



(Securities Code 7616 TSE PRIME)

July 15, 2025

To whom it may concern,

Company COLOWIDE Co., Ltd.
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Notice Concerning Disposal of Treasury Shares as Restricted Share Remuneration

The Company hereby announces that its Board of Directors has resolved at a meeting held today to dispose of treasury shares (hereinafter referred to as the “Disposal of Treasury Shares” or “Disposal”) as described below.

1. Summary of Disposal

(1) Disposal date	August 12, 2025
(2) Type and number of shares to be disposed	23,500 shares of common share of the Company
(3) Disposal value	1,878 yen per share
(4) Disposal total amount	44,133,000 yen
(5) Disposal destination, number of persons, and number of shares disposed	A total of 23,500 shares will be granted to four directors of the Company (excluding directors who are members of the Audit and Supervisory Committee 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 establish a restricted share remuneration plan (hereinafter referred to as “this Plan”) for the purpose of securing talented management personnel, providing incentives for the sustainable improvement of the Company's corporate value, and further promoting value sharing with shareholders by granting share remuneration to the Company's directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors), executive officers who do not concurrently serve as directors, as well as certain directors of the Company's subsidiaries (hereinafter collectively referred to as the “Target Directors, etc.”). In addition, at the 59th Annual General Meeting of Shareholders to be held on June 24, 2021, based on this system, the Company was approved to pay monetary remuneration (hereinafter referred to as “restricted share remuneration”) to the Target Directors as consideration for the transfer of shares subject to transfer restrictions, in the form of monetary claims of up to 150 million yen per year, and issue or dispose of up to 50,000 shares of the Company's common share per year, and that the transfer restriction period for restricted shares shall be from the date of allocation of the Company's common shares pursuant to the restricted share allocation agreement to be concluded between the Company and the Target Directors until the date of retirement or resignation from the position of director, executive officer, or employee (hereinafter referred to as “Officers, etc.”) of the Company or its subsidiaries.

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

The summary of this system is as follows.

[Summary of this system, etc.]

The Target Directors, etc. shall pay all monetary claims paid by the Company or its consolidated subsidiaries based on this system as in-kind contributions and receive shares of common share of the Company. The amount to be paid for each 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 the resolution of the Board of Directors (or, if no trading was conducted on that date, the closing price on the most recent trading day preceding that date), within the range that is not particularly advantageous to the directors, etc. who are to subscribe for the common shares.

In addition, when issuing or disposing of the Company's common shares under this system, the Company shall enter into a share allocation agreement with transfer restrictions with the Target Directors, etc., which shall include the following provisions: (i) The Target Directors, etc. shall be prohibited from transferring, pledging as collateral, or otherwise disposing of the Company's common shares allocated to them under the share allocation agreement with transfer restrictions to any third party for a certain period of time; and (ii) The Company shall acquire the common shares without consideration in the event that certain events occur.

This time, after consulting with the Nomination and Remuneration Advisory Committee, and taking into consideration of the purpose of this system, the business conditions of the Company, the scope of responsibilities of each eligible director, and various other circumstances, we have decided to grant a total of 44,133,000 yen in monetary claims (hereinafter referred to as "monetary claims") and 23,500 shares of common share to each eligible director for the purpose of further improving their motivation.

In the disposal of treasury shares, the six Target Directors, etc. who are the allottees will pay in all of the principal amount of the monetary claims provided by the Company or its consolidated subsidiaries as in-kind contributions and will be allotted common shares of the Company (hereinafter referred to as the "Allotted Shares"). The outline of the share allocation agreement with transfer restrictions (hereinafter referred to as the "Allocation Agreement") to be concluded between the Company and the Target Directors, etc. in connection with the disposal of treasury shares is as described in 3. below.

3. Summary of the Allocation Agreement

(1) Restriction period on transfer

From August 12, 2025, until the date of resignation or retirement from any position as an employee or other position.

(2) Lifting of transfer restrictions

The Company shall lift the transfer restrictions on the shares at the time of retirement or resignation of the directors, etc. who have been granted the Allotted Shares, provided that such directors, etc. have retired or resigned from their positions as officers or employees of the Company due to the expiration of their terms of office, reaching retirement age, death, inability to perform their duties or work due to illness, resignation or retirement for reasons not attributable to themselves, or other reasons deemed valid by the Board of Directors of the Company (hereinafter referred to as "Valid Reasons").

(3) Treatment in the event of reorganization, etc.

If, during the transfer restriction period, a merger agreement whereby the Company becomes the dissolving company, a share exchange agreement or share transfer plan whereby the Company becomes a wholly owned subsidiary, or other matters related to reorganization, etc. 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 reorganization, etc., by the Company's board of directors), all transfer restrictions on the Allotted Shares held at that time shall be released by resolution of the Board of Directors. However, if the effective date of the reorganization, etc. falls between the conclusion of the Company's Annual General Meeting of Shareholders and the conclusion of the next Annual General Meeting of Shareholders (hereinafter referred to as the "Service Period"), the number of shares granted during the Service Period shall be divided by 12 (any fraction less than one share shall be rounded down) and the number of months from July 1 to the date approved at the relevant shareholders' meeting (any fraction less than one month shall be rounded down) shall be multiplied to obtain the number of shares for which the transfer restriction shall be lifted immediately before the business day immediately preceding the effective date of the Reorganization, etc.

(4) Acquisition without consideration

The Company shall, if the Target Directors, etc. who have been granted the Allotted Shares violate laws and regulations during the Transfer Restriction Period or fall under certain circumstances specified in the Allocation Agreement, acquire all of the Allotted Shares without consideration at that point in time. In addition, if any of the Target Directors, etc. who have been granted the Allotted Shares resign or retire from their positions as officers or employees, or if there are any Shares subject to transfer restrictions that have not been released at the time of the effective date of the Reorganization, etc., the Company shall automatically acquire such Shares without compensation. However, if the Target Director, etc. leaves his/her position during the Service Provision Period for a valid reason, the Company shall automatically acquire the number of shares calculated by dividing the number of shares to be granted by 12 (any fraction less than one share shall be rounded down) and multiplying the result by the number of months remaining in the Service Provision Period (calculated as the number of months remaining from July to June of the following year, with any portion of a month counted as a full month) at no consideration.

(5) Management of shares

The Allotted Shares shall be managed in a special account opened by Nomura Securities Co., Ltd. for the Target Directors, etc. during the Transfer Restriction Period so that they cannot be transferred, pledged as collateral, or otherwise disposed of during the Transfer Restriction Period. The Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of accounts for the Allotted Shares held by each Target Director, etc. in order to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares.

4. Basis for calculating the payment amount and specific details

The disposal of treasury shares to the allottees will be made by contributing the monetary claims paid as restricted share remuneration for the Company's 64th fiscal year under this system as capital assets. In order to eliminate arbitrariness in the disposal value, the disposal value has been set at 1,878 yen, which is the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on July 14, 2025 (the business day prior to the date of the resolution of the Board of Directors). This is the market price immediately prior to the date of the resolution of the Board of Directors, and we believe that it is reasonable and not particularly advantageous.

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