



PRESS RELEASE



September 25, 2025

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Notice Concerning the Introduction of a Stock Benefit Trust (Employee Stock Ownership Association Disposal-Type)

Hokuetsu Corporation (hereinafter, the “Company”) hereby announces that at its meeting held today, the Company’s Board of Directors passed a resolution to approve the introduction of a stock benefit trust (employee stock ownership association disposal-type) (hereinafter, the “Plan”) for the purpose of enhancing employee benefits for the Group’s employees and providing them with incentives related to the enhancement of the Company’s corporate value, as outlined below.

1. Purpose of introducing the Plan

The purpose of introducing the Plan is to enhance the employee benefits and to raise awareness among employees of the Company’s stock price and improve their work motivation as part of the investment in human capital, thereby aiming to achieve medium- to long-term enhancement of corporate value of the Company, through the stable provision of the Company’s shares to the Employee Stock Ownership Association and the distribution of profits obtained through the management and disposal of trust assets to employees.

This Plan is an employee benefit plan that was constructed by referencing, among other information, the Employee Stock Ownership Plan (ESOP) for employees that is common in the United States as part of employee incentive plans, and the “Report on a New Scheme for Employee Stock Ownership” announced by the Ministry of Economy, Trade and Industry on November 17, 2008.

In conjunction with the introduction of the Plan, the Company will raise the incentive money provision ratio of the Group’s Employee Stock Ownership Association from the current 10% to 20%.

2. Outline of the Plan

The Plan is an incentive plan that returns the benefits of increases in the Company's stock price to all employees of the Group who have joined the Hokuetsu Corporation Employee Stock Ownership Association (hereinafter, "Employee Stock Ownership Association").

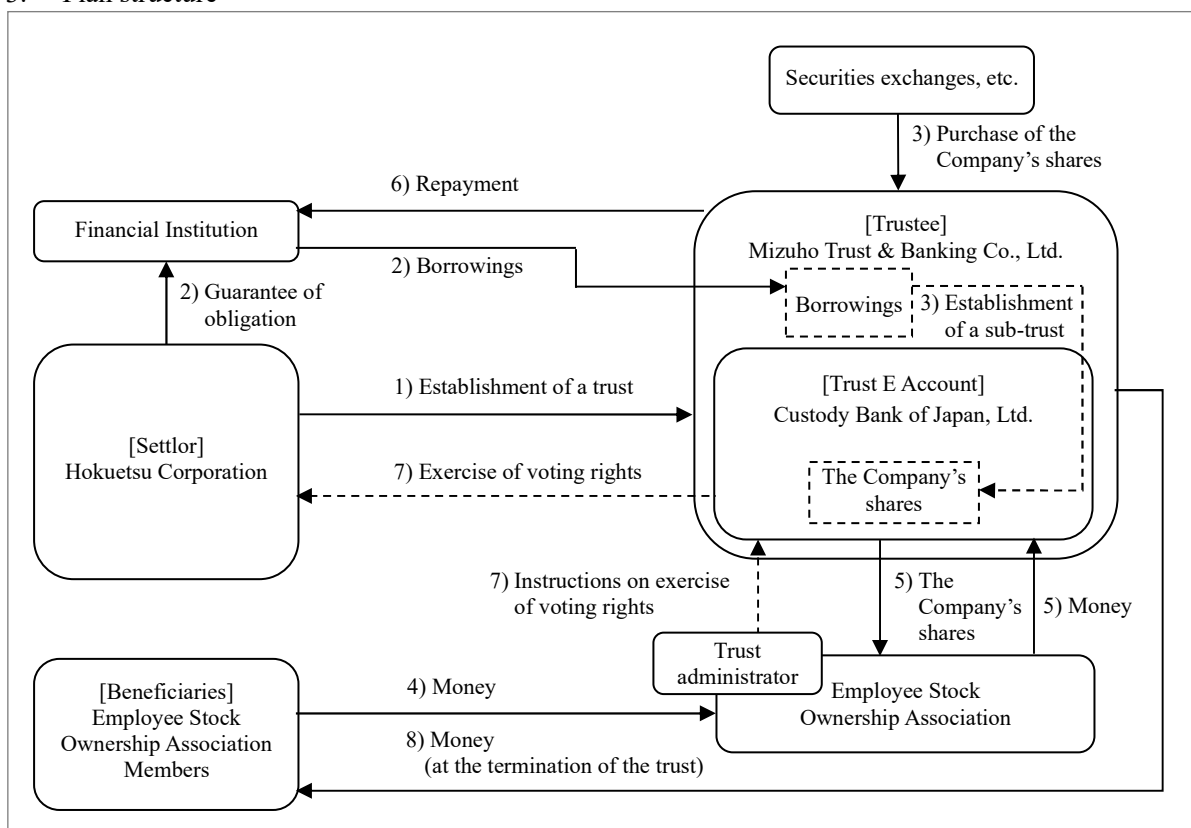
In order to implement the Plan, the Company, as the settlor, will enter into a stock-based benefit trust agreement (hereinafter, "Trust Agreement") with Mizuho Trust & Banking Co., Ltd. (hereinafter, "Trustee"). (Hereinafter, the trust established pursuant to the Trust Agreement is referred to as the "Trust"). At the same time, the Trustee will enter into a sub-trust agreement with Custody Bank of Japan, Ltd. for the management of securities and other trust assets with Custody Bank of Japan, Ltd. as the sub-trustee.

A Trust E Account shall be established at the Custody Bank of Japan, Ltd. to acquire in advance as many shares of the Company as the number of shares expected to be purchased by the Employee Stock Ownership Association over the next five years. The Custody Bank of Japan, Ltd. shall then sell the Company's shares periodically as they are purchased by the Employee Stock Ownership Association. If an amount equivalent to gains on sale of shares is accumulated within the trust assets of the Trust up to the termination of the trust through the sale of the Company's shares from the Trust E Account to the Employee Stock Ownership Association, this money will be distributed as residual assets to the members of the Employee Stock Ownership Association (employees) who satisfy the beneficiary eligibility requirements.

The Company will provide a guarantee of borrowings made by the Trustee so that the Trust E Account can acquire the Company's shares. Therefore, if the Trustee has outstanding borrowings equivalent to a loss on sale of shares at the termination of the trust due to a fall in the Company's stock price, the Company will be obligated to repay the outstanding borrowings pursuant to the guarantee agreement.

The details of these transactions, such as the date of establishment of the Trust, amount, and the method of acquisition of shares, will be announced as soon as they are determined.

3. Plan structure



- 1) The Company will contribute money to the Trust E Account to establish a third-party benefit trust.
- 2) The Trustee will borrow funds for the acquisition of shares from a financial institution. (The Company will provide a guarantee of obligation to the financial institution.)
- 3) The Trustee will establish the Trust E Account as a sub-trust for the borrowed funds, and the Trust E Account will use these funds to acquire the Company's shares on a securities exchange or through other channels.
- 4) Employee Stock Ownership Association members will contribute money to the Employee Stock Ownership Association in conjunction with the Company's contribution of incentive money.
- 5) The Employee Stock Ownership Association will use the purchase funds contributed each month by employees to purchase the Company's shares from the Trust E Account at market value.
- 6) The Trustee will use the proceeds received by the Trust E Account for the sale of shares to the Employee Stock Ownership Association to repay the loan principal and dividends and other money received from the Company to pay the interest.
- 7) Throughout the trust period, the Trust E Account will exercise the voting rights for the Company's shares held in the Trust E Account in accordance with the voting instructions from the Trust Administrator.

- 8) The Trust will be terminated upon the expiration of the trust period, due to a dearth of trust assets, or for other reasons. Any residual shares in trust will be disposed of at the termination of the Trust, and once the borrowings are repaid in full, any remaining money will be distributed to Employee Stock Ownership Association members who satisfy the beneficiary eligibility requirements.

(If the Trustee is unable to repay its borrowings using the trust assets upon the termination of the Trust, the Company will repay the borrowings by performing its guarantee of obligation.)

<p>Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.</p>
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