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June 25, 2026

To whom it may concern,

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Notice Concerning Disposal of Treasury Shares as Restricted Stock to Directors and Executive Officers

Shimojima Co., Ltd. (the “Company”) hereby announces that the Board of Directors has resolved today to dispose of treasury shares as restricted stock (the “Disposal of Treasury Shares”) as described below.

1. Outline of disposal

(1) Due date of payment	July 21, 2026
(2) Class and number of shares to be disposed of	49,255 common shares of the Company
(3) Disposal price	1,317 yen per share
(4) Total amount of disposal	64,868,835 yen
(5) Scheduled allottees	Nine Directors (*1) of the Company 33,169 shares Four Directors who are Audit and Supervisory Committee Members of the Company 5,778 shares Six Executive Officers (*2) of the Company 10,308 shares (*1) Excluding Directors who are Audit and Supervisory Committee Members. (*2) Excluding Executive Officers who concurrently serve as Directors.

2. Purpose and reason for disposal

The Company has introduced a restricted stock compensation plan (the “Plan”) for Directors (including Directors who are Audit and Supervisory Committee Members and Outside Directors). The intention of the Plan is 1) to align the interests of Directors (excluding Directors who are Audit and Supervisory Committee Members) with those of shareholders by having them share both the benefits and risks of stock price fluctuations, thereby providing an incentive to increase the Company's stock price and enhance its corporate value, and also 2) to align the interests of Directors who are Audit and Supervisory Committee Members with those of shareholders by having them share both the benefits and risks of stock price fluctuations, thereby encouraging them to contribute to the protection and enhancement of the corporate value of the Company's group and the maintenance of stakeholder trust through the proper performance of their duties, including due consideration of the interests of minority shareholders.

The 65th Annual General Meeting of Shareholders held on June 25, 2026, approved the following matters : 1) under the Plan, the Company shall issue or dispose of no more than 80,000 of its common stock per year for

Directors (excluding Directors who are Audit and Supervisory Committee Members) (no more than 5,600 thereof for Outside Directors) and no more than 16,000 per year to Directors who are Audit and Supervisory Committee Members (no more than 5,600 thereof for Outside Directors); 2) the Transfer Restriction Period for restricted stock shall commence from the delivery date of the restricted stock and continue until the later of (i) the date on which the Director retires from his or her position as Director of the Company and (ii) the date on which the Company submits the Annual Securities Report for the Company's fiscal year in which the delivery date falls (or the Semiannual Securities Report for the fiscal year, if the delivery date falls within six months from the beginning of the fiscal year) .

The Board of Directors held on May 13, 2026, has also introduced the restricted stock compensation plan for Executive Officers of the Company.

The outline of the Plan is as follows.

< Outline of the Plan >

Directors (including Directors who are Audit and Supervisory Committee Members and Outside Directors) and Executive Officers (collectively the "Eligible Officers") will pay in all of the monetary compensation claims provided by the Company under the Plan as assets contributed in kind, and receive the Company's common shares issued or disposed of.

The Board of Directors will determine the amount to be paid in per common share of the Company issued or disposed of to the Eligible Officers under the Plan based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the corresponding resolution of the Board of Directors (or the closing price on the most recent day on which a trade has been executed, if no trade has been closed on the same day), at a price that is not particularly favorable to the Eligible Officers receiving the allotted shares.

When the Company issues or disposes of the common shares under the Plan, the Company and each Eligible Officer who receives the allotted shares shall enter into a Restricted Stock Allotment Agreement (the "Allotment Agreement"), which shall include the following matters:

- (i) The Eligible Officer shall not transfer, encumber, or otherwise dispose of the received common shares of the Company for a period previously determined.
- (ii) The Company may acquire such common shares without consideration where justified by the circumstances.

Today, the Company's Board of Directors has resolved to dispose of 49,255 common shares of the Company (the "Allotted Shares") to nine Directors (excluding Directors who are Audit and Supervisory Committee Members), four Directors who are Audit and Supervisory Committee Members, and six Executive Officers of the Company and granted them monetary compensation claims as assets to be contributed in kind, totaling 64,868,835 yen (the amount of monetary compensation claims to be contributed per offered share is 1,317 yen), after taking into consideration the purposes of the Plan, the Company's business performance, the scope of responsibility of each Eligible Officer, and other circumstances,.

< Outline of the restricted stock allotment agreement >

In connection with the Disposal of Treasury Shares, the Company and each Eligible Officer shall individually enter into the Allotment Agreement, the outline of which is as follows.

(1) Transfer Restriction Period

The Eligible Officer shall not transfer, encumber, or otherwise dispose of the Allotted Shares from the due date of payment, July 21, 2026, to the later of (i) the date on which the Eligible Officer ceases to hold the position as Director or Executive Officer of the Company, and (ii) the date on which the Company submits the Annual Securities Report for the fiscal year ending March 31, 2027, (or the Semiannual Securities Report, if the due date of payment falls within 6 months from the beginning of the fiscal year) .

(2) Conditions for lifting Transfer Restriction

The Company shall lift the Transfer Restriction for all of the Allotted Shares on the expiration date of the Transfer Restriction Period, on the condition that the Eligible Officer continues to hold their position as Director or Executive Officer of the Company during the period from the due date of payment, July 21, 2026 until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027 (the "Service Period"). However, the Company shall lift the Transfer Restriction for a specific part of the Allotted Shares at the expiration of the Transfer Restriction Period, if the Eligible Officer ceases to hold their position as Director or Executive Officer of the Company during the Service Period due to expiration of their term of office, death, or any other cause deemed justifiable by the Board of Directors of the Company, and the number of such shares shall be that of Allotted Shares held at such loss of their position multiplied by the number of months from July 2026 through the month in which the day of such loss falls, divided by 12 (when the number of the months divided by 12 exceeds 1, however, the Company shall regard it to be as 1.). (If the result of the calculation includes a fraction less than one, the Company shall round down the obtained number.)

(3) Acquisition by the Company at no cost

If the Transfer Restriction does not lapse upon the expiration of the Transfer Restriction Period, the Company shall automatically acquire such Allotted Shares without consideration.

(4) Management of shares

The Company shall manage the Allotted Shares in dedicated accounts for restricted stock opened by the Eligible Officers at Daiwa Securities Co., Ltd., so that the Allotted Shares may not be transferred, encumbered, or otherwise disposed of during the Transfer Restriction Period.

(5) Treatment in reorganization, etc.

If, during the Transfer Restriction Period, the General Meeting of Shareholders of the Company approves a merger agreement pursuant to which the Company will become the disappearing company, a share exchange agreement or share transfer plan pursuant to which the Company will become a wholly owned subsidiary, or any other matter relating to a reorganizational transaction (or, if the Board of Directors of the Company approves such transaction, where approval by a General Meeting of Shareholders is not required by law), the Board of Directors shall resolve to lift the Transfer Restriction on a specific part of Allotted Shares at the time immediately prior to the effective date of the reorganization, etc., and the number of such shares shall be that of the Allotted Shares held at the date of the approval multiplied by the number of months from July 2026 through the month within which the date of the approval falls, divided by 12 (however, when the number of the months divided by 12 exceeds 1, the Company shall regard it as 1). (If the result of the calculation includes a fraction less than one, the Company shall round down the obtained number)

3. Basis for calculation and specific details of the amount to be paid in

The Board of Directors has decided to set the paid-in amount at 1,317 yen per share, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on June 24, 2026 (the business day immediately preceding the date of the resolution of the Disposal of Treasury Shares by the Board of Directors), so as to eliminate any arbitrariness in the pricing in connection with the Disposal in exchange for monetary compensation claims provided to the scheduled Allottees pursuant to the Plan. The Company believes that this price is reasonable, appropriately reflecting the value of the Company based on the market price of its common shares immediately prior to the date of the resolution, and that it does not constitute a particularly favorable price for the Eligible Officers, as there are no particular circumstances suggesting that such market price is unreliable.