’s common stock to be issued or disposed of for the granting of restricted stock under the Plan shall be, separately from the monetary compensation framework for directors, limited to ¥50 million per year for both methods combined.

With respect to (i) the Non-Contribution Method, although no monetary payment is required at the time of the grant of restricted stock, the compensation amount for Eligible Directors shall be calculated 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 concerning the grant of restricted stock (or, if no trading occurs on that day, the closing price on the most recent trading day prior thereto).

With respect to (ii) the In-Kind Contribution Method, the payment amount per share shall be determined by the Board of Directors, within a range that does not constitute a particularly favorable amount for the recipients of the shares, 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 concerning the grant of restricted stock (or, if no trading occurs on that day, the closing price on the most recent trading day prior thereto).

In order to achieve one of the objectives of the Plan—long-term sharing of value with shareholders—the transfer restriction period shall be from the date of grant of the restricted stock until the date on which the relevant Eligible Director ceases to hold the position of director of the Company or such other position as

determined by the Board of Directors. The specific timing and allocation of grants to each Eligible Director shall be determined by the Board of Directors.

In the issuance or disposition of the Company's common stock under the Plan, the Company will enter into a restricted stock allotment agreement (the "Allotment Agreement") with each Eligible Director. The Allotment Agreement shall include, among others, the following provisions:

- (i) The Eligible Director shall not transfer, create a pledge on, or otherwise dispose of the Company's common stock allotted under the Allotment Agreement during the predetermined transfer restriction period; and
- (ii) Upon the occurrence of certain events, the Company shall be entitled to acquire such common stock without consideration.