



February 9, 2026

To Whom It May Concern,

Company name: FAN Communications, Inc.
Name of Koji Ninomiya,
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Notice Regarding Disposal of Treasury Shares to Employee Shareholding Association Using
Restricted Stock

FAN Communications, Inc. (hereinafter the “Company”) hereby announces that the Company has resolved at a meeting of the Board of Directors held today to grant restricted stock to employees of the Company through the FAN Communications Employee Shareholding Association (hereinafter the “Shareholding Association”) and to dispose of treasury shares as restricted stock to the Shareholding Association as the planned allottee (hereinafter the “Disposal of Treasury Shares”). Restricted stock will be granted only to those members of the Shareholding Association who agree to receive restricted stock through the Shareholding Association (hereinafter the “Eligible Employees”).

1. Outline of the Disposal

(1) Disposal date	May 31, 2026
(2) Class and number of shares to Disposal	Common stock of the Company: 100,000shares (Note 1)
(3) Disposal Price	485yen per share or the closing price of the Company’s common stock on the Tokyo Stock Exchange Prime Market on the trading day immediately preceding February 16, 2026 (the “Condition Determination Date”), which the Company’s Board of Directors has set

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	as the date to determine the final terms and conditions of the Disposal of Treasury Shares after taking into account stock price fluctuations and other relevant circumstances, whichever is higher. (Note 2)
(4) Total disposal amount	48,500,000yen (Note 3)
(5) Method of disposal (Planned allottee)	Third-party allotment (FAN Communications Employee Shareholding Association: 100,000 shares) The Company will not accept partial applications for the shares to be granted from any Eligible Employee.

(Note 1) The number of shares to be disposed of above is the maximum figure as of today. It is calculated based on the assumption that the maximum number of employees who may become Eligible Employees (400 employees) will be granted 200 shares to 800 shares per person. The actual number of shares to be disposed of is expected to be determined depending on the number of Eligible Employees after (i) promotion of membership to non-members of the Shareholding Association and (ii) confirmation of consent to the program among members of the Shareholding Association.

(Note 2) The Company also resolved on February 9, 2026 to acquire treasury shares. In order to reflect any stock price increase following the announcement of such share acquisition (for details, please refer to the Company's press release dated February 9, 2026 regarding the acquisition of treasury shares), the disposal price will be determined as the higher of (i) 485 yen, being the closing price on February 6, 2026 (the trading day immediately preceding the Board resolution date), and (ii) the closing price on February 13, 2026 (the trading day immediately preceding the Condition Determination Date).

The Disposal of Treasury Shares will be implemented on the condition that the Company has acquired the necessary number of shares through such share acquisition by the day immediately preceding the disposal date.

(Note 3) This is an estimated amount calculated by multiplying the number of shares in Note 1 by 485yen, being the closing price on February 6, 2026. The actual amount will vary depending on the final number of shares to be disposed of and the final disposal price.

2. Purpose and Reasons for the Disposal

In order to further promote value sharing between the Eligible Employees and our shareholders by providing incentives aimed at the sustainable enhancement of our corporate value, and to assist the Eligible Employees in building their personal assets by granting

restricted stock, the Company resolved to dispose of treasury shares of its common stock as restricted stock, with the Shareholding Association designated as the planned allottee.

Under the plan, (i) the Company will provide the Eligible Employees with monetary claims as special incentive funds for the grant of restricted stock, (ii) the Eligible Employees will contribute such monetary claims to the Shareholding Association, and (iii) the Shareholding Association will make an in-kind contribution to the Company by collectively contributing the monetary claims received from the Eligible Employees, and the Shareholding Association will thereby receive the restricted stock allotment from the Company.

The Eligible Employees will acquire membership interests corresponding to the restricted stock allotted to the Shareholding Association in accordance with the rules of the Shareholding Association (hereinafter the “Interests”), but will not be able to withdraw the shares comprising the Interests during the transfer restriction period.

Before the Disposal of Treasury Shares, the Shareholding Association intends to obtain the necessary resolution to amend its rules as required for the allotment of restricted stock by the day preceding the disposal date of the Disposal of Treasury Shares. The proposed amendment will take effect two weeks after notification by the chairperson to the members, provided that objections from members amount to less than one-third of the total members. The Disposal of Treasury Shares will be carried out on the condition that such amendment becomes effective by the day preceding the disposal date.

In addition, the Company will enter into an allotment agreement (hereinafter the “Allotment Agreement”) with the Shareholding Association that will include, among other matters, the principal terms summarized below.

Though the number of shares to be disposed of in the Disposal of Treasury Shares will be finalized at a later date as stated in Note 1 in Section 1 above, the maximum number is 100,000 shares. If the maximum number is assumed, the dilution ratio would be approximately 0.15% against the total number of issued shares, 66,310,429 shares (as of December 31, 2025), and approximately 0.15% against the total number of voting rights, 662,853 voting rights (as of December 31, 2025) (each rounded to the nearest third decimal place).

<Overview of the Allotment Agreement>

(1) Transfer restriction period

The Shareholding Association shall not transfer, use as collateral or otherwise dispose of the restricted stock allotted under the Allotment Agreement (hereinafter the “Allotted Shares”), including withdrawal from the Shareholding Association by Eligible Employees (hereinafter the “Transfer Restriction”), from the disposal date until May 31, 2029 (hereinafter the “Transfer Restriction Period”).

(2) Conditions for release of Transfer Restriction

Subject to the condition that an Eligible Employee remains a member of the Shareholding Association throughout the Transfer Restriction Period, the Transfer Restriction shall be lifted upon expiration of the Transfer Restriction Period for all of the Allotted Shares in proportion to the Interests held by such Eligible Employee.

However, if an Eligible Employee withdraws from the Shareholding Association during the Transfer Restriction Period due to death, promotion to an executive position or overseas assignment, the Transfer Restriction on the number of Allotted Shares corresponding to the Eligible Employee's Interests shall be lifted as of the business day immediately following the 15th day of the month preceding the month in which settlement due to such withdrawal is conducted (the "Settlement Release Date").

Upon lifting the Transfer Restriction, the Company shall notify the Shareholding Association of the lifting of such restrictions and the number of Allotted Shares for which the Transfer Restriction is lifted. The Shareholding Association shall, in accordance with its rules, transfer to the ordinary membership interest (hereinafter the "Ordinary Interests") held by the relevant Eligible Employee the portion corresponding to the Allotted Shares for which the Transfer Restriction has been lifted.

(3) Acquisition without consideration by the Company

The Company will acquire without consideration the Allotted Shares for which the Transfer Restriction is not lifted upon expiration of the Transfer Restriction Period or immediately after the time when the Transfer Restriction is lifted as described in (2) above.

In the event of acquisition without consideration, the Company shall notify the Shareholding Association of its intention to acquire the Allotted Shares without consideration and the number of Allotted Shares to be acquired. The Shareholding Association shall, in accordance with its rules, deduct from the relevant Eligible Employee's Interests the portion corresponding to the Allotted Shares subject to such acquisition without consideration.

(4) Management of shares

The Allotted Shares shall be managed in a dedicated restricted stock account opened at Daiwa Securities Co. Ltd. by the Shareholding Association during the Transfer Restriction Period. The Shareholding Association shall separately record and manage the Interests and the Ordinary Interests in accordance with its rules.

(5) Treatment in organizational restructuring

If, during the Transfer Restriction Period, matters relating to a merger in which the Company becomes a disappearing company, a share exchange or share transfer in which the Company becomes a wholly owned subsidiary, or other reorganization transactions are approved at a shareholders' meeting (or at a meeting of the Board of Directors where

shareholder approval is not required), the Transfer Restriction on the number of Allotted Shares corresponding to the Interests held by the Eligible Employees as of the approval date shall be lifted at the time immediately preceding the trading day immediately prior the effective date of such reorganization.

3. Basis for Determination of Disposal Price and Specific Details

The Disposal of Treasury Shares will be carried out by means of a contribution in-kind by the Shareholding Association using as its contributed property the monetary claims contributed by the Eligible Employees, which monetary claims are provided by the Company to the Eligible Employees as special incentive funds for the grant of restricted stock.

In order to exclude arbitrariness, the disposal price will be determined as the higher of (i) the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on February 6, 2026 (the trading day immediately preceding the date of resolution of the Board of Directors) and (ii) the closing price on February 13, 2026 (the trading day immediately preceding the Condition Determination Date).

The deviation rates of 485 yen (the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on February 6, 2026) from the average closing prices for the following periods are as follows (rounded down to the nearest third decimal place; as to the deviation rates, the same as below):

Period	Closing price average (rounded down to the nearest yen)	Deviation rates
1 month (January 7, 2026 – February 6, 2026)	497yen	△2.41%
3 months (November 7, 2025 – February 6, 2026)	516yen	△6.01%
6 months (August 7, 2025 – February 6, 2026)	514yen	△5.64%

The Audit and Supervisory Committee (consisting of three members, including two outside directors) expressed the opinion that the process by which the Company determined that the above disposal price does not constitute a particularly advantageous disposal price for the Shareholding Association is reasonable and that the Company's decision is appropriate, in light of the facts that the disposal is intended to provide incentives to the Eligible Employees, and that the disposal price is the higher of (i) the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the trading day immediately preceding the date of the Board of Directors' resolution and (ii) the closing price on the trading day immediately

preceding the Condition Determination Date.

4. Matters Concerning Procedures under the Code of Corporate Conduct

Given that the Disposal of Treasury Shares (i) will result in a dilution rate of less than 25%, and (ii) does not involve change of the controlling shareholder, the receipt of the opinion of an independent third party and procedures to confirm the intent of shareholders of the Company specified in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. are not required.

(For your Reference)

Flow of the Plan

- (i) The Company will provide the Eligible Employees with monetary claims as special incentive funds for the grant of restricted stock.
- (ii) The Eligible Employees will contribute the monetary claims in (i) above to the Shareholding Association.
- (iii) The Shareholding Association will submit an application to the Company for shares and will conclude the Allotment Agreement with the Company.
- (iv) The Shareholding Association will make a lump-sum contribution in kind to the Company of the monetary claims contributed by the Eligible Employees.
- (v) The Company will allot the Allotted Shares to the Shareholding Association.
- (vi) Dividends will be paid on the Allotted Shares even during the Transfer Restriction Period; however, such dividends will be reinvested together with the Ordinary Interests.
- (vii) After expiration of the Transfer Restriction Period, the Shareholding Association will, in accordance with its rules, transfer the portion of the Interests held by Eligible Employees corresponding to the Allotted Shares for which the Transfer Restriction has been lifted to the Ordinary Interests.
- (viii) After the transfer described in (vii) above, the Allotted Shares may be transferred to ordinary equity or securities accounts in the name of the Eligible Employees in accordance with the rules of the Shareholding Association.