



Company name: ALCONIX CORPORATION
Representative: Hiroshi Teshirogi, President, Executive Officer and CEO
Listing: Tokyo Stock Exchange, Prime Market
Stock code: 3036
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Notice of Disposal of Treasury Shares through Third Party Allotment in Connection with the Additional Contribution to the Performance-linked Stock Compensation Plan

Note: The original announcement in Japanese was released on February 17, 2025.

ALCONIX CORPORATION hereby announces that it has resolved on February 17, 2025 to dispose of its own shares through a third party allotment (the “Disposal of Treasury Shares”), pursuant to Article 370 of the Companies Act and Article 23 of the ALCONIX Articles of Incorporation (a written resolution in lieu of a resolution by the Board of Directors).

1. Summary of the Disposal of Treasury Shares

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| (1) Deadline | Wednesday, March 5, 2025 |
| (2) Type and number of shares | Common stock of ALCONIX CORPORATION 280,000 shares |
| (3) Price | 1,479 yen per share |
| (4) Total proceeds | 414,120,000 yen |
| (5) Scheduled recipient of the disposal | Custody Bank of Japan, Ltd. (Trust Account E) |
| (6) Other | The Disposal of Treasury Shares is subject to the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act. |

2. Reasons for the Disposal of Treasury Shares

ALCONIX has introduced a Board Benefit Trust (BBT) (hereinafter the “Plan”; a trust established under a trust agreement with Mizuho Trust & Banking Co., Ltd. in relation to the Plan (the “Trust”)) in accordance with the resolution of the Ordinary General Meeting of Shareholders held on June 23, 2021. (For an overview of the Plan, please refer to the “Announcement of the Introduction of a Performance-Linked Stock Compensation Plan” dated May 25, 2021 and “Notice of Disposal of Treasury Shares through Third Party Allotment in Connection with the Introduction of Performance-linked Stock Compensation Plan dated August 6, 2021”)

In continuing the Plan, ALCONIX has decided to make an additional monetary contribution (the “Additional Trust”) to the Trust to enable the Trust to purchase the shares expected to be required for future benefits, and ALCONIX has decided to dispose of its treasury shares by way of a third party allotment to Japan Custody Bank, Ltd. (Trust Account E) established under a trust agreement with Mizuho Trust & Banking Co., Ltd. for the purpose of holding and disposing of ALCONIX’s shares for the operation of the Plan (the Disposal of Treasury Shares).

The number of shares to be disposed of is equivalent to the number of shares expected to be delivered to Directors, etc. of ALCONIX during the trust period in accordance with the Share Benefit Regulations for Directors (for the three fiscal years from the fiscal year ending March 31, 2025, to the fiscal year ending March 31, 2027). This is equivalent to 0.90% of the total number of shares issued and outstanding as of September 30, 2024, of 31,070,000 (0.92%, rounded to the nearest third decimal place of the total number of voting rights of 303,903 as of September

30, 2024). On February 12, 2025, ALCONIX acquired 300,000 shares of treasury stock through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) of the Tokyo Stock Exchange and the ratio to the total number of voting rights (300,903) after the acquisition of treasury shares is 0.93%.

***Outline of the Additional Trust**

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| Day of the Additional Trust: | March 5, 2025 |
| Amount of the Additional Trust: | 414,120,000 yen |
| Class of shares to be repurchased: | Common stock of ALCONIX CORPORATION |
| Total number of shares to be repurchased: | 280,000 shares |
| Date of stock acquisition: | March 5, 2025 |
| Method of Acquisition: | By subscribing to the disposal of treasury shares |

3. Basis for calculation of disposal price and details thereof

The disposal price has been set at 1,479 yen, which is the closing price of ALCONIX's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution on the disposal of the treasury shares.

The reason for using the closing price on the business day immediately preceding the date of the Board of Directors' resolution is that it represents the fair market value of ALCONIX's share and deemed reasonable.

The disposal price of 1,479 yen is equivalent to 98.21% of the average closing price of 1,506 yen (rounded down to the nearest yen) for the one-month period (January 15, 2025 to February 14, 2025) up to the business day immediately preceding the date of the Board of Directors' resolution, 99.40% of the average closing price of 1,488 yen (rounded down to the nearest yen) for the last three months (November 15, 2024 to February 14, 2025), and 102.92% of the average closing price of 1,437 yen (rounded down to the nearest yen) for the last six months (August 15, 2024 to February 14, 2025). Taking the above considerations into account, the disposal price for the Disposal of Treasury Shares is considered not to be particularly advantageous and is therefore adjudged to be reasonable.

Furthermore, the three Audit & Supervisory Board Members who attended the meeting of the Board of Directors (two of whom are outside members) expressed the opinion that the above-mentioned disposal price does not constitute a particularly advantageous disposal price.

4. Item concerning procedure with regard to corporate code of conduct

The Disposal of Treasury Shares does not require the receipt of an opinion from an independent third party or the confirmation of the wishes of shareholders as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange. The reason is that this transaction 1) has a dilution ratio of less than 25% and 2) does not involve a change in the controlling shareholder.

(Reference: Maximum number of points to be granted to eligible employees under the Plan (per fiscal year))

| | Director (excluding Outside Director) | Executive Officer |
|---|--|-------------------|
| Maximum number of points to be granted to eligible employees under the Plan (per fiscal year) | 50,000 points | 50,000 points |