



June 27, 2025

Name of the Company: Tsubakimoto Chain Co.
Name of the representative: Takatoshi Kimura
President and Representative Director
(Code number: 6371 (Prime Market of Tokyo Stock Exchange)
Inquiries to: Takeshi Tamura
Manager, Corporate Planning
Tel: (06) 6441-0054

Notice of Disposal of Treasury Shares as Restricted Stock Compensation Plan

Tsubakimoto Chain Co. (the “Company”) hereby announces that its Board of Directors resolved at the meeting held on June 27, 2025 to dispose of treasury shares (hereinafter referred to as the “Disposal of Treasury Shares” or the “Disposal”) as follows.

1. Outline of the Disposal

(1) Date of the Disposal	July 25, 2025
(2) Class and number of shares to be disposed	47,597 shares of common stock of the Company
(3) Disposal price	JPY 1,777 per share
(4) Total disposal value	JPY 84,579,869
(5) Allottees and number thereof, and number of shares to be disposed	18,366 shares to 3 directors of the Company (excluding outside directors); and 29,231 shares to 16 executive officers of the Company (excluding non-residents)
(6) Others	The Company submitted an Extraordinary Report for the Disposal of Treasury Shares under the Japanese Financial Instruments and Exchange Act.

2. Purpose and reason of the Disposal

At the meeting of the Board of Directors held on May 27, 2020, the Company resolved to introduce a restricted stock compensation plan (hereinafter referred to as the “Plan”) for the directors of the Company (excluding outside directors; hereinafter referred to as the “Eligible Directors”) for the purpose of providing them with incentives to sustainably enhance the corporate value of the Company and further promoting value sharing with our shareholders. Also, at the 111th Ordinary General Meeting of Shareholders held on June 26, 2020, it was approved to provide the Eligible Directors with monetary compensation claims in the amount not exceeding JPY 60 million per year to fund their acquisition of the restricted stock (hereinafter referred to as the “Restricted Stock Compensation”) under the Plan, and to restrict the transfer of the restricted stock for a period determined by the Board of Directors of the Company in the range from 3 to 30 years. In addition, the Company has introduced the Plan also for its executive officers, excluding non-residents (hereinafter referred to as the “Eligible Executive Officers”).

Please see the following for the outline of the Plan.

[Outline of the Plan]

The Eligible Directors and the Eligible Executive Officers (hereinafter collectively referred to as the “Eligible Officers”) shall make in-kind contribution of all of their monetary compensation claims provided by the Company under the Plan, and shall, in return, receive shares of common stock of the

Company that shall be issued or disposed by the Company. The total number of shares of common stock of the Company to be issued or disposed for the Eligible Directors under the Plan shall not exceed 20,000 shares per year (60,000 shares per year after the adjustment due to stock split of common stock of the Company from one share to three shares as of October 1, 2024), and the amount to be paid per share shall be determined by the Board of Directors within the range that is not particularly favorable to the Eligible Officers subscribing such shares of common stock of the Company based on the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

The Company and each Eligible Officer shall enter into an agreement on allotment of restricted stocks upon the issuance or disposal of shares of common stock of the Company under the Plan, under which (i) the Eligible Officer shall not transfer, create a security interest on, or otherwise dispose of the shares of common stock of the Company allotted under such agreement during a certain restriction period, and (ii) the Company shall take back such shares of common stock without cost in case of certain events.

Considering the purpose of the Plan, business condition of the Company, scope of responsibility of each Eligible Officer and certain other various factors, the Company has decided to provide the total sum of the monetary compensation claims of JPY 84,579,869 (hereinafter referred to as “Monetary Compensation Claims”) and 47,597 shares of common stock of the Company. In order to achieve the purpose of the Plan to share shareholder value over the medium to long term, the transfer restriction period has been set at 30 years.

For the purpose of the Disposal of Treasury Shares, the proposed allottees of 3 Eligible Directors and 16 Eligible Executive Officers shall make in-kind contribution of all of their Monetary Compensation Claims to the Company, and shall receive disposed shares of common stock of the Company (hereinafter referred to as the “Allotted Shares”) under the Plan. The overview of the agreement on allotment of restricted stocks to be entered into between the Company and each Eligible Officer (hereinafter referred to as the “Allotment Agreement”) is specified in paragraph 3 below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period: from July 25, 2025 to July 24, 2055

(2) Conditions for lifting the transfer restrictions

On the condition that the Eligible Officer remains in the position of director of the Company, or executive officer not concurrently serving as a director of the Company, or in a similar position during the transfer restriction period, the transfer restrictions on all of the Allotted Shares shall be lifted at the expiration of the transfer restriction period.

(3) Treatment in cases where the Eligible Officer retires or resigns from its position due to expiration of the term of office, reaching retirement age, or any other due cause

(i) Time of lifting the transfer restrictions

If the Eligible Officer retires from the position of director of the Company, or executive officer not concurrently serving as a director of the Company, or a similar position due to the expiration of the term of office, reaching retirement age, or any other due cause (including retirement due to death), the transfer restrictions shall be lifted immediately after the retirement of the Eligible Officer.

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

The number of shares subject to lifting of the transfer restrictions shall be obtained by multiplying the number of shares held by the Eligible Officer at the time of his/her retirement specified in (i) above by the value obtained after dividing the number of months in his/her tenure as the Eligible Officer during the transfer restriction period by 12 (if the value exceeds 1, it shall be adjusted to 1). If the calculation results in a fraction of less than one share, it shall be rounded down.

(4) Take-back without cost by the Company

At the expiration of the transfer restriction period or at the time of lifting of the transfer restriction specified in (3) above, the Company shall automatically take back, without cost, the Allotted Shares for which the transfer restriction has not been lifted.

(5) Treatment in case of reorganization or similar event

If, during the transfer restriction period, matters relating to a merger agreement in which the

Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other reorganization or similar event are approved at the General Meeting of Shareholders of the Company (or at a meeting of its Board of Directors in the case where the approval at the General Meeting of Shareholders of the Company is not required for such reorganization or similar event), the transfer restrictions shall be lifted by the resolution of the Board of Directors as of just before the business day immediately preceding the effective date of the reorganization or similar event for the number of shares obtained by multiplying the number of shares held by the Eligible Officer at the time of the approval mentioned above by the value obtained after dividing the number of months in the period from the month following the month containing the commencement date of performing duties for the 116th fiscal year (which shall be read as the month containing the commencement date of performing duties in case of the Eligible Officer who is the Eligible Executive Officer not concurrently serving as a director) by 12 (if the value exceeds 1, it shall be adjusted to 1). If the calculation results in a fraction of less than one share, it shall be rounded down. Immediately after the lifting of the transfer restrictions, the Company shall automatically take back, without cost, all the Allotted Shares for which the transfer restriction has not been lifted.

(6) Control of shares

To ensure compliance with the restrictions on transfer, creation of a security interest on, or any other disposal of the shares during the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by each Eligible Officer at Nomura Securities Co., Ltd. In order to secure the effectiveness of the transfer restrictions on the Allotted Shares, the Company has executed an agreement with Nomura Securities Co., Ltd. for control of the dedicated accounts in which the Eligible Officers hold their Allotted Shares, respectively. The Eligible Officers shall give consent to such control of their accounts.

4. Basis of calculation and specific details of the payment amount

The Disposal of Treasury Shares to the proposed allottees shall be funded under the Plan by the monetary compensation claims provided as the Restricted Stock Compensation for the period from the 116th Ordinary General Meeting of Shareholders to the 117th Ordinary General Meeting of Shareholders scheduled in June 2026 in case of the Eligible Directors and for the 116th fiscal year of the Company in case of the Eligible Executive Officers. To eliminate arbitrariness in the disposal price, the closing price for the common shares of the Company on the Prime Market of the Tokyo Stock Exchange on June 26, 2025 (the business day prior to the date of resolution of the Board of Directors) of JPY 1,777 is used as the disposal price. As this is the market price on the day immediately prior to the date of resolution of the Board of Directors, we believe that it is reasonable and does not represent a particularly favorable price.