



June 27, 2025

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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Mitsuboshi Belting Ltd. (the “Company”) announces that the Board of Directors has decided to dispose treasury stock (hereinafter referred to as the “Disposal of Treasury Stock” or “Disposal”) as restricted stock compensation. The details are as follows.

1. Outline of Disposal of Treasury Stock

(1) Payment date	July 14, 2025
(2) Class and total number of shares to be disposed	26,772 shares of common stock of the Company
(3) Disposal price	JPY 3,410 per share
(4) Total value of shares to be disposed	JPY 91,292,520
(5) Allottees	5 Directors (excluding outside directors): 18,200 shares 11 Executive Officers: 8,572 shares

2. Purpose and reason for disposal

At the 106th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved the introduction of a restricted stock compensation plan (the “Plan”) for Directors of the Company (excluding Outside Directors). The Plan was established with the aim of further incentivizing Directors to pursue the Company’s mid-term business plan and to align their interests with those of shareholders by encouraging the shared experience of stock price fluctuations. This is expected to enhance their motivation to contribute to increase of stock price and corporate value.

Under the Plan, the maximum annual amount of monetary compensation claims to be granted to Directors (excluding Outside Directors) in the form of restricted stock compensation is set at ¥180 million, within the total annual compensation limit of ¥540 million. The maximum number of restricted shares that may be allotted to Directors per fiscal year is 120,000 shares. The transfer restriction period extends from the allotment date until the date the Director resigns or otherwise ceases to hold a position as determined in advance by the Board of Directors.

At today’s meeting, the Board of Directors resolved to grant restricted stock compensation to Directors (excluding Outside Directors) for the period from the 110th Annual General Meeting of Shareholders until the 111th Annual General Meeting of Shareholders scheduled to be held in June 2026, and to Executive Officers for the period from April 1, 2025, through March 31, 2026.

Specifically, monetary compensation claims totaling ¥91,292,520 will be granted to 5 Directors (excluding Outside Directors) and 11 Executive Officers (collectively, the “Allottees”). Each Allottee shall contribute the entire amount of their respective monetary compensation claims as payment in kind, in exchange for the allocation of 26,772 shares of the Company’s common stock as restricted stock.

The amount of monetary compensation claims for each Allottee has been determined through a comprehensive assessment of individual contributions and other relevant factors. The allotment is contingent

upon each Allottee entering into a restricted stock allotment agreement (the “Allotment Agreement”) with the Company, the principal terms of which are summarized below.

3. Overview of the Allotment Agreement

① Transfer restriction period

From the date of allotment of the restricted stock until the day the Allottee resigns or otherwise ceases to hold the position predetermined by the Board of Directors (the “Transfer Restriction Period”).

During the Transfer Restriction Period, the Allottees are prohibited from transferring, creating a pledge or other security interest over, gifting, bequeathing, or otherwise disposing of the restricted stock (the “Transfer Restrictions”).

② Free acquisition by the Company

If an Allottee resigns or otherwise ceases to hold the predetermined position on or before the day preceding the first Annual General Meeting of Shareholders following the commencement of the Transfer Restriction Period (or, in the case of Executive Officers, by March 30, 2026), the Company shall, as a general rule, acquire all of the restricted stock held by such Allottee without consideration, unless the Board of Directors determines that there is a justifiable reason.

Additionally, any restricted stock for which the Transfer Restrictions have not been lifted at the expiration of the Transfer Restriction Period (the “Expiration Date”) shall be acquired by the Company without consideration immediately thereafter.

③ Conditions for canceling transfer restrictions

The Company shall lift the Transfer Restrictions on all restricted shares held by the Allottee at the Expiration Date, provided that the Allottee has continuously held the predetermined position from the start of the Transfer Restriction Period until the first Annual General Meeting of Shareholders thereafter (or, in the case of Executive Officers, until March 31, 2026).

However, if the Allottee resigns or otherwise ceases to hold the predetermined position on or after the commencement date of the Transfer Restriction Period and prior to the day immediately preceding the date of the first Annual General Meeting of Shareholders of the Company to be held thereafter (or, in the case of Executive Officers, prior to March 30, 2026) for reasons deemed justifiable by the Board of Directors, the number of shares to be released from Transfer Restrictions and the timing of such a release shall be reasonably adjusted.

④ Stock management

The restricted stock shall be managed in a dedicated account opened by the Allottee at SMBC Nikko Securities Inc., as designated by the Company. The restricted stock shall be held and maintained in this account until the Transfer Restrictions are lifted.

⑤ Handling in organizational reorganization, etc.

If, during the Transfer Restriction Period, a proposal for a merger agreement in which the Company will cease to exist, a share exchange agreement or share transfer plan whereby the Company will become a wholly owned subsidiary, or any other organizational restructuring is approved by the General Meeting of Shareholders (or by the Board of Directors where shareholder approval is not required), the Company shall, by resolution of the Board of Directors, lift the Transfer Restrictions on a reasonable number of restricted shares, based on the elapsed period from the start of the Transfer Restriction Period to the date of such approval, immediately prior to the effective date of the restructuring. In such a case, all of the Allotted Shares for which the transfer restrictions have not been lifted as of the business day immediately preceding the effective date of the relevant reorganization shall be automatically acquired by the company without consideration.

4. Basis for calculating the payment amount and its specific details

To ensure the fairness and objectivity of the disposal price, the price per share has been set at ¥3,410, which is the closing price of the Company’s common stock on the Tokyo Stock Exchange on June 26, 2025—the business day immediately preceding the date of the Board resolution. This price reflects the prevailing market value and is not considered to be particularly advantageous 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.
