



June 26, 2025

News Release

Name of company	Kyoritsu Maintenance Co., Ltd.
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(Securities Code:	9616, Tokyo Stock Exchange Prime)
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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

Kyoritsu Maintenance Co., Ltd. (the “Company”) hereby announces that, at the meeting of the Board of Directors held today, it resolved to dispose of treasury shares as restricted stock compensation (hereinafter, the “Disposal of Treasury Shares”) as outlined below.

1. Overview of the Disposal

(1)	Payment date	July 18, 2025
(2)	Type and number of shares to be disposed	Common shares of the Company: 45,160 shares
(3)	Disposal price	3,390 yen per share
(4)	Total disposal amount	153,092,400 yen
(5)	Planned Allottees	Directors of the Company (*1): 11 persons, 21,600 shares Directors of the Company’s subsidiaries implementing the restricted stock compensation system (*2): 23 persons, 23,560 shares *1 Excluding directors who are Audit and Supervisory Committee members and outside directors. *2 Limited to directors engaged in business execution.
(6)	Other	A timely disclosure report will be submitted regarding this Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal

At the 43rd Annual General Meeting of Shareholders held on June 28, 2022, the Company received approval to introduce a restricted stock compensation system (hereinafter, the “System”) for the Company’s directors (excluding directors who are Audit and Supervisory Committee members and outside directors; hereinafter, the “Eligible Directors”), with the aim of having the Eligible Directors share both the benefits and risks of stock price fluctuations with shareholders, and to further enhance their motivation to contribute to stock price appreciation and the enhancement of corporate value. The approved matters included the introduction of the System to grant restricted stock to Eligible Directors, setting the total amount of monetary compensation claims to be granted under the System at no more than 200 million yen per year, setting the maximum number of shares of restricted

stock to be allotted to the Eligible Directors per fiscal year at 260,000 shares (which became 520,000 shares following a two-for-one stock split of the Company's common shares effective April 1, 2024); and stipulating that the transfer restriction period for the restricted stock shall be from the date of allotment until the date on which the director or executive officer resigns from all positions at the Company and its subsidiaries.

Based on the above, at the Board of Directors meeting held today, the Company resolved to allot a total of 45,160 shares of its common shares as specific restricted stock to 11 Eligible Directors of the Company and 23 directors of its subsidiaries (hereinafter, the "Eligible Person") as restricted stock compensation corresponding to the period from the 46th Annual General Meeting of Shareholders to the 47th Annual General Meeting of Shareholders scheduled for June 2026, and from the respective subsidiaries' annual general meetings of shareholders to be held in June 2025 to those scheduled for June 2026. The total monetary compensation claims granted to the Eligible Person amounted to 153,092,400 yen and will be contributed in full by the Eligible Person as payment in kind. Furthermore, the monetary compensation claims will be granted on the condition that each Eligible Person enters into a Restricted Stock Allotment Agreement (hereinafter, the "Allotment Agreement") with the Company, which shall include the principal terms outlined below.

3. Overview of the Allotment Agreement

(i) Transfer restriction period

From July 18, 2025, until the date the Eligible Person resigns from all positions as a director and executive officer of the Company and its subsidiaries.

During the above transfer restriction period (hereinafter, the "Transfer Restriction Period"), the Eligible Person may not transfer to a third party, pledge, establish a security interest, make an inter vivos gift or bequest, or otherwise dispose of the allotted restricted stocks (hereinafter, the "Allotted Shares") in any manner (hereinafter, the "Transfer Restriction").

(ii) Gratuitous acquisition of restricted stocks

If the Eligible Person resigns from all positions as a director and executive officer of the Company and its subsidiaries before the day immediately preceding the date of the first Annual General Meeting of Shareholders of the Company to be held after the start of the Transfer Restriction Period (or, in the case of a director of a subsidiary, the day immediately preceding the date of the first annual general meeting of shareholders of the relevant subsidiary to be held after the start of the Transfer Restriction Period), the Company shall, unless there is a reason deemed legitimate by the Board of Directors, automatically acquire all such Allotted Shares without compensation at the time of such resignation.

Furthermore, if, at the time the Transfer Restriction Period ends (hereinafter, the "Expiration Time"), any of the Allotted Shares remain subject to transfer restrictions under the conditions set forth in item (iii) below, the Company shall automatically acquire such stocks without compensation immediately after the Expiration Time.

(iii) Lifting of transfer restrictions

The Company shall lift the transfer restrictions on all of the Allotted Shares held by the

Eligible Person at the Expiration Time, on the condition that the Eligible Person has continuously held a position as a director or executive officer of the Company or its subsidiaries from the start date of the Transfer Restriction Period until the date of the first Annual General Meeting of Shareholders of the Company to be held thereafter (or, in the case of an Eligible Person who is a director of a subsidiary, until the date of the first annual general meeting of shareholders of the relevant subsidiary to be held thereafter). However, if the Eligible Person resigns from all positions as a director and executive officer of the Company and its subsidiaries before the day immediately preceding the date of the first such general meeting after the start of the Transfer Restriction Period (or, in the case of an Eligible Person who is a director of a subsidiary, before the day immediately preceding the date of the first such general meeting of the relevant subsidiary), and the reason for such resignation is deemed legitimate by the Company's Board of Directors, the Company shall lift the transfer restrictions, immediately upon such resignation, on a number of Allotted Shares calculated by multiplying the number of Allotted Shares held by the Eligible Person at that time by the number of months from July 2025 to the month including the date of resignation, divided by 12 (any fractional share resulting from this calculation shall be rounded down).

(iv) Provisions concerning share management

The Eligible Person shall, in the manner designated by the Company, complete the opening of an account at SMBC Nikko Securities Inc., in which the Allotted Shares are to be recorded and shall maintain and keep the Allotted Shares in said account until the transfer restrictions are lifted.

(v) Treatment in organizational restructuring, etc.

If, during the Transfer Restriction Period, a proposal regarding a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other form of organizational restructuring (collectively, "Organizational Restructuring") is approved at a general meeting of shareholders of the Company (provided, however, that if such approval is not required at a general meeting of shareholders, then approval by the Company's Board of Directors shall suffice), the Company shall, by resolution of the Board of Directors, lift the transfer restrictions, as of immediately before the business day preceding the effective date of the Organizational Restructuring, on a number of Allotted Shares calculated by multiplying the number of months from July 2025 to the month including the date of such approval, divided by 12 (provided that if the result exceeds 1, it shall be deemed as 1), by the number of Allotted Shares held by the Eligible Person on the date of such approval (any fractional share resulting from this calculation shall be rounded down).

In such case, the Company shall, as of the business day immediately preceding the effective date of the Organizational Restructuring, automatically acquire without compensation all Allotted Shares for which the transfer restrictions have not been lifted pursuant to the above provisions.

4. Basis and Specifics of Calculation of the Payment Amount

The disposal price for this Disposal of Treasury Shares has been set at 3,390 yen, which

is the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution (June 25, 2025), in order to eliminate arbitrariness. This price reflects the market value of the Company's shares immediately prior to the date of the Board of Directors resolution and is considered reasonable and not particularly favorable.