

June 19, 2024

To Whom It May Concern:

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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Please be advised that at the Board of Directors held on June 19, 2024, Iwatani Corporation (hereinafter, “The Company”) resolved to dispose of treasury shares(the “Disposal of Treasury Shares” or “Disposal”)as follows.

1. Overview of the Disposal

(1)	Disposition date	July 18, 2024
(2)	Type and number of shares disposed	7,600 common shares in Iwatani
(3)	Disposal price	9,162 yen per share
(4)	Total amount of disposal price	69,631,200 yen
(5)	Assignees, the number thereof, and the number of shares disposed of	Member of the Board (excluding Outside Member of the Board) ; 8 persons; 7,600 shares

2. Purpose of and reasons for the Disposal

The Company resolved at the Board of Directors held on April 24, 2019, to introduce a new Restricted Stock Compensation Plan (hereinafter, the “Plan”), for Member of the Board (excluding Outside Member of the Board) (hereinafter, the “Eligible Member of the Board”) in order to provide long-term incentives and share shareholder value.

in addition, at the 76th Annual General Meeting of Shareholders held on June 19, 2019, the Company obtained approval for the provision of monetary compensation claims of up to 260 million yen per year to the Eligible Member of the Board as monetary compensation to be contributed for the acquisition of restricted stock(hereinafter, “Restricted Stock Compensation”) under the Plan, and for the transfer restriction period of the restricted stock to be set by 30 years.

An outline of the System is provided below.

【The outline of the Plan】

The Eligible Member of the Board will pay all of the monetary compensation claims provided by the Company based on the Plan as in-kind contribution assets, which shall be issued or disposed of as the common stock of the Company. In addition, the total number of common shares to be issued or disposed

of by The Company to the Eligible Member of the Board under this Plan will be up to 100,000 shares per year, and the payment amount per share will be determined by the Board of Directors within the scope that is not particularly advantageous to the Eligible Member of the Board who subscribe for such common shares based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution.

Moreover, issuing or disposing of the Company's common stock under the Plan shall require the conclusion of a transfer-restricted share allotment agreement between the Company and the Eligible Member of the Board, which includes content to the effect that ①for a certain period, the transfer of shares to a third party, the establishment of collateral rights and all other dispositions pertaining to the Allotted Shares shall be prohibited, and ②in the event of certain events occurring, the Company shall acquire the shares free of charge, etc.

At this point in time, in view of the purpose of the Plan, business performance of the Company, the scope of responsibility of the Eligible Member of the Board, and other relevant circumstances, with the aim of further increasing the motivation of each Eligible Member of the Board, it has been decided that a total of 69,631,200 yen in monetary claims (hereinafter, the "Monetary Claims") in 7,600 common shares shall be granted.

In the Disposal of Treasury Shares, the eight Eligible Member of the Board who are scheduled to receive allotments will pay all of the Monetary Claims granted in accordance with the Plan as in-kind contribution assets and shall be subject to the disposal of the Allotted Shares. An outline of the transfer-restricted share allotment agreement (hereinafter, the "Allotment Agreement") to be concluded between the Company and Eligible Member of the Board for the Disposal of Treasury Shares, is provided in section 3 below.

3. Overview of the Allotment Agreement

(1) No Transfer Period : July 18, 2024 to July 17, 2024

(2) Conditions for lifting the transfer restrictions

The transfer restrictions on all of the Allocated Shares will be lifted at the end of the transfer restriction period, provided that the Eligible Member of the Board continues to serve as a Member of the Board, executive officer not concurrently holding the position of Member of the Board, Audit & Supervisory Board Member, Advisor or Senior Advisor to the Board, or other equivalent position of the Company or one of its subsidiaries during the transfer restriction period.

(3) Treatment in the event that the Eligible Member of the Board resigns due to the expiration of his/her term of office, retirement age, or other legitimate reason during the transfer restriction period

① When to cancel the transfer restrictions

In the event that a Eligible Member of the Board resigns from his/her position as Member of the Board of the Company or any of its subsidiaries, Executive Officer not concurrently serving as Member of the Board, Audit & Supervisory Board Member, Advisor or Senior Advisor to the Board, or any other equivalent position due to the expiration of his/her term of office, retirement age, medical treatment, caring for or raising a relative, or any other legitimate reason, the transfer restrictions shall be lifted immediately after the Member of the Board 's resignation.

However, in the event of resignation due to death, the transfer restrictions shall be lifted at a time separately determined by the Board of Directors after the Eligible Member of the Board 's death.

②Number of shares subject to lifting the transfer restrictions

The number of Allotted Shares shall be calculated by multiplying the number of Allotted Shares held at the time of resignation specified in ① by the number obtained by dividing the term of office (in months) of the Eligible Member of the Board during the Transfer Restriction Period by 12 (if that number exceeds one, it will be rounded down to one). (Any fractional shares of less than one unit of stock resulting from the calculation shall be rounded down)

(4) Acquisition by the Company free of charge

The Company, when the restriction period expires or is canceled in the case described in (3) above, the Company shall automatically acquire the Allotted Shares whose transfer restrictions are not cancelled, without consideration.

(5) Management of the shares

The Allotted Shares are to be managed in a dedicated account opened by Nomura Securities Co., Ltd. During the transfer restriction period so that the shares cannot be transferred, have security rights allied, or be otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions, etc. of the Allotted Shares, the Company has signed an agreement with Nomura Securities Co., Ltd. related to the management of accounts for the Allotted Shares held by each Eligible Member of the Board.

In addition, the Eligible Member of the Board shall agree to how these accounts will be managed.

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

In case where, during the transfer restriction period, a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly owned subsidiary, or other matters regarding organizational restructuring, etc., is approved by a general meeting of shareholders of the Company (however, in cases where such organizational restructuring, etc., does not require approval from a general meeting of shareholders of the Company, by the Board of Directors of the Company), the Company shall lift the Transfer Restrictions as of the time immediately before the business day prior to the effective date of said organizational restructuring, etc., for the number of the Allotted Shares calculated by multiplying the number of the Allotted Shares held at such time by the number obtained (if such number exceeds 1, the number shall be rounded down to 1) by dividing the number of months between the month when the transfer restriction period started and the month to which the date of such approval belongs by 12 (however, if any fraction less than one share arises as a result of the above calculation, the fractional share shall be discarded).

Additionally, without consideration, the Company shall acquire all the Allotted Shares whose transfer restrictions are not cancelled as of the time immediately after the transfer restrictions are cancelled.

4. Calculation basis and details of the payment amount

The Disposal of Treasury Shares to the scheduled allottees shall be funded by the monetary compensation claims provided as Restricted Stock Compensation under the Plan for the 82th fiscal year of the Company. The company determined the disposal price to be 9,162 yen, the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 18, 2024 (the business day prior to the date of the resolution of the Board of Directors), in order to eliminate any arbitrariness in such price. As this is the market price immediately prior to the date of the resolution of the Board of Directors, the Company believes that it is rational and not a particularly an advantageous price.

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