



June 25, 2025

To All Concerned,

Company Name VALQUA, LTD.
 Representative Name Toshiharu Takisawa, Representative
 Director, President and COO
 (Code: 7995, TSE Prime Market)
 Contact Yuko Kishi, General Manager,
 Human Resources Group
 (TEL. 03-5434-7373)

Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

VALQUA, LTD. (“VALQUA” or the “Company”) hereby announces that, at a meeting of its Board of Directors held on June 25, 2025, the Company resolved to dispose of treasury shares (hereinafter, the “Disposal of Treasury Shares”) as restricted stock compensation, as described below.

1. Outline of the Disposal

(1)	Date of the disposal	July 18, 2025
(2)	Class and number of shares to be disposed of	Common stock of the Company 26,900 shares
(3)	Disposal price	2,979 yen per share
(4)	Total value of disposal	80,135,100 yen
(5)	Planned recipients	Directors of the Company (*) 3persons 13,100 shares Executive Officers of the Company 15 persons 13,800 shares (including those treated as equivalent to Executive Officers) *Excluding Outside Directors.

2. Purpose and Reason for the Disposal

VALQUA resolved, at a meeting of its Board of Directors held on May 14, 2019, to introduce a stock-based compensation plan (hereinafter, the “Plan”) under which Directors of the Company (excluding Outside Directors) are granted restricted shares with the aim of having them share the benefits and risks of share price fluctuations with shareholders and further increasing their motivation to contribute to increasing the share price and enhancing corporate value. In addition, at the 119th Annual General Meeting of Shareholders of the Company held on June 20, 2019, approval was given to set the total amount of monetary compensation claims to be paid as compensation, etc. for restricted shares to Directors of the Company (excluding Outside Directors) under the Plan within the compensation limit for Directors of the Company (no more than 500 million yen per year, including the amount for Outside Directors, which should be no more than 60 million yen per year; however, this does not include employee salaries for Directors who concurrently serve as

employees) approved at the 118th Annual General Meeting of Shareholders of the Company held on June 20, 2018, and to set the maximum number of restricted shares to be allotted to Directors of the Company (excluding Outside Directors) in each fiscal year at 30,000 shares. Further, approval was also given to set the transfer restriction period of the restricted shares to no less than 30 years, as determined by the Board of Directors of the Company.

Today, at a meeting of its Board of Directors, the Company resolved to allot 26,900 shares of the Company's common stock as specified restricted stock by providing monetary compensation claims totaling 80,135,100 yen to 3 Directors (excluding Outside Directors) and 15 Executive Officers (including those treated as equivalent to Executive Officers) of the Company, who are prospective allottees, (hereinafter, the "Eligible Allottees"), as restricted stock compensation for the period from the 125th Annual General Meeting of Shareholders of the Company to the 126th Annual General Meeting of Shareholders of the Company to be held in June 2026, and having the Eligible Allottees contribute all of said monetary compensation claims in kind in exchange for said shares of common stock. The amount of monetary compensation claims for each Eligible Allottee has been determined by comprehensively considering various factors, such as the degree of contribution of each Eligible Allottee to the Company. Further, said monetary compensation claims are to be granted conditional on each Eligible Allottee's conclusion of a restricted stock allotment agreement (hereinafter, an "Allotment Agreement") with the Company, which generally includes the following details.

The transfer restriction period is set at 30 years in order to realize the purpose of the introduction of the Plan, which is to have the Eligible Allottees share the benefits and risks of share price fluctuations with shareholders and to further increase their motivation to contribute to increasing the share price and enhancing corporate value, over as long a term as possible.

3. Outline of Allotment Agreement

(i) Transfer restriction period

July 18, 2025 – July 17, 2055

During the transfer restriction period specified above (hereinafter, the "Transfer Restriction Period"), an Eligible Allottee is not allowed to transfer, pledge, create a transfer security interest over, gift during his/her lifetime, bequeath or otherwise dispose of restricted shares allotted to the relevant Eligible Allottee (the "Allotted Shares") to a third party (hereinafter, "Transfer Restriction").

(ii) Acquisition of the restricted stock without consideration

If an Eligible Allottee retires or resigns from all positions as a Director, Auditor, Executive Officer (including those treated as equivalent to Executive Officers) and/or employee of the Company before the day immediately preceding the date of the first Annual General Meeting of Shareholders of the Company that is held on or after the commencement date of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without consideration at the time of such retirement or resignation, except where there is a reason deemed justifiable by the Board of Directors of the Company.

Further, if the Transfer Restriction for some of the Allotted Shares has not been lifted upon the expiration of the Transfer Restriction Period (hereinafter, the "Expiration Time") in accordance with the grounds for lifting the Transfer Restriction specified in (iii) below, the Company shall automatically acquire such Allotted Shares without consideration immediately after the expiration of the Transfer Restriction Period.

(iii) Lifting of the Transfer Restriction

The Company shall lift the Transfer Restriction for all of the Allotted Shares held by an Eligible Allottee as of the Expiration Time, provided that (s)he has held any of the positions of Director, Auditor, Executive Officer (including those treated as equivalent to Executive Officers) or employee of the Company continuously from the commencement date of the Transfer Restriction Period until the date of the first Annual General Meeting of Shareholders of the Company held after the commencement date. However, if an Eligible Allottee retires or resigns from all positions as a Director, Auditor, Executive Officer (including those treated as equivalent to Executive Officers) and/or employee of the Company for a reason deemed justifiable by the Board of Directors of the Company before the Transfer Restriction Period expires, the Transfer Restriction shall be lifted immediately after his/her retirement or resignation with respect to the number of Allotted Shares determined by multiplying the number of months from July 2025 up to the month of his/her retirement or resignation from all positions as a Director, Auditor, Executive Officer (including those treated as equivalent to Executive Officers) and/or employee of the Company, divided by 12 (however, if the calculation result exceeds 1, it shall be 1), by the number of the Allotted Shares held by the Eligible Allottee at that time (however, if any fractional share arises as a result of the calculation, it shall be omitted).

(iv) Provision on the management of the shares

An Eligible Allottee shall complete the opening of an account with SMBC Nikko Securities Inc. in the manner designated by the Company, in order to list or record the Allotted Shares, and shall hold and maintain the Allotted Shares in the said account until the Transfer Restriction is lifted.

(v) Handling in the event of corporate restructuring, etc.

If, 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 other proposals on corporate restructuring, etc. are approved at a general meeting of shareholders of the Company (or by the Board of Directors of the Company, if the relevant corporate restructuring, etc. does not require approval by a general meeting of shareholders of the Company) (but only limited to where the effective date of the relevant corporate restructuring, etc. falls before the Expiration Time; hereinafter, “if organizational restructuring, etc. is approved”), and if an Eligible Allottee retires or resigns from all positions as a Director, Auditor, Executive Officer (including those treated as equivalent to Executive Officers) and/or employee of the Company as a result of said corporate restructuring, etc., the Company shall, immediately prior to the business day immediately preceding the effective date of the relevant corporate restructuring, etc., lift the Transfer Restriction with respect to the number of Allotted Shares determined by multiplying the number of months from July 2025 to the month of the relevant approval, divided by 12 (however, if the calculation result exceeds 1, it shall be 1), by the number of the Allotted Shares held by the Eligible Allottee on the day of the relevant approval (however, if a fractional share arises as a result of the calculation, it shall be omitted), pursuant to a resolution of its Board of Directors.

In addition, if organizational restructuring, etc. is approved, on the business day immediately prior to the effective date of the said corporate restructuring, etc., the Company shall automatically acquire, without compensation, all of the Allotted Shares for which the Transfer Restriction has not been lifted.

4. Basis for the Calculation of the Amount to Be Paid in and Specific Details Thereof

The disposal price for the Disposal of Treasury Shares is set at 2,979 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution by the Board of Directors of the Company (June 24, 2025), in order to eliminate arbitrariness in setting the price. This is the market share price immediately prior to the date of the resolution by the Board of Directors of the Company, and accordingly we believe that it is reasonable and do not consider it a particularly favorable value.

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