

April 16, 2026

Company name: Nippon Aqua Co., Ltd.
 (Securities code: 1429; Tokyo Stock Exchange, Prime Market)
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

Nippon Aqua Co., Ltd. (the “Company”) hereby announces that, at the meeting of the Board of Directors held on April 16, 2026, it resolved to dispose of its treasury shares as restricted stock compensation (hereinafter referred to as the “Disposal of Treasury Shares” or the “Disposal”) as described below.

1. Overview of the Disposal

(1) Disposal Date	May 15, 2026
(2) Class and Number of Shares to be Disposed	23,500 shares of the Company’s common stock
(3) Disposal Price	702 yen per share
(4) Total Disposal Amount	16,497,000 yen
(5) Allottees, Number of Allottees, and Number of Shares to be Allotted	Directors (excluding Outside Directors): 3 persons, 23,500 shares
(6) Other	The Disposal of Treasury Shares does not require the submission of a securities registration statement under the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal

At the meeting of the Board of Directors held on March 2, 2023, the Company resolved to introduce a restricted stock compensation plan (the “Plan”) for its directors (excluding outside directors; hereinafter referred to as the “Eligible Directors”) and executive officers (collectively with the Eligible Directors, the “Eligible Officers”), with the aim of providing incentives for the sustainable enhancement of the Company’s corporate value and promoting further alignment of interests between the Eligible Officers and shareholders.

Furthermore, at the 19th Annual General Meeting of Shareholders held on March 28, 2023, the Company obtained approval for the total amount of monetary compensation receivables to be granted to the Eligible Directors under the Plan to be within ¥70 million per year.

In addition, at the 20th Annual General Meeting of Shareholders held on March 28, 2024, the Company obtained approval to set the remuneration limit for directors (excluding directors who are Audit and Supervisory Committee members) at ¥500 million per year (including up to ¥20 million for outside directors).

The above-mentioned annual limit of ¥70 million for monetary compensation receivables under the Plan is managed separately from the remuneration limit approved at the shareholders’ meetings.

An outline of the Plan is as follows.

Under the Plan, the Company grants monetary compensation receivables to the Eligible Officers for the allotment of restricted shares, generally on an annual basis, and the Eligible Officers make in-kind contributions of such receivables to receive treasury shares of the Company's common stock. The total amount of such monetary compensation receivables to be granted to the Eligible Directors shall be within ¥70 million per year, and the specific timing and allocation to each Eligible Director shall be determined by the Board of Directors.

The total number of shares of common stock to be disposed of by the Company under the Plan shall be limited to 250,000 shares per year for the Eligible Directors, and the disposal price per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (or, if no trading occurs on such date, the closing price on the most recent trading day prior thereto).

In disposing of shares of common stock under the Plan, the Company will enter into restricted stock allotment agreements with the Eligible Officers. The agreements will include provisions such as: (i) the Eligible Officers shall not transfer, create security interests on, or otherwise dispose of the allotted shares for a certain period, and (ii) the Company shall acquire such shares without consideration upon the occurrence of certain events.

In light of the purpose of the Plan, the Company's performance, the scope of responsibilities of each Eligible Director, and other relevant factors, the Company resolved to grant monetary compensation receivables in the total amount of ¥16,497,000 (the "Monetary Compensation Receivables") to the Eligible Officers, and to dispose of a total of 23,500 shares of the Company's common stock through in-kind contributions of such receivables.

In order to provide incentives for the sustainable enhancement of corporate value and to further promote the sharing of value with shareholders, the transfer restriction period is set at 40 years.

In the Disposal of Treasury Shares, the three Eligible Officers who are scheduled allottees will make in-kind contributions of all of the Monetary Compensation Receivables to the Company and will subscribe for the shares of common stock to be disposed of by the Company.

3. Overview of the Restricted Stock Allotment Agreement

The Company and each Eligible Officer will individually enter into a restricted stock allotment agreement (the "Allotment Agreement"). An outline of the agreement is as follows

(1) Transfer Restriction Period: May 15, 2026 to May 14, 2066

(2) Conditions for Lifting Transfer Restrictions:

In principle, the Company shall lift the transfer restrictions on all shares of the Company's common stock allotted under the Allotment Agreement (the "Shares") upon the expiration of the transfer restriction period, on the condition that the Eligible Officer has continuously held a position as a director, executive officer, or employee of the Company during the transfer restriction period.

However, in the event that an Eligible Officer retires or resigns from any of the positions listed above due to death, expiration of term of office, mandatory retirement age, or other legitimate reasons, the transfer restrictions shall be lifted immediately after such retirement or resignation with respect to the number of Shares calculated by multiplying the total number of Shares by a fraction obtained by dividing the number of months from the month including the disposal date to the month including the date of such retirement or resignation by 12 (provided that if the result exceeds 1, it shall be deemed to be 1), with any fractional shares less than one unit rounded up.

(3) Acquisition by the Company without Consideration:

The Company shall, as a matter of course, acquire without consideration any Shares for which the transfer restrictions have not been lifted, immediately after it is determined that such transfer restrictions will not be lifted.

(4) Management of Shares:

In order to ensure that the Shares cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period, the Shares shall be managed in dedicated accounts opened by the Eligible Officers with Daiwa

Securities Co. Ltd. during such period. The Company and the Eligible Officers have entered into agreements with Daiwa Securities Co. Ltd. regarding the management of the accounts holding the Shares, in order to ensure the effectiveness of the transfer restrictions.

(5) Treatment in Organizational Restructuring, etc.:

Notwithstanding the provisions of (1) above, in the event that, during the transfer restriction period, a merger agreement under which the Company becomes a dissolved company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matters relating to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (or, if such approval at a general meeting of shareholders is not required, by the Board of Directors of the Company), the Company shall, by resolution of the Board of Directors, lift the transfer restrictions on the number of Shares calculated by multiplying the number of Shares held by the relevant Eligible Officer as of the date of such approval by a fraction obtained by dividing the number of months from the month including the disposal date to the month including the date of such approval by 12 (provided that if the result exceeds 1, it shall be deemed to be 1), with any fractional shares less than one unit rounded up, immediately prior to the business day preceding the effective date of such organizational restructuring, etc.

In such case, the Company shall, as a matter of course, acquire without consideration any Shares for which the transfer restrictions have not been lifted, immediately after the transfer restrictions are lifted.

4. Basis for Calculation of the Disposal Price and Details Thereof

In determining the disposal price for the Disposal of Treasury Shares, in order to eliminate arbitrariness, the Company has set the price at 702 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on April 15, 2026 (the business day immediately preceding the date of the Board of Directors' resolution).

The Company believes that this price, being the market price immediately prior to the date of the Board of Directors' resolution, is reasonable and does not constitute a price that is particularly favorable.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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