



May 8, 2025

Company name:	BUFFALO INC.
Name of representative:	Hiroyuki Maki, President & C.E.O. (Securities code: 6676)
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Notice Concerning Purchase of Treasury Shares Through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)

BUFFALO INC. (the "Company") hereby announces that it has decided on the specific purchase method and details of the purchase of treasury shares (common shares) resolved at the meeting of the Board of Directors held on February 12, 2025 in accordance with provisions of the Articles of Incorporation pursuant to Article 459, paragraph (1) of the Companies Act. The details are described below.

1. Reason for purchase of treasury shares

The Company aims to strengthen shareholder returns and increase capital efficiency, while also reducing the foreign investor ratio by purchasing from foreign investors with a view to removing itself from the category of a foreign investor under the Foreign Exchange and Foreign Trade Act, thereby enabling it to conduct investment and business activities flexibly going forward.

Note: The ratio of foreign investors among the Company's shareholders exceeds 50% in real terms, and the Company is therefore classified as a foreign investor under the Foreign Exchange and Foreign Trade Act and subject to certain restrictions on its investment and other activities.

2. Purchase method

At 8:45 a.m. on May 9, 2025, a consigned purchase order will be placed with the Tokyo Stock Exchange Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) at the closing price of ¥2,081 for today, May 8, 2025 (no changes to other transaction systems or transaction times will be made). The purchase order will apply only to the specified transaction time.

3. Details of purchase

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| (1) Class of shares to be purchased: | Common shares of the Company |
| (2) Total number of shares to be purchased: | 2,800,000 shares (maximum) |
| (3) Total purchase price of shares: | ¥5,826,800,000 (maximum) |
| (4) Announcement of results of purchase: | The results of the purchase will be announced after completion of the transaction at 8:45 a.m. on May 9, 2025 |

(5) Other

The Company received notification from its parent company MELCO Group Inc., and its major shareholder Effissimo Capital Management Pte. Ltd. ("Effissimo") of their intention to respond using a portion of the shares of the Company's common shares that they hold (in the case of Effissimo, the shares

are held through a fund that it manages). There may be a change in major shareholders depending on the results. The Company will disclose any such events promptly as soon as it becomes aware of them.

Note 1: No change will be made to the number of shares specified above. Note, however, that part or all of the purchase may not be carried out depending on market trends and other factors.

Note 2: The purchase will be made on the basis of sell orders corresponding to the number of shares scheduled to be purchased.

4. Matters concerning transactions with controlling shareholder, etc.

(1) Correspondence to transactions with controlling shareholder, etc. and the state of conformity to the guidelines concerning measures to protect minority shareholders

This purchase of treasury shares is a transaction with MELCO Group Inc., which is the Company's parent company. The purchase of treasury shares corresponds to a transaction with the Company's controlling shareholder, etc. As stated in the Guidelines Concerning Measures to Protect Minority Shareholders in Transactions, etc. with the Controlling Shareholder in the Corporate Governance Report which the Company disclosed on June 27, 2024, the Company has formulated the "Standards for Transactions with the Parent Company," to avoid disadvantaging minority shareholders in conducting transactions and personnel exchanges with the parent company and the subsidiaries thereof (excluding the Group companies) in an effort to ensure transparent procedures with fair conditions. The Company requires advance approval by the Board of Directors for significant transactions and personnel exchanges, and periodic reports to the Board of Directors regarding the state of all transactions and personnel exchanges. The Company views this purchase of treasury shares is in conformity to the above policy because required measures have been taken as stated in (2) below.

(2) Matters concerning measures to guarantee fairness and measures to avoid conflicts of interest

As a measure to guarantee fairness, the Company plans to use the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) to implement the purchase of treasury shares at the closing price of the day (including final special quote) before the purchase date. In addition, the Company has heard from major shareholders that they plan to apply based fundamentally on their current shareholdings, and we have also secured a quota for applications from general shareholders.

Concerning this purchase of treasury shares, as a measure to avoid conflict of interest, Hiroyuki Maki, President & C.E.O. of the Company concurrently serving as Representative Director of the Company's parent, MELCO Group Inc., and Iwao Tsusaka, serving concurrently as Director of the Company and as Director of the MELCO Group Inc., who have informed the Company that they plan to apply for this purchase, will not be participating in the discussion of the proposal related to this purchase of treasury shares or to the resolution.

Furthermore, as described in the following "(3) Summary of opinion obtained from parties no interested in the controlling shareholder concerning the point that the concerned transaction, etc. is not disadvantageous to minority shareholders," the outside Directors Jun Kamiya, Hiroyuki Miyajima and Kumiko Otsuka, who are independent officers of the Company, have provided their opinion on May 7, 2025 at the meeting of the Board of Directors that this purchase of treasury shares is not disadvantageous to the Company's minority shareholders based on comprehensive judgment of the relevant matters including its purpose, decision-making procedures, and purchase method. Therefore, the Company deems that measures to guarantee the fairness and avoid conflicts of interest have been taken in this purchase of treasury shares.

(3) Summary of opinion obtained from parties no interested in the controlling shareholder concerning the point that the concerned transaction, etc. is not disadvantageous to minority shareholders

An overview of the opinions of the outside Directors Jun Kamiya, Hiroyuki Miyajima and Kumiko Otsuka, who are independent officers of the Company, is as follows.

We judged that the transaction of purchasing the treasury shares of BUFFALO INC. (the "Company") on the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) from MELCO Group Inc., as discussed at a Board of Directors meeting does not disadvantage the Company's minority shareholders from the following points of views.

(i) Appropriateness of transaction objective

We understand that this purchase of treasury shares is intended to strengthen shareholder returns and increase capital efficiency with a view to removing the Company from the category of a foreign investor under the Foreign Exchange and Foreign Trade Act (the “FEFTA”) through this purchase, thereby enabling it to conduct investment and business activities flexibly going forward. Since the Company is exploring growth strategies, including investing in other companies, as part of its strategy and is currently subject to restrictions under the FEFTA while implementing these strategies, which hinders the smooth and timely execution of its investment and business activities, the purpose of this purchase of treasury shares is appropriate. As the major shareholders who are foreign investors are generally considering application at a level that would achieve the target of removing the Company from the category of a foreign investor under the FEFTA and opportunities to apply for the purchase are also provided to shareholders other than the major shareholders, there are no intentions or factors that disadvantage minority shareholders in the purpose or details of this purchase.

(ii) Fairness of transaction procedures

This purchase of treasury shares complies with the “Standards for Transactions with the Parent Company” established by the Company. Specifically, Directors with a special interest do not participate in discussions and resolutions of the Board of Directors concerning this purchase. Since the major shareholders are generally considering application at a level that would achieve the target of removing the Company from the category of a foreign investor under the FEFTA and this level would also provide opportunities to apply for the purchase to shareholders other than the major shareholders, measures to guarantee fairness of transaction procedures and avoid conflicts of interest have been implemented.

(iii) Fairness of transaction conditions

This purchase of treasury shares is conducted through the Tokyo Stock Exchange Off-Auction Own Share Repurchase Trading System (ToSTNeT-3). Because this transaction can only be carried out at the previous day’s closing price and opportunities to apply for the purchase are also provided to shareholders other than the major shareholders, the fairness of the transaction conditions is guaranteed.

(Reference)

1. Details of the resolution at the meeting of the Board of Directors held on February 12, 2025

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|---|---|
| (1) Class of shares to be purchased: | Common shares of the Company |
| (2) Total number of shares to be purchased: | 2,800,000 shares (maximum)
(Ratio to the total number of issued shares excluding treasury shares: 18.41%) |
| (3) Total purchase price of shares: | ¥7,000,000,000 (maximum) |
| (4) Purchase period: | February 13, 2025 through May 13, 2025 |
| (5) Purchase method: | Purchase through the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) and auction market trading at Tokyo Stock Exchange, Inc. |

Note: All or part of orders may not be executed due to market trends, etc.

2. Cumulative total of treasury shares purchased until May 7, 2025 based on the resolution at the meeting of the Board of Directors above

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|---------------------------------------|----------|
| (1) Total number of shares purchased: | 0 shares |
| (2) Total purchase price of shares: | ¥0 |

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