



June 26, 2026  
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

## Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Watahan & Co., Ltd. hereby announces that at a meeting of its Board of Directors held today, it resolved to dispose of its treasury stock as restricted stock compensation (hereinafter the “Disposal of Treasury Stock”) as follows.

### 1. Overview of the Disposal

(1) Payment date	July 24, 2026
(2) Class and number of shares to be disposed of	Common shares of the Company - 42,735 shares
(3) Disposal price	1,404yen per share
(4) Total disposal amount	59,999,940yen
(5) Allottees and Number thereof, Number of Stocks to be Disposed of	Directors (excluding Directors who are Audit and Supervisory Committee Members) 5 persons, 42,735 shares

### 2. Purpose and reason for the Disposal of Treasury Shares

As announced in the “Notice Concerning the Introduction of a Restricted Stock Compensation Plan” dated May 10, 2019, the Company resolved at the Board of Directors meeting held on May 10, 2019 to introduce a restricted stock compensation plan (hereinafter referred to as the “Plan”) with the aim of further strengthening the link between the compensation of the Company’s directors (excluding outside directors) and the value of the stock, thereby providing the Eligible Directors with an incentive to sustainably improve the Company’s corporate value and further promoting value sharing with shareholders. In addition, at the 73rd Ordinary General Meeting of Shareholders held on June 24, 2021, in conjunction with the transition to a company with an audit and supervisory committee, the Company received approval to pay monetary compensation claims to Directors (excluding Directors who are audit and supervisory committee members; hereinafter referred to as the “Eligible Directors”) under the Plan in the amount of up to 100 million yen per year in total, and to set the transfer restriction period for the restricted stock at 30 years.

Based on this, the Company has resolved at today’s Board of Directors meeting, taking into consideration the purpose of the Scheme, the Company’s performance and other

circumstances, to pay a total of 59,999,940 yen in monetary compensation claims (hereinafter referred to as the "Monetary Compensation Claims") to the five Eligible Directors, and also resolved at today's Board of Directors meeting that, pursuant to the Scheme, the five Eligible Directors will dispose of 42,735 shares of the Company's common stock (hereinafter referred to as the "Allocated Shares") by contributing all of their Monetary Compensation Claims to the Company as in-kind assets.

In order to achieve the purpose of introducing the Scheme, which is to further increase motivation to contribute to improving the Company's medium- to long-term corporate value, for as long as possible, the transfer restriction period has been set at 30 years.

<Overview of the share allocation agreement with transfer restrictions>

The Company will enter into restricted stock allocation agreements with each of the allottees individually, the outline of which is as follows:

(1) Transfer restriction period

From July 24, 2026 to July 23, 2056

The Eligible Directors shall not transfer, create security interests in, make gifts during their lifetime or otherwise dispose of the Allocated Shares during the transfer restriction period set forth above (hereinafter referred to as the "Transfer Restriction Period").

(2) Conditions for lifting transfer restrictions

Provided that the Eligible Director continues to serve as a director of the Company during the Transfer Restriction Period, the transfer restrictions will be lifted for all of the Allocated Shares at the expiration of the Transfer Restriction Period.

However, if an Eligible Director resigns due to the expiration of his/her term of office, death, or any other reason that the Company's Board of Directors deems legitimate before the expiration of the Transfer Restriction Period, the transfer restrictions will be lifted immediately after that point 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 that is held immediately before the payment date to the month including the day the Eligible Director resigned or retired by 12 (however, if the calculation results in a fractional share less than one share, this will be rounded down).

(3) Reason for free acquisition

If there are any Granted Shares for which the transfer restrictions have not been lifted at the time the transfer restrictions are lifted as set forth in (2) above, the Company will naturally acquire such Granted Shares free of charge.

(4) Treatment in organizational restructuring

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 at the Company's Board of Directors meeting in cases where the approval of the General Meeting of Shareholders of the Company is not required for the organizational restructuring, etc.), the Company will, by resolution of the Board of Directors of the Company, lift the transfer restrictions immediately before the business day preceding the effective date of the organizational restructuring, etc., for the 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 Allottees 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 Allotted 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 recipient of the allocation will open a dedicated account with Mizuho Securities Co., Ltd. in which the allocated shares will be described or recorded in a manner specified by the Company, and will store and maintain all of the allocated shares in that dedicated account until the transfer restrictions are lifted.

3. Calculation basis for the amount to be paid and its specific details

In order to eliminate arbitrariness, the disposal price for this Disposal of Treasury Stock will be set at 1,404yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the Board of Directors meeting (June 25, 2026). This is the market share price immediately preceding the date of the resolution of the Board of Directors meeting, and is considered to be reasonable and not a particularly favorable price.

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.