July 3, 2025

Company name: World Co., Ltd.
Representative: Nobuteru Suzuki
Representative Director of the Board, President and Executive Officer
(Securities code: 3612; Prime Market of TSE)
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Announcement on Decrease of "Capital Reserve" Amount that will Increase due to Share Exchange and Transfer to "Other Capital Surplus

At the Board of Directors Meeting held on July 3, 2025, World Co., Ltd. resolved to decrease the "capital reserve" amount and transfer the decreased amount to "other capital surplus", as described below. Please note that this will not affect our company's financial results.

1. Purpose of the decrease of the capital reserve amount

As per today's"Announcement on the Conclusion of the Share Exchange Agreement (Simplified Share Exchange) for making NARUMIYA INTERNATIONAL Co., Ltd. a 100% subsidiary by World Co., Ltd.", we plan to execute a share exchange through which our company will become a wholly owning parent company resulting from the share exchange and NARUMIYA INTERNATIONAL Co., Ltd. (hereinafter referred to as "NARUMIYA"), our company's consolidated subsidiary, will become a wholly owned subsidiary company resulting from the share exchange (hereinafter referred to as "this share exchange") having the effective date of October 1, 2025 (planned). Therefore, we have decided to decrease the total increased amount of the "capital reserve" that would increase due to this share exchange and transfer such an amount to the "other capital surplus" at the same time when this share exchange would become effective so that our company would be able to implement a flexible capital policy after this share exchange.

For the details of this share exchange, please refer to today's "Announcement on the Conclusion of the Share Exchange Agreement (Simplified Share Exchange) for making NARUMIYA INTERNATIONAL Co., Ltd. a 100% subsidiary by World Co., Ltd.".

2. Summary of the decrease of the capital reserve amount

We shall decrease the capital reserve amount as described below on the effective date of this share exchange with an increase of our company's capital reserve amount due to this share exchange as a condition precedent.

（1） The capital reserve amount to be decreased
The increased amount of the capital reserve due to this share exchange
*1 As per the share exchange agreement for this share exchange, it is stipulated that the increased amount of the capital reserve "shall be appropriately determined by our company in accordance with Article 39 of the Regulation on Corporate Accounting".
Our company plans to increase the capital reserve amount due to this share exchange and the actual

increased amount of this capital reserve shall be calculated following the provision stipulated in Article 39 of the Regulation on Corporate Accounting, based on the book value of our company's shares to be offered due to the new issuance of shares in exchange for this share exchange (the number of shares: 2,467,668 shares (planned)).

Our company's capital amount is not scheduled to increase due to this share exchange.

*2 The decrease of this capital reserve amount is to decrease the increased amount of the capital reserve due to this share exchange at the same time when this share exchange becomes effective. Therefore, our company's capital reserve amount after this share exchange becomes effective shall be the same amount as the capital reserve amount immediately prior to the time when this share exchange becomes effective.

（２） Treatment of the capital reserve amount to be decreased

The capital reserve amount to be decreased shall not be accounted for the capital amount, but for the other capital surplus in its entire amount.

（３） Method to decrease the capital reserve amount

We shall decrease the capital reserve amount by the resolution of the Board of Directors Meeting based on Article 448, Clause 3 of the Companies Act.

3. Schedule for the decrease of the capital reserve amount

（１）	Resolution date at the Board of Directors Meeting	July 3, 2025
（２）	Period for making objections by creditors (planned)	From August 27, 2025 to September 26, 2025
（３）	Effective date (planned)	October 1, 2025 (the same day as the effective date of this share exchange)

4. Future prospects

The decrease of the capital reserve amount through this accounting process is made by transferring a part of the capital reserve amount to the other capital surplus and there is no change in our company's net equity amount and no impact on our company's financial results.

We will inform you of the actual decreased amount of the capital reserve in due course as soon as it is finalized.

Concluded