



April 28, 2025

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(Securities code: 9534; Tokyo Stock Exchange
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Issuance of Stock Compensation-type Share Options

HOKKAIDO GAS CO., LTD. (the “Company”) hereby announces that at a meeting of the Board of Directors held on April 28, 2025, the Company resolved to offer the following share acquisition rights as stock compensation-type share options for Directors and Executive Officers, etc. of the Company pursuant to the provisions of Article 236, Article 238, and Article 240 of the Companies Act. The details are described below.

1. Reason for issuance of share acquisition rights as stock compensation-type share options

The Company will issue stock compensation-type share options (share acquisition rights) to Directors and Executive Officers, etc. of the Company with the aim of further increasing the motivation of Directors and Executive Officers, etc. to contribute to the improvement of business performance and corporate value in the medium to long term, and to share a sense of profit with shareholders.

2. Guidelines to issuance of share acquisition rights

(1) Name of share acquisition rights

11th Share Acquisition Rights of HOKKAIDO GAS CO., LTD.

(2) Persons to whom share acquisition rights will be allotted, the number thereof, and the number of share acquisition rights to be allotted

Directors of the Company (excluding Outside Directors):	5 persons	258 units
Executive Officers of the Company:	14 persons	371 units

(3) Class and number of shares subject to share acquisition rights

The class of shares subject to share acquisition rights shall be common shares of the Company, and the number of shares subject to share acquisition rights (hereinafter, “Number of Shares Granted”) shall be 100 shares per unit.

However, in the event where the Company conducts a stock split (including gratis allotment of common shares of the Company; the same applies hereinafter with reference to a stock split) or reverse stock split of its common shares after the date of allotment of share acquisition rights

(hereinafter, the “Allotment Date”), the Number of Shares Granted shall be adjusted with respect to share acquisition rights that have not been exercised at the time of said stock split or reverse stock split.

$$\begin{array}{ccccc} \text{Number of Shares Granted} & & \text{Number of Shares Granted} & & \text{Ratio of share stock or} \\ \text{after adjustment} & = & \text{before adjustment} & \times & \text{reverse stock split} \end{array}$$

Furthermore, in addition to the above, in the case of an unavoidable event that requires an adjustment to the Number of Shares Granted, the Company may adjust the Number of Shares Granted as deemed necessary by the Board of Directors of the Company.

Fractions less than one share resulting from the above adjustments shall be rounded down.

(4) Total number of share acquisition rights

The total number of share acquisition rights shall be 629 units.

The abovementioned total number is the planned number of allotments. In the event that the total number of share acquisition rights to be allotted decreases for reasons such as no subscription applications being submitted, the total number of share acquisition rights to be allotted shall be the total number of share acquisition rights to be issued.

(5) Payment amount for share acquisition rights

The payment amount for share acquisition rights shall be the fair value of the share option per share calculated using the Black-Scholes model on the Allotment Date of the share acquisition rights multiplied by the Number of Shares Granted.

In addition, the person to whom share acquisition rights have been allotted (hereinafter, the “Holder of Share Acquisition Rights”) shall offset the payment amount with their compensation claim against the Company, and shall not be required to make any monetary payment.

(6) Amount of property to be contributed upon exercise of share acquisition rights

The amount of property to be contributed when exercising share acquisition rights shall be one (1) yen per share that can be issued upon exercise of the share acquisition rights multiplied by the Number of Shares Granted.

(7) Exercise period for share acquisition rights

From May 14, 2027 to May 13, 2042

(8) Conditions for the exercise of share acquisition rights

- i) A Holder of Share Acquisition Rights must hold the position of Director or Executive Officer of the Company or one of its Group companies at the time of exercise of the share acquisition rights. However, in the event that an individual loses their position as a Director or Executive Officer of the Company or one of its Group companies due to retirement as the result of the expiration of their term of office or for any other valid reason, said rights may only be exercised within five years from the date of the loss of said position.
- ii) In the event of the death of a Holder of Share Acquisition Rights, the heirs of said Holder of

Share Acquisition Rights may only exercise said share acquisition rights in a lump sum.

- iii) Other terms and conditions shall be set forth in the allotment agreement to be entered into between the Company and the Holder of Share Acquisition Rights.

(9) Matters concerning the increases in share capital and capital reserves due to the issuance of shares upon the exercise of share acquisition rights

- i) The amount of share capital to be increased due to the issuance of shares upon the exercise of share acquisition rights shall be one half (1/2) of the maximum amount of increase in share capital, etc. to be calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting, with any amount less than one (1) yen arising from such calculation to be rounded up.
- ii) The amount of capital reserves to be increased due to the issuance of shares upon the exercise of share acquisition rights shall be the amount obtained by deducting the amount of share capital to be increased set forth in i) above, from the maximum amount of increase in share capital, etc. set forth in i) above.

(10) Acquisition provisions for share acquisition rights

- i) In the event that a Holder of Share Acquisition Rights is unable to exercise said share acquisition rights due to the provisions of (8) above or the provisions of the share acquisition rights allotment agreement prior to exercising said rights, the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.
- ii) In the event that any of the following proposals a), b), c), d) or e) are approved at the General Meeting of Shareholders of the Company (or approved by the Board of Directors of the Company in the event that a resolution of the General Meeting of Shareholders is not required), the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.
 - a) A proposal to approve a merger agreement whereby the Company is dissolved
 - b) A proposal to approve a corporate division agreement or corporate division plan whereby the Company is split
 - c) A proposal to approve a share exchange agreement or share transfer plan whereby the Company becomes a wholly owned subsidiary
 - d) A proposal to approve an amendment to the Articles of Incorporation to provide that the approval of the Company is required for the acquisition of all shares issued by the Company by transfer
 - e) A proposal to approve an amendment to the Articles of Incorporation to provide that the approval of the Company is required for the acquisition of a class of shares that is the subject of share acquisition rights by transfer, or that the Company will acquire all shares of said class of shares by resolution of a General Meeting of Shareholders

(11) Restrictions on the acquisition of share acquisition rights by means of transfer

Acquisitions of share acquisition rights by transfer shall require the approval of the Board of Directors of the Company.

(12) Matters concerning the issuance of share acquisition rights in association with organizational restructuring

In the event that the Company is subject to a merger (limited to cases whereby the Company is dissolved as the result of the merger), an absorption-type or incorporation-type company split (in each event, limited to cases whereby the Company is split), or a share exchange or share transfer (in each event, limited to cases whereby the Company becomes a wholly owned subsidiary) (hereinafter referred to collectively as “Organizational Restructuring Actions”), the Company shall deliver the share acquisition rights of the companies set forth in Article 236, Paragraph 1, Item 8 (a) to (e) of the Companies Act (hereinafter, the “Restructuring Company”), in each of the above cases, to Holders of Share Acquisition Rights who hold remaining share acquisition rights (hereinafter, “Remaining Share Acquisition Rights”) immediately prior to the effective date of the Organizational Restructuring Actions (for an absorption-type merger, the date on which the absorption-type merger becomes effective; for an consolidation-type merger, the date on which the company incorporated through the consolidated-type merger is established; for an absorption-type company split, the date on which the absorption-type company split becomes effective; for an incorporation-type company split, the date on which the company incorporated through the incorporation-type company split is established; for a share exchange, the date on which the share exchange becomes effective; and for a share transfer, the date on which the wholly owning parent company incorporated through the share transfer is established; the same applies hereinafter). However, this applies only in the event that the delivery of the share acquisition rights of the Restructuring Company in accordance with each of the following items is stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan.

i) Number of share acquisition rights of the Restructuring Company to be delivered

The same number of share acquisition rights as the number of Remaining Share Acquisition Rights held by a Holder of Share Acquisition Rights shall be delivered.

ii) Class of shares of the Restructuring Company subject to share acquisition rights

Common shares of the Restructuring Company

iii) Number of shares of the Restructuring Company subject to share acquisition rights

To be determined in accordance with (3) above, taking into the consideration the conditions of the Organizational Restructuring Actions and other factors.

iv) Value of property to be contributed upon exercise of share acquisition rights

The value of property to be contributed upon the exercise of each share acquisition right to be delivered shall be the amount obtained by multiplying the exercise price after the Organizational Restructuring Actions as set forth below by the number of shares of the Restructuring Company subject to each share acquisition right to be determined in accordance with iii) above. The exercise price after the Organizational Restructuring Actions shall be one (1) yen per share of the Restructuring Company that can be delivered by exercising each share acquisition right to be delivered.

- v) Period during which share acquisition rights may be exercised

The period during which share acquisition rights may be exercised shall be from the commencement date of the exercise period during which share acquisition rights may be exercised as set forth in (7) above, or the effective date of the Organizational Restructuring Actions, whichever is the latter, to the expiration date of the period during which share acquisition rights may be exercised as set forth in (7) above.

- vi) Matters regarding the increases in share capital and capital reserves due to the issuance of shares upon the exercise of share acquisition rights

To be determined in accordance with (9) above.

- vii) Restrictions on the acquisition of share acquisition rights by transfer

The acquisition of share acquisition rights by transfer shall require the approval by resolution of the Board of Directors of the Restructuring Company

- viii) Conditions for the exercise of share acquisition rights

To be determined in accordance with (8) above.

- ix) Terms regarding the acquisition of share acquisition rights

To be determined in accordance with (10) above.

- (13) Arrangements for fractional shares arising from the exercise of share acquisition rights

In the event that the number of shares to be delivered to a Holder of Share Acquisition Rights who has exercised share acquisition rights includes any fraction less than one (1) share, such fraction shall be rounded down.

- (14) Allotment Date of share acquisition rights

May 13, 2025

- (15) Certificates for share acquisition rights

Certificates for share acquisition rights in relation to the share acquisition rights shall not be issued.