



(Translated)

October 31, 2023

To whom it may concern,

Company name: Nabtesco Corporation
Representative: Kazumasa Kimura, Representative Director
(Securities Code: 6268; Prime Section of the Tokyo Stock Exchange)
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**Notice Regarding the Disposition of Treasury Shares by Third-party Allotment
Associated with Additional Contribution to Board Benefit Trust (BBT)**

Nabtesco Corporation (hereinafter referred to as the “Company”) hereby announces that its Board of Directors, at a meeting held today, has resolved to dispose of treasury shares by third-party allotment (hereinafter referred to as the “Treasury Share Disposition”), as follows.

1. Outline of the Treasury Share Disposition

- (1) Disposition date: November 20, 2023 (planned)
- (2) Type and number of shares to be disposed of: 300,000 common shares
- (3) Disposition price: 2,619 yen per share
- (4) Total amount of disposition: 785,700,000 yen
- (5) Planned underwriter of disposition: Custody Bank of Japan, Ltd. (Trust Account E)
- (6) Other: The Treasury Share Disposition is subject to the effectiveness of the securities registration statement in accordance with Japan’s Financial Instruments and Exchange Act.

2. Purpose and Reason for the Treasury Share Disposition

Based on the resolution of the Ordinary General Meeting of Shareholders held on March 28, 2017, the Company has introduced a “Board Benefit Trust (BBT)” (hereinafter referred to as the “BBT System,” with the trust established in accordance with the trust contract concluded with Mizuho Trust & Banking Co., Ltd. concerning the BBT System being referred to as the “BBT Trust”). For summary of the BBT System, please refer to “NOTICE OF CONVOCATION OF THE 14TH ANNUAL GENERAL MEETING OF SHAREHOLDERS” dated March 6, 2017.

In order to continue the BBT System, the Company has decided to make additional monetary contributions to the BBT Trust (hereinafter referred to as the “Additional Trust”) in order for the BBT Trust to acquire shares as expected to be required for future benefits. The Company also has decided to dispose of treasury shares to Trust Account E, which has been established at the Custody Bank of Japan, Ltd. (i.e., the trustee of the BBT Trust, which was re-trusted by Mizuho Trust & Banking Co., Ltd.), to hold and dispose of the Company's shares for the operation of the BBT Systems.

The total number of shares to be disposed of is equivalent to the number of shares that is expected to be granted to the Company’s Directors and Executive Officers during the trust period in accordance with the “Regulations Concerning Directors’ Share Benefits” (for the three financial periods from the fiscal year ending December 31, 2023 to the fiscal year ending December 31, 2025). The ratio to the total number of outstanding shares of 121,064,099 as of June 30, 2023 is 0.25%, while the ratio to the total number of voting rights of 1,202,100 as of June 30, 2023 will be 0.25% (both rounded off to three decimal places).

(Outline of Additional Trust for BBT Trust)

Date of additional trust: November 20, 2023 (planned)

Additional trust amount: 785,700,000 yen (see Note)

Type of shares to be acquired: Common stock of the Company

Number of shares to be acquired: 300,000 shares

Date of share acquisition: November 20, 2023 (planned)

Method of share acquisition: Acquisition by subscription of the Company's treasury shares to be disposed of through the Treasury Shares Disposition

(Note) The BBT Trust will additionally acquire the Company's shares using the total amount of the additional trust amount (605,700,000 yen) and the money belonging to the trust assets (180,000,000 yen) as the source of funds.

3. Grounds for calculation of the disposition price and specific details

The disposition price will be 2,619 yen, which is the closing price for the Company common stock on the Tokyo Stock Exchange, Inc. on the business day immediately preceding to the date of the Board of Directors' resolution.

The closing price on the business day immediately preceding to the date of the Board of Directors' resolution was used as the basis for the calculation because it represents the Company's appropriate corporate value in the stock market and was judged to be reasonable.

With regard to the above disposition price, the five members of Audit & Supervisory Board Members (three of which are Outside Audit & Supervisory Board Members) attending the meeting of the Board of Directors issued opinions that the foregoing disposition price is not a particularly favorable disposition price and is lawful.

4. Matters Concerning Procedures under the Code of Corporate Conduct

Since (1) the dilution ratio is less than 25% and (2) the Treasury Shares Disposition does not involve a change in controlling shareholder, the procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders as stipulated in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange, Inc. are not required.

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