(Securities Code 7616 TSE PRIME)
July 14, 2026

To whom it may concern,

Company	COLOWIDE Co., Ltd.
Representative	Kohei NOJIRI President and Representative Director
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Notice of Disposal of Treasury Shares as Restricted Share-Based Remuneration

We hereby announce that, at a meeting of the Board of Directors held today, the Company resolved to dispose of its treasury shares (hereinafter referred to as the "Treasury Share Disposal" or the "Disposal") as described below.

1. Outline of Disposal

(1) Date of Disposal	August 12, 2026
(2) Type and Number of Shares to be Disposed of	Common shares of the Company 44,000 shares
(3) Price of Disposal	1,937.5 yen per share
(4) Total Amount of Disposal	85,250,000 yen
(5) Recipients of Disposal, Number of Such Recipients, and Number of Shares Disposed of	A total of 44,000 shares will be granted to five of our Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), one Executive Officer who does not concurrently serve as a Director of the Company, and one Representative Director of a consolidated subsidiary of the Company.

2. Purpose and Reason for Disposal

At a meeting of the Board of Directors held on April 27, 2021, the Company resolved to implement an incentive program for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as "Eligible Directors"), executive officers who do not concurrently serve as Directors, and certain Directors of our subsidiaries (hereinafter collectively referred to as the "Target Directors, etc."). The resolution was passed to secure outstanding management talent, provide incentives to achieve the sustainable enhancement of our corporate value, and further promote value sharing with our shareholders. Accordingly, the Company resolved to introduce a restricted share-based remuneration system (hereinafter referred to as "this System") as a new remuneration system for the Target Directors, etc. Furthermore, at the 59th Annual General Meeting of Shareholders held on June 24, 2021, it was resolved that, pursuant to this system, monetary remuneration (hereinafter referred to as "restricted share-based remuneration") as monetary remuneration to be used as consideration for the acquisition of restricted shares under this system (hereinafter referred to as "restricted share-based remuneration") to the Target Directors, etc. in the form of monetary claims not exceeding 150 million yen annually, and to issue or dispose of up to 50,000 shares of the Company's common shares per year; and that the restriction period for the restricted shares shall be from the date on which the Target Directors receive an allocation of the Company's common shares pursuant to a restricted-share allocation agreement entered into between the Company and the Target Directors, until the date on which they resign or retire from any position as a Director, Executive Officers, or employees (hereinafter referred to as "Officers and Employees, etc.") of the Company or its subsidiaries.

Therefore, this disposal of treasury shares is being carried out as part of this system, for the Target Directors, etc.

The outline of this system is as follows.

【Outline of this System】

The Target Directors, etc. will contribute all monetary claims received from the Company or its consolidated subsidiaries under this system as in-kind contributions and will receive newly issued or disposed-of common shares of the Company in exchange. The payment amount per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors' resolution (or, if no trades were executed on that day, the closing price on the most recent trading day prior to that date), to the extent that such amount does not constitute a particularly favorable price for the Target Directors, etc. subscribing for such common shares.

Furthermore, in connection with the issuance or disposition of the Company's common shares under this system, the Company and the Target Directors, etc. shall enter into a restricted shares allocation agreement. The terms of such agreement shall include: (i) a prohibition on the Target Directors, etc. from transferring to third parties, creating security interests in, or otherwise disposing of in any manner the Company's common shares allocated to them under the restricted shares allocation agreement for a specified period; and (ii) a provision that the Company shall acquire such common shares without consideration if certain events occur.

Following consultation with the Nomination and Remuneration Advisory Committee, and after taking into consideration the purpose of this system, the Company's business conditions, the scope of duties of each Target Director, and various other circumstances, we have decided to grant a total of 85,250,000 yen in monetary claims (hereinafter referred to as "the Monetary Claims") and 44,000 shares of common shares, with the aim of further enhancing the motivation of each Target Director.

In connection with this disposition of treasury shares, pursuant to this system, the seven Target Directors, etc., who are scheduled to receive the allocation, will contribute all of the monetary claims granted to them by the Company or its consolidated subsidiaries as in-kind capital contributions and will be allocated common shares of the Company (hereinafter referred to as the "Allotted Shares"). The outline of the restricted share allocation agreement (hereinafter referred to as the "Allocation Agreement") to be concluded between the Company and the Target Directors, etc. in connection with this disposition of treasury shares is as described in Section 3 below.

3. Outline of the Restricted Share Allocation Agreement

(1) Restricted Period

The period shall be from August 12, 2026, until the date on which the individual steps down from or retires from any position as an officer or employee.

(2) Lifting of Transfer Restrictions

The Company shall lift the transfer restrictions on these shares as of the time a Director or an officer who has been granted such shares resigns or retires from any position as an officer or employee due to the expiration of their term of office, reaching the mandatory retirement age, death, inability to perform duties or work due to illness, resignation or retirement not based on personal reasons, or any other reason deemed valid by the Company's Board of Directors (hereinafter referred to as "Valid Reasons").

(3) Handling in the Event of Organizational Restructuring, etc.

If, during the transfer restriction period, a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other matters related to organizational restructuring are approved by the Company's General Meeting of Shareholders (or, if approval by the Company's General Meeting of Shareholders is not required for such organizational restructuring, by the Company's Board of Directors), all transfer restrictions on the Allotted Shares held at that time shall be lifted by resolution of the Board of Directors. However, if the effective date of such organizational restructuring, etc., falls within the period immediately following the conclusion of the Company's Annual General Meeting of Shareholders until the conclusion of the next Annual General Meeting of Shareholders (hereinafter referred to as the "Service Provision Period"), the number of shares granted during that period shall be divided by 12 (with any fraction less than one share rounded down) and multiplied by the number of months from July 1 to the date approved at said General Meeting of Shareholders (with any fraction of a month rounded down), the transfer restriction shall be lifted as of the business day immediately preceding the effective date of the organizational restructuring, etc.

(4) Acquisition without Consideration

If a Target Director or other eligible individual who has been granted the Allotted Shares commits a violation of laws or regulations during the transfer restriction period, or if any other specific grounds set forth in the Allocation Agreement apply, the Company shall automatically acquire all of the Allotted Shares at that time without consideration. Furthermore, if any of the Target Directors, etc., who have been granted the Allotted Shares resign or retire from any position as an officer or employee, or if there are any such shares for which the transfer restrictions have not been lifted as of the effective date of a reorganization or similar event, the Company shall automatically acquire such shares without payment. However, if a Target Director, etc., leaves his or her position for just cause during the service period, the Company shall automatically acquire, without consideration, a number of shares equal to the total number of shares divided by 12 (with any fraction less than one share rounded down) multiplied by the number of remaining months in the service period (calculated as the number of months remaining from July through June of the following year, with partial months counted as full months) as of that point in time.

(5) Administration of Shares

To prevent the transfer, creation of security interests, or other disposition of the Allotted Shares during the transfer restriction period, the Allotted Shares shall be held in a dedicated account opened by the Target Directors, etc. with Nomura Securities Co., Ltd. during the transfer restriction period. To ensure the effectiveness of the transfer restrictions and other conditions applicable to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the administration of the accounts holding the Allotted Shares held by each Target Director, etc.

4. Basis for Calculating the Payment Amount and Specific Details

The disposal of these treasury shares to the intended recipients will be carried out using, as capital contributions, the monetary claims granted as restricted share-based remuneration for the Company's 65th fiscal year under this system. To ensure the disposal price is free from arbitrariness, it has been set at 1,937.5 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market on July 13, 2026 (the business day prior to the date of the Board of Directors' resolution). This represents the market price immediately prior to the date of the Board of Directors' resolution, and we consider it to be a reasonable price that does not constitute a particularly favorable price.

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