



To whom it may concern:

June 26, 2025

Name of the Company: KAWADA TECHNOLOGIES,INC.
Name of the Representative: Tadahiro Kawada
Representative Director and President
(Stock Code: 3443; Prime Market of TSE)
Contact: Katsuhito Tada
Director, General Manager of General
Administration Headquarters
(Phone: +81-3-3915-7631)

Notice Regarding Disposal of Treasury Shares as Restricted Shares Remuneration

KAWADA TECHNOLOGIES,INC. (the “Company”) hereby announces that, at the Board of Directors meeting held today, the Company resolved the disposal of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”) as follows.

1. Summary of the Disposal

(1) Date of the Disposal	July 25, 2025
(2) Class and number of shares to be disposed of	Common shares of the Company 56,034 shares
(3) Value of the Disposal	¥3,855 per share
(4) Total value of the Disposal	¥216,011,070
(5) Allottees and the number thereof and the number of shares to be disposed of	Directors of the Company’s subsidiaries 17 persons, 36,270 shares (excluding Outside Directors) Executive Officers of the Company’s subsidiaries 24 persons, 19,764 shares
(6) Other	Regarding the Disposal of Treasury Shares, the Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and reason for the Disposal

To provide incentives for the sustainable enhancement of the Group’s corporate value and sharing profits with shareholders, the Company resolved at the Board of Directors meeting held on May 11, 2018 to introduce a restricted share-based remuneration plan (the “Plan”) that allots the Company’s common shares as an incentive plan for the Directors and Executive Officers (the “Eligible Directors, etc.”) of the Company’s consolidated subsidiaries KAWADA INDUSTRIES,INC., KAWADA CONSTRUCTION CO.,LTD., KAWADA TECHNOSYSTEM CO.,LTD. and KYOURYOU MAINTENANCE,INC. (the “Company’s Subsidiaries”). Under the Plan, the Eligible Directors, etc. shall pay to the Company all monetary remuneration claims to be paid to them by the Company’s Subsidiaries, in the form of property contributed in

kind, and shall, in return, receive common shares of the Company that shall be disposed of by the Company. In addition, the Disposal of the Company's common shares under the Plan shall be in accordance with an agreement on allotment of shares with transfer restrictions concluded between the Company and the Eligible Directors, etc. The agreement on allotment of shares with transfer restrictions shall include such provisions as (i) the Eligible Directors, etc. shall be prohibited from transferring, creating a security interest on, or otherwise disposing of the Company's common shares to be allotted under the agreement for a certain time period (the "Transfer Restriction Period"); and (ii) in the event that certain circumstances arise, the Company shall acquire said common shares without contribution.

At this time, the Company decided to pay a total amount of ¥216,011,070 in monetary remuneration claims (the "Monetary Remuneration Claims") and grant 56,034 common shares, taking into consideration the purpose of the Plan for the Eligible Directors, etc., the scope of responsibilities of each of the Eligible Directors, etc., and various other factors. In addition, in order to realize the purpose of introducing the Plan, which is to share the shareholder value over a long period of time, the Transfer Restriction Period has been set at 30 years.

For the Disposal of Treasury Shares, under the Plan, the 41 Eligible Directors, etc., who are the planned allottees, shall pay all of the Monetary Remuneration Claims to the Company, in the form of property contributed in kind, and shall, in return, receive common shares of the Company (the "Allotted Shares") that shall be disposed of by the Company. The summary of the agreement on allotment of shares with transfer restrictions (the "Allotment Agreement") to be concluded between the Company and the Eligible Directors, etc. for the Disposal of Treasury Shares is as described in 3. below.

3. Summary of the Allotment Agreement

(1) Transfer Restriction Period: From July 25, 2025 to July 24, 2055

(2) Conditions for lifting the transfer restrictions

The Company shall lift the transfer restrictions on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the Eligible Directors, etc. have continuously held the position at the Company's Subsidiaries of Director or Executive Officer who does not serve concurrently as Director during the Transfer Restriction Period.

(3) Treatment in the event an Eligible Director, etc. retires or resigns due to expiration of their term of office, attainment of retirement age or other justifiable reason during the Transfer Restriction Period

(i) Timing of lifting the transfer restrictions

In the event an Eligible Director, etc. retires from the position at the Company's Subsidiaries of Director or Executive Officer who does not serve concurrently as Director due to expiration of their term of office, attainment of retirement age or other justifiable reason (including retirement due to death), the transfer restrictions shall be lifted as of the time immediately following such retirement of the Eligible Director, etc.

(ii) Number of shares subject to lifting of the transfer restrictions

The number of shares shall be the number obtained by multiplying the number of Allotted Shares held at the time of the retirement or resignation as specified in (i) by the number obtained by dividing the period of service (in months) of the Eligible Director, etc. pertaining to the Transfer Restriction Period by 12 (if that number exceeds 1, 1 shall be used). (However, if the calculation results in a fraction of less than one share, it shall be rounded down.)

(4) Acquisition by the Company without contribution

Upon the expiration of the Transfer Restriction Period or upon the lifting of the transfer restrictions as specified in (3) above, the Company shall acquire the Allotted Shares for which transfer restrictions have not been lifted, by rights, without contribution.

(5) Administration of shares

The Company shall have the Eligible Directors, etc. open dedicated accounts at Nomura Securities Co., Ltd. for the management of the Allotted Shares during the Transfer Restriction Period, so the Eligible Directors, etc. cannot transfer, create a security interest on, or otherwise dispose of the shares during the Transfer Restriction Period. The Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the accounts of the Allotted Shares held by each of the Eligible Directors, etc. in order to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares. In addition, the Eligible Directors, etc. shall agree to the details of the management of such accounts.

(6) Treatment during reorganization, etc.

If, during the Transfer Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall, by resolution of the Board of Directors of the Company, lift the transfer restrictions on a number of Allotted Shares as of the time immediately prior to the business day before the effective date of the reorganization, etc. The number of Allotted Shares for which the transfer restrictions will be lifted is determined by multiplying the number of Allotted Shares held at that time by the number obtained by dividing the number of months from the month in which the Transfer Restriction Period started to the month that includes the date of such approval by 12 (if that number exceeds 1, 1 shall be used). (However, if the calculation results in a fraction of less than one share, it shall be rounded down.) In addition, immediately after the lifting of the transfer restrictions, the Company shall acquire all of the Allotted Shares for which transfer restrictions have not been lifted, by rights, without contribution.

4. Basis for calculation of the amount to be paid in and specific details thereof

The value of the Disposal for the Disposal of Treasury Shares is set at ¥3,855, which is the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on June 25, 2025 (the business day immediately preceding the date of the Board of Directors' resolution), in order to eliminate arbitrariness. This is the market share price immediately prior to the date of the Board of Directors' resolution, and is considered to be reasonable and not a particularly favorable price.