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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

KEIWA Incorporated (hereinafter referred to as “the Company”) hereby announces that, at a meeting of the Board of Directors held today, the Company resolved to dispose of treasury stock as restricted stock compensation (hereinafter referred to as the “Disposal of Treasury Stock” or the “Disposal”). Details are as follows.

1. Overview of the Disposal

(1) Date of Payment	April 24, 2026
(2) Class and number of shares to be disposed	The Company’s Common stock 11,619 shares
(3) Disposal price	1,236 yen per share
(4) Total amount of disposal	14,361,084 yen
(5) Categories and numbers of persons eligible for allocations, numbers of shares allocated	Directors 6 persons (excluding external directors and directors who are Audit & Supervisory Committee Members), 8,483 shares Executive Officers 4 persons, 3,136 shares

2. Purpose and Reasons for the Disposal

The Company introduced the restricted stock compensation plan (the “Plan”) at the meeting of Board of Directors held on February 17, 2021, for the Company's directors (excluding Outside Directors) and executive officers with the aim of giving incentives for sustainable enhancement of corporate value of the Company and to further promote value sharing with shareholders. At the 74th Ordinary General Meeting of Shareholders held on March 25, 2021, based on the Plan, it was approved that the compensation limit of monetary compensation claims for allotment of restricted shares for Directors subject to this Plan shall be set at an amount not exceeding 30 million yen per year in addition to the existing compensation limit, and the outline of the restricted share allotment agreement to be concluded with the Directors subject to this Plan.

In addition, at the Extraordinary Meeting of Shareholders held on October 28, 2025, as part of a review of the executive compensation system in line with the transition to a Company with an Audit & Supervisory Committee, it was approved that the compensation limit of monetary compensation claims for allotment of restricted shares for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors, hereinafter referred to as “Eligible Directors” and collectively with executive officers as “Eligible Directors/Officers”) shall be set at an amount not exceeding 70 million yen per year, and the total number of shares of the Company’s common stock be issued or disposed of shall be set at an amount not exceeding 100,000 shares per year. (However, in the event of a stock split (including a gratis allotment of shares of common stock of the Company), or a reverse stock split of the Company’s common shares, or any other circumstances necessitating the adjustment to the total number of shares of common stock of the Company issued or disposed of as restricted stock, such total number shall be adjusted within a reasonable range.)

An overview of the Plan and other relevant details are shown below.

<Overview of the Plan>

Under the Plan, the Eligible Directors/Officers shall pay the entire monetary compensation claims provided by the Company as properties contributed in kind and receive shares of the Company's common stock, upon issuance or disposal thereof.

The total number of shares of its common stock that the Company shall issue or dispose of under the Plan to allot them to the Eligible Directors/Officers shall be set at an amount not exceeding 100,000 shares per year. The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the shares of the Company's common stock on the Prime market of Tokyo Stock Exchange on the business day immediately preceding the day of the relevant resolution of the Board of Directors (or the closing price on the trading day immediately prior thereto if there is no transaction concluded on said business day) , to the extent not particularly favorable to the directors to be allotted.

The issuance or disposal of shares of the Company under the Plan shall be subject to the conclusion of a restricted share allotment agreement between the Company and each of the Eligible Directors/Officers.

The agreement shall include the following items.

- (1) Eligible Directors/Officers shall not transfer, create a security interest in, or otherwise dispose of the allotted shares of common stock of the Company for a predetermined period.
- (2) If certain events occur, the Company may acquire such common shares.

Based on the above, the Company decided to pay a total of 14,361,084 yen in monetary remuneration claims to six directors and four executive officers of the Company and dispose of 11,619 shares of treasury stock of the Company (the "Allotted Shares") by resolution of the Board of Directors meeting held today, taking into consideration the purpose of the Plan, the Company's performance, the scope of each Eligible Directors/Officer's responsibilities and various other circumstances.

<Outline of the Restricted Stock Allotment Agreement>

The Company and each of the Eligible Directors/Officers shall enter into the restricted share allotment agreement (the "Allotment Agreement") as outlined below.

(1) Transfer restriction period

During the period from April 24, 2026 (the date of payment) to the date on which they resign or retire their positions as directors or executive officers of the Company or any other positions determined by the Board of Directors of the Company (in the event that the Eligible Directors/Officers resigns or retires by April 1, 2027 (excluding in the case resignation or retirement due to the expiration of the term of office, mandatory retirement age, or other reasons deemed justifiable by the Company's Board of Directors, or due to death) shall be April 1, 2027, hereinafter referred to as the "Restricted Transfer Period", the Eligible Directors/Officers may not transfer, create a security interest in, or otherwise dispose of the Allotted Shares.

(2) Free acquisition by the Company

If the Eligible Directors/Officers resigns or retires their position described in (1) above before the expiration of the period from the close of the ordinary general meeting of shareholders immediately preceding the payment date to the close of the ordinary general meeting of shareholders in the following year (hereinafter referred to as the "Service Period"), the Company shall naturally acquire the Allotted Shares, excluding in the case of expiration of term of office, mandatory retirement, or other reasons deemed justifiable by the Company's Board of Directors, or due to death.

The Company shall, as a matter of course, make a free acquisition of the Allotted Shares on which the transfer restrictions have not been lifted as described in (3) below at the time when the transfer restriction period expires.

(3) Conditions for lifting the transfer restrictions

The Company shall lift the transfer restriction on all of the Allotted Shares upon the expiration of the Restricted Transfer Period, on the condition that each of the Eligible Directors/Officers continuously serves as director, executive officer of the Company, or other position determined by the Board of Directors of the Company during the Service Period. In cases where any one of the Eligible Directors/Officers resigns or retires their position specified in (1) above before the expiration of the Service Period due to expiration of term of office, mandatory retirement, or other reasons deemed justifiable by the Company's Board of Directors, or due to death specified in (2) above, the Company shall lift the transfer restriction on the following number of shares of the Allotted Shares as described below upon the loss.

<Number of shares subject to lifting the transfer restrictions>

The number of shares obtained by multiplying the number of the Allotted Shares by the number obtained by dividing the number of months from the month including the payment date to the month including the date of resignation or retirement divided by 12. However, any fractional shares resulting from the calculation shall be rounded down.

(4) Administration of shares

To prevent any transfer, creation of security interest or disposal by other means of the Allotted Shares to any third party during the Restricted Transfer Period, the Allotted Shares shall be administered in an individual account of each of the Eligible Directors/Officers for restricted stock opened with Daiwa Securities Co. Ltd. during the Restricted Transfer Period.

(5) Procedures in organizational restructuring

If, during the Restricted Transfer Period, any matters with regard to a merger agreement under which the Company will become a dissolving company, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary or any other organizational restructuring are approved by the general meeting of shareholders of the Company (or by the Board of Directors of the Company in cases where approval of the general meeting of shareholders of the Company about such organizational restructuring, etc. is not necessary), the Company shall lift the transfer restriction, subject to resolution of the Board of Directors, as of the time immediately before the business day prior to the effective date of said organizational restructuring, etc., on the following number of shares of the Allotted Shares as described below upon the loss.

<Number of shares subject to lifting the transfer restrictions>

The number of shares obtained by multiplying the number of the Allotted Shares by the number obtained by dividing the number of months from the month including the payment date to the month including the date of approval of the reorganization by 12 (up to 1 regardless of the result of the calculation.). However, any fractional shares resulting from the calculation shall be rounded down.

3. Basis for calculation of the amount to be paid in for the Allotted Shares and other specific details

The Disposal of Treasury Stock shall be funded by the monetary remuneration claims paid to the Eligible Directors/Officers under the Plan. To eliminate arbitrariness in the issue price, the issue price is set at 1,236 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on March 24, 2026 (the business day before the date of the Board of Directors resolution). The Company believes that this value is reasonable insofar as it represents the share price on the market on the day immediately preceding the day of the relevant resolution of the Board of Directors and in the absence of special circumstances indicating that the most recent share price cannot be relied upon, is a reasonable and appropriate reflection of the Company's corporate value and does not constitute a particularly favorable price for the Eligible Directors.