



May 27, 2025

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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

SAN-A CO., LTD. (the “Company”) hereby announces that, at the Board of Directors meeting held on May 27, 2025 (the “Allotment Resolution Date”), the Company resolved to execute the disposal of treasury stock (the “Disposal of Treasury Stock” or the “Disposal”). The details are as follows.

1. Overview of the Disposal

(1)	Disposal date	June 26, 2025
(2)	Class and total number of shares for disposal	10,200 shares of the Company’s common stock
(3)	Disposal price	2,945 yen per share
(4)	Total value of shares to be disposed	30,039,000 yen
(5)	Disposal allottees and number, and number of shares for disposal	Five (5) Directors of the Company (excluding Directors who are members of the Audit and Supervisory Committee and Outside Directors): 10,200 shares

2. Objective of and reasons for the Disposal

At the Board of Directors meeting held on April 15, 2021, the Company resolved to introduce a new restricted stock compensation plan (the “Plan”) for the Company’s Directors (excluding Directors who are members of the Audit and Supervisory Committee and Outside Directors; “Eligible Directors”) for the purpose of providing incentives to the Eligible Directors to promote the sustainable enhancement of the Company’s corporate value and to further advance the sharing of value with shareholders. Additionally, at the 51st Ordinary General Meeting of Shareholders held on May 25, 2021, based on the Plan, the Company obtained approval for the following matters: 1) the granting of monetary claims to Eligible Directors of up to 100 million yen per year as assets contributed in kind to acquire restricted stocks (“Restricted Stock Compensation”), and the issue or disposal of a maximum of 75,000 shares of the Company’s common stock per year, and 2) the establishment of a transfer restriction period for restricted shares of between three and 30 years, as determined by the Company’s Board of Directors.

An overview of the Plan follows.

[Overview of Plan, etc.]

The Eligible Directors shall pay in all monetary claims granted by the Company under the Plan as assets contributed in kind, and shall receive the issuance or disposal of common shares of the Company. The amount to be paid per share shall be determined by the Board of Directors within the limits that do not result in an

amount that is particularly advantageous to the Eligible Directors who are to subscribe for the shares, based on the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day preceding the Board of Directors' resolution date (if no transactions are conducted on that date, the closing price on the immediately preceding trading day shall apply).

In addition, related to the issuance or disposal of the Company's common shares under the Plan, the Company and the Eligible Directors shall enter into a restricted stock allocation agreement, which will include the following provisions: 1) the Eligible Directors shall be prohibited from transferring, pledging, or otherwise disposing of the Company's common shares allocated under the restricted stock allocation agreement to any third party for a certain period of time; and 2) should certain events occur, the Company shall acquire these common shares without consideration.

On this occasion, after submitting and explaining the draft proposal to the Nomination and Compensation Committee and soliciting opinions and advice from Independent Outside Directors, the Company has decided to grant the Eligible Directors monetary claims totaling 30,039,000 yen ("Principal Monetary Claims") and 10,200 shares of common stock, with the aim of providing incentives to the Eligible Directors to promote the sustainable enhancement of the Company's corporate value and further advancing the sharing of value with its shareholders. In addition, the transfer restriction period has been set at 30 years in the interest of achieving the sharing of value with shareholders, which is the long-term objective of the Plan.

In this disposal of treasury stock, based on the Plan, the five (5) Eligible Directors to whom the allotment is intended will pay in all of the Principal Monetary Claims against the Company as assets contributed in kind, and in exchange will receive common stock of the Company ("Allotted Shares"). An overview of the restricted share allotment agreement ("Allotment Agreement") to be concluded between the Company and the Eligible Directors related to the disposal of treasury stock follows.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

June 26, 2025-June 25, 2055

(2) Conditions for canceling transfer restrictions

Provided that the Eligible Directors held the position of Director of the Company continuously during the transfer restriction period, the restriction on all of the Allotted Shares shall be canceled when the transfer restriction period has expired.

(3) Treatment in the event that the Eligible Director resigns due to justifiable reasons such as the expiration of their term of office during the transfer restriction period

1) Timing of cancellation of transfer restrictions

If the Eligible Director resigns from their position as a Director of the Company upon the expiration of their term of office or for any other justifiable reason (including resignation due to death), the transfer restriction shall be canceled as of the time immediately following the resignation of the Eligible Director.

2) Number of shares subject to cancellation of transfer restrictions

The number of shares subject to cancellation of transfer restriction is obtained by multiplying the number of Allotted Shares held by the Director upon resignation with the number of months, from the month including the Allotment Resolution Date to the month including the date of the relevant Director's resignation date as described in 1) above divided by 12 (if the result is more than one, it shall be rounded down to one). Should the calculation result in a fraction of a share, it shall be disregarded.

(4) Acquisition by the Company without compensation

In the event that the Eligible Director violates the laws and regulations during the transfer restriction period or for other reasons specified in the Allotment Agreement, the Company shall automatically

acquire—without compensation—all of the Allotted Shares at that point in time. Moreover, upon the expiration of the transfer restriction period or upon cancelation of the transfer restriction outlined in (3) above, the Company shall automatically acquire without compensation Allotted Shares for which the transfer restriction has not been canceled.

(5) Treatment in organizational restructuring, etc.

During the transfer restriction period, if a matter connected with organizational restructuring, such as a merger agreement under which the Company is dissolved or a stock exchange agreement or a stock transfer plan under which the Company becomes a wholly-owned subsidiary, is approved at the Company's General Meeting of Shareholders (or by the Board of Directors if approval at the General Meeting of Shareholders is not required for such organizational restructuring), the transfer restrictions for the number of Allotted Shares held at that time multiplied with the number of months, from the month including the Allotment Resolution Date to the month including the date of approval divided by 12 (if the result is more than one, it shall be rounded down to one), will be canceled as of the business day immediately preceding the effective date of the reorganization (any fractional shares resulting from the calculation shall be rounded down to the nearest whole number.) Furthermore, immediately after the cancelation of the transfer restriction, the Company shall automatically acquire all of the Allotted Shares for which the transfer restriction has not been canceled, without compensation.

(6) Management of shares

The Allotted Shares may not be transferred, pledged, or otherwise disposed of during the transfer restriction period, and during this time shall be managed in a special account opened by the Eligible Director at Nomura Securities Co., Ltd. The Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of accounts for the Allotted Shares of the Eligible Directors to ensure the effectiveness of transfer and other restrictions on the Allotted Shares of each Eligible Director. Moreover, the Eligible Directors shall agree to the details related to the management of the account.

4. Basis for calculating the amount of payment and specific details thereof

The disposal of treasury stock to those to whom the allotment is intended will be conducted by contributing the monetary claims granted as Restricted Stock Compensation for the 54th fiscal year of the Company under the Plan as capital assets. Regarding the disposal price, it has been set at 2,945 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on May 26, 2025 (the business day prior to the date of resolution of the Board of Directors), to eliminate arbitrariness. This is the market price immediately prior to the date of the resolution of the Board of Directors, and the Company believes that it is reasonable and does not represent a particularly advantageous price.