



July 3, 2025
FOR IMMEDIATE RELEASE

Company name: Watahan & Co., Ltd.
Name of representative: Isamu Nohara, President & CEO
(Securities code:3119; Prime Market)
Inquiries: Ayako Banno, Director
(Telephone: +81-0265-25-8155)

To Whom It May Concern

(Corrections) Notice Concerning Partial Corrections of
“Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation”

We hereby announce that there was an error in some of the statements in the “Notice of Disposal of Treasury Stock as Restricted Stock” released on June 27, 2025, as follows.

1. Reason for correction

This correction has been made because it was discovered after the submission of the “Notice of Disposal of Treasury Stock as Restricted Transferable Shares” that some of the information contained therein was incorrect.

2. Details of Correction

The corrected sections are “1. Outline of the Disposal,” “2. Purpose and Reason for the Disposal,” and “3. Basis and Details of the Calculation of the Amount to be Paid. The corrected sections are underlined.

【Before Correction】

1. Summary of disposition

(1) Payment date	July 25, 2025
(2) Class and number of shares to be disposed of	Common shares of the Company - <u>29,496</u> shares
(3) Disposal price	<u>1,627</u> yen per share
(4) Total disposal amount	<u>47,989,992</u> yen
(5) Allottees and Number thereof, Number of Stocks to be Disposed of	Directors (excluding Directors who are Audit and Supervisory Committee Members) 4 persons, <u>29,496</u> shares

2. Purpose and Reason for Disposition

As described in the “Notice Concerning Introduction of a Share Remuneration System with Transfer Restrictions” dated May 10, 2019, the Company’s Board of Directors on May 10, 2019 approved a resolution to introduce a share remuneration system with transfer restrictions for the Company’s directors (excluding outside directors). The

Company resolved at a meeting of the Board of Directors on May 10, 2019 to introduce a restricted stock compensation plan (the “Plan”) for the purpose of providing eligible directors with incentives to continuously improve the Company’s corporate value and to further promote value sharing with shareholders by further strengthening the linkage between compensation and stock value of the Company’s directors (excluding outside directors). The Company resolved to introduce a restricted stock compensation plan (the “Plan”) for the purpose of providing incentives to sustain and improve the value of the Company and to further promote value sharing with shareholders. In addition, at the 73rd Ordinary General Meeting of Shareholders held on June 24, 2021, in accordance with the transition to a company with an audit committee system, the Company resolved to introduce a new system of compensation for directors (excluding directors who are members of the Audit and Supervisory Committee) based on this system (hereinafter referred to as the “Subject Directors”). The Company has obtained approval at the 73rd Ordinary General Meeting of Shareholders to grant monetary compensation claims to grant shares with transfer restrictions to directors (excluding directors who are members of the Audit Committee) in accordance with this plan, in an amount not exceeding 100 million yen per year in total, and to set the period of restriction on transfer of shares with transfer restrictions as 30 years.

Based on the above, in consideration of the purpose of the Plan, the Company’s business performance, and other various circumstances, the Company resolved at today’s meeting of the Board of Directors to grant monetary compensation claims totaling 47,989,992 yen (hereinafter, the “Monetary Compensation Claims”) to the four Subject Directors, and the Company has obtained the approval of the Board of Directors to grant the Monetary Compensation Claims to the Subject Directors for a total amount not exceeding 100 million yen per year. At the same meeting of the Board of Directors held today, the Board of Directors also resolved to dispose of 29,496 shares of common stock of the Company (the “Allotted Shares”) by the four Subject Directors, who are the allottees, by delivering all of the Monetary Compensation Claims to the Company as assets contributed in kind based on this plan. The Company resolved to dispose of 29,496 shares of common stock of the Company (the “Allotted Shares”) by granting all of the Monetary Compensation Claims to the Company as assets contributed in kind.

In order to realize the purpose of the introduction of this plan, which is to increase the willingness to contribute to the enhancement of the Company’s corporate value over the medium to long term, for as long as possible, the period of restriction on transfer has been set at 30 years.

〈Outline of Share Allotment Agreement〉

The Company will enter into individual restricted transfer share allotment agreements with each allottee, a summary of which is as follows.

(1) Restricted transfer period

From July 25, 2025 to July 24, 2055

During the restricted transfer period set forth above (the “Restricted Transfer Period”), the Subject Director (2) Cancellation of the Transfer Restriction

(2) Conditions for Cancellation of Transfer Restrictions

Subject to the condition that the Subject Director has continuously held the position of director of the Company during the Restriction Period, the Transfer Restrictions shall be cancelled with respect to all of the Allotted Shares as of the expiration of the Restriction Period.

However, if the Subject Director retires due to the expiration of his/her term of office, death or other reasons deemed justifiable by the Board of Directors of the Company before the expiration of the Restricted Period, the number of shares to be transferred shall be calculated by dividing the number of months from the month following the month that includes the date of the Ordinary General Meeting of Shareholders held immediately before the payment date by 12 (provided, however, that if the calculation result exceeds 1, the number shall be 1). (However, if the result

of the calculation exceeds 1, the number shall be 1.) The number of shares to be purchased shall be the number of shares obtained by multiplying the number of shares held by the Subject Director as of the relevant time (excluding treasury shares) by the number of Shares held by the Subject Director as of the relevant time (any fraction of less than one share resulting from the calculation shall be rounded down). (3) Reason for acquisition without consideration

(3) Reason for acquisition without compensation

If there are any Allotted Shares for which the restrictions on transfer have not been cancelled at the time of cancellation of the restrictions on transfer stipulated in (2) above, the Company will naturally acquire such shares without compensation.

(4) Treatment in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or, in cases where approval at the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc., at the Company's Board of Directors meeting), the Company will, by resolution of the Company's Board of Directors, lift the transfer restrictions immediately before the business day preceding the effective date of the organizational restructuring, etc., for a number of shares calculated by dividing the number of months from the month following the month including the date of the Ordinary General Meeting of Shareholders held immediately preceding the payment due date to the month including the date of such approval (hereinafter referred to as the "Approval Date of Organizational Restructuring, etc.") by 12 (if this number exceeds 1, it will be set to 1), multiplying this number by the number of Shares held by the Allottee on the Approval Date of Organizational Restructuring, etc. (however, if the calculation results in a fraction less than 1 share, such fraction shall be rounded down). In that case, if there are any Allocated Shares that are not subject to transfer restrictions immediately after the transfer restrictions are lifted, the Company will naturally acquire them free of charge.

(5) Other matters

The Allottee shall open an exclusive account with Mizuho Securities Co., Ltd. to enter or record the Allotted Shares in a manner designated by the Company, and shall keep and maintain all of the Allotted Shares in such exclusive account until the transfer restriction is removed.

3. Basis for calculation of the amount to be paid in and specifics thereof

In order to eliminate arbitrariness, the disposal price for this treasury stock disposal is set at 1,627 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to this Board of Directors meeting (June 26, 2025). This is the market share price immediately prior to the date of the resolution of this Board of Directors meeting, and we believe that this price is reasonable and does not constitute a particularly favorable price.

【After correction】

1. Summary of disposition

(1) Payment date	July 25, 2025
(2) Class and number of shares to be disposed of	Common shares of the Company - <u>29,410</u> shares
(3) Disposal price	<u>1,632</u> yen per share
(4) Total disposal amount	<u>47,997,120</u> yen
(5) Allottees and Number thereof, Number of Stocks to be Disposed of	Directors (excluding Directors who are Audit and Supervisory Committee Members) 4 persons, <u>29,410</u> shares

2. Purpose and Reason for Disposition

As described in the “Notice Concerning Introduction of a Share Remuneration System with Transfer Restrictions” dated May 10, 2019, the Company’s Board of Directors on May 10, 2019 approved a resolution to introduce a share remuneration system with transfer restrictions for the Company’s directors (excluding outside directors). The Company resolved at a meeting of the Board of Directors on May 10, 2019 to introduce a restricted stock compensation plan (the “Plan”) for the purpose of providing eligible directors with incentives to continuously improve the Company’s corporate value and to further promote value sharing with shareholders by further strengthening the linkage between compensation and stock value of the Company’s directors (excluding outside directors). The Company resolved to introduce a restricted stock compensation plan (the “Plan”) for the purpose of providing incentives to sustain and improve the value of the Company and to further promote value sharing with shareholders. In addition, at the 73rd Ordinary General Meeting of Shareholders held on June 24, 2021, in accordance with the transition to a company with an audit committee system, the Company resolved to introduce a new system of compensation for directors (excluding directors who are members of the Audit and Supervisory Committee) based on this system (hereinafter referred to as the “Subject Directors”). The Company has obtained approval at the 73rd Ordinary General Meeting of Shareholders to grant monetary compensation claims to grant shares with transfer restrictions to directors (excluding directors who are members of the Audit Committee) in accordance with this plan, in an amount not exceeding 100 million yen per year in total, and to set the period of restriction on transfer of shares with transfer restrictions as 30 years.

Based on the above, in consideration of the purpose of the Plan, the Company’s business performance, and other various circumstances, the Company resolved at today’s meeting of the Board of Directors to grant monetary compensation claims totaling 47,997,120yen (hereinafter, the “Monetary Compensation Claims”) to the four Subject Directors, and the Company has obtained the approval of the Board of Directors to grant the Monetary Compensation Claims to the Subject Directors for a total amount not exceeding 100 million yen per year. At the same meeting of the Board of Directors held today, the Board of Directors also resolved to dispose of 29,496 shares of common stock of the Company (the “Allotted Shares”) by the four Subject Directors, who are the allottees, by delivering all of the Monetary Compensation Claims to the Company as assets contributed in kind based on this plan. The Company resolved to dispose of 29,410 shares of common stock of the Company (the “Allotted Shares”) by granting all of the Monetary Compensation Claims to the Company as assets contributed in kind.

In order to realize the purpose of the introduction of this plan, which is to increase the willingness to contribute to the enhancement of the Company’s corporate value over the medium to long term, for as long as possible, the period of restriction on transfer has been set at 30 years.

〈Outline of Share Allotment Agreement〉

The Company will enter into individual restricted transfer share allotment agreements with each allottee, a summary of which is as follows.

(1) Restricted transfer period

From July 25, 2025 to July 24, 2055

During the restricted transfer period set forth above (the “Restricted Transfer Period”), the Subject Director (2) Cancellation of the Transfer Restriction

(2) Conditions for Cancellation of Transfer Restrictions

Subject to the condition that the Subject Director has continuously held the position of director of the Company during the Restriction Period, the Transfer Restrictions shall be cancelled with respect to all of the Allotted Shares as of the expiration of the Restriction Period.

However, if the Subject Director retires due to the expiration of his/her term of office, death or other reasons deemed justifiable by the Board of Directors of the Company before the expiration of the Restricted Period, the number of shares to be transferred shall be calculated by dividing the number of months from the month following the month that includes the date of the Ordinary General Meeting of Shareholders held immediately before the payment date by 12 (provided, however, that if the calculation result exceeds 1, the number shall be 1). (However, if the result of the calculation exceeds 1, the number shall be 1.) The number of shares to be purchased shall be the number of shares obtained by multiplying the number of shares held by the Subject Director as of the relevant time (excluding treasury shares) by the number of Shares held by the Subject Director as of the relevant time (any fraction of less than one share resulting from the calculation shall be rounded down). (3) Reason for acquisition without consideration

(3) Reason for acquisition without compensation

If there are any Allotted Shares for which the restrictions on transfer have not been cancelled at the time of cancellation of the restrictions on transfer stipulated in (2) above, the Company will naturally acquire such shares without compensation.

(4) Treatment in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved at the Company’s General Meeting of Shareholders (or, in cases where approval at the Company’s General Meeting of Shareholders is not required for the organizational restructuring, etc., at the Company’s Board of Directors meeting), the Company will, by resolution of the Company’s Board of Directors, lift the transfer restrictions immediately before the business day preceding the effective date of the organizational restructuring, etc., for a number of shares calculated by dividing the number of months from the month following the month including the date of the Ordinary General Meeting of Shareholders held immediately preceding the payment due date to the month including the date of such approval (hereinafter referred to as the “Approval Date of Organizational Restructuring, etc.”) by 12 (if this number exceeds 1, it will be set to 1), multiplying this number by the number of Shares held by the Allottee on the Approval Date of Organizational Restructuring, etc. (however, if the calculation results in a fraction less than 1 share, such fraction shall be rounded down). In that case, if there are any Allocated Shares that are not subject to transfer restrictions immediately after the transfer restrictions are lifted, the Company will naturally acquire them free of charge.

(5) Other matters

The Allottee shall open an exclusive account with Mizuho Securities Co., Ltd. to enter or record the Allotted Shares in a manner designated by the Company, and shall keep and maintain all of the Allotted Shares in such exclusive account until the

transfer restriction is removed.

3. Basis for calculation of the amount to be paid in and specifics thereof

In order to eliminate arbitrariness, the disposal price for this treasury stock disposal is set at 1,632 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to this Board of Directors meeting (June 26, 2025). This is the market share price immediately prior to the date of the resolution of this Board of Directors meeting, and we believe that this price is reasonable and does not constitute a particularly favorable price.

End

Note : This document is a translation of the original Japanese document for reference purposes only. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.