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## Notice Concerning Revision of Remuneration Plan for Directors

Hakudo Co., Ltd. (the “Company”) hereby announces that it has resolved, at a meeting of its Board of Directors held today, to revise the remuneration plan for Directors, as described below.

Please note that the introduction of a restricted shares remuneration plan, which is part of this revision to the remuneration plan for Directors, is subject to the approval of the relevant proposal at the 77th Annual General Meeting of Shareholders scheduled to be held in June 2026.

Furthermore, this revision to the remuneration plan for Directors was submitted to the Board of Directors and approved following extensive deliberation by the Nomination and Remuneration Advisory Committee (hereinafter referred to as the “Advisory Committee”).

### 1. Purpose of revision of remuneration plan for Directors

With the aim of further enhancing management awareness toward improving corporate value over the medium to long term and achieving sustainable growth, we have decided to revise our executive remuneration plan to enhance the link between remuneration for Directors and our management plan so as to further strengthen the commitment of Directors to achieving the goals of the Medium-Term Management Plan launched in April 2025 and to realize our vision for fiscal year 2031, which marks the Company’s 100th anniversary.

### 2. Overview of revision of remuneration plan for Directors

The remuneration to Directors (excluding Directors who are Audit and Supervisory Committee members and outside Directors) currently consists of basic remuneration, performance-linked bonus, and share price-linked bonus. We will revise this structure to consist of basic remuneration, short-term incentives, and medium- to long-term incentives, and will then determine the specific details and ratios of each remuneration. In addition, remuneration to Directors who are Audit and Supervisory Committee members (excluding outside Directors), which currently consists of basic remuneration, performance-linked bonus, and share price-linked bonus, will be restructured into basic remuneration and medium- to long-term incentives. Furthermore, the remuneration to outside Directors, which currently consists of basic remuneration and share price-linked bonus, will be restructured into basic remuneration and medium- to long-term incentives.

#### (1) Remuneration structure and remuneration ratios

Structure	Details of payment	Fixed/variable	Positioning
Basic remuneration	Monetary remuneration	Fixed	Compensation for position and responsibilities based on a delegation agreement
Short-term incentives (bonus)	Monetary remuneration	Variable (performance)	Return through generation of short-term profits / dividends
Medium- to long-term incentives (share remuneration)	Non-monetary remuneration	Fixed and variable (share price)	Generation / achievement of medium- to long-term results (business expansion and growth)

(President and Representative Director)

Basic remuneration 50%	Short-term incentives 40%	Medium- to long-term incentives 10%
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(Other Directors)

Basic remuneration 50% to 60%	Short-term incentives 40% to 30%	Medium- to long-term incentives 10%
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(Note) The system is designed so that the ratio of short-term incentives increases at higher positions.

(2) Short-term incentive evaluation indicators and calculation method  
(calculation method)

Short-term incentive (bonus) = Standard amount for position × Payment rate (rate of achievement of plan targets + rate of growth over past results)

(Evaluation indicators)

Item	Compared to budget	Compared to actual
Evaluation metrics	<ul style="list-style-type: none"> <li>• Consolidated ordinary profit target (medium-term management plan / annual business plan)</li> <li>• CO<sub>2</sub> emissions reduction</li> <li>• Human capital targets</li> </ul>	Actual consolidated profit before tax adjustments (growth rate for past three fiscal years)
Measurement method	Rate of achievement of plan targets	Rate of growth over past results
Method of reflecting performance results	Utilize achievement rate and growth rate relative to the benchmarks for each metric indicator directly in the calculation formula	
Range of variation in payment amount	0 to 300%	0 to 300%

(3) Medium- to long-term incentives and calculation method

Medium- to long-term incentives (share remuneration) are composed of “restricted shares remuneration plan,” and “share price-linked bonus”

① Restricted shares remuneration plan

With the aim of providing incentives to promote the sustainable enhancement of the Company’s corporate value and furthering value sharing with shareholders, we have decided to introduce a restricted shares remuneration plan (hereinafter referred to as the “RS Plan”) as described below. This includes expanding the eligibility for the RS Plan to include Directors who are Audit and Supervisory Committee members and outside Directors, in addition to Directors who are not Audit and Supervisory Committee members. The introduction of this RS Plan will result in the payment of monetary claims for the allocation of the Company’s common shares as remuneration to all Directors, including Directors who are not Audit and Supervisory Committee members, Directors who are Audit and Supervisory Committee members and outside Directors (hereinafter referred to as “RS-Eligible Directors”). Therefore, the introduction of this RS Plan is subject to the approval of shareholders at the Annual General Meeting of Shareholders.

Furthermore, we plan to seek approval at the 77th Annual General Meeting of Shareholders, scheduled to be held in June 2026, for a proposal to revise the total annual remuneration for the Company’s Directors (excluding Directors who are Audit and Supervisory Committee members) to an amount not more than ¥600 million (including not more than ¥55 million for outside Directors). (Please note that the above remuneration amounts do not include the employee portion of the salary for Directors who also serve as employees.) We also plan to seek approval at the same Annual General Meeting of Shareholders for a proposal to revise the remuneration for Directors who are Audit and Supervisory Committee members to an annual amount not more than ¥120 million (including not more than ¥70 million for outside Directors).

Furthermore, within the scope of remuneration following approval of these revisions, remuneration for the grant of restricted shares shall be treated as monetary claims (hereinafter referred to as “monetary remuneration claims”). The total amount thereof shall be: (a) for Directors who are not Audit and Supervisory Committee members, not more than ¥55 million per year (including not more than ¥9 million

per year for outside Directors) with the total number of the Company's common shares issued or disposed of as a result of such monetary remuneration claims being paid in as properties contributed in kind being not more than 34,000 shares per year (including not more than 6,000 shares per year for outside Directors), (b) for Directors who are Audit and Supervisory Committee members, not more than ¥22 million per year (including not more than ¥12 million per year for outside Directors) with the total number of the Company's common shares issued or disposed of as a result of such monetary remuneration claims being paid in as properties contributed in kind being not more than 14,000 shares per year (including not more than 8,000 shares per year for outside Directors). We plan to seek approval for this at the Annual General Meeting of Shareholders.

RS-Eligible Directors pay in as properties contributed in kind the entire amount of monetary remuneration claims paid to them by the Company under this RS Plan, for which they receive the issuance or disposal of common shares of the Company.\*

The total amount of monetary remuneration claims paid to RS-Eligible Directors under this RS Plan shall be not more than ¥77 million per year (excluding employee salaries). Of this amount, (a) for Directors who are not Audit and Supervisory Committee members, the annual amount shall be not more than ¥55 million (including not more than ¥9 million per year for outside Directors); and (b) for Directors who are Audit and Supervisory Committee members, the annual amount shall be not more than ¥22 million (including not more than ¥12 million per year for outside Directors). The specific timing and allocation of payments to each eligible Director shall be determined by the Board of Directors for Directors (excluding Directors who are Audit and Supervisory Committee members) and by the Audit and Supervisory Committee for Directors who are Audit and Supervisory Committee members.

Under this RS Plan, the total number of common shares newly issued or disposed of by the Company shall be limited to 48,000 shares per year (provided, however, that if a stock split (including a bonus allotment of the Company's common shares) or a reverse stock split of the Company's common shares takes effect on or after the date of the resolution of this Annual General Meeting of Shareholders, such total number shall be adjusted, as necessary and within a reasonable range, in accordance with the split ratio or reverse split ratio, etc., effective from the date of such effect). The amount paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution (or, if no trading occurred on that day, the closing price on the immediately preceding trading day), provided that such amount does not constitute a particularly favorable price for the RS-Eligible director receiving such common stock.

Furthermore, the issuance or disposal of the Company's common shares (hereinafter referred to as the "Shares") under the plan is conditional upon the conclusion of a restricted share allocation agreement between the Company and the eligible Director scheduled to receive such restricted shares remuneration, including the following provisions, among others: 1) a prohibition on transfer to a third party, pledging as collateral, or any other form of disposal of the Shares for a certain period (hereinafter referred to as the "Transfer Restriction Period") and 2) acquisition of the Shares by the Company without contribution if certain circumstances arise. The Shares are scheduled to be managed in a dedicated account opened at a securities firm designated by the Company during the Transfer Restriction Period to prevent their transfer, the creation of security interests, or any other disposal during that period.

② Share price-linked bonus  
(Calculation method)

Payment amount = Monthly amount of basic remuneration × Number of payment months

The number of payment months is determined by comparing the Company's share price index (the four-point average of the rate of increase in the closing price of the Company's shares at the end of the account closing month for each quarter compared with the closing price at the end of the previous fiscal year) with the TOPIX Index (calculated using the same formula as the Company's share price index). If the Company's share price index exceeds the TOPIX Index, the number of payment months is determined based on the difference, in accordance with a separately established payment scale.

The calculated payment amount is treated as a monetary remuneration claim. In addition to the monetary remuneration claims paid in the preceding section, "Restricted shares remuneration plan," the entire amount of the monetary remuneration claims is paid in as properties contributed in kind, and the Company's common shares are issued or disposed of accordingly.\*

\*However, among the eligible Directors, ① Outside Directors who are attorneys, certified public accountants, or other professionals who are unable to hold shares of the Company due to the internal rules of the organizations to which they belong, and ② Directors who have already retired as of the time of the meeting of the Board of Directors held immediately after the ordinary general meeting of shareholders at

which the restricted stock grants are resolved (having retired upon the conclusion of the preceding ordinary general meeting of shareholders), may be paid, in lieu of making a contribution in kind, a cash compensation amount equivalent to the monetary compensation claim.

(Reference)

Subject to the approval of the proposal regarding the introduction of a restricted shares remuneration plan at the 77th Annual General Meeting of Shareholders scheduled to be held in June 2026, the Company plans to grant restricted shares similar to the aforementioned restricted shares to its Executive Officers and other employees.

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