

March 18, 2026

Company name: Hokuetsu Corporation
Name of representative: Sekio Kishimoto, President and CEO
(Securities code: 3865, Prime Market,
Tokyo Stock Exchange)
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Notice Concerning the Acquisition of Treasury Shares, the Purchase of Treasury Shares through the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), and the Cancellation of Treasury Shares

(Acquisition of treasury shares based on provisions in the Articles of Incorporation, pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act)

Hokuetsu Corporation (hereinafter, the “Company”) hereby announces that, at its meeting held today, the Company’s Board of Directors passed a resolution to acquire treasury shares (hereinafter, “this treasury share acquisition”) and determined the specific method of acquisition based on the provisions of Article 156 of the Companies Act as applied with the relevant modifications pursuant to Article 165, Paragraph 3 of the same Act. It also passed a resolution to cancel treasury shares pursuant to Article 178 of the Companies Act.

1. Reasons for acquiring treasury shares

As stated in the “(Progress of Disclosure) Notice Concerning the Deepening of the Strategic Business Alliance Agreement between Daio Paper Corporation and Hokuetsu Corporation” issued today, the Company and Daio Paper Corporation (hereinafter, “Daio Paper”) have decided to establish a mutually equal capital relationship to further deepen the strategic business alliance between the two companies. As a part of this step, the Company received notification from DAIO KAIUN CO., LTD. (hereinafter, “DAIO KAIUN”), a major shareholder of the Company, of its intention to sell a portion of its holdings in the Company. Therefore, to mitigate the impact of the sale of the Company’s shares on the stock market, and from the perspective of improving capital efficiency in response to future changes in the business and market environment, the Company has determined to conduct a treasury share acquisition.

2. Acquisition method

An order for the entrustment of purchase will be placed in the Tokyo Stock Exchange’s Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) at 8:45 a.m. of March 19, 2026, at 1,028 yen, the closing price today (March 18, 2026) (including the final special quote) (no changes will be made to other trading systems or trading hours). The said purchase order shall be valid only for the said trading session.

3. Details of acquisition

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| (1) Class of shares to be acquired: | The Company’s common stock |
| (2) Total number of shares to be acquired: | 10,000,000 shares (maximum)
(5.92% of the total number of issued shares (excluding |

- | | |
|---|--|
| | treasury shares)) |
| (3) Total acquisition cost of the shares: | 10.7 billion yen (maximum) |
| (4) Announcement of acquisition results: | The results of the acquisition will be announced after the conclusion of trading at 8:45 a.m. on March 19, 2026. |

(Note 1) No changes will be made to the said number of shares. It should be noted that a part or all of the acquisition may not be carried out due to market conditions or other factors.

(Note 2) Purchases will be made against offers to sell for the planned number of shares to be acquired.

(Note 3) The Company has received notification from DAIO KAIUN that it will tender 10,000,000 shares of the Company held by DAIO KAIUN (hereinafter, the “Tendered Shares (DAIO KAIUN)”) in this treasury share acquisition.

(Note 4) As announced in the “Notice Concerning the Secondary Offering of Hokuetsu Corporation’s Shares and Change in the Largest Major Shareholder” issued today, the Company has received notification from Daio Paper that Misuga Kaiun Co., Ltd., the largest major shareholder of the Company, and DAIO KAIUN, will transfer to Daio Paper, through an off-market negotiated transaction (hereinafter, “this share transfer”), the Company’s shares comprising the total number of shares held by Misuga Kaiun Co., Ltd. and DAIO KAIUN, less the number of the Tendered Shares (DAIO KAIUN) that are successfully purchased in this treasury share acquisition. However, as the number of shares to be transferred in this share transfer is to be determined within a range such that Daio Paper’s voting rights ratio in the Company does not reach or exceed 20% following the completion of this share transfer, in the event that only a portion of the Tendered Shares (DAIO KAIUN) is successfully purchased in this treasury share acquisition, DAIO KAIUN may continue to hold a portion of the Company’s shares even after the completion of both this treasury share acquisition and this share transfer.

4. Details of cancellation

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| (1) Class of shares to be cancelled: | The Company’s common stock |
| (2) Number of shares to be cancelled: | The total number of shares comprising the 15,000,000 shares of treasury shares currently held by the Company, with the addition of the entire number of treasury shares acquired pursuant to item 3. above |
| (3) Scheduled cancellation date: | March 26, 2026 |

[Reference]

Status of treasury share holdings as of September 30, 2025

- Total number of issued shares (excluding treasury shares):	168,814,269
- Number of treasury shares:	19,238,845