



June 26, 2026

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Disposal of Treasury Stock as Restricted Stock

Tsurumi Manufacturing Co., Ltd. (hereinafter, “the Company”) hereby announces that the Board of Directors, at its meeting held today, resolved to dispose of treasury shares as restricted stock (hereinafter, “the Disposal of Treasury Stock”).

1. Overview of the Disposal of Treasury Stock

(1) Payment date	July 24, 2026
(2) Type and number of shares to be disposed	72,600 shares of the Company’s common stock
(3) Disposal price	2,215 yen per share
(4) Total amount of the disposal price	160,809,000 yen
(5) Planned allottees	6 of the Company’s Directors* ¹ : 41,500 shares 18 of the Company’s Executive Officers and other employees* ² : 31,100 shares *1: This excludes Directors who are Audit and Supervisory Committee members and External Directors. *2: This excludes employees who currently serve as director.
(6) Other	As total amount of the disposal price for the Disposal of Treasury Stock is 100 million yen or more, the Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal of Treasury Stock

The Company resolved at a Board of Directors’ meeting held on May 12, 2023 to introduce a restricted stock-based compensation plan (hereinafter referred to as the “Plan”) as a new compensation plan for its Directors. The purpose of the Plan is to give the Company’s current and future Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors; the same applies below) an incentive to sustainably improve its corporate value while further promoting value sharing with shareholders. In addition, approval was obtained at the 72nd Annual General Meeting of Shareholders held on June 27, 2023 and the 74th Annual General

Meeting of Shareholders held on June 27, 2025 for the following matters: to provide monetary compensation claims up to 100 million yen per year to the Company's Directors within the scope of the existing Directors' monetary compensation limits as assets contributed in-kind relating to the granting of restricted stock under the Plan; to limit the total number of the Company's common stock issued or disposed of under the Plan to up to 25,000 a year (However, in the event that unavoidable circumstances arise requiring an adjustment to the number of shares—such as a stock split or reverse stock split of the Company's common stock—the number of shares to be issued or disposed of may be reasonably adjusted.); and to set the restricted period for the restricted stock from the date on which the restricted stock is granted to the date on which the applicable Director loses his/her position as a Director of the Company or another position determined by the Company's Board of Directors. In addition, in conjunction with the stock split (at a ratio of two shares for each share) effective October 1, 2025, the total number of the Company's common shares to be issued or disposed of under the Plan referred to in (ii) above has been adjusted to a maximum of 50,000 shares per year.

The following gives an overview of the Plan.

Overview of the Plan

The Company's Directors will pay all the monetary compensation claims provided by the Company under the Plan as assets contributed in-kind and will then be subject to the issuance or disposal of the Company's common stock.

The total number of the Company's common stock to be issued or disposed of to Directors under the Plan will be up to 50,000 shares per year. The amount paid for each one of those shares will be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors' resolution (or, if no trades are concluded on that date, the closing price on the most recent trading day prior to that date) within a scope that is not particularly advantageous to the Directors receiving the allotment of stock.

In addition, the Company will enter into a restricted stock allotment agreement with the Directors who will receive an allotment of stock when the Company issues or disposes of its common stock under the Plan.

The contents of that agreement will include the following.

- (i) The allotted common stock in the Company shall not be transferred, pledged as security interests or otherwise disposed of for a predetermined period of time
- (ii) If certain circumstances arise, the Company may acquire the applicable common stock at no cost

The Company has also introduced a plan to grant restricted stock to its Executive Officers and other employees similar to the Plan.

The Company has now resolved to grant a total of 72,600 shares of common stock in the Company ("the Allotted

Stock”) to 6 of its Directors and 18 of its Executive Officers and other employees (“Eligible Persons”) with a total of 160,809,000 yen in monetary compensation claims (monetary claims against the Company for the Company’s Executive Officers and other employees) granted to the Eligible Persons serving as in-kind contributions (amount of monetary compensation claims contributed per offered share: 2,215 yen) based on the resolution made at the Board of Directors’ meeting held today taking into consideration the purpose of the Plan, the Company’s performance, the scope of each Eligible Person’s responsibilities and various other circumstances.

Overview of the Restricted Stock Allotment Agreement

The Company will enter into separate restricted stock allotment agreements with the Eligible Persons. The following gives an overview of this agreement.

(1) Restricted Period

The Eligible Person may not transfer, pledge as security interests or otherwise dispose of the Allotted Stock from July 24, 2026 (payment date) to the date on which he/she loses his/her position as a Director, Auditor, or Executive Officer or other employee of the Company or of a subsidiary of the Company (or, if re-employed after mandatory retirement, the date on which he/she loses his/her position upon the expiration of the said re-employment period).

(2) Conditions for Lifting the Restrictions

On the condition that the Eligible Person continues to hold his/her position as a Director, Auditor, or Executive Officer or other employee of the Company or a subsidiary of the Company (hereinafter, “the Position”) from July 24, 2026 (payment date) to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027 (or, if the Eligible Person is an Executive Officer or other employee, from April 1, 2026 to March 31, 2027; “the Service Provision Period”), the restrictions shall be lifted on all the Allotted Stock at the expiration of the restricted period.

(3) Acquisition of the Allotted Stock by the Company at No Cost

If the Eligible Person loses his/her Position during the Service Provision Period, all the Allotted Stock will automatically be acquired by the Company at no cost immediately upon losing the said Position. Other reasons for acquisition of the Allotted Stock at no cost will be determined based on a resolution by the Company’s Board of Directors.

(4) Management of Stock

The Allotted Stock shall be managed in a dedicated account for restricted stock opened by the Eligible Person at Daiwa Securities Co., Ltd. during the restricted period so that it is not possible to transfer, pledge as security interests or otherwise dispose of the stock during the restricted period.

(5) Treatment in the Event of Organizational Restructuring

If a merger agreement in which the Company becomes the absorbed company, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly-owned subsidiary, or other matters relating to organizational restructuring are approved at the Company’s General Meeting of Shareholders (or, if approval

by the Company's General Meeting of Shareholders is not required for the said organizational restructuring, the Company's Board of Directors) during the restricted period, the restrictions shall be lifted on all the Allotted Stock with a resolution by the Board of Directors immediately before the business day prior to the effective date of the organizational restructuring.

3. Basis for the Calculation of the Payment Amount and the Specific Details of It

The Disposal of Treasury Stock will be carried out with the monetary compensation claims provided to the Eligible Persons under the Plan serving as contributed assets. Accordingly, the payment price for that shall be 2,215 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 25, 2026 (business day prior to the date of the Board of Directors' resolution), to ensure a price that eliminates arbitrariness. This is the market price immediately before the date of the Board of Directors' resolution. In the absence of special circumstances indicating that the most recent stock price cannot be relied upon, the Company believes that this is a reasonable price that appropriately reflects its corporate value and is a price that is not particularly advantageous to the Eligible Persons.