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June 15, 2026

To whom it may concern,

Company name: KOHNAN SHOJI CO., LTD.

Name of representative: NAOTARO HIKIDA, PRESIDENT

(Code: 7516, TSE Prime)

Inquiries: TOSHIKAZU URATA, DIRECTOR AND SENIOR EXECUTIVE OFFICER

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Notice Regarding Disposition of Treasury Shares as Restricted Stock Compensation

We hereby announce that at the Board of Directors meeting held today, we resolved to dispose of treasury shares (hereinafter referred to as the "Disposition of Treasury Shares") as described below.

Details

1. Outline of the Disposition

(1) Date of disposition	July 14, 2026
(2) Class and number of shares to be disposed of	4,500 shares of the Company's common stock
(3) Disposition price	4,185 yen per share
(4) Total disposition price	18,832,500 yen
(5) Method of disposition	Private placement
(6) Method of performance of contribution	Contribution in kind of monetary compensation claims
(7) Persons to whom shares will be allocated, number of such persons, and number of shares to be allocated	8 Directors (excluding Outside Directors): 4,500 shares

2. Purpose and justification of the disposition

At the 40th Ordinary General Meeting of Shareholders held on May 25, 2017 and the 44th Ordinary General Meeting of Shareholders held on May 27, 2021, the Company obtained approval to pay monetary compensation (hereinafter referred to as "Restricted Stock Compensation") as compensation to be used as contribution property for acquiring restricted stock of up to 100 million yen per year, separate from the directors' compensation framework (excluding employee salaries, up to 400 million yen per year), to the Company's directors (excluding outside directors; hereinafter referred to as "Eligible Directors"), for the purpose of providing incentives to promote sustainable enhancement of the Company's corporate value and to further promote value sharing between the Eligible Directors and shareholders. Furthermore, at the 45th Ordinary General Meeting of Shareholders held on May 26, 2022, approval was obtained to change the transfer restriction period for restricted stock compensation from "a period predetermined by the Company's Board of Directors ranging from 1 year to 3 years from the date of allocation under this allocation agreement" to "the period from the date of allocation under this allocation agreement until the date on which the Eligible Director retires from the position of director of the Company or other position determined by the Company's Board of Directors."

Additionally, the outline of the restricted stock compensation plan (hereinafter referred to as the "Plan") is as follows.

[Outline of the Plan, etc.]

The Plan is designed to provide Eligible Directors with incentives to promote sustainable enhancement of the Company's corporate value and to further promote value sharing between the Eligible Directors and the Company's shareholders.

Under the Plan, Eligible Directors will subscribe for common shares to be issued or disposed of by the Company by making payment through contribution in kind using monetary compensation claims paid by the Company as contribution property for acquiring restricted stock (excluding amounts less than the payment amount for shares constituting a trading unit, etc.) as contribution property.

The total number of common shares to be issued or disposed of by the Company under the Plan shall be up to 50,000 shares per year, and the payment amount per share shall be determined by the Company's Board of Directors within a range that does not constitute a particularly favorable amount to the Eligible Directors subscribing for such common shares, 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 trading was executed on that day, the closing price on the most recent trading day prior thereto).

Furthermore, in issuing or disposing of the Company's common shares under the Plan, a restricted stock allocation agreement (hereinafter referred to as the "Allocation Agreement") shall be concluded between the Company and the Eligible Directors, and the contents shall include: (i) that the Eligible Directors shall not transfer, establish security interests on, or otherwise dispose of the Company's

common shares allocated under the Allocation Agreement (hereinafter referred to as the "Allocated Shares") for a certain period (hereinafter referred to as "Transfer Restriction"); (ii) that the Company shall acquire the Allocated Shares without consideration if certain events occur; and (iii) (as necessary) that certain events shall serve as conditions for release of the transfer restriction on the Allocated Shares.

On this occasion, taking into consideration the purpose of the Plan, the scope of responsibilities of each Eligible Director, and various other circumstances, and with the aim of further enhancing the motivation of the Eligible Directors, we have decided that the total monetary claims to be paid as contribution property for acquiring restricted stock shall be 18,832,500 yen (hereinafter referred to as the "Monetary Claims"), and the number of common shares to be disposed of by the Company shall be 4,500 shares.

In this Disposition of Treasury Shares, based on the Plan, the 8 Eligible Directors who are the planned allottees will make payment through contribution in kind using all of their monetary claims against the Company as contribution property and subscribe for the common shares to be disposed of by the Company.

3. Outline of the Allocation Agreement

The outline of the Allocation Agreement that the Company plans to conclude with the Eligible Directors in connection with this Disposition of Treasury Shares is as follows.

(1) Transfer restriction period

The period from July 14, 2026 until the later of the date on which the Eligible Director retires from the position of director of the Company or other position determined by the Company's Board of Directors, or the date on which the Company's semi-annual report for the fiscal year containing the payment date is submitted

(2) Conditions for release of transfer restriction

On the condition that the Eligible Director has continuously held the position of director of the Company or other position determined by the Company's Board of Directors during the period until the conclusion of the ordinary general meeting of shareholders concerning the last fiscal year ending within one year from the payment date (hereinafter referred to as the "Service Period"), the transfer restriction on all of the Allocated Shares held by the Eligible Director at that time shall be released upon the expiration of the transfer restriction period.

However, in the event that the Eligible Director retires during the Service Period due to expiration of term, mandatory retirement age, or other justifiable reasons, the transfer restriction shall be released for the number of shares described in (3)(ii) below.

(3) Treatment in the event that an Eligible Director retires during the Service Period due to expiration of term, mandatory retirement age, or other justifiable reasons

In the event that an Eligible Director retires from the position of director of the Company or other

position determined by the Company's Board of Directors for justifiable reasons or due to death during the Service Period, the Company shall automatically acquire without consideration the number of Allocated Shares calculated by subtracting the number in (ii) below from the number in (i) below, immediately after such retirement.

(i) The Allocated Shares

(ii) The number calculated by multiplying the number of Allocated Shares by the number of months from the month following the month containing the Company's ordinary general meeting of shareholders immediately preceding the payment date to the month containing the date on which the Eligible Director retired from the position of director of the Company or other position determined by the Company's Board of Directors, divided by 12 (however, if the calculation results in fractional shares less than one trading unit, such fractions shall be rounded down).

(4) Acquisition of Allocated Shares without consideration by the Company

The Company shall automatically acquire without consideration all restricted shares for which the transfer restriction has not been released at the time of expiration of the transfer restriction period, immediately after such time.

(5) Management of the Allocated Shares

The Allocated Shares shall be managed in a dedicated account opened by the Eligible Directors at Mizuho Securities Co., Ltd. during the transfer restriction period to ensure that no transfer, establishment of security interests, or other disposition can be made during the transfer restriction period. The Company has concluded an agreement with Mizuho Securities Co., Ltd. regarding the management of accounts for the Allocated Shares held by each Eligible Director to ensure the effectiveness of the transfer restrictions, etc. on the Allocated Shares, and the Company has also separately obtained consent from the Eligible Directors regarding the contents of such transfer restrictions, etc.

(6) Treatment in the Event of Organizational Restructuring, etc.

In the event that during the transfer restriction period, matters concerning a merger agreement in which the Company becomes the absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other organizational restructuring are approved at 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, at the Company's Board of Directors) (limited to cases where the effective date of the organizational restructuring falls before the expiration of the transfer restriction period), by resolution of the Company's Board of Directors, the transfer restriction shall be released as of the time immediately prior to the close of business on the business day immediately preceding the effective date of such organizational restructuring for the number of Allocated Shares calculated by multiplying the number of Allocated Shares held by the Eligible Director on the date of such approval (hereinafter referred to as the "Organizational

Restructuring Approval Date") by the number of months from the month following the month containing the Company's ordinary general meeting of shareholders immediately preceding the disposition date to the month containing the Organizational Restructuring Approval Date, divided by 12 (however, if the calculation results in any shares less than one trading unit, such shares shall be rounded down).

4. Basis for calculation of the payment amount and specific details

This Disposition of Treasury Shares is being conducted as a disposition of treasury shares based on the Plan. Therefore, in order to set the disposition price as a value free from arbitrariness, the disposition price has been set at 4,185 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on June 12, 2026 (the business day preceding the date of the Board of Directors resolution). This is the market share price immediately prior to the date of the Board of Directors resolution concerning this Disposition of Treasury Shares, and we consider it to be reasonable.

End