

July 15, 2025

Company name: IWAKI CO.,LTD.
Name of representative: Shigeru Fujinaka, President
(Code#: 6237; Tokyo Stock
Exchange Prime market)
Inquiries: Tomohiro Azuma, Senior General
Manager of General Affairs Head
Office
(Telephone: (81)3-3254-2931)

Notice Concerning Disposal of Treasury Shares for Restricted Stock Compensation

IWAKI CO.,LTD. (the "Company") hereby announces that it has resolved, at the Board of Directors meeting held today, to dispose of treasury shares as follows. (hereinafter referred to as the "Disposal of Treasury Shares.")

1. Overview of the Disposal of Treasury Shares

(1) Payment date	August 1, 2025
(2) Class and number of shares to be disposed	26,772 common shares of the Company
(3) Disposal price	2,555 yen per share
(4) Total disposal price	68,402,460 yen
(5) Planned Allottee	Directors (excluding Outside Directors) 2 persons 22,145 shares Executive 7 persons 4,627 shares

2. Purpose and reason for the Disposal of Treasury Shares

At the 63 th Annual General Meeting of Shareholders held on June 28, 2018, the Company has decided to introduce a new compensation system for Eligible Directors with the aim of providing the Company Directors (Excluding Outside Directors, hereinafter referred to as "Eligible Directors".) with incentives to achieve sustainable improvement of the Company's medium- to long-term corporate value and shareholder value, and for the Eligible Directors to further share value with shareholders. In addition to the existing monetary compensation, the granting of Restricted Stock to Eligible Directors was approved. At the 66 th Annual General Meeting of Shareholders held on June 29, 2021, the Company partially revised this system in order to enhance the effectiveness of this system. (The revised Restricted Stock Compensation plan is referred to as the "Plan".)

The overview of the Plan is as follows.

< Overview of the Plan >

Restricted Stocks will be granted under the Plan by issuing or disposing of the Company's common shares in exchange for a contribution in kind of all monetary compensation claims paid to Eligible Directors.

The total number of shares of the Company's common shares to be issued or disposed of under the Plan shall be no more than 110,000 shares per annum and no more than 100 million yen per annum.

When issuing or disposing of the Company's common shares under the Plan, the Company and the Eligible Directors to be allotted shall enter into a Restricted Stock Allotment Agreement, which shall include the following matters:

- ① The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted to them under the Restricted Stock Allotment Agreement, during the period from the date of such shares to the date on which the Eligible Directors retire or retire from the position of Director of the Company or other positions specified by the Company Board of Directors.
- ② In the event that the Eligible Directors violate laws and regulations, internal rules or the Restricted Stock Allotment Agreement or fall under any other grounds specified by our company Board of Directors as grounds for which it is appropriate for the Company to acquire such shares without compensation, the Company shall acquire such shares without compensation.

The Company has also introduced a Restricted Stock Compensation plan similar to the Plan for senior our company employees (The Company refers to persons designated by the Board of Directors and is referred to as "Eligible Executive Employees".) in addition to the Eligible Directors.

At the Board of Directors meeting held today, the Company resolved to dispose of 26,772 shares of the Company's common stock (Hereinafter referred to as the "Allotted Shares") in exchange for an in-kind contribution of 68,402,460 yen in total monetary compensation claims to 2 Eligible Directors and 7 Eligible Executive Employees (The following are collectively referred to as "Recipients"), taking into consideration the purpose of the Plan, the scope of duties of each Recipients, and various other circumstances.

< Overview of Restricted Stock Allotment Agreement >

In conjunction with the Disposal of Treasury Shares, the Company and the Recipients will individually enter into a Restricted Stock Allotment Agreement, an outline of which is as follows.

(1) Transfer Restriction Period

The Recipients shall not transfer, create a security interest or otherwise dispose of the Allotted Shares during the period from August 1, 2025 (Payment date) until the date on which any director or senior member of the Company or the Company subsidiary retires [(with regard to Eligible Executive Employees among the Recipients of Grants, until the day on which any director, executive member, or employee of the Company or the Company Subsidiary Company resigns or retires (Provided, however, that the case of reappointment to the position of director or executive member of a subsidiary company of the Company or the Company upon such resignation or retirement shall be excluded))].

(2) Conditions for Lifting Transfer Restrictions

At the expiration of the Transfer Restriction Period, all of the Allotted Shares will be released from the transfer restriction on the condition that the Recipients has held the position of director or executive member of a subsidiary of the Company or the Company continuously during the period from the date of the Company Annual General Meeting of Shareholders immediately preceding the Allotment Date to the date of the Company Annual General Meeting of Shareholders to be held in the following year. (For Eligible Executive Employees, the period shall be from April 1, 2025 to March 31, 2026, hereinafter collectively referred to as the "Service Provision Period"). However, if the Recipients resigns or retires from the position described in (1) above during the Service Provision Period due to death or any other reason deemed justifiable by the Board of Directors of the Company, at the expiration of the Transfer Restriction Period, the transfer restriction shall be lifted for the Allotted Shares in the number obtained by multiplying the number of months from the month following the month including the Service Provision Period Commencement Date (in the case of the Eligible Executive Employees, the month including the Service Provision Period Commencement Date) to the month including the relevant resignation or retirement date by 12 by the number of Allotted Shares held by the Recipients (However, if the calculation results in fractions of less than one share, such fractions shall be rounded down.).

(3) Acquisition without compensation by the Company

(4) The Company shall acquire, as a matter of course, without consideration the Allotted Shares on which the Transfer Restriction has not been lifted at the expiration of the Restriction Period. Management of Shares

During the Transfer Restriction Period, the Allotted Shares shall be managed in a dedicated account for Restricted Stock opened by the Recipient at Daiwa Securities Co., Ltd., so that the Allotted Shares cannot be transferred, secured or otherwise disposed of during the Transfer Restriction Period.

(5) Treatment in the event of organizational restructuring, etc.

In the event that a merger agreement under which the Company becomes an extinct company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary company, or any other matters related to organizational restructuring, etc. are approved by a general meeting of shareholders of the Company (However, in cases where approval by the shareholders meeting of the Company is not required for the Reorganization, etc., the Board of Directors of the Company) during the Restriction on Transfer Period (However, this shall be limited to cases where the effective date of the Reorganization, etc. arrives before the expiration of the Transfer Restriction Period.), and if the Board of Directors deems it appropriate, the Company shall, as a matter of course, acquire the Allotted Shares, which shall be the number of the Shares held by the Recipient as of the Effective Date, less the number of months from the month following the month including the Service Provision Period Commencement Date (in the case of the Eligible Executive Employees among the Recipients, the month including the Service Provision Period Commencement Date) to the month including the Organizational Restructuring, etc. by 12 (However, if the result of the calculation exceeds 1, it shall be 1.) multiplied by the number of the Allotted Shares held as of the Effective Date (However, if the calculation results in fractions of less than one share, such fractions shall be rounded down.), without charge, on the business day immediately preceding the Organizational Restructuring, etc.

3. Basis for calculating the amount to be paid in and the specific details thereof

The Disposal of Treasury Shares is to be carried out with monetary compensation claims paid to the Scheduled Allottees based on the Plan as investment property, and the amount to be paid in is 2,555 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange as of July 14, 2025 (the business day immediately preceding the date of the resolution of the Board of Directors), in order to make the value free from arbitrariness. This value is the market share price immediately prior to the date of the resolution of the Board of Directors, and the Company believes that it is a reasonable value that appropriately reflects the corporate value of the Company, and does not fall under the value that is particularly advantageous to the Recipients, in a situation where there are no special circumstances that indicate that the Company cannot rely on the most recent share price.

Note: This document has been translated from a part of 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.
