



May 14, 2026

Company name: HEIWADO CO., LTD.

Representative: Masashi Hiramatsu, Representative Director, Executive
President and CEO

(Securities code: 8276, Tokyo Stock Exchange Prime
Market)

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Notice Regarding Disposal of Treasury Shares Based on a Performance-Linked Restricted Share Remuneration Plan

HEIWADO CO., LTD. (the “Company”) has introduced, on the basis of approval at the 67th Annual General Meeting of Shareholders held on May 16, 2024, a performance-linked restricted share remuneration plan using Performance Share Units (“PSUs”) (the “Plan”) for Directors of the Company excluding Directors who are members of the Audit and Supervisory Committee (the “Eligible Directors,” excluding Outside Directors). The Company hereby announces that it has resolved, at a meeting of the Board of Directors held on May 14, 2026, to dispose of treasury shares on the basis of the PSUs that were granted in 2025 (the “Disposal of Treasury Shares”) under the Plan, as described below. For the overview of the Plan, please see the “Notice Concerning Introduction of a Performance-Linked Restricted Share Remuneration Plan” dated April 4, 2024.

1. Overview of the Disposal of Treasury Shares

(1) Payment date	June 12, 2026
(2) Class and number of shares to be disposed of	Common shares in the Company: 1,974 shares
(3) Disposal value	2,641yen per share
(4) Total value of Disposal	5,213,334yen
(5) Party to whom shares will be disposed of	Five Directors of the Company (*), 1,974shares * Directors who are members of the Audit and Supervisory Committee and Outside Directors are excluded.

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

The Company reviewed its directors' remuneration system and resolved to introduce the Plan for Eligible Directors at the meeting of the Board of Directors held on April 4, 2024. And it was approved at the 67th Annual General Meeting of Shareholders held on May 16, 2024 that the total number of common shares in the Company to be issued or disposed of to the Eligible Directors under the Plan shall be 25,000 shares or less per year (However, if a stock split of the common shares in the Company (including allotment of common shares in the Company without contribution) or a reverse stock split occurs, the maximum number will be adjusted according to the split or reverse split ratio), and that the amount shall be 50 million yen or less per year, which is within the existing remuneration framework (250 million yen or less per year exclusive of the amount of employee salaries to Directors who concurrently serve as employees) approved at the 59th Annual General Meeting of Shareholders held on May 19, 2016.

The Company has resolved, at the meeting of the Board of Directors held on May 14, 2026, to provide five Eligible Directors with a total amount of 5,213,334 yen as monetary compensation claims, have such Eligible Directors pay out such monetary compensation claims as property contributed in-kind, and dispose of 1,974 common shares in the Company under the Plan.

3. Overview of the Plan

The Plan is a performance-linked restricted share remuneration plan using PSUs that grants common shares in the Company (the "Shares") as remuneration to the Eligible Directors. The number of shares to be granted is determined based on the degree of achievement of numerical targets set in advance by the Board of Directors for the performance during the period from the start date of each business year of the Company to the end date of the business year (the "Evaluation Period") and the position of the Eligible Directors. The Plan places certain transfer restrictions on the Shares to be granted (However, if the Eligible Directors retire or resign as Director of the Company or other positions specified by the Board of Directors of the Company prior to the grant of the Shares, the Plan shall place no transfer restrictions on the common shares in the Company to be granted.).

The Disposal of Treasury Shares is based on the PSUs that were granted in 2025. The Evaluation Period for such PSUs is from February 21, 2025 to February 20, 2026. As evaluation indicators, the operating profit margin, ROIC (return on invested Capital), and other non-financial indicators specified by the Board of Directors of the Company are used.

In granting the Shares under the Plan, transfer restrictions and other conditions are imposed on the Shares as outlined below.

(1) Period of restriction on transfer

The Eligible Directors may not transfer, put up as collateral, or dispose of in any other way the Shares allotted (the "Allotted Shares") during the period from June 12, 2026 (the payment date) to the date on which the Eligible Directors retire as both Director and Corporate Officer of the Company (Excluding cases where the Eligible Directors assume or reassume such position at the same time they retire. The same applies hereinafter.) (If the point in time when a semiannual report relating to the business year, to which the date of granting of the Shares belongs, is submitted is later than such date, the point in time when such report is submitted) (the "Period of Restriction on Transfer").

(2) Conditions for canceling restriction on transfer

At the point in time when the Period of Restriction on Transfer expires, the Company shall cancel the restriction on transfer on all the Allotted Shares held by the Eligible Directors at the point in time when the Period of Restriction on Transfer expires. However, in cases where the Eligible Directors retire as both Director and Corporate Officer of the Company during the Period of Restriction on Transfer for reasons that are considered justifiable by the Board of Directors of the Company, including death, the Company shall cancel the restriction on transfer on all the Allotted Shares held by the Eligible Directors at the point in time of such retirement.

(3) Free acquisition by the Company

If an Eligible Director is in violation of laws and regulations or internal regulations, or meets any of the conditions specified by the Board of Directors of the Company as justifying the acquisition of the Allotted Shares at no cost, the Company shall acquire the Allotted Shares naturally and at no cost.

(4) Management of shares

In order to prevent the Allotted Shares from being transferred, put up as collateral, or disposed of in any other way during the Period of Restriction on Transfer, the Allotted Shares shall be managed in the exclusive account for transfer-restricted shares at Daiwa Securities Co. Ltd. opened by the Eligible Directors during the Period of Restriction on Transfer.

(5) Handling of organizational restructuring, etc.

If, during the Period of Restriction on Transfer, matters regarding a merger agreement in which the Company becomes an absorbed company, a share exchange agreement in which it becomes a wholly-owned subsidiary, or share transfer plan or another form of organizational restructuring are approved at a General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company in cases where approval by a General Meeting of Shareholders of the Company is not required for such restructuring), the Company shall, on the basis of the resolution of the Board of Directors of the Company, cancel the restriction on transfer on all the Allotted Shares at the point in time immediately before the business day preceding the date on which the organizational restructuring becomes effective.

4. Calculation basis of payment amounts and relevant details

To eliminate arbitrariness in the disposal value of the subject shares for Disposal of Treasury Shares to allottees, the Company decided to adopt 2,641yen, which was the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on May 13, 2026, which is the business day immediately preceding the day of the resolution of the Board of Directors. The Company believes that the price is a market share price immediately prior to the date of the resolution of the Board of Directors, and that the price is reasonable and is not particularly advantageous to allottees.