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November 19, 2026

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Notice Concerning the Disposal of Treasury Shares as Restricted Stock Remuneration

Shinwa Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of treasury shares as restricted stock remuneration as described below (hereinafter referred to as the "Disposal of Treasury Shares" or the "Disposal").

1. Outline of the Disposal

(1) Disposal date	December 11, 2026
(2) Type and number of shares to be disposed of	13,700 shares of its common shares
(3) Disposal price	¥2,714 per share
(4) Total disposal price	¥37,181,800
(5) Allottees, number thereof, and number of shares to be disposed	Five Directors of the Company*: 10,300 shares Six Executive Officers of the Company: 3,400 shares ※ Excluding Outside Directors and Directors who are Audit and Supervisory Committee Members.
(6) Other	Regarding the Disposal of Treasury Shares, we have submitted a securities notification pursuant to the Financial Instruments and Exchange Act.

2. Objective and reason for the Disposal

At a Board of Directors meeting held on October 12, 2017, the Company introduced the Restricted Stock Remuneration Plan (hereinafter referred to as "the Plan") as a remuneration system for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; hereinafter referred to as "Eligible Directors"). This Plan aims to provide incentives for the sustained enhancement of the Company's corporate value and to promote further value sharing with shareholders. Furthermore, at the 67th Annual General Meeting of Shareholders held on November 16, 2017, approval was obtained to provide monetary remuneration of up to ¥50 million annually to the Eligible Directors as contributed assets for acquiring restricted shares under the Plan; and to limit the total number of common shares issued or disposed of by the Company

under the Plan to no more than 50,000 shares per year to the Eligible Directors.

In addition, at the 73rd Annual General Meeting of Shareholders held on November 16, 2023, with respect to the outline of the Plan approved at the 67th Annual General Meeting of Shareholders, approval was obtained to amend the transfer restriction period applicable to restricted stock to the period until the date on which the Eligible Director ceases to hold any position as a director of the Company or any other position determined by the Board of Directors, and to make the necessary revisions accordingly.

Furthermore, we have introduced a restricted stock grant plan similar to the Plan for our executive officers, with the aim of providing incentives to sustainably enhance our corporate value and of promoting further value sharing with our shareholders.

This Disposal of Treasury Shares will be implemented as part of the Plan for the Eligible Directors and the Company's executive officers (hereinafter referred to as the “Grantees”).

Taking into consideration the purpose of the Plan, the Company's performance, the scope of responsibilities of the Grantees, and various circumstances, the monetary remuneration claim (monetary claim) for granting restricted stock is a total of ¥37,181,800 (hereinafter referred to as the “Monetary Claim." Of this amount, the total monetary remuneration claim for the Eligible Directors is ¥27,954,200) and the number of the Company's common shares to be allotted to the Grantees (hereinafter referred to as the “Allotted Shares”) is 13,700 shares (of which, the number of Allotted Shares for the Eligible Directors is 10,300 shares). In this Disposal of Treasury Shares, pursuant to the Plan, the eleven Grantees who are the planned allottees will pay in all of their Monetary Claims against the Company as in-kind contributions and will receive all of the Allotted Shares.

3. Outline of the share allotment agreement

The Company and the Eligible Directors will each enter into an individual share allotment agreement, which is outlined as follows. Furthermore, the Company intends to enter into broadly similar restricted stock allotment agreements with its executive officers, who are the planned allottees of this Disposal of Treasury shares.

(1) Transfer restriction period

The Eligible Directors may not transfer, pledge, or otherwise dispose of the Allotted Shares from December 11, 2026 (the payment date) until the date on which they cease to hold the position of Director of the Company.

(2) Conditions for lifting transfer restrictions

The transfer restrictions on all of the Allotted Shares shall be lifted upon the expiration of the transfer restriction period, provided that the Eligible Director has continuously held the position of Director of the Company from December 11, 2026 (the payment date) until the conclusion of the Annual General Meeting of Shareholders pertaining to the fiscal year ending August 31, 2027. However, if the Eligible Director dies, retires upon expiration of their term of office, or if the Board of Directors recognize other justifiable reasons, the transfer restriction shall be lifted for the number of shares calculated by multiplying the total number of Allotted Shares by a fraction obtained by dividing the number of months from the month including the payment date to the month including the date of resignation by 12 (provided that if the result of the calculation exceeds 1, it shall be 1). Any fractional shares resulting from this calculation shall be rounded down. In the event that the transfer restrictions are not lifted in accordance with the conditions for lifting such restrictions as stipulated above, the Company shall automatically acquire the Allotted Shares without

consideration after the time of such lifting.

(3) Management of stock

The Allotted Shares shall be managed in a dedicated account opened by the Eligible Director at Daiwa Securities Co. Ltd. during the transfer restriction period to ensure that they cannot be transferred, pledged, or otherwise disposed of during that period. The Eligible Directors have entered into agreements with Daiwa Securities Co. Ltd. regarding the management of the accounts holding the Allotted Shares held by each Eligible Director, to ensure the effectiveness of transfer restrictions and other conditions pertaining to the Allotted Shares.

(4) Handling the shares in the event of organizational restructuring, etc.

During the transfer restriction period, if a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other matters concerning organizational restructuring, etc., is approved by the Company's general meeting of shareholders (or, if such reorganization does not require approval by the Company's general meeting of shareholders, by the Company's Board of Directors), the transfer restrictions on a number of Allotted Shares, reasonably determined based on the period from the commencement date of the transfer restriction period to the date of approval of such reorganization, shall be lifted prior to the effective date of the reorganization, by resolution of the Company's Board of Directors. Furthermore, in the event of any of the cases specified above, the Company shall automatically acquire, without consideration, any of the Allotted Shares that remain subject to transfer restrictions immediately after the transfer restriction is lifted.

4. Basis for calculating the payment amount and specific details thereof

The disposal price for this Disposal of Treasury Shares is based on monetary remuneration claims (monetary claims) paid by the Company as restricted stock remuneration for the Company's 77th fiscal year based on the Plan, which are to be paid as contributed assets. The issue price has been set at ¥2,714, the closing price of the Company's common shares on the Tokyo Stock Exchange on November 18, 2026 (the business day preceding the Board of Directors' resolution date), to eliminate any arbitrariness. This represents the market share price immediately prior to the Board of Directors' resolution date, and in the absence of any special circumstances indicating that the most recent share price cannot be relied upon, we consider it to be a reasonable price that appropriately reflects the Company's corporate value and does not constitute a particularly favorable price for the Grantees. Furthermore, this price represents a deviation rate of ▲3.07% (rounded to the nearest third decimal place; the same hereinafter applies to the calculation of deviation rates) from the simple average closing price of ¥2,800 (amounts less than one yen are rounded down; the same applies hereinafter to the simple average closing prices) for the one-month period (October 19, 2026 to November 18, 2026) of our common shares on the Tokyo Stock Exchange, and a deviation rate of ▲8.06% from the simple average closing price of ¥2,952 for the three-month period (August 19, 2026 to November 18, 2026), and a deviation rate of ▲10.52% from the simple average closing price of ¥3,033 for the six-month period (May 19, 2026 to November 18, 2026). Therefore, we do not consider this to be a particularly favorable price.