



July 9, 2025

To All Concerned Parties

Company name: CHINO CORPORATION
Name of Representative: Mikio Toyoda, President and CEO
(Securities code: 6850, Tokyo Stock Exchange Prime Market)
Inquiries: Kazumasa Ohmori, Executive Officer,
Executive Manager, Business
Management Headquarters
(Telephone: +81-3-3956-2115)

Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

CHINO CORPORATION (the “Company”) hereby announces that, at a meeting held on July 9, 2025, its Board of Directors resolved to dispose of its treasury shares as restricted stock compensation (the “Disposal of Treasury Shares” or “Disposal”). Details are as follows.

1. Overview of the disposal of treasury shares

(1)	Date of disposal	August 8, 2025
(2)	Type and number of shares to be disposed of	12,699 shares of common stock of the Company
(3)	Disposal value	2,313 yen per share
(4)	Total disposal value	29,372,787 yen
(5)	Allottee	3 Directors of the Company (excluding Outside Directors) 6,363 shares 10 Executive Officers of the Company 6,336 shares

2. Purpose and reason for disposal

To provide its Directors (excluding Outside Directors, the “Eligible Directors”) with an incentive to improve the Company’s corporate value over the medium to long-term while simultaneously promoting their sharing of value with shareholders, the Company resolved to introduce a stock compensation plan (the “Plan”) under which restricted stock will be provided to Eligible Directors and Executive Officers not serving concurrently as Directors (collectively “Eligible Directors, etc.”) at the meeting of the Board of Directors held on April 28, 2022. In addition, at the General Meeting of Shareholders held on June 28, 2022, shareholders approved the following, among other matters: the limitation of the total amount of monetary compensation to be paid as remuneration for the allotment of restricted stock to Eligible Directors under the plan, which is separate from the existing limit of monetary compensation for Directors, to a maximum of 40 million yen per year and the specification of the transfer restriction period of the restricted stock as the period from the date on which the stock is allotted until the date the Eligible Director, etc. retires from their position as a Director or Executive Officer of the Company.

The outline of the Plan, etc. are as follows.

[Overview of the Plan]

Under the Plan, Eligible Directors, etc. shall make in-kind contributions of all the monetary compensation receivables to be granted from the Company and in return receive the Company's common stock that will be issued or disposed of by the Company. The total number of shares of common stock to be issued or disposed of under the Plan will be up to 26,000 a year. The amount to be paid in per share of the Company's common stock to be issued or disposed of under the Plan shall be determined by the Board of Directors in a range that is not especially advantageous to Eligible Directors, etc. who subscribe to the restricted stock, based on the closing price of the Company's common stock on Tokyo Stock Exchange on the business day immediately preceding the day of the resolution of the Company's Board of Directors (if no trading is reported on the day, the closing price on the day before that day).

Regarding the issuance or disposal of its common stock under the Plan, the Company shall enter into a restricted stock allotment agreement (the "Allotment Agreement") with Eligible Directors, etc., the provisions of which shall contain the following items.

- (i) The Eligible Directors, etc. may not, during a predefined period, transfer, attach a security interest on or otherwise dispose of the Company's common stock allotted pursuant to the Allotment Agreement; and
- (ii) The Company shall acquire said common stock without consideration if certain events occur.

Today, by resolution of its Board of Directors, the Company decided to provide a total of 29,372,787 yen in monetary compensation claims (the "Monetary Compensation Claims") to three Eligible Directors and ten Executive Officers who will be allotted restricted stock compensation for the period from the close of the 89th Ordinary General Meeting of Shareholders to the 90th Ordinary General Meeting of Shareholders to be held in June 2026, and to allot 12,699 shares of the Company's common stock to the Eligible Directors, etc. as restricted stock after they provide all of the Monetary Compensation Claims concerned as contributions-in-kind. The amount of the Monetary Compensation Claims provided to Eligible Directors, etc. is determined in line with the standards resolved by the Board of Directors after deliberation and the reception of reports by the Nomination and Compensation Advisory Committee. The Monetary Compensation Claims will be provided to Eligible Directors, etc. subject to conditions including that each Eligible Director, etc. executes an agreement with the Company regarding the allotment of restricted stock that contains the following main points.

3. Overview of the Allotment Agreement

- (i) Transfer restriction period: From August 8, 2025 until the Eligible Director, etc. retires from their position as a Director or Executive Officer of the Company

During the restricted period of transfer specified above (the "Transfer Restriction Period"), an Eligible Director, etc. shall not transfer, pledge, offer as security of transfer, donate before death, bequeath or otherwise dispose of the restricted stock allotted to them (the "Allotted Shares") to a third party (the "Transfer Restriction").

- (ii) Release of the Transfer Restriction

The Company will lift the Transfer Restriction on all the Allotted Shares at the end of the Transfer Restriction Period if the Eligible Director, etc. who have received an allotment of restricted stock continues to hold the position of Director or Executive Officer of the Company from June 27, 2025 (the date of the 89th Ordinary General Meeting of Shareholders) until the date of the following year's Ordinary General Meeting of Shareholders (the "Service Rendering Period"); provided, however, if said Eligible Director, etc. resign from the position specified above during the Service Rendering Period for reasons considered to be justifiable by the Board of Directors, the Company will make reasonable adjustments as necessary regarding the termination of transfer restrictions on the number of Allotted Shares and the timing for terminating the Transfer Restriction.

- (iii) Acquisition of restricted stock without considerations

The Company will automatically acquire the Allotted Shares for which the restriction on transfer is not lifted at the time when the Transfer Restriction Period expires or when the restriction on transfer is lifted as specified in (ii) above without consideration.

- (iv) Handling in the event of organizational restructuring, etc.

In the event of the approval by the General Meeting of Shareholders of a merger agreement under which the Company will cease to exist, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary of another company, or other matters related to organizational restructuring, etc. during the Transfer Restriction Period (in cases in which organizational restructuring, etc. does not require approval by a general meeting of shareholders, approval by the Board of Directors), the Company will terminate, prior to the effective date of the said organizational restructuring, etc., Transfer Restriction on the number of Allotted Shares that will be reasonably determined by resolution of the Board of Directors based on the period from the day when the service rendering period commences until the day when the said organizational restructuring, etc. is approved. In the case provided for above, the Company shall naturally acquire the Allotted

Shares on which the transfer restrictions have not yet been lifted without compensation, immediately after the transfer restrictions have been lifted.

(v) Management of the Allotted Shares

To ensure that the Allotted Shares cannot be transferred, a security interest in the Allotted Shares cannot be created, and that the Allotted Shares cannot otherwise be disposed of during the Transfer Restriction Period, the Eligible Directors, etc. shall open an exclusive account at a financial instruments business operator (Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) designated by the Company. The shares will be managed in that account until the Transfer Restriction is lifted.

4. Basis for calculating disposal value and other specific details

The disposal value is set at 2,313 yen, which is the closing price of the Company's common stock in the Tokyo Stock Exchange on July 8, 2025 (business day preceding the date of resolution of the Board of Directors), to make the disposal value a value that eliminates arbitrariness. This is the market price immediately before the date of resolution in the Board of Directors meeting, which we believe is reasonable and is not deemed an advantageous price.