

**Yellow Hat**

January 31, 2025

Company name: Yellow Hat Ltd.  
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## **Notice Regarding Stock Split, Partial Amendments to the Articles of Incorporation Resulting from the Stock Split, and Changes to the Criteria for Granting Shareholder Benefits**

Yellow Hat Ltd. (the “Company”), hereby, announces that at a Board of Directors meeting held on January 31, 2025, it resolved to conduct a stock split, make partial amendments to the Articles of Incorporation resulting from the stock split, and make changes to the criteria for granting shareholder benefits as follows.

### 1. Purpose of the stock split

The purpose of the stock split is to improve the liquidity of shares of the Company and expand its shareholder base by lowering the stock price per investment unit and providing an environment more conducive to investment in the Company.

### 2. Overview of the stock split

#### (1) Method of the stock split

Effective Monday, March 31, 2025, the Company will conduct a stock split of two shares per common share owned by shareholders listed or recorded in the closing register of shareholders on Monday, March 31, 2025, the record date.

#### (2) Number of shares to be increased by the stock split

(1) Total number of shares issued prior to the stock split	49,923,146 shares
(2) Number of shares to be increased by the stock split	49,923,146 shares
(3) Total number of issued shares following the stock split	99,846,292 shares
(4) Total number of authorized shares following the stock split	212,134,980 shares

As announced in the “Notice Regarding the Resolution on Matters Related to the Acquisition of Treasury Shares and the Cancellation of Treasury Shares” (in Japanese only) dated October 31, 2024, the number of shares described in each of (1) through (3) above is expected to decrease as a result of the cancellation of treasury shares, which will be conducted by March 31, 2025.

#### (3) Schedule of the stock split

(1) Public notice of the record date	Friday, March 14, 2025
(2) Record date	Monday, March 31, 2025
(3) Effective date	Tuesday, April 1, 2025

### 3. Partial amendments to the Articles of Incorporation resulting from the stock split

#### (1) Reason for the amendments to the Articles of Incorporation

In conjunction with this stock split, the Company, pursuant to the rules set forth in Article 184, Paragraph 2 of

the Companies Act, will amend the total number of authorized shares stipulated in Article 6 of the Company's Articles of Incorporation.

(2) Details of the amendment to the Articles of Incorporation

(Underlined parts indicate changes.)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Authorized Shares) Article 6 The total number of authorized shares to be issued by the Company shall be <u>106,067,490</u> shares.	(Total Number of Authorized Shares) Article 6 The total number of authorized shares to be issued by the Company shall be <u>212,134,980</u> shares.

(3) Schedule of the amendment

Effective date of the amendment to the Articles of Incorporation: Tuesday, April 1, 2025

4. Changes to the criteria for granting benefits under the shareholder benefit program

(1) Reason for the change

The Company has adopted a shareholder benefit program to show its gratitude for the support of the shareholders, have as many investors as possible hold shares of the Company by raising its investment appeal, and attract customers to its stores.

The Company decided to change the criteria for granting shareholder benefits to further increase the number of shareholders of the Company in the medium to long term.

(2) Details of the changes

(Underlined parts indicate changes.)

Current criteria		After the change (after the stock split)	
100 shares or more	10 discount coupons (worth ¥3,000) + 1 merchandise voucher	100 shares or more	<u>Shares held for one year or longer:</u> 10 discount coupons (worth ¥3,000) + 1 merchandise voucher
		<u>200 shares or more</u> (New criterion)	<u>Shares held for one year or longer:</u> 15 discount coupons (worth ¥4,500) + 1 merchandise voucher
1,000 shares or more	25 discount coupons (worth ¥7,500) + 1 merchandise voucher	1,000 shares or more	<u>Shares held for one year or longer:</u> 25 discount coupons (worth ¥7,500) + 1 merchandise voucher
3,000 shares or more	40 discount coupons (worth ¥12,000) + 1 merchandise voucher	3,000 shares or more	<u>Shares held for one year or longer:</u> 40 discount coupons (worth ¥12,000) + 1 merchandise voucher
5,000 shares or more	50 discount coupons (worth ¥15,000) + 1 merchandise voucher	5,000 shares or more	<u>Shares held for one year or longer:</u> 50 discount coupons (worth ¥15,000) + 1 merchandise voucher

(3) Changes to stores where shareholder can use discount coupons

From the record date of March 31, 2025, Y's Road, a sporting bike store operated by Y International, Inc., which became a subsidiary effective January 31, 2025, will be added to the stores where shareholders can use discount coupons. (Underlined part indicates a change.)

Current stores	Stores after the change
<ul style="list-style-type: none"><li>• Yellow Hat stores</li><li>• Yellow Hat Automobile Inspection Centers</li><li>• 2Rinkan stores</li><li>• Bike Kan stores</li></ul>	<ul style="list-style-type: none"><li>• Yellow Hat stores</li><li>• Yellow Hat Automobile Inspection Centers</li><li>• 2Rinkan stores</li><li>• Bike Kan stores</li><li>• <u>Ys Road stores</u></li></ul>

(4) Eligible shareholders

- Shareholders in the registry of shareholders on a record date (March 31 and September 30) who have continuously held 100 shares or more for one year or longer
- Shareholders who have continuously held shares for one year or longer refer to those who are listed or recorded three times or more under the same shareholder number in the registry of shareholders on March 31 and September 30 of each year.

(5) Schedule of changes

Changes will be made in stages as per the following table from the record date of March 31, 2025 to the record date of March 31, 2026.

Vesting date	Conditions for granting shareholder coupons
March 31, 2025	Shareholders who are listed or recorded in the registry of shareholders on March 31, 2025, as shareholders with 100 or more shares
September 30, 2025	Shareholders who are listed or recorded consecutively in the registry of shareholders on March 31, 2025 and September 30, 2025, as shareholders with 100 or more shares (2 consecutive times)
March 31, 2026	Shareholders who are listed or recorded in the registry of shareholders on March 31, 2025, September 30, 2025, and March 31, 2026, as shareholders with 100 or more shares (3 consecutive times)
On and after September 30, 2026	Shareholders who are listed or recorded three consecutive times in the latest registry of shareholders including that of the vesting date, as shareholders with 100 or more shares

6. Others

(1) Share capital

There will be no change to the amount of share capital as a result of this stock split.

(2) Dividends

As the effective date of this stock split is April 1, 2025, the year-end dividend for the fiscal year ending March 31, 2025, whose record date is March 31, 2025, will be paid according to the number of shares prior to the stock split.