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February 26, 2026

To All

Company name: KYOKUTO KAIHATSU KOGYO CO., LTD.
Representative: Tatsuya Nunohara,
Representative Director, President, CEO
(Code: 7226)
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Notice of Transition to a Company with an Audit and Supervisory Committee

We are pleased to announce that our Board of Directors has resolved at a meeting held on February 26, 2026 to transition Kyokuto Kaihatsu Kogyo Co., Ltd. from a company with a board of corporate auditors to a company with an audit and supervisory committee, subject to approval at the 91st Ordinary General Meeting of Shareholders to be held in June 2026.

1. Purpose of Transition to a Company with an Audit and Supervisory Committee

(1) Improving management transparency

The Audit and Supervisory Committee, the majority of whose members will be outside directors, will be responsible for auditing and supervising the legality and appropriateness of business execution to achieve more transparent management, further enhance our corporate governance system, and build a system that more accurately meets the expectations of our stakeholders both in Japan and overseas.

(2) Accelerating decision-making

Delegating the decision-making authority of the Board of Directors to directors will enable further acceleration of management decision-making and execution under the appropriate supervision of the Board of Directors.

2. Timing of Transition to a Company with an Audit and Supervisory Committee

At the 91st Ordinary General Meeting of Shareholders, scheduled to be held in June 2026, we plan to obtain approval for the necessary changes to the Articles of Incorporation and adopt the transition to a company with an audit and supervisory committee.

3. Other

We will announce changes to the Articles of Incorporation and the appointment of officers in connection with this matter as soon as they are determined.