



April 16, 2024

Company Name: Tadano Ltd.
Representative: Toshiaki Ujiie, President and CEO
(Code Number: 6395, TSE Prime)
Contact: Noriaki Yashiro, Director and Managing Executive Officer

Notice Relating to the Disposal of Treasury Stock for Restricted Stock Compensation

TADANO LTD. (the “**Company**”) has resolved at the meeting of its Board of Directors held on April 16, 2024 to dispose of treasury stock (the “**Disposal**”) as restricted stock compensation as follows.

1. Overview of the Disposal

(1) Disposal Date	May 14, 2024
(2) Class and number of shares to be disposed of	Shares of Common Stock: 58,609 shares
(3) Disposal price	1,340 yen per share
(4) Total amount to be paid	78,536,060 yen
(5) Scheduled subscriber	4 Directors (*) 45,021 shares 8 Executive Officer(s) 13,588 shares *Excluding Outside Directors

2. Purpose and reason of the Disposal

The Company resolved at the meeting of its Board of Directors held on April 28, 2020, to introduce the Restricted Stock Compensation Plan (the “**Plan**”) to the Directors of the Company (excluding Outside Directors; the same applies hereinafter) for the purpose of providing the Directors of the Company with incentives to continuously increase the Company’s mid-to long-term corporate value and shareholder value, as well as promoting further shared value with shareholders. At the 72th Ordinary General Meeting of Shareholders held on June 25, 2020, it was approved that, (i) pursuant to the Plan, the Company grants monetary compensation rights which shall be no more than 90 million yen per year to the Directors of the Company as the property to be contributed in-kind, within the scope of the current monetary compensation limitations, (ii) the transfer restriction period shall consist of the time from the date when restricted stock is granted to the date when the Directors of the Company retires or resigns from all of the posts as the Directors of the Company and other post(s) specified by its Board of Directors (however, regarding to the case that the Directors of the Company resigns or retires within three months after the fiscal year which the date when restricted stock is granted falls under, if the Board of Directors of the Company specifies another date that comes within six months after such fiscal year, to such specified date), and (iii) transfer restriction shall be lifted on the condition that (a) the Directors of the Company continuously serves the posts as the Directors

of the Company and other post(s) specified by its Board of Directors during service period specified by its Board of Directors and (b) in the case that the Directors of the Company resigns or retires from the posts as the Directors of the Company and other post(s) specified by its Board of Directors during such service period, Directors of the Company have reasons deemed legitimate by the Board of Directors.

Under the Plan, the Directors of the Company will receive the Company's common stock to be newly issued or disposed of by the Company in exchange for in-kind contribution of all monetary compensation rights granted by the Company pursuant to the Plan.

The total number of the Company's common stock to be newly issued or disposed of under the Plan shall not exceed 300,000 shares per year for the Directors of the Company. The amount per share to be paid has been determined by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (if the Company's shares are not traded on said date, the closing price of the most recent trading day preceding said date) to the extent that it is not excessively advantageous for the Directors of Company to be subscribers.

Furthermore, the Company has introduced for Executive Officers of a Company a restricted stock purchase compensation plan comparable to the Plan for the purpose of providing the Executive Officers of the Company with incentives to continuously increase the Company's mid-to long-term corporate value and shareholder value, as well as promoting further shared value with shareholders.

In light of the above, the Company has resolved at the meeting of its Board of Directors held today to grant monetary compensation rights in a total amount of 78,536,060 yen and consequently 58,609 shares of the Company's common stock (the "**Allocated Shares**") in exchange for in-kind contribution of such monetary compensation rights to 4 Directors and 8 Executive Officers (the "**Eligible Directors/Officers**" or the "**Eligible Director/Officer**") taking the purpose of the Plan, the business performance of the Company, the scope of the work responsibility of each Eligible Director/Officer and other circumstances into consideration.

<Overview of Allocation Agreement>

The Company and the Eligible Directors/Officers will individually conclude the Allocation Agreement accompanied by the Disposal, and the overview of the Allocation Agreement is as follows.

(1) Restriction period

An Eligible Director/Officer may not transfer, create security interest on, or otherwise dispose of the Allocated Shares during the period from May 14, 2024 (the "**Disposal Date**") to the date when the Eligible Director/Officer retires or resigns from all of his/her posts as the Company's Director

and Executive Officer (If that date comes earlier than the timing turning to be April 1, 2025, such later timing).

(2) Conditions for lifting transfer restriction

On the condition that an Eligible Director/Officer continuously serves the applicable position, in the case of a Director of the Company, during the period from the date of the Ordinary General Meeting of Shareholders immediately prior to Disposal Date to the date of the Ordinary General Meeting of Shareholders to be held in the following year, and in the case of an Executive Officer of the Company, during the period from the January 1 immediately preceding the allocation date to December 31 of the same year (in each case, the “**Service Period**”), the Company will lift the transfer restriction regarding all Allocated Shares at the time of expiration of the transfer restriction period; provided, however, that, if an Eligible Director/Officer resigns or retires from his/her position as the Director or the Executive Officer of the Company during the Service Period due to death, or other reasons deemed legitimate by the Board of Directors, the Company will lift, on the following date of such resignation or retirement, the transfer restriction regarding the Allocated Shares in a quantity obtained by multiplying the number, which is obtained by dividing the number of months from the month following the month including starting date of Service Period to the month including the date of resignation or retirement by 12 (if this number exceeds 1, then this number shall be deemed to be 1), by the number of Allocated Shares (if any fraction less than 1 share unit arises as a result of the calculation, such fraction shall be rounded down). In addition, if an Eligible Director/Officer resigns or retires from his/her position as the Director or the Executive Officer of the Company after the termination of the Service Period but before 3 months has passed after the end of the fiscal year which includes the Disposal Date due to death, or other reasons deemed legitimate by the Board of Directors, the Company will lift, on the following date of such resignation or retirement, the transfer restriction regarding all the Allocated Shares.

(3) Acquisition of Allocated Shares by the Company without compensation

The Company will acquire, as a matter of course, without any compensation the Allocated Shares, for which the transfer restriction has not been lifted as of the expiration of the restriction period or, in case such date of resignation or retirement of Eligible Director/Officer comes earlier than such an expiration, as of the following date of the resignation or retirement. .

(4) Management of shares

During the restriction period, the Allocated Shares will be managed in a dedicated account of the restricted stocks opened by the Eligible Directors/Officers in Daiwa Securities Co. Ltd. so that the Eligible Directors/Officers cannot transfer, create security interest on, or otherwise dispose of the Allocated Shares during the restriction period.

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

In the event a merger agreement with the Company as the absorbed company, a share exchange agreement or share transfer plan with the Company as a wholly-owned subsidiary, or other organizational restructuring etc. are approved by the Company's general meeting of shareholders (or by the Board of Directors of the Company in case the organizational restructuring etc. does not require approval of the general meeting of shareholders) during the restriction period, the Company will lift the transfer restriction, by the resolution of the Board of Directors, immediately before the business day preceding the effective date of such organizational restructuring, etc. for the Allocated Shares in a quantity obtained by multiplying the number, which is obtained by dividing the number of months from the month following the month including starting date of Service Period to the month including the date when such organizational restructuring, etc. is approved by 12 (if this number exceeds 1, then this number shall be deemed to be 1), by the number of Allocated Shares (if any fraction less than 1 share unit arises as a result of the calculation, such fraction shall be rounded down).

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

The Disposal will be carried out with the monetary compensation rights, which are paid to the scheduled subscribers based on the Plan, as the contributed assets, and the amount paid per share is 1,340 yen, which is the closing price of the Company's common stocks on the Tokyo Stock Exchange on April 15, 2024 (the business day preceding the date of the resolution of the Board of Directors), in order to adopt a price that excludes arbitrariness. This price is the market value immediately preceding the date of the resolution of the Board of Directors, and is a reasonable price that properly reflects the Company's corporate value in a state where there are no special circumstances under which the foregoing price is not relied upon the most recent stock price, and does not fall within a price that is excessively advantageous for the Eligible Directors/Officers.

End.