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June 26, 2025

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(Securities code: 5122; Prime
Market)
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Notice Regarding the Disposal of Treasury Shares as Restricted Stock Compensation

Okamoto Industries, Inc. (hereinafter referred to as “the Company”) hereby announces that at the Board of Directors meeting held on June 26, 2025, the company resolved to dispose of treasury shares as restricted stock compensation (hereinafter referred to as the "Disposal of Treasury Shares" or the "Disposal"), as outlined below.

1. Overview of the Disposal

(1)	Date of disposal	July 25, 2025
(2)	Type and number of shares disposed	10,387 common shares in Okamoto
(3)	Disposal price	4,880 yen per share
(4)	Total amount of disposal price	50,688,560 yen
(5)	Allottees	Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors): 5 persons, 2,045 shares Executive Officers who do not concurrently serve as Directors: 12 persons, 4,908 shares Managerial employees of the Company: 160 persons, 3,434 shares

2. Purpose and Reason for the Disposal

At the 128th Annual General Meeting of Shareholders held on June 27, 2024, the Company received approval to introduce a restricted stock compensation plan (hereinafter referred to as the “Executive Compensation Plan”) for Directors of the Company who are responsible for its management (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) (hereinafter referred to as the “Eligible Directors”), with the aim of providing incentives to enhance the Company’s sustainable corporate value and promoting further value sharing with our shareholders.

Under this plan, it was also approved that the total amount of monetary compensation claims to be granted to Eligible Directors for the allotment of restricted stock, separate from the existing monetary compensation framework, shall be up to 50 million yen per year, that the total number of shares of the Company's common stock to be issued or disposed of to Eligible Directors shall be up to 10,000 shares per year, and that the restriction period for the transfer of restricted stock shall be from the payment date until the day the recipient resigns or retires from all positions as a Director or Executive Officer of the Company.

Furthermore, at the Board of Directors meeting held on June 27, 2024, the Company resolved to introduce a similar restricted stock compensation plan (together with the Executive Compensation Plan, hereinafter collectively referred to as the “Plan”) for Executive Officers who do not concurrently serve as Directors (hereinafter referred to as the “Eligible Executive Officers”) for the same purposes as the Executive Compensation Plan.

In addition, at the Board of Directors meeting held on May 13, 2025, the Company resolved to also include managerial employees (hereinafter referred to as the “Eligible Managers,” and collectively with the Eligible Directors and Eligible Executive Officers, the “Eligible Recipients”) as participants in the Plan.

Subsequently, at the Board of Directors meeting held on June 26, 2025, taking into account the recommendations of the Nomination and Compensation Committee, and in consideration of the objectives of the Plan, the scope of responsibilities of each Eligible Recipient, and various other relevant factors, the Company resolved to grant a total of 50,688,560 yen in monetary compensation claims to 5 Eligible Directors, 12 Eligible Executive Officers, and 160 Eligible Managers. The Company further resolved that all such monetary compensation claims shall be contributed as contributions in kind by the Eligible Recipients and, in exchange, the Company shall dispose of 10,387 shares of its common stock (hereinafter referred to as the “Allocated Shares”) to the Eligible Recipients.

An outline of the restricted stock allotment agreements to be individually executed between the Company and each Eligible Recipient in connection with this disposal of treasury shares is as follows.

3. Summary of the Share Allotment Agreement

(1) Transfer Restriction Period

During the period from the payment date of the Allocated Shares until the later of (i) the date the Eligible Recipient resigns or retires from all positions as Director, Executive Officer, or employee of the Company, or (ii) July 1, 2026 (hereinafter referred to as the “Transfer Restriction Period”), the Eligible Recipient shall not transfer, pledge, bequeath, or otherwise dispose of the Allocated Shares.

(2) Conditions for Lifting of Transfer Restrictions

If the Eligible Recipient continuously holds a position as Director, Executive Officer, or employee of the Company during the period from the date of the annual general meeting of shareholders immediately prior to the payment date of the Allocated Shares until the conclusion of the next annual general meeting of shareholders (hereinafter referred to as the “Service Period”), all transfer restrictions on the Allocated Shares shall be lifted upon expiration of the Transfer Restriction Period.

However, if the Eligible Recipient resigns or retires before the expiration of the Transfer Restriction Period for legitimate reasons, the number of Allocated Shares for which the transfer restriction will be lifted shall be calculated by multiplying (i) the number of months from the month following the month in which the general meeting of shareholders immediately preceding the payment date was held to the month including the resignation or retirement date, divided by 12 (provided, however, that if the result exceeds 1, it shall be deemed to be 1), by (ii) the number of Allocated Shares held at that time. Any fractional shares resulting from the calculation shall be rounded down.

(3) Grounds for Gratis Acquisition

If the Eligible Recipient resigns or retires from all positions as Director, Executive Officer, or employee of the Company during the Transfer Restriction Period without a legitimate reason as recognized by the Company, the Company shall automatically acquire all Allocated Shares without compensation.

Furthermore, if there are any Allocated Shares for which transfer restrictions have not been lifted at the time of the lifting as prescribed in (2) above, the Company shall automatically acquire such shares without compensation.

(4) Clawback Clause

In the event of a significant deterioration in the Company’s performance or any violation of laws or internal regulations by the Eligible Recipient, the Company may, through internal procedures including a resolution of the Board of Directors, demand that the Eligible Recipient return all or part of the Allocated Shares (including those for which transfer restrictions have been lifted) without compensation, or pay the equivalent monetary value thereof.

(5) Handling in the Case of Reorganization

Notwithstanding the provisions of (1) above, if during the Transfer Restriction Period, any matter concerning a reorganization—such as a merger agreement in which the Company will be dissolved, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or any other type

of organizational restructuring—is approved at the Company’s general meeting of shareholders (or, in cases where such approval is not required, by resolution of the Board of Directors), the Company may, by resolution of the Board of Directors, lift the transfer restrictions on the number of Allocated Shares calculated by multiplying (i) the number of months from the month following the month in which the general meeting of shareholders immediately preceding the payment date was held to the month including the date of such approval (the “Reorganization Approval Date”), divided by 12 (provided, however, that if the result exceeds 1, it shall be deemed to be 1), by (ii) the number of Allocated Shares held by the Eligible Recipient as of the Reorganization Approval Date. Any fractional shares resulting from the calculation shall be rounded down.

If any Allocated Shares remain subject to transfer restrictions immediately after such lifting, the Company shall automatically acquire them without compensation.

(6) Management of Shares

The Eligible Recipient shall open a dedicated account with Mizuho Securities Co., Ltd., using a method specified by the Company, in which all Allocated Shares shall be held and maintained until the transfer restrictions are lifted.

4. Basis and Specific Details for Calculating the Payment Amount

The disposal price per share for the treasury shares in this transaction has been set at ¥4,880, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day (June 25, 2025) immediately preceding the Board of Directors meeting. This price was chosen to eliminate arbitrariness and is considered reasonable and not particularly favorable to the recipients.

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