



MEMBERSHIP

June 26, 2025

To Whom It May Concern:

Company Name: CHUBU SHIRYO CO., LTD.
(Stock code: 2053, TSE Prime Market and
NSE Premier Market)
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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

CHUBU SHIRYO CO., LTD. (the “Company”) hereby announces the disposal of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”), as resolved at the meeting of the Board of Directors held on June 26, 2025. The details are described below.

1. Outline of disposal

(1)	Date of disposal	July 22, 2025
(2)	Class and number of shares to be disposed of	11,700 shares of the Company’s common share
(3)	Disposal price	¥1,531 per share
(4)	Total value of shares to be disposed	¥17,912,700
(5)	Allottees, number thereof, and number of shares to be disposed of	9,000 shares for three Directors of the Company, and 2,700 shares for three Senior Executive Officers of the Company

2. Purposes and reasons for the disposal

At the meeting of the Board of Directors held on April 20, 2021, the Company resolved to introduce the restricted stock compensation plan (the “Plan”) as a new compensation system for its Directors excluding outside Directors (the “Eligible Directors”) and Executive Officers with title who do not concurrently serve as Directors (collectively with the Eligible Directors, the “Eligible Directors etc.”) with the aim of providing the Eligible Directors etc. with incentives to promote the sustainable enhancement of the Company’s corporate value and further aligning interests with its shareholders. In addition, the following matters have been approved at the 74th Annual General Meeting of Shareholders held on June 24, 2021. Under the Plan, the Company shall grant to the Eligible Directors monetary claims of up to ¥100 million per year as monetary compensation to be contributed as assets for the acquisition of restricted stock (the “Restricted Stock Compensation”), and shall issue or dispose of up to 100,000 shares of the Company’s common shares per year. The restriction period on the transfer of such restricted stock shall be from the date on which the Company’s common shares are allotted under the restricted stock allotment agreement entered into between the Company and each of the Eligible Directors until the time each of the Eligible Directors resigns or retires from the position determined by the Company’s Board of Directors.

The outline of the Plan is as follows:.

[Outline of the Plan]

The Eligible Directors etc. shall contribute in kind the full amount of the monetary claims granted by the Company under the Plan as consideration, and receive an allotment of the Company's common shares through issuance or disposal. The amount to be paid in per share shall be determined by resolution of the Board of Directors, based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant Board resolution (or, if no trading occurs on that day, the closing price on the most recent trading day prior thereto), within a range that is not particularly favorable to the Eligible Directors etc. who subscribe for the common shares.

In addition, upon the issuance or disposal of the Company's common shares under the Plan, the Company and each of the Eligible Directors etc. shall enter into a restricted stock allotment agreement. The terms of such agreement shall include: (i) a prohibition on the Eligible Directors etc. from transferring to third parties, creating a security interest on, or otherwise disposing of the Company's common shares allotted under the restricted stock allotment agreement for a certain period; and (ii) a provision that the Company shall acquire such shares without compensation under certain circumstances.

This time, under the Plan, the Company has decided to grant a total monetary claim of ¥17,912,700 (the "Monetary Claims") and 11,700 shares of common shares to the Eligible Directors etc.

In the Disposal of Treasury Shares, under the Plan, six Eligible Directors etc., as the intended allottees, shall contribute in kind the full amount of the Monetary Claims to the Company and receive an allotment of the Company's common shares (the "Allotted Shares") through the disposal of treasury shares. The outline of the restricted stock allotment agreement (the "Allotment Agreement") to be executed between the Company and each of the Eligible Directors etc. in connection with the Disposal of Treasury Shares is provided in Section 3 below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

From July 22, 2025 (the payment date) to July 22, 2075

(2) Conditions for lifting of transfer restrictions

In the event that each of the Eligible Directors etc. resigns or retires from both the position of Director and the position of Senior Executive Officer of the Company upon expiration of their term of office, mandatory retirement, or for other legitimate reasons (including resignation or retirement due to death), the transfer restrictions shall be lifted as of the time immediately following such resignation or retirement.

(3) Treatment in the event that each of the Eligible Directors resigns or retires during the restriction period upon expiration of term, mandatory retirement, or for other legitimate reasons

(i) Timing of lifting of transfer restrictions

In the event that each of the Eligible Directors etc. resigns or retires from both the position of Director and the position of Senior Executive Officer of the Company upon expiration of terms, mandatory retirement, or for other legitimate reasons (including resignation or retirement due to death), the transfer restrictions shall be lifted at the time immediately following such resignation or retirement.

(ii) Number of shares subject to lifting of transfer restrictions

The number of shares subject to lifting of transfer restrictions shall be calculated by

multiplying the number of the Allotted Shares held by each of the Eligible Directors etc. at the time of resignation or retirement as specified in (i) above by the number obtained by dividing the number of months from the month including the payment date through the month including the date of resignation or retirement by 12 (provided, however, that if the resulting number exceeds one, it shall be deemed to be 1). Any fractional shares less than one unit resulting from the calculation shall be truncated.

(4) Acquisition without compensation by the Company

The Company shall automatically acquire without compensation any Allotted Shares for which the transfer restrictions have not been lifted as of the expiration of the restriction period or the time of lifting of transfer restrictions as specified in (3) above.

(5) Administration of shares

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by each of the Eligible Directors etc. at Nomura Securities Co., Ltd., to prevent transfer, creation of a security interest on, or otherwise disposal of the Allotted Shares during the transfer restriction period. To ensure effectiveness of transfer restrictions, etc. relating to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding management of such account dedicated to the Allotted Shares held by each of the Eligible Directors etc. In addition, the Eligible Directors etc. shall agree to the details of management of the accounts.

(6) Treatment upon organizational restructuring etc.

If matters relating to a merger agreement in which the Company becomes the dissolving company, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly owned subsidiary, or any other kind of organizational restructuring, etc. are approved at the Company's Annual General Meeting of Shareholders (or the Company's Board of Directors if matters relating to such organizational restructuring, etc. do not require approval by the Company's Annual General Meeting of Shareholders), the transfer restrictions will be lifted at the time immediately prior to the business day preceding the effective date of such organizational restructuring etc., based on the resolution of the Board of Directors. The number of shares shall be calculated by multiplying the number of the Allotted Shares held at such time by the number of months from the month including the payment date to the month including the date of such approval, divided by 12. If the result exceeds one, it shall be deemed to be one. Any fractional shares less than one unit resulting from the calculation shall be truncated. The Company shall automatically acquire without compensation all of the Allotted Shares for which transfer restrictions are not lifted at the time immediately after lifting of transfer restrictions.

4. Basis for calculation and details of the payment amount

The Disposal of Treasury Shares to the intended allottees will be conducted by way of in-kind contribution of the Monetary Claims granted under the Plan as Restricted Stock Compensation for the Company's 79th fiscal year. To ensure that the disposal price is free from arbitrariness, the payment amount per share has been set at ¥1,531, which is the closing price of the Company's common share on the Prime Market of the Tokyo Stock Exchange on June 25, 2025 (the business day immediately preceding the date of the Board resolution). This price reflects the most recent market value immediately preceding the Board resolution and is considered reasonable and not particularly favorable to the allottees.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.