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August 6, 2025

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(Code: 5991 Tokyo Stock Exchange; Prime Market)

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## Notice Concerning Disposal of Treasury Shares by Third-Party Allotment in Connection with an Additional Contribution to the Stock-Based Compensation Plan

NHK SPRING CO., LTD. (“the Company”) hereby announces that at the Board of Directors meeting held today, it resolved to dispose of its treasury shares by way of a third-party allotment (“the Disposal of Treasury Shares”) as described below. Note that although the Disposal of Treasury Shares will formally be conducted as an allotment to Custody Bank of Japan, Ltd. (Trust Account E)—the re-trustee that has been re-entrusted by the trustee of the trust (“the Trust”) established based on the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. concerning the stock-based compensation plan, Board Benefit Trust-Restricted Stock (BBT-RS; “the Plan”)—this transaction is substantially equivalent to allotting shares to the Company’s Directors (excluding External Directors and Audit & Supervisory Board Members; the same shall apply hereinafter unless otherwise specified) and Corporate Officers (hereinafter collectively referred to as “Directors, etc.”) as consideration for services rendered to the Company.

### 1. Overview of the Disposal

(1) Date of disposal	August 22, 2025 (Friday)
(2) Class and number of shares to be disposed of	860,200 shares of common stock
(3) Disposal price	1,736 yen per share
(4) Total disposal amount	1,493,307,200 yen
(5) Planned allottees	The Company’s Directors: 5 persons; 360,200 shares Corporate Officers: 28 persons; 500,000 shares (Notes 1, 2)
(6) Other matters	The Disposal of Treasury Shares is conditional upon the securities registration statement filed under the Financial Instruments and Exchange Act becoming effective.

- (Note) 1. The formal allottee for the Disposal of Treasury Shares is Custody Bank of Japan, Ltd. (Trust Account E). Trust Account E is a trust account that has been established through a trust agreement concluded between the Company and Mizuho Trust & Banking Co., Ltd., with the Company as the consignor and Mizuho Trust & Banking Co., Ltd. as the trustee (and Custody Bank of Japan, Ltd. as the re-trustee). Nevertheless, since the Disposal of Treasury Shares is being conducted to provide benefits to Directors, etc. based on the Plan and is substantially equivalent to allotting shares to Directors, etc. as consideration for services rendered to the Company, the Directors, etc. are listed as the planned allottees.
2. Based on the Plan, Directors, etc. shall be granted points determined according to their positions, etc. When they acquire the right to receive benefits after meeting certain conditions, they will be provided with a number of the Company's shares corresponding to the granted points and cash equivalent to the amount calculated by converting the Company's shares into their market value ("the Company's shares, etc."). Accordingly, the number of shares stated above is the maximum number, and the actual number of the Company's shares, etc. to be granted to the Directors, etc. will vary depending on their positions, etc.
2. Purpose and Reason for the Disposal

The Company received approval for the introduction of the Board Benefit Trust (BBT) at the Annual General Meeting of Shareholders held on June 28, 2022, and subsequently received approval for a partial revision of the Plan at the Annual General Meeting of Shareholders held on June 25, 2025. (For an outline of the Plan, please refer to the "Notice Concerning Partial Revision of Stock-Based Compensation Plan" dated May 26, 2025.)

The Company has now decided, in order to continue the Plan, to make an additional contribution of funds to the Trust ("the Additional Trust Contribution") so that the Trust may acquire the number of shares expected to be necessary for future grants, and to dispose of its treasury shares by way of a third-party allotment (the Disposal of Treasury Shares) to Trust Account E, established at Custody Bank of Japan, Ltd. (the re-trustee that has been re-entrusted by Mizuho Trust & Banking Co., Ltd., the trustee of the Trust) for the purpose of holding and disposing of the Company's shares to administer the Plan. Note that although the Disposal of Treasury Shares will formally be conducted as an allotment to Custody Bank of Japan, Ltd. (Trust Account E), this transaction is substantially equivalent to allotting shares to Directors, etc. as consideration for services rendered to the Company.

The number of shares to be disposed of is equivalent to the number of shares expected to be granted to Directors, etc. during the trust period based on the Regulations on Stock Benefits for Officers (for the five fiscal years starting from the fiscal year ending on March 31, 2026, to the fiscal year ending on March 31, 2030). This number represents 0.37% of the 231,066,144 total issued shares as of March 31, 2025, and 0.42% of the 2,039,567 total voting rights as of March 31, 2025 (both figures rounded to the second decimal place). In light of the purpose of the Plan as described in the "Notice Concerning Partial Revision of Stock-Based Compensation Plan" dated May 26, 2025, the Company has determined that the scale of dilution is reasonable.

\* Overview of the Additional Trust Contribution

Date of Additional Trust Contribution: August 22, 2025

Amount of Additional Trust Contribution: 1,493,307,200 yen

Class of shares to be acquired: The Company's common stock

Number of shares to be acquired: 860,200 shares

Date of share acquisition: August 22, 2025

Method of share acquisition: Acquisition by way of underwriting the Company's disposal of treasury shares (the Disposal of Treasury Shares)

3. Basis for Calculation of the Disposal Price and Specific Details Thereof

The disposal price has been set at 1,736 yen, which was the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution regarding the Disposal of Treasury Shares. The closing price on the business day immediately preceding the date of the Board of Directors' resolution was chosen because it represents the Company's fair corporate value on the stock market and was determined to be reasonable.

The disposal price of 1,736 yen is an amount equivalent to 103.89% of the average closing price of 1,671 yen (rounded down to the nearest yen) for the most recent one-month period preceding the business day immediately preceding the date of the Board of Directors' resolution; an amount equivalent to 107.29% of the average closing price of 1,618 yen (rounded down to the nearest yen) for the most recent three-month period; and an amount equivalent to 106.50% of the average closing price of 1,630 yen (rounded down to the nearest yen) for the most recent six-month period. Taking the above into consideration, the Company has determined that the disposal price for the Disposal of Treasury Shares is not particularly advantageous and is reasonable.

Furthermore, all four Audit & Supervisory Board Members (two of whom are External Audit & Supervisory Board Members) present at the Board of Directors meeting have expressed their opinion that said disposal price does not fall under the category of particularly advantageous prices.

4. Matters Concerning Procedures under the Code of Corporate Conduct

The Disposal of Treasury Shares does not require the implementation of the procedures for obtaining an opinion from an independent third party or for shareholder confirmation stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. because (1) the dilution ratio is less than 25% and (2) it does not involve a change in controlling shareholders.