



June 26, 2026

To whom it may concern

Company name: CKD Corporation
Representative: Katsuhito Okuoka, President and Chief Executive Officer
(Code number; 6407, Stock exchange listing: TSE Prime Market, NSE Premier Market)
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Notice Regarding the Disposal of Treasury Stock as Restricted Stock Compensation to Directors

CKD Corporation (the “Company”) announces that, at the Board of Directors’ meeting held today, the Board of Directors resolved to dispose of treasury stock as restricted stock compensation to directors (the “Disposal of Treasury Stock”) as described below.

1. Overview of the Disposal

(1) Date of payment	July 24, 2026
(2) Class and number of shares to be disposed of	5,088 shares of common stock of the Company
(3) Disposal price	7,840 yen per share
(4) Total value of disposal	39,889,920 yen
(5) Planned allottees	Three (3) directors (*): 5,088 shares * Excluding directors who are audit and supervisory committee members and outside directors.
(6) Other	No written notice of securities or extraordinary report under the Financial Instruments and Exchange Act has been filed, because (i) the disposal of treasury stock includes the condition that the directors who are allottees will be prohibited from transferring the shares until the Company files the semiannual securities report for the fiscal year to which includes the date on which the allottees will receive the shares, and (ii) the total disposal amount is less than 100 million yen.

2. Purpose and reason for the Disposal

At the Board of Directors’ meeting held on April 27, 2018, the Company introduced a restricted stock compensation plan for the directors of the Company (excluding outside directors), in order to provide incentives

for the sustainable increase of the Company's corporate value and stock value over the medium to long term, as well as to further promote shared interests between directors (excluding outside directors) and shareholders. At the 98th Ordinary General Shareholders Meeting held on June 22, 2018, it was approved that, (i) in accordance with the plan, the Company may grant monetary compensation claims of up to 120 million yen per year to the Company's directors as property contributed in kind, which is separate from the current monetary compensation limitation, (ii) that the transfer restriction period for the restricted stock will be from the date when the restricted stock is granted to the date specified by the Board of Directors and (iii) the Company shall lift the transfer restrictions on the restricted stock when the director to whom such restricted stock is granted retires or resigns as the Company's director and from all other post(s) specified by the Board of Directors before the expiration of the transfer restriction period for reason deemed justifiable by the Company's Board of Directors. After that, at the 106th Ordinary General Shareholders Meeting held on June 26, 2026, it was re-approved that, in connection with the transition to a Company with an Audit and Supervisory Committee, as a restricted stock compensation plan (the "Plan") for the directors of the Company (excluding directors who are audit and supervisory committee members and outside directors, the same hereinafter), (i) in accordance with the plan, the Company may grant monetary compensation claims of up to 120 million yen per year to the Company's directors as property contributed in kind, which is separate from the current monetary compensation limitation, (ii) the total number of shares of common stock of the Company to be issued or disposed of under this Plan shall not exceed 48,000 shares per year (iii) that the transfer restriction period for the restricted stock will be from the date when the restricted stock is granted to the date specified by the Board of Directors and (iv) the Company shall lift the transfer restrictions on the restricted stock when the director to whom such restricted stock is granted retires or resigns as the Company's director and from all other post(s) specified by the Board of Directors before the expiration of the transfer restriction period for reason deemed justifiable by the Company's Board of Directors.

Taking into consideration the purpose of the Plan, the business performance of the Company, the scope of responsibilities of each director and other circumstances, the Company passed a resolution at the meeting of the Board of Directors held today to grant monetary compensation claims in a total amount of 39,889,920 yen and consequently 5,088 shares of the Company's common stock (the "Allotted Stock") to three directors (the "Eligible Directors"). In addition, in order to provide incentives to increase corporate value, the Company passed a resolution providing that the transfer restriction period for the restricted stock will be until the day the Eligible Director retires as the Company's director.

In accordance with the Disposal of Treasury Stock, the Company and each Eligible Director will individually conclude a restricted stock allocation agreement, the overview of which is as follows.

(1) Transfer restriction period

An Eligible Director shall not transfer, create a security interest on, or otherwise dispose of the Allotted Stock during a period from July 24, 2026 (the "Date of Payment") until the date when the Eligible Director retires or resigns as the Company's director.

(2) Conditions for lifting transfer restrictions

Provided that the Eligible Director continues to serve as the Company's director from July 24, 2026 (the Date of Payment) to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2027 (the "Period of Service"), the Company shall lift the transfer restrictions on all of the Allotted Stock at the expiration of the transfer restriction period. However, if the Eligible Director retires or resigns as the Company's director during the Period of Service due to death, expiration of the office term or other reasons deemed justifiable by the Company's Board of Directors, the Company shall lift the transfer restrictions immediately after the day on which such Eligible Director retires or resigns as the Company's director on the portion of the Allotted Stock calculated by dividing the number of months from the month including the Date of Payment to the month including the date of such retirement or resignation by 12 (with any amount greater than 1 rounded down to 1) and multiplying this quotient by the number of shares of Allotted Stock (with any resulting fractional shares rounded down to the nearest whole number).

(3) Acquisition of the Allotted Stock by the Company without consideration

Upon expiration of the transfer restriction period, the Company shall acquire without payment of consideration the Allotted Stock for which transfer restrictions have not been lifted.

(4) Management of Allotted Stock

During the transfer restriction period, the Allotted Stock will be managed in a dedicated restricted stock account opened by the Eligible Director at Daiwa Securities Co. Ltd. so that the Eligible Director cannot transfer, create a security interest on, or otherwise dispose of the Allotted Stock during the transfer restriction period.

(5) Measures to be taken upon restructuring, etc.

If a merger agreement under which the Company is the disappearing company, a share exchange agreement or stock transfer plan under which the Company becomes a wholly-owned subsidiary, or other event involving an organizational restructuring, etc. is approved at the Company's General Meeting of Shareholders (or at the Company's Board of Directors meeting in the case where approval at the General Meeting of Shareholders is not required for the said organizational restructuring, etc.) during the transfer restriction period, the transfer restrictions shall be lifted by resolution of the Company's Board of Directors immediately before the business day preceding the effective date of the said organizational restructuring, etc. on the portion of the Allotted Stock calculated by dividing the number of months from the month including the Date of Payment to the month including the date of the approval of such restructuring, etc. by 12 (with any amount greater than 1 rounded down to 1) and multiplying this quotient by the number of shares of Allotted Stock held at the time of such resolution (with any resulting fractional shares rounded down to the nearest whole number).

3. Basis of calculation of paid-in amount and specific details thereof

The Disposal of Treasury Stock will be carried out using the monetary compensation claims paid to the intended allottees under the Plan as the contributed assets. The amount to be paid per share is 7,840 yen, which

was the closing price of the Company's common stock on the Tokyo Stock Exchange on June 25, 2026 (the business day immediately prior to the date of the resolution of the Board of Directors), in order to adopt a price that is not arbitrary. This price is the market value immediately prior to the date of the resolution of the Board of Directors, is a reasonable price that properly reflects the Company's corporate value in a situation where there are no special circumstances indicating that the most recent stock price should not be relied upon, and is not especially favorable to the Eligible Directors.

End.