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September 16, 2025

CK SAN-ETSU Co., Ltd.

Hiroyuki Tsuriya, President and Representative Director

(Securities Code: 5757 TSE Prime Market)

Inquiries: Daisuke Matsui, Director and General Manager of Administration

TEL: +81-766-28-0025

Notice Concerning Disposal of Treasury Shares through Third-Party Allotment in Connection with Reintroduction of ESOP Trust through the Employee Shareholding Association

CK SAN-ETSU Co., Ltd. (the "Company") hereby announces that its Board of Directors resolved at a meeting held today to dispose of treasury shares in connection with the reintroduction of an ESOP Trust through the Employee Shareholding Association (hereinafter the "Disposal of Treasury Shares"), as described below.

1. Outline of disposal

(1) Date of disposal	October 8, 2025
(2) Class and number of shares to be disposed of	230,000 shares of the Company common stock
(3) Disposal price	4,095 yen per share
(4) Total disposal amount	941,850,000 yen
(5) Intended recipients	Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trustee: Custody Bank of Japan, Ltd. (Trust Account))
(6) Other matters	The Disposal of Treasury Shares is subject to the effectiveness of the notification under the Financial Instruments and Exchange Act.

2. Purpose and reason for disposal

At the Board of Directors meeting held today, the Company resolved to reintroduce an ESOP Trust through the Employee Shareholding Association (the "Plan") with the objectives of promoting stable wealth accumulation for employees of our Group companies ("Group Company Employees") by revitalizing the Group's Employee Shareholding Association and enhancing the corporate value of the Company over the medium to long term by enhancing Group Company Employees' sense of participation in corporate management and providing incentives to improve business performance.

For the outline of the Plan, please refer to "Notice Concerning Reintroduction of ESOP Trust through the Employee Shareholding Association" dated today.

The Disposal of Treasury Shares will be made to the trustee of the trust to be established for the purpose of reintroducing the Plan (the "Trust"), which is Sumitomo Mitsui Trust Bank, Limited (Trust Account) (re-trustee: Custody Bank of Japan, Ltd. (Trust Account)).

The number of shares to be disposed of is calculated by taking the planned purchase amount by the CK SAN-ETSU Employee Shareholding Association (the "Shareholding Association") for approximately four years after the conclusion of the trust agreement, estimated based on the current annual purchase record (the annualized amount based on the most recent monthly purchases, bonus purchases, and dividend reinvestments) of the Shareholding Association, subtracting from it the amount to be acquired by the trustee of the Trust (379,150,000 yen) through transactions on the stock exchange market (including off-floor trading), and dividing the difference by the disposal price. The amount of dilution will be 2.59% (2.61% of the total voting rights of 88,282 as of March 31, 2025. Both figures are rounded to the second decimal place) of the total number of outstanding shares of 8,867,000 shares as of March 31, 2025. The Company believes that the Plan will promote the sustained development of the Company by providing incentives for Group Company Employees to enhance the Company's corporate value over the medium to long term and by enhancing the work motivation of Group Company Employees through equity participation as shareholders, and is of the view that the number of shares to be disposed of through and the scale of dilution resulting from the Disposal of Treasury Shares are reasonable and that the impact on the secondary market will be negligible.

(Reference) Outline of the trust agreement for the Trust

Settlor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trustee: Custody Bank of Japan, Ltd.)
Beneficiary	Members of the Shareholding Association who satisfy the beneficiary requirements
Exercise of voting rights	The trustee exercises the voting rights of the Company shares based on instructions from the trust administrator.
Type of trust	Money trust (third-party trust)
Date of trust agreement	October 8, 2025
Trust period	October 8, 2025 to end of September 2029 (scheduled)
Purpose of the Trust	Stable and continuous supply of shares to the Shareholding Association and delivery of trust property to beneficiaries determined through the beneficiary determination procedure

3. Basis of calculation and specific details of the disposal price

The disposal price has been set at 4,095 yen, which is the closing price on the Tokyo Stock Exchange on September 12, 2025 (the business day immediately preceding the Board Resolution date), in order to take into account recent stock price trends and to eliminate arbitrariness. The closing price on the business day immediately preceding the Board Resolution date was chosen because it represents the market value immediately prior to the Board Resolution and is considered to be a highly objective and reasonable basis for calculation.

Regarding this price, the deviation rates up to the business day immediately preceding the Board Resolution date are (0.07)% from the average closing price of 4,098 yen (rounded down to the nearest yen) for the most recent month (August 13, 2025 to September 12, 2025), 5.19% from the average closing price of 3,893 yen (rounded down to the nearest yen) for the most recent three months (June 13, 2025 to September 12, 2025), and 7.76% from the average closing price of 3,800 yen (rounded down to the nearest yen) for the most recent six months (March 13, 2025 to September 12, 2025) (all deviation rates are rounded to the second decimal place).

As a result of taking the above into consideration, the disposal price for the Disposal of Treasury Shares is found to be not particularly favorable to the intended recipients and is considered reasonable.

Regarding the above disposal price, the Audit and Supervisory Committee (consisting of four members, three of whom are Outside Directors) expressed its opinion that the basis for calculating the disposal price is reasonable and that the disposal price is not particularly favorable to the intended recipients and is legal.

4. Matters concerning the procedure required by the corporate code of conduct

Since the Disposal of Treasury Shares (1) has a dilution ratio of less than 25% and (2) does not involve a change in controlling shareholders, the procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders as prescribed in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange are not required.