

July 31, 2026

For Immediate Release

Notice of Disposal of Treasury Shares as Restricted Stock Compensation for the Company's Employees

SHOEI CO., LTD. (the “Company”) hereby announces that, at a meeting held on July 31, 2026, its Board of Directors resolved to dispose of its treasury shares for allotting restricted stock (the “Disposal of Treasury Shares” or “Disposal”). Details are as follows.

Details

1. Overview of the Disposal of Treasury Shares

(1)	Date of disposal	September 25, 2026
(2)	Type and number of shares to be disposed of	Common stock of the Company, 13,200 shares
(3)	Disposal value	1,981 yen per share
(4)	Total disposal value	26,149,200 yen
(5)	Allottee	66 employees of the Company, 13,200 shares

2. Purpose and Reason for Disposal

At a meeting held on August 5, 2021, the Company's Board of Directors resolved to introduce a restricted stock compensation plan (the “Plan”) as a new compensation plan for employees of the Company who satisfy certain requirements (the “Eligible Employees”) to give them an incentive to work on the sustainable enhancement of the Company's corporate value and promote the further sharing of values with the Company's shareholders. The Plan was due to expire in fiscal 2024, but at the Board of Directors meeting held on July 31, 2024, it was resolved to continue applying the Plan for another three years beyond fiscal 2025.

The following is an overview of the Plan.

[Overview of the Plan]

The Eligible Employees will pay in all the monetary claims granted by the Company under the Plan as an in-kind contribution to the Company, and will receive the issuance or disposal of shares of the Company's common stock.

The total number of shares of common stock to be issued or disposed of under the Plan will be 13,200. The amount to be paid in per share of the Company's common stock to be issued or disposed of under the Plan shall be determined by the Board of Directors in a range that is not especially advantageous to Eligible Employees who subscribe to the restricted stock, based on the closing price of the Company's common stock on Tokyo Stock Exchange on the business day immediately preceding the day of the resolution of the Company's Board of Directors (if no trading is reported on the preceding day, the closing price on the day before that day).

Regarding the issuance or disposal of its common stock under the Plan, the Company shall enter into a restricted stock allotment agreement (the “Allotment Agreement”) with Eligible Employees, the provisions of which shall contain the following items.

- ① The Eligible Employees may not, during a predefined period, transfer, attach a security interest on or otherwise dispose of the Company's common stock allotted pursuant to the Allotment Agreement.
- ② The Company shall acquire said common stock without consideration if certain events occur.

Today, the Company decided by resolution of its Board of Directors to grant a total of 26,149,200 yen in monetary compensation claims (the “Monetary Compensation Claims”) to sixty-six (66) Eligible Employees and to allot 13,200 shares of the Company's common stock as restricted stock through the delivery of all the Monetary Compensation Claims in kind by the Eligible Employees. The amount of monetary compensation claims with respect to the Eligible Employees is determined based on a comprehensive consideration of the Company's business performance, the duties and responsibilities of each Eligible Employee, and other factors. The Monetary Compensation Claims will be provided to the Eligible Employees subject to conditions including the one that each Eligible Employee executes an agreement with the Company for the allocation of restricted stock that contains the following provisions.

3. Overview of the Allotment Agreement

(1) Restricted period of transfer: September 25, 2026, to September 24, 2029

During the restricted period of transfer specified above (the “Transfer Restriction Period”), an Eligible Employee shall not transfer, pledge, offer as security of transfer, donate before death, bequeath or otherwise dispose of the restricted stock allotted to them (the “Allotted Shares”) to a third party (the “Transfer Restriction”).

(2) Release of the Transfer Restriction

The Company shall lift the Transfer Restriction on all the Allotted Shares when the Transfer Restriction Period has expired on the condition that an Eligible Employee who received the allotment of restricted shares has served as an Eligible Employee of the Company continuously during the Transfer Restriction Period. However, if an Eligible Employee retires or resigns from the above position before expiration of the Transfer Restriction Period for a reason that is deemed valid by the Company's Board of Directors, the Transfer Restriction will be lifted on Allotted Shares in the number obtained by dividing the number of months from the month that includes the payment date to the month that includes the date of retirement or resignation by thirty-six (36), then multiplying that figure by the number of Allotted Shares (if any fraction less than one share unit arises as a result of the calculation, such fraction shall be rounded down), as of whichever is later out of the time immediately after the retirement or resignation or, if a date which is fifteen months after the fiscal year that includes the date of share delivery has been stipulated separately by the Board of Directors, such date.

(3) Acquisition of restricted stock without considerations

The Company will automatically acquire without consideration any Allotted Shares for which the Transfer Restriction is not lifted at the time when the Transfer Restriction is lifted as specified in (2) above.

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

If, during the transfer restriction period, a merger agreement under which the Company becomes a disappearing company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matters related to organizational restructuring, etc. are approved at the general shareholders meeting of the Company (however, if the approval of the Company's general shareholders meeting is not required for the relevant organizational restructuring, etc., at a meeting of the Board of Directors), the Transfer Restriction will be lifted on Allotted Shares in the number obtained by multiplying the number obtained by dividing the number of months from the month that includes the payment date to the month that includes the approval date of the organizational restructuring, etc. by thirty-six (36), then multiplying that figure by the number of Allotted Shares held at that time (if any fraction less than one share unit arises as a result of the calculation, such fraction shall be rounded down), as of immediately before the business day preceding the effective date of the relevant organizational restructuring, etc. based on the resolution of the Board of Directors. However, notwithstanding the above provisions, if the business day prior to the effective date of the organizational restructuring, etc. is before January 1, 2028, the Company will automatically acquire all of the Allotted Shares without the payment of any compensation as of the business day prior to the effective date of the organizational restructuring, etc.

(5) Management of the Allotted Shares

To ensure that the Allotted Shares cannot be transferred, a security interest in the Allotted Shares

cannot be created, and that the Allotted Shares cannot otherwise be disposed of during the Transfer Restriction Period, the Eligible Employees shall open an exclusive account at a financial instruments business operator (Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) designated by the Company. The shares will be managed in that account until the Transfer Restriction is lifted.

4. Basis for Calculating Disposal Value and Other Specific Details

The disposal value is set at 1,981 yen, which is the closing price of the Company's common stock in the Tokyo Stock Exchange on July 30, 2026 (business day preceding the date of resolution of the Board of Directors), to make the disposal value a value that eliminates arbitrariness. This is the market price immediately before the date of resolution in the Board of Directors meeting, which we believe is reasonable and is not deemed an advantageous price.