



July 14, 2025

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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

YAMASHIN-FILTER CORP. (the “Company”) hereby announces that, at the Board of Directors meeting held on July 14, 2025, it has resolved to dispose of treasury shares (the “Disposal of Treasury Shares”). The details are as follows.

1. Overview of the disposal

(1) Payment date	August 8, 2025
(2) Class and number of shares to be disposed of	769,389 shares of the Company’s common stock
(3) Disposal price	¥631 per share
(4) Total disposal value	¥485,484,459
(5) Allottees, number of allottees, and number of shares to be disposed of	4 Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members): 426,306 shares 51 employees in key positions: 343,083 shares
(6) Other	The Company will submit an Extraordinary Report on the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Disposal of Treasury Shares

At the Board of Directors meeting held on May 19, 2020, the Company resolved to introduce a restricted stock compensation plan (the “Plan”) for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members; the “Eligible Directors”) for the purpose of clarifying the linkage between their compensation and the Company’s medium- to long-term performance and stock value, and of enhancing their motivation to contribute to the medium- to long-term improvement in performance and enhancement of corporate value by promoting shared interests with shareholders. At the 70th Ordinary General Meeting of Shareholders held on June 25, 2025, it was approved by shareholders, based on the Plan, that the Company may grant monetary compensation claims (the “Restricted Stock Compensation”) of up to ¥500 million per year to the Eligible Directors to be used as contribution-in-kind for the acquisition of restricted shares, and that the transfer restriction period for such shares shall be determined by the Board of Directors within a range of three to thirty years.

Furthermore, with the aim of strengthening the Company’s management base through the appointment of talented personnel as officers and employees, and of increasing the motivation of employees who hold positions at or above a

certain job grade within the Company (the “Eligible Employees”, and collectively with the Eligible Directors, the “Eligible Persons”), the Company resolved, at the Board of Directors meeting held on June 24, 2021, to expand the Plan to cover not only Eligible Directors but also the Eligible Employees.

The overview of the Plan is as follows:

[Overview of the Plan]

Under the Plan, common shares of the Company are either issued or disposed of to the Eligible Persons, who make in-kind contributions of the full amount of the monetary compensation claims granted by the Company. The total number of common shares to be issued or disposed of to the Eligible Directors under the Plan shall not exceed 1,000,000 shares per year. The per-share paid-in amount shall be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of each Board resolution (or, if no trades are executed on that day, the closing price on the most recent prior trading day), and within a range that is not particularly advantageous to the Eligible Persons who subscribe for such shares.

In connection with the issuance or disposal of the Company’s common shares under the Plan, the Company and each Eligible Person shall enter into a restricted stock allotment agreement, which includes provisions such as: (i) the Eligible Persons may not transfer, create a security interest over, or otherwise dispose of the allotted shares for a certain period; and (ii) in the event that certain conditions arise, the Company may acquire such shares without compensation.

Taking into consideration the purpose of the Plan, the Company’s business performance, the scope of responsibilities of each Eligible Person, and other relevant factors, the Company has decided to allot 769,389 shares of the Company’s common stock as restricted stock compensation in exchange for monetary compensation claims totaling ¥485,484,459 (the “Monetary Compensation Claims”).

In this Disposal of Treasury Shares, under the Plan, 55 Eligible Persons, as the planned allottees, will make in-kind contributions of the full amount of their Monetary Compensation Claims to the Company and will be allotted common shares of the Company (the “Allotted Shares”). The overview of the restricted stock allotment agreement (the “Allotment Agreement”) to be executed between the Company and each Eligible Person in connection with this Disposal of Treasury Shares is provided in Section 3 below.

3. Overview of the terms of the Allotment Agreement

(1) Transfer restriction period

(i) Eligible Directors

From August 8, 2025 to August 7, 2055

(ii) Eligible Employees

From August 8, 2025 until the day on which the Eligible Employee resigns or retires from any position at the Company or any of its subsidiaries, including the positions of director, executive officer, executive officer not concurrently serving as a director, employee, advisor, counselor, or any other equivalent position (in the case of an Eligible Employee under the age of 60 on the payment date, this includes mandatory retirement) (provided, however, that if the date on which the semi-annual securities report (the “Semi-Annual Report”) for the fiscal year including the delivery date of the Allotted Shares is submitted is later than such resignation or retirement date, the transfer restriction period shall end on the date of submission of the Semi-Annual Report).

(2) Conditions for lifting of transfer restrictions

The transfer restrictions on all of the Allotted Shares shall be lifted at the expiration of the transfer restriction period, on the condition that the Eligible Person has continuously held any position at the Company or any of its

subsidiaries as a director, executive officer, executive officer not concurrently serving as a director, employee, advisor, counselor, or any other equivalent position during the transfer restriction period.

- (3) Treatment in the event of resignation or retirement due to expiration of term, mandatory retirement, or other legitimate reason during the transfer restriction period

- (i) Timing of lifting of transfer restrictions

Notwithstanding the provisions of (1) and (2) above, if an Eligible Person resigns or retires from all positions at the Company or any of its subsidiaries as a director, executive officer, executive officer not concurrently serving as a director, employee, advisor, counselor, or any other equivalent position due to the expiration of term of office, mandatory retirement, or any other legitimate reason, the transfer restrictions shall be lifted at the time immediately following such resignation or retirement.

- (ii) Number of shares subject to lifting of transfer restrictions

The number of Allotted Shares subject to lifting of the transfer restrictions shall be calculated by multiplying the number of Allotted Shares held by the Eligible Person at the time of resignation or retirement as defined in (i) above, by a fraction obtained by dividing the number of months during which the Eligible Person held an eligible position during the transfer restriction period by twelve (with such number capped at 1). Any fractional share resulting from the calculation shall be rounded down.

- (4) Acquisition without compensation by the Company

If an Eligible Person resigns or retires from all positions at the Company or any of its subsidiaries as a director, executive officer, executive officer not concurrently serving as a director, employee, advisor, counselor, or any other equivalent position before the expiration of the transfer restriction period, the Company shall automatically acquire, without compensation, all of such Allotted Shares at the time of such resignation or retirement, except where such resignation or retirement is due to the expiration of the term of office, mandatory retirement, or any other legitimate reason.

In addition, the Company shall automatically acquire, without compensation, all of such Allotted Shares for which the transfer restrictions have not been lifted as of the expiration of the transfer restriction period or the time of lifting of the transfer restrictions as set forth in (3) above.

- (5) Management of shares

The Allotted Shares shall be managed in a dedicated account opened by each Eligible Person at Nomura Securities Co., Ltd. during the transfer restriction period, in order to ensure that the shares cannot be transferred, pledged, or otherwise disposed of during such period. To ensure the effectiveness of the transfer restrictions and other conditions pertaining to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of the accounts in which the Allotted Shares held by each Eligible Person are registered. Each Eligible Person shall be deemed to have agreed to the content of such account management.

- (6) Treatment in the event of organizational restructuring

If any matter such as a merger agreement under which the Company will be dissolved, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or other similar organizational restructuring is approved at a General Meeting of Shareholders of the Company (or, if such approval is not required, by resolution of the Board of Directors), during the transfer restriction period, the Company may, by resolution of the Board of Directors, lift the transfer restrictions on all of the Allotted Shares held at such time as of the time immediately prior to the last business day before the effective date of such organizational restructuring.

However, notwithstanding the above, if the last business day before the effective date of such organizational restructuring falls on or before July 1, 2026, the transfer restrictions shall not be lifted, and all of the Allotted Shares shall be automatically acquired by the Company without compensation as of such date.

4. Basis of calculation and details of the payment amount

The Disposal of Treasury Shares to the allottees will be conducted as a contribution in kind using the Monetary Compensation Claims granted as Restricted Stock Compensation for the 71st fiscal year of the Company under the Plan. To eliminate any arbitrariness in the payment amount, it is set at ¥631, which is the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on July 11, 2025 (the business day immediately preceding the date of the resolution of the Board of Directors). This price reflects the market value of the Company's shares immediately prior to the resolution date and is considered reasonable and not particularly favorable to the allottees.