



February 12, 2026

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Listed Stock Exchange: Tokyo Stock Exchanges,  
Prime Market  
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## **Notice Concerning Disposal of Treasury Shares Through Third-Party Allotment in Connection with Introduction of Stock Benefit Trust (J-ESOP)**

ESPEC CORP. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on February 12, 2026, to introduce an incentive plan called the "Stock Benefit Trust (J-ESOP)" (hereinafter referred to as the "Plan," and the trust established under the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. in connection with the Plan is referred to as the "Trust"), to provide stock benefits to the Company's employees in management assistant positions (hereinafter referred to as "Employees").

In addition, upon the introduction of the Plan, the Company resolved to dispose of treasury shares through third-party allotment (hereinafter referred to as the "Disposal of Treasury Shares"), as described below. Although the Disposal of Treasury Shares will be conducted formally with the Custody Bank of Japan, Ltd. (Trust E Account), the re-trustee who receives the re-trust from the trustee of the Trust, as the allottee, it is substantially the same as the case where stocks are allotted to the Employees of the Company as consideration for the provision of services to the Company.

### **Description**

#### **< Introduction of the Plan and Establishment of Share Benefit Regulations >**

##### **1. Background and objectives of the introduction**

In the medium-term management plan "Progressive Plus 2027," which started in fiscal 2025, the Company is focusing on maximizing its human capital, positioning it as one of the important initiatives in its non-financial strategy. In order to realize our vision and a progressive organizational culture, we have considered various incentive plans from the perspective of rewarding the Employees for challenging themselves at a high level and rewarding them for their achievements. We have decided to introduce the Plan to provide the Company's stocks to the Employees.

The purpose of the Plan is to raise awareness of contributing to the improvement of medium- to long-term business performance and the increase of corporate value.

##### **2. Outline of the Plan**

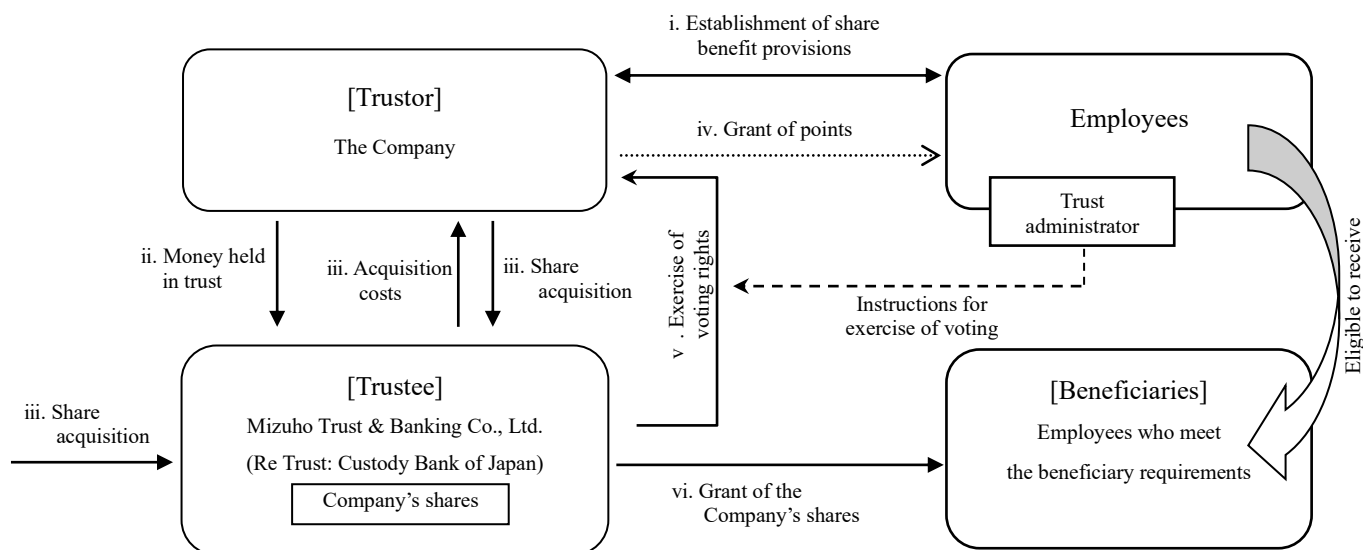
The Plan is a trust-type scheme, modeled after the ESOP (Employee Stock Ownership Plan) system of the United States, and provides Employees in the Company who meet certain requirements with shares of the Company's stocks and the cash equivalent to the market value of such shares (hereinafter referred to as "the Company Stocks, etc.") based on stock benefit provisions established by the Company in advance.

Based on the provisions, the Company will award points to the Company's Employees according to their position and the Company's performance, etc. Points awarded to Employees will be converted into one share of the Company's common stock per point when such points are used for the grant of the Company Stocks, etc. However, if a stock split, allotment of stocks at no cost, or reverse stock split, etc. is conducted to the Company's stocks, the number of points already granted and the conversion ratio will be reasonably adjusted according to the ratio of split, etc.

If an employee meets the beneficiary requirements set forth in the provisions, the employee will receive benefits from the Trust a number of stocks of the Company corresponding to the number of points upon completing the prescribed beneficiary determination procedures. However, if the requirements set forth in the provisions are met, a certain percentage of the Company's stocks will be paid in cash equivalent to the market value of the stock in place of the Company's stocks.

Stocks of the Company to be allotted to the Custody Bank of Japan, Ltd. (Trust Account E) through the Disposal of Treasury Shares will be held by the Custody Bank of Japan, Ltd. (Trust Account E) until the Employees receive benefits, and even the Employees who have received points may not transfer or otherwise dispose of the Company's stocks corresponding to the points until they receive benefits.

[Scheme of the J-ESOP]



- i. The Company will establish stock benefit provisions upon the introduction of the Plan.
- ii. The Company entrusts money to Mizuho Trust & Banking (re-entrusted to Custody Bank of Japan) in order to acquire stocks to be allotted to Employees in the future in accordance with the stock benefit provisions.
- iii. The Trust will acquire the Company's stocks using the money entrusted in (ii) as the source through the stock exchange market or by underwriting the disposal of the Company's treasury shares.
- iv. The Company awards points to Employees in accordance with the stock benefit provisions.
- v. The Trust shall exercise its voting rights based on instructions from the trust administrator.
- vi. The Trust shall deliver the Company's stocks to Employees who satisfy the beneficiary requirements set forth in the stock benefit provisions (hereinafter referred to as "Beneficiaries") according to the number of points granted to such Beneficiaries. However, if an Employee meets the requirements set forth in the stock benefit provisions, a certain percentage of the points will be paid in cash equivalent to the market value of the Company's stock.

### 3. Outline of the Trust

- (1) Name : Stock Benefit Trust (J-ESOP)
- (2) Settlor : the Company
- (3) Trustee : Mizuho Trust & Banking Co., Ltd.(Re-trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries : Employees who meet the requirements for beneficiaries specified in the stock benefit provisions
- (5) Trust administrator : Selected from the Company's Employees
- (6) Type of Trust : Money held in trust other than money trusts (third-party benefit trust)
- (7) Purpose of Trust : To distribute the Company Stocks, etc., which are trust assets, to the Beneficiaries based on the share benefit provisions
- (8) Date of trust agreement : March 2, 2026
- (9) Date to place money in trust: March 2, 2026
- (10) Trust period : From March 2, 2026 to the termination of the Trust  
(No specific termination date is set and the Trust will continue as long as the Plan continues.)

<Disposal of Treasury Shares>

4. Outline of the disposal

(1)	Date of disposal	Monday, March 2, 2026
(2)	Number of shares for disposal	Common shares of the Company: 99,800 shares
(3)	Disposal price	3,945 yen per share
(4)	Total amount of disposal	393,711,000 yen
(5)	Scheduled disposal recipient	The Company's Employees 140 persons 99,800 shares (Notes 1, 2)
(6)	Other matters	The Company will submit an extraordinary report pursuant to the Financial Instruments and Exchange Act regarding the Disposal of Treasury Shares.

(Note 1) The formal recipient of the Disposal of Treasury Shares is the Custody Bank of Japan, Ltd. (Trust E Account). The Custody Bank of Japan, Ltd. (Trust E Account) is a trust account created by the execution of a trust agreement between the Company and Mizuho Trust & Banking Co., Ltd., wherein the Company is the settlor and Mizuho Trust & Banking, Ltd. is the trustee (the re-trustee is the Custody Bank of Japan, Ltd.). On the other hand, the Disposal of Treasury Shares is conducted to provide benefits to Employees of the Company under the Plan. Since it is substantially equivalent to the case where stocks are allotted to Employees of the Company as consideration for the services to the Company, the intended recipients listed are Employees of the Company.

(Note 2) Employees will be awarded points according to their position and the Company's performance, etc., under the Plan, and the Company Stocks, etc., equivalent to the points awarded will be provided when they acquire the vesting rights under certain conditions. Therefore, the above number of stocks is the maximum number, and the actual number of the Company Stocks, etc. to be granted to Employees will vary depending on the position of the Employees and the performance of the Company, etc.

5. Purpose and reason for disposal

The Disposal of Treasury Shares is to dispose of treasury shares through third-party allotment to Trust E Account established in the Custody Bank of Japan, Ltd. (the re-trustee who receives the re-trust from Mizuho Trust & Banking Co., Ltd., the trustee of the Trust) in order to hold and dispose of the Company's stocks for the operation of the Plan. Although the Disposal of Treasury Shares is formally conducted to the Custody Bank of Japan, Ltd. (Trust E Account) as the allottee, it is substantially the same as the case where stocks are allotted to Employees of the Company as consideration for the provision of services to the Company.

The number of stocks to be disposed of is equivalent to the number of stocks that are expected to be delivered to Employees of the Company during the trust period based on the provisions (for three fiscal years from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029), and is 0.42% against the total number of issued stocks of 23,781,394 shares as of December 31, 2025 (0.45% against the total number of voting rights of 219,568 as of December 31, 2025 (both are rounded off to the second decimal place)). Accordingly, the Company has judged that the scale of dilution is reasonable in light of the purpose of the Plan.

6. Basis for calculating the amount to be paid and specific details thereof.

The disposal price was set at 3,945 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of the Board of Directors for the resolution of Disposal of Treasury Shares.

The closing price on the business day immediately prior to the date of resolution of the Board of Directors was determined to be reasonable as it represents the Company's fair corporate value in the stock market. The disposal price of 3,945 yen is the amount obtained by multiplying by 111.47% the average closing price of 3,539 yen (rounded down to the nearest yen) for the most recent one-month period preceding the business day immediately preceding the date of resolution of the Board of Directors, the amount obtained by multiplying by 115.52% the average closing price of 3,415 yen (rounded down to the nearest yen) for the most recent three-month period, and the amount obtained by multiplying by 115.59% the average

closing price of 3,413 yen (rounded down to the nearest yen) for the most recent six-month period. As a result of taking the above into consideration, the disposal price for the Disposal of Treasury Shares cannot be said to be particularly advantageous and is deemed reasonable.

The Audit and Supervisory Committee (consisting of three members, including two outside directors) has expressed its opinion that the above disposal price is not a particularly favorable disposal price and is legal.

7. Procedure required by the corporate code of conduct

This third-party allotment does not require the procurement of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) this third-party allotment does not involve a change in controlling shareholder.