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June 24, 2026

To whom it may concern,

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Representative: Yasumasa Kondo,
Representative Director, President and CEO
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

At the Board of Directors meeting held on June 24, 2026, Sangetsu Corporation (the "Company") resolved to dispose of treasury shares (hereinafter referred to as the "Disposal of Treasury Shares" or the "Disposal") as follows.

1. Outline of Disposal

(1)	Disposal Date	July 10, 2026
(2)	Class and Number of Shares to be Disposed	20,640 shares of common stock of the Company
(3)	Disposal Price	¥2,872 per share
(4)	Total Disposal Amount	¥59,278,080
(5)	Allottees, Number of Allottees, and Number of Shares to be Allotted	2 Directors (excluding Audit & Supervisory Committee Members): 9,440shares 7 Executive Officers: 11,200shares

2. Purpose and Reason for the Disposal

At the Board of Directors meeting held on May 12, 2017, the Company resolved to introduce a restricted stock remuneration system (hereinafter referred to as the "System") for the Company's Directors (excluding Audit and Supervisory Committee Members; hereinafter referred to as "Executive Directors") and Executive Officers (collectively hereinafter referred to as "Eligible Directors"). The System is designed to further promote value sharing with shareholders and provide incentives for the sustainable enhancement of corporate value.

Furthermore, at the 65th Ordinary General Meeting of Shareholders held on June 23, 2017, approval was obtained for the provision of monetary remuneration claims of up to 120 million yen per year to Executive Directors as property to be contributed for the acquisition of restricted stocks under the System, and to set the transfer restriction period for such stocks at 30 years.

The outline of the System is as follows.

【Outline of the System】

Under the System, Eligible Directors will pay the entire amount of monetary remuneration claims provided by the Company as property contributed in kind, and will receive the issuance or disposal of the Company's common shares. The total number of common shares to be issued or disposed of by the Company to Executive Directors under the System shall be up to 60,000 shares per year, and the amount to be paid per share shall be determined by the Board of Directors 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 each Board of Directors resolution (or the closing price on the most recent trading day prior thereto if no transaction is executed on that day), within a range that is not particularly advantageous to the Eligible Directors who subscribe for such common shares.

In issuing or disposing of the Company's common shares under the System, the Company and the Eligible Directors shall enter into a restricted share allotment agreement (hereinafter referred to as the "Allotment Agreement"), which shall include: (1) a provision that Eligible Directors shall not transfer, create a security interest in, or otherwise dispose of the Company's common shares allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") for a certain period; and (2) a provision that the Company shall acquire the Allotted Shares without contribution upon the occurrence of certain events.

On this occasion, for the purpose of further enhancing the motivation of each Eligible Director and further promoting value sharing with shareholders, we have decided to grant a total of 59,278,080 yen in monetary remuneration claims (hereinafter referred to as the "Monetary Remuneration Claims") and a total of 20,640 shares of common stock, taking into account the scope of their responsibilities and the ratio of monetary remuneration to stock-based remuneration in total executive remuneration.

In this Disposal of Treasury Shares, 9 Eligible Directors, who are the planned allottees, will pay the entire amount of the Monetary Remuneration Claims to the Company as property contributed in kind, and will receive the disposal of the Company's common shares under the System.

3. Overview of the Allotment Agreement

(1) Transfer Restriction Period

From July 10, 2026 to July 9, 2056

(2) Conditions for Lifting Transfer Restrictions

Eligible Directors must continuously hold the position of either a Director or Executive Officer of the Company during the transfer restriction period.

(3) The handling of shares if one of the Eligible Directors retires or resigns during the restriction period due to the expiration of their term, reaching retirement age, or other legitimate reasons (collectively referred to as "retirement or the like"), or if they retire due to death.

① Timing for Lifting Transfer Restrictions

The transfer restrictions will be lifted immediately upon the retirement or the like of Eligible Directors from a Director or Executive Officer role at the Company. This applies when their retirement or the like is due to the expiration of their term, reaching retirement age, other valid reasons, or in the event of their death.

② Calculation of Released Shares

The number of shares for which restrictions are lifted will be calculated by multiplying the total number of allotted shares by a ratio that is derived by dividing the Eligible Director's length of service from the month at which their disposal date falls (in months) (for Executive Officers not concurrently serving as Directors, from the start month of their service in the fiscal year at which their disposal date falls) by 12. If the resulting ratio exceeds 1, it will be capped at 1. Any fractional shares are to be rounded down.

(4) Gratis Acquisition by the Company

Any allotted shares that are not released from transfer restrictions will be automatically acquired by the Company at no cost. This includes cases where the Eligible Director still holds a position as either a Director or Executive Officer of the Company immediately before the transfer restriction period ends.

(5) Stock Management

To prevent any transfer, pledging, or other disposal of the allotted shares while they are still restricted, they will be managed in a dedicated account opened by the Eligible Directors at Nomura Securities Co., Ltd. The Company will enter into an agreement with Nomura Securities Co., Ltd. concerning the management of these accounts to ensure the effectiveness of the transfer restrictions on the allotted shares. Eligible Directors will also agree to the terms of this account management.

(6) Handling During Corporate Reorganizations, etc.

If, during the transfer restriction period, a merger agreement where the Company is the disappearing entity, a stock exchange agreement or stock transfer plan where the Company will become a wholly-owned subsidiary, or other corporate reorganization is approved by the Company's shareholders (or by the Board of Directors if shareholder approval is not required for that specific reorganization), then, by Board resolution, the transfer restrictions will be lifted. The number of released shares will be determined by multiplying the allotted shares held at that time by a specific ratio that is calculated by dividing the number of months from the disposal date (or, for Executive Officers not also serving as Directors, from the start of their term in the fiscal year of the disposal date) up to and including the month of the reorganization approval date, by 12 (with a maximum value of 1). Fractional shares are to be rounded down. This release of restrictions will take effect immediately before the business day preceding the effective date of the corporate reorganization.

4. Rationale and Details of the Allotment Price

The disposal of treasury shares to the designated recipients is being executed as part of the System. To eliminate any arbitrariness in the disposal price, we have set it

at 2,872 yen, equal to the closing price of our common stock on the Tokyo Stock Exchange on June 23, 2026 (the business day preceding the Board of Directors' resolution date). This price reflects the market valuation immediately prior to the Board's resolution and is considered both rational and not unduly favorable.