



April 23, 2025

Company name	SHIMANO INC.
Representative	Taizo Shimano, President (Securities code 7309; Prime Market, Tokyo Stock Exchange)
Contact	Takuma Kanai, Senior Executive Officer (Telephone +81-72-223-3254)

## **Notice Concerning Disposal of Treasury Shares as Restricted Stock Remuneration**

SHIMANO INC. (hereinafter, the “Company”) hereby announces that it has resolved at its Board of Directors meeting held on April 23, 2025 to dispose of its treasury shares as restricted stock remuneration (hereinafter, the “Disposal”) as described below.

### **1. Overview of the Disposal**

(1) Payment date	May 8, 2025
(2) Class and number of shares to be disposed	3,214 shares of common stock of the Company
(3) Disposal price	20,325 yen per share
(4) Total value of shares to be disposed	65,324,550 yen
(5) Scheduled allottees, the number thereof, and the number of shares to be disposed	Directors (excluding Outside Directors and foreign Directors) of the Company; 4 persons; 1,676 shares Executive Officers of the Company; 11 persons; 1,538 shares

### **2. Purpose and reasons of the Disposal**

It was approved at the 116th Ordinary General Meeting of Shareholders of the Company held on March 29, 2023 that the Company shall adopt a stock remuneration plan (hereinafter, the “Plan”) in which the Company shall allot to Directors of the Company (excluding Outside Directors and foreign Directors; hereinafter referred to as “Eligible Directors”) the restricted stock for the purpose of providing an incentive to strive for the sustainable enhancement of the Company’s corporate value and further promoting shared value between Eligible Directors and all shareholders. At the same time, it was approved that the total amount of monetary remuneration claims to be granted to Eligible Directors as restricted stock remuneration based on the Plan shall be set at 80 million yen or less per annum, and that the total number of shares of the restricted stock to be allotted to Eligible Directors shall be a maximum of 7,500 each fiscal year. It was also approved that the transfer restriction period of the restricted stock shall begin from the day on which the shares of restricted stock are delivered and end on the day when the Eligible Director retires from all posts as a director or executive officer of the Company.

The Company has resolved at its Board of Directors meeting held today as follows. The Company shall grant a total of 65,324,550 yen in monetary remuneration claims to four Eligible Directors and 11 executive officers of the Company (hereinafter, collectively referred to as the “Allottees”) as (i) restricted

stock remuneration to Eligible Directors for the period from the Company's 118th Ordinary General Meeting of Shareholders to the Company's 119th Ordinary General Meeting of Shareholders to be held in March 2026, and (ii) restricted stock remuneration to executive officers of the Company for the 119th fiscal year (from January 1, 2025 to December 31, 2025). The Allottees shall make in-kind contributions of all monetary remuneration claims granted and in return receive allotment of 3,214 shares of the Company's common stock as specified restricted stock. The amount of monetary remuneration claims against each Allottee shall be determined based on comprehensive consideration of a range of matters, including the level of contribution made to the Company by each Allottee. In addition, such monetary remuneration claims shall be granted subject to the condition that each Allottee concludes a restricted stock allotment agreement (hereinafter referred to as the "Allotment Agreement") with the Company which includes the following content in general.

### **3. Outline of the Allotment Agreement**

#### **(1) Transfer restriction period**

The transfer restriction period shall be from May 8, 2025 until the date on which the Allottee retires from all posts as a director or executive officer of the Company (or, if an Allottee is an executive officer of the Company, until the later of (i) the date of retirement from the post of executive officer of the Company or (ii) the date of mandatory retirement in accordance with the Company's employment regulations).

During the transfer restriction period set forth above (hereinafter referred to as the "Transfer Restriction Period"), Allottees may not transfer the shares allotted to them as restricted stock (hereinafter referred to as the "Allotted Shares") to a third party, or make them subject to a pledge, mortgage, inter vivos gift, bequest, or any other act of disposition (hereinafter referred to as the "Transfer Restrictions").

#### **(2) Acquisition of restricted stock for no consideration**

Where an Allottee retires from all posts as a director or executive officer of the Company during the period from the commencement date of the Transfer Restriction Period until the day before the date of the first Ordinary General Meeting of Shareholders of the Company that falls after the commencement date of the Transfer Restriction Period (or, if an Allottee is an executive officer of the Company, in the event of retirement from all posts as an executive officer or an employee of the Company during the period from the commencement date of the Transfer Restriction Period until the day before the last day of the first fiscal year of the Company that falls after the commencement date of the Transfer Restriction Period), the Company may rightfully acquire the Allotted Shares for no consideration at the time of such retirement or resignation, except where there is a reason deemed reasonable by the Company's Board of Directors.

Moreover, where, at the expiration of the Transfer Restriction Period, if there exist any Allotted Shares for which the Transfer Restrictions have not been lifted in accordance with the grounds for lifting Transfer Restrictions set forth in (3) below, the Company may rightfully acquire these shares for no consideration immediately after the expiration of the Transfer Restriction Period.

#### **(3) Lifting of Transfer Restrictions**

The Company shall lift the Transfer Restrictions of all of the Allotted Shares held by an Allottee at the time of expiration of Transfer Restriction Period on the condition that the Allottee has served continuously as either Director or executive officer of the Company during the period from the commencement date of the Transfer Restriction Period until the date of the first Ordinary General Meeting of Shareholders that falls after the commencement date of the Transfer Restriction Period

(or, in the case of an executive officer of the Company, on the condition that the Allottee has served continuously as either executive officer or an employee of the Company during the period from the commencement date of the Transfer Restriction Period until the last day of the first fiscal year of the Company that falls after the commencement date of the Transfer Restriction Period). However, if an Allottee retires from all posts as director or executive officer of the Company during the period from the commencement date of the Transfer Restriction Period until the day before the date of the first Ordinary General Meeting of Shareholders of the Company that falls after the commencement date of the Transfer Restriction Period (or, if an Allottee is an executive officer of the Company, during the period from the commencement date of the Transfer Restriction Period until the day before the last day of the first fiscal year of the Company that falls after the commencement date of the Transfer Restriction Period) due to a reason that the Board of Directors of the Company deems reasonable, the Company shall lift the Transfer Restrictions for the shares equivalent in number to the number of Allotted Shares held by the Allottee at that time multiplied by a number derived by dividing the number of months from April 2025 to the month that includes the date of the Allottee's retirement or resignation from all posts as director or executive officer of the Company (or, if the Allottee is an executive officer of the Company, from January 2025 to the month that includes the date of his/her resignation from his/her post as executive officer or retirement from an employee position of the Company) by 12 (any fractions of less than one share generated as a result of the calculation shall be disregarded) as of the time immediately following such retirement or resignation.

(4) Management of shares

Allottees shall complete the opening of an account with SMBC Nikko Securities Inc. to enter or record the Allotted Shares in a manner designated by the Company, and shall keep and maintain the Allotted Shares in such account until the Transfer Restrictions are lifted.

(5) Handling in cases of organizational restructuring, etc.

Where, during the Transfer Restriction Period, a merger agreement under which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or at the Company's the Board of Directors meeting, if such organizational restructuring, etc. does not require the approval of General Meeting of Shareholders), the Company shall lift the Transfer Restrictions for the shares equivalent in number to the number of Allotted Shares held by Allottees at the time of said approval multiplied by a number derived by dividing the number of months from April 2025 (or from January 2025, if the Allottee is an executive officer of the Company) to the month that includes the day of said approval by 12 (if the number calculated exceeds 1, it shall be 1; any fractions of less than one share generated as a result of the calculation shall be disregarded) as of the time immediately prior to the business day immediately preceding the effective date of the organizational restructuring, etc. based on the resolution of the Board of Directors of the Company.

In such a case, the Company shall rightfully acquire, for no consideration, all Allotted Shares for which the Transfer Restrictions have not been lifted as of the business day immediately preceding the effective date of the organizational restructuring, etc. in accordance with the abovementioned provision.

#### **4. Basis for calculating the payment amount and its specific details**

In order to eliminate any arbitrary pricing of the disposal amount of the treasury shares under the Disposal, the price per share has been determined as 20,325 yen, which was the closing price for the Company's shares of common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors of the Company (April 22, 2025). As this is the market share price immediately before the date of resolution by the Board of Directors of the Company, the Company believes that the amount is reasonable and not particularly advantageous.

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