



July 25, 2025

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Notice Concerning the Disposal of Treasury Stock as Restricted Stock for Directors, etc.

Nagoya Railroad Co., Ltd. (the “Company”) hereby announces that, based on a resolution of the Board of Directors dated today, it decided to dispose of its treasury stock as restricted stock (hereinafter, the “Disposal of Treasury Stock”). The details are as follows:

1. Outline of Disposal

(1) Payment date	August 22, 2025
(2) Class and number of shares to be disposed of	63,454 shares of the Company’s common stock
(3) Disposal price	1,644 yen per share
(4) Total value of the disposal	104,318,376 yen
(5) Recipients of the treasury stock to be disposed of	Directors and Executive Officers of the Company (*): 17 persons, 43,054 shares Employees of the Company: 204 persons, 20,400 shares * Excluding Outside Directors and part-time Executive Officers
(6) Other information	An extraordinary report relating to the Disposal of Treasury Stock has been submitted in accordance with the stipulations of the Financial Instruments and Exchange Act.

2. Purposes and Reasons of the Disposal

The Company has introduced a restricted stock remuneration scheme (hereinafter, the “Scheme”) for the purposes of providing Directors of the Company (excluding Outside Directors; hereinafter, “Eligible Directors”) with an incentive to sustainably increase the Company’s corporate value, as well as further promoting shared value with shareholders. At the 158th Ordinary Shareholders Meeting held on June 28, 2022, the Company obtained approval to pay, under the Scheme, monetary compensation claims totaling no more than 90 million yen

per year to Eligible Directors in the form of in-kind contributions for the granting of restricted stock, which shall be separate from the financial remuneration framework in place for Directors. The Company also obtained approval that the total number of the Company's common shares that could be issued or disposed of under the Scheme shall be a maximum of 60,000 shares per year and that the transfer restriction period pertaining to the restricted stock shall be from the date of granting of the restricted stock until the date that the Eligible Directors forfeit their post as Director of the Company or another post determined by the Company's Board of Directors (however, if the post is forfeited within a period of three (3) months after the lapse of the fiscal year in which the date of granting of the restricted stock falls, where a separate date is determined by the Company's Board of Directors that is within six (6) months after the lapse of said fiscal year, said stipulated date).

The Company has also introduced a restricted stock grant scheme that is similar in outline to the Scheme for application to Executive Officers who do not concurrently serve as Directors of the Company (hereinafter, the "Eligible Executive Officers"; hereinafter, collectively referred to with the Eligible Directors as the "Eligible Officers") and employees of the Company (hereinafter, the "Eligible Employees"; hereinafter, collectively referred to with the Eligible Officers as "Eligible Persons") (hereinafter, collectively referred to with the Scheme as the "Schemes").

An outline of the Schemes is presented below.

<Outline of the Schemes>

Eligible Persons shall make in-kind contributions of all the monetary remuneration claims and monetary claims paid by the Company under the Schemes and, in turn, common shares of the Company shall either be issued or disposed of by the Company.

For the purpose of such issuance or disposal of common shares of the Company under the Schemes, an agreement on the allotment of restricted stock that includes the following provisions shall be concluded between the Company and Eligible Persons who are to receive an allotment of shares.

1. The common shares of the Company which have been allotted to the said Eligible Persons may not be transferred, pledged, or otherwise disposed of during the predetermined period.
2. If certain events transpire, the Company shall acquire the said common shares for no consideration.

Taking into consideration the purposes of the Schemes, the Company's performance, the scope of responsibility of each Eligible Person, and other relevant circumstances, the Company resolved to grant 63,454 of the Company's common shares (hereinafter, the "Allotted Shares") for monetary remuneration claims and monetary claims to be granted to Eligible Persons against the Company totaling 104,318,376 yen in exchange for in-kind contributions (the monetary remuneration claims and monetary claims to be contributed per solicited share shall be 1,644 yen) based on the resolution of the Board of Directors dated today.

<Outline of Restricted Stock Allotment Agreement>

The Company and Eligible Officers shall individually and separately conclude agreements relating to the allotment of restricted stock (hereinafter, the "Allotment Agreement"). The Company and Eligible Employees shall also conclude agreements relating to the allotment of restricted stock that shall be similar to the Allotment Agreement in outline.

(1) Transfer Restriction Period

Eligible Officers may not transfer, pledge, or otherwise dispose of the Allotted Shares for the period from August 22, 2025 (payment date) to the date on which the said Eligible Officer forfeits their post as either a Director or Executive Officer of the Company.

(2) Conditions for Removal of Transfer Restrictions

The Company shall remove the transfer restrictions on all Allotted Shares at the expiration of the transfer restriction period on the condition that the Eligible Officer remains in their full-time position as either a Director or Executive Officer of the Company for the period from June 26, 2025 to July 1, 2026 (hereinafter, the “Service Provision Period.” Within this period the service provision period shall be from June 26, 2025 to the conclusion of the Ordinary Shareholders Meeting for fiscal year ending March 31, 2026. However, if the Eligible Officer is an Eligible Executive Officer, the Service Provision Period shall be from April 1, 2025 to July 1, 2026 and the service provision period shall be from April 1, 2025 to March 31, 2026). However, if the Eligible Officer forfeits their full-time post as a Director or Executive Officer of the Company during the Service Provision Period for a reason deemed justifiable by the Company’s Board of Directors, the Company shall remove the transfer restrictions on the number of Allotted Shares, which shall be calculated reasonably based on the period served until they forfeit their post, as of the expiration of the transfer restriction period.

(3) Gratis Acquisition by the Company

The Company shall automatically acquire at no cost any Allotted Shares on which transfer restrictions remain at the point of the expiration of the transfer restriction period or at any other point in time specifically prescribed under the agreement.

(4) Share Management

For the duration of the transfer restriction period, the Allotted Shares shall be managed in a dedicated account for restricted stock opened with the securities company specified by the Company so as to prevent the transfer, pledging, or any other form of disposal of the Allotted Shares throughout the same period.

(5) Treatment in Event of Reorganization, etc.

During the transfer restriction period, if agenda matters regarding a merger agreement in which the Company would be the disappearing company, or a share exchange agreement or share transfer plan in which the Company would become a wholly-owned subsidiary of another company, or other matters concerning reorganization, etc., have been approved at a Shareholders Meeting of the Company (or by the Board of Directors of the Company if approval for the said reorganization, etc. at the Shareholders Meeting is not required), the Company shall, immediately prior to the business day preceding the date in which the reorganization, etc. takes effect, remove the transfer restrictions on the number of Allotted Shares, which shall be calculated reasonably based on the period up to the date on which the said reorganization, etc. takes effect, through a resolution of the Board of Directors.

3. Basis for Calculating the Amount to Be Paid for Each Share and Its Specific Details

The Disposal of Treasury Stock shall be carried out by means of in-kind contributions of the monetary remuneration claims and monetary claims paid to the recipients of the treasury stock under the Schemes. In order to avoid a situation in which the amount paid for such is based on arbitrary decisions on price, the closing price

of the common shares of the Company on the Tokyo Stock Exchange of 1,644 yen on July 24, 2025 (the business day preceding the resolution date of the Board of Directors of the Company), shall be taken to be the disposal price of the treasury stock. This is the market price immediately preceding the date of the resolution of the Board of Directors. We believe this price is reasonable, appropriately reflecting the Company's corporate value, given that there are no special circumstances indicating that the most recent share price cannot be relied upon. Therefore, it is not considered to be particularly advantageous to the Eligible Persons.