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June 27, 2025

Company Name: YAMATO KOGYO CO., LTD.
Representative: Mikio Kobayashi
Representative Director, President
Securities code: 5444 (TSE Prime Market)
Contact: Yoshikazu Kotera
Managing Executive Officer
(Phone: +81-79-273-1061)

Notice Concerning Disposition of Treasury Shares as Restricted Stock Compensation

Yamato Kogyo Co., Ltd. (the "Company") hereby announces that the Board of Directors held today resolved to dispose of treasury shares as restricted stock compensation (hereinafter the "Disposition of Treasury Shares"), as follows.

1. Overview of Disposition

(1)	Due date of payment	July 25, 2025
(2)	Class and number of shares to be disposed	4,990 common shares of the Company
(3)	Disposal price	8,826 yen per share
(4)	Total value of disposal	44,041,740 yen
(5)	Scheduled disposal recipients	Five (5) Directors of the Company*: 2,914 shares One (1) Executive Officer of the Company: 363 shares Five (5) Directors of the Company's subsidiary: 1,713 shares *Excluding Outside Directors and Non-Executive Directors

2. Purpose and Reason for Disposition

At the Company's the 102nd Ordinary General Meeting of Shareholders held on June 29, 2021, the Company resolved to introduce a stock-based compensation scheme (hereinafter the "Scheme") in which restricted stock are issued to Directors of the Company (excluding Outside Directors and Non-Executive Directors; hereinafter the "Eligible Directors"), for the purpose of having them share the benefits and risks of stock price fluctuations with shareholders by further promoting their shareholdings in the Company, and increasing their willingness to contribute to the increase in the share price and the enhancement of corporate value. In addition, based on the Scheme, the Company also resolved that the total amount of monetary compensation to be paid to the Eligible Directors as compensation for the restricted stock shall be set at 100 million yen per year, that the total number of restricted stock to be allocated to the Eligible Directors in each fiscal year shall be limited to 30,000 shares, and the transfer restriction period for restricted stock shall be from the date of delivery of the restricted stock to the date of retirement or resignation from the position of Director of the Company or other position determined by the Board of Directors of the Company.

As restricted stock compensation to the Eligible Directors and Executive Officers for the period from the 106th Ordinary General Meeting of Shareholders of the Company to be held on June 27, 2025 to the 107th

Ordinary General Meeting of Shareholders of the Company to be held in June 2026, and as restricted stock compensation to the Directors and Executive Officers of the Company's subsidiaries for the period from the Ordinary General Meeting of Shareholders of the Company's subsidiaries to be held in June 2025 to the Ordinary General Meeting of Shareholders of the Company's subsidiaries to be held in June 2026, the Board of Directors of the Company today resolved to pay a total amount of 44,041,740 yen in monetary compensation claims to 5 Eligible Directors and 1 Executive Officer of the Company and 5 Directors of the Company's subsidiary (hereinafter the "Allottees") and to allot 4,990 shares of the Company's common shares as specified restricted stock to the Allottees by ways of an in-kind contribution for the entire amount of those monetary compensation claims.

The amount of monetary compensation claims to be paid to each Allottees has been determined upon comprehensive consideration of the position of each Allottee in the Company' group, the degree of their contributions, and other factors. In addition, payment of those monetary compensation claims is conditional on the conclusion between each Allottee and the Company of a restricted stock allotment agreement (hereinafter the "Allotment Agreement"), which broadly includes the following contents.

3. Overview of Allotment Agreement

(i) Transfer restriction period

The period from the date of delivery of the restricted stock to the date of retirement or resignation from the position of Director or any other position determined by the Board of Directors of the Company

During the aforementioned transfer restriction period (hereinafter the "Transfer Restriction Period"), the Allottee may not dispose the restricted stock allotted to the Allottee (hereinafter the "Allotted Shares") including transfer, creation of pledge, creation of security right for transfer, gift inter vivos and bequeath (hereinafter the "Transfer Restrictions").

(ii) Gratis acquisition of restricted stock

If an Allottee retire or resign from any position as a Director or any other position determined by the Board of Directors of the Company, on or after that commencement date of the Transfer Restriction Period and the day before the first Ordinary General Meeting of Shareholders of the Company to be held (if an Allottee is a Director or an Executive Officer of the Company's subsidiary, on or after that commencement date of the Transfer Restriction Period and the day before the first Ordinary General Meeting of Shareholders of the Company's subsidiary to be held), the Company shall rightfully acquire the Allotted Shares free of charge as of the date of retirement or resignation from the position, unless there is a reason recognized as valid by the Board of Directors of the Company.

In addition, if, at the time of the expiration of the Transfer Restriction Period (hereinafter the "Expiry of the Period"), the Transfer Restrictions on the Allotted Shared have not been removed on accordance with the reasons for removal of the Transfer Restrictions stated in (iii) below, the Company shall rightfully acquire the Allotted Shares free of charge immediately after the expiration of the Transfer Restriction Period.

(iii) Removal of transfer restrictions

Upon the expiration of the Restricted Transfer Period, the Company will remove the Transfer Restrictions of all Allotted Shares held by an Allottee at that time, provided that the Allottee has held the position of Director or any other position determined by the Board of Directors of the Company continuously from the commencement date of the Restricted Transfer Period until the commencement date of the first Ordinary General Meeting of Shareholders of the Company to be held (if an Allottee is a Director or an Executive Officer of the Company's subsidiary, on or after that commencement date of the Transfer Restriction Period and the first Ordinary General Meeting of Shareholders of the Company's subsidiary to be held). However, in the event that if an Allottee retire or resign from any position as a Director or any other position determined by the Board of Directors of the Company, on or after that commencement date of the Transfer Restriction Period and the day before the first Ordinary General Meeting of Shareholders of the Company to be held (if an Allottee is a Director or an Executive Officer of the Company's subsidiary, on or after that commencement date of the Transfer Restriction Period and the day before the first Ordinary General Meeting of Shareholders of the Company's subsidiary to be

held), the Company shall remove the Transfer Restrictions pertaining to the Allottee immediately after such retirement or resignation. The number of Allotted Shares for which the Transfer Restrictions will be removed is calculated by dividing by 12 the number of months from July 2025 to the month that includes the date on which the Allottee retire or resign from any position as a Director or any other position determined by the Board of Directors of the Company (however, if the calculation results in a number that exceeds 1, then the number shall be 1) and then multiplying the result by the number of Allotted Shares held by the Allottee at that time (however, any fractions of less than one share that result from the calculation shall be rounded down to the nearest whole number).

(iv) Provisions on the administration of shares

Allottees shall, in a manner specified by the Company, compete the opening of an account at a securities company specified by the Company to enter or record the Allotted Shares. The Allotted Shares shall be retained and maintained in such account until the Transfer Restrictions are removed.

(v) Treatment in the case of organizational restructuring, etc.

If, during the Transfer Restriction Period, a proposal concerning a merger agreement with the Company as the absorbed company, a share exchange agreement or a share transfer plan or any other proposal related to organizational restructuring, etc. under which the Company becomes a wholly owned subsidiary company is approved by the Company's Ordinary General Meeting of Shareholders (or by the Board of Directors of the Company in cases where approval by the Ordinary General Meeting of Shareholders is not required for the organizational restructuring, etc.), the Company shall, by resolution of the Board of Directors of the Company, remove the Transfer Restrictions pertaining to the Allotted Shares immediately prior to the business day immediately preceding the effective date of the organizational restructuring, etc. The number of the Allotted Shares for which the Transfer Restrictions are removed is calculated by dividing by 12 the number of months from July 2025 to the month that includes the date of the approval (however, if the calculation results in a number that exceeds 1, then the number shall be 1) and then multiplying the result by the number of Allotted Shares held by the Allottee as of the date of the approval (however, any fractions of less than one share that result from the calculation shall be rounded down to the nearest whole number).

In such case, based on the above provisions, the Company shall rightfully acquire free of charge all of the Allotted Shares for which the Transfer Restrictions have not been removed on the business day immediately preceding the effective date of the organizational restructuring, etc.

4. Basis for Calculation of the Amount to be Paid in for Shares and Specific Details

To avoid arbitrary pricing, the disposal price for the Disposition of Treasury Stock shall be set at 8,826 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on June 26, 2025, the business day immediately prior to date of the resolution of the Company's Board of Directors. This is the market share price immediately prior to the date of the Board of Directors' resolution, and the Company believes that it is reasonable and does not constitute a particularly favorable price.