June 24, 2026
KYB Corporation

Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation for Directors (Excluding Outside Directors)

1. Overview of the Disposal
(1) Allotment Date: July 3, 2026
(2) Class and Number of Shares: 11,116 shares of common stock
(3) Allottees: 3 Directors of the Company (excluding outside directors)
(4) Disposal Price: ¥3,830 per share
(5) Total Disposal Amount: ¥42,574,280

Although the shares will be granted without contribution as compensation for directors (Article 202-2 of the Companies Act), the disposal amount is calculated based on the fair value, determined by multiplying the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the Board resolution date (June 23, 2026: ¥3,830) by the number of shares to be disposed (11,116 shares).

2. Purpose and Rationale of the Disposal
At its Board of Directors meeting held on May 23, 2022, the Company resolved to introduce a new compensation system—the Performance Share Unit (PSU) Plan (the "Plan")—for directors (excluding outside directors; the "Eligible Directors"), including future appointees.

The purpose of the Plan is to:
・Provide incentives to enhance the sustainable growth of the Company's corporate value, and
・Promote further alignment of value with shareholders.

Furthermore, at the 100th Annual General Meeting of Shareholders held on June 23, 2022, the following were approved:
①Shares to be delivered to Eligible Directors will be determined based on the level of achievement of performance targets set by the Board during a specified evaluation period.
②The annual upper limits shall be:
・Number of shares: up to 20,000 shares (40,000 shares after the stock split on December 3, 2024)
・Amount: up to ¥75 million per year
③The transfer restriction period shall extend from the allotment date until the director loses their position as defined by the Company.

Following the completion of the evaluation period (April 1, 2025 to March 31, 2026), the Company has resolved, based on performance results, to grant 11,116 shares of common stock (the "Allotted Shares") to three Eligible Directors as compensation for their services.

3. Outline of the Plan
Eligible Directors will receive shares calculated in accordance with the method approved by shareholders. Upon allocation, a Restricted Stock Allocation Agreement will be executed between the Company and each recipient.

Key Terms of the Agreement

(1) Transfer Restriction Period

From July 3, 2026 (allotment date) until the recipient loses all positions within the Company group (e.g., director, auditor, executive officer, advisor, or employee), the shares may not be transferred, pledged, or otherwise disposed of.

(2) Lifting of Restrictions

Restrictions will be lifted in full at the end of the restriction period, provided that the recipient continuously holds a qualifying position until the submission of the Company's semiannual report for FY ending March 2027.

Exceptions apply in cases such as death or other justifiable reasons approved by the Board.

(3) Acquisition by the Company Without Consideration

Any shares for which restrictions have not been lifted at specified times will be automatically acquired by the Company without consideration.

(4) Share Management

The shares will be managed in a dedicated restricted stock account at Daiwa Securities Co. Ltd. to prevent disposal during the restriction period.

(5) Treatment in Organizational Restructuring

If a merger, share exchange, share transfer, or other corporate reorganization is approved during the restriction period, restrictions may be lifted prior to the effective date upon Board resolution.

4. Basis for Valuation

Although the shares are granted without contribution as compensation, the total disposal amount of ¥42,574,280 is calculated based on the closing market price on June 23, 2026.

This price reflects the most recent market value and is considered:

・Reasonable and reflective of the Company's corporate value

・Not particularly favorable to the Eligible Directors