



May 22, 2025

To whom it may concern

Corporate name: ONWARD HOLDINGS CO., LTD.  
Representative: Michinobu Yasumoto  
President and CEO  
(Securities code: 8016 Prime Market of  
Tokyo Stock Exchange)  
Inquiries: Shohei Yoshida  
Director  
Finance, Accounting, Investor Relations  
(TEL: +81-3-4512-1030)

### **Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation**

ONWARD HOLDINGS CO., LTD. (the “Company”) hereby announces that, at a meeting of its Board of Directors held today, it resolved to dispose of its treasury stock (the “Treasury Stock Disposal” or the “Disposal”) as described below.

#### 1. Overview of the Disposal

(1) Date of disposal	June 20, 2025
(2) Class and number of shares to be disposed of	287,471 shares of common stock of the Company
(3) Disposal price	¥552 per share
(4) Total Disposal value	¥158,683,992
(5) Allottees of disposed shares, their number, and number of shares to be disposed	Four (4) Directors (excluding Outside Directors) of the Company 129,780 shares Six (6) Executive Officers who do not concurrently serve as Directors of the Company 36,863 shares Nine (9) Directors of the Company’s subsidiaries 91,396 shares Seven (7) Executive Officers of the Company’s subsidiaries 29,432 shares
(6) Other	The Company has submitted an extraordinary report under the Financial Instruments and Exchange Act regarding the Treasury Stock Disposal.

#### 2. Purpose and Reason for Disposition

At a meeting of the Board of Directors held on April 3, 2025, the Board of Directors resolved to introduce a restricted stock compensation plan (hereinafter referred to as the “Plan”) as a new compensation system for the Company’s Directors (excluding Outside Directors; hereinafter referred to as the “Eligible Directors”) in order to provide them an incentive to sustainably improve corporate value as well as to promote further sharing of value with shareholders. Under the Plan, based on a resolution of the Board of Directors, the Company will also provide similar restricted stock as that provided to the Eligible Directors to Executive Officers who do not concurrently serve as Directors of the Company and to Directors and Executive Officers of the Company’s subsidiaries (hereinafter referred to collectively as the “Eligible Directors, etc.”). In addition, at the 78th Annual General Meeting of Shareholders held on May 22, 2025, the Company received approval for monetary claims totaling ¥100 million per year or less to be paid to the Eligible Directors as property contributed in kind for the acquisition of restricted stock under the Plan (hereinafter referred to as “Restricted Stock-based Compensation”), for 200,000 shares or less of the Company’s common stock to be issued or disposed of per year, and to set the transfer restriction period on the restricted stock to be the period from the date of receipt of allocation of the Company’s common stock under a

Restricted Stock Allotment Agreement to be concluded between the Company and the Eligible Directors, etc. to the time immediately after their retirement from a position predetermined by the Company's Board of the Directors among the positions of directors and employees of the Company or its subsidiaries. Furthermore, as a transitional measure for the stock compensation-type stock options for the fiscal year ended February 28, 2025 only, the Company also received approval for the awarding of restricted stock in the number of shares equivalent to the number of stock acquisition rights that have been waived by Eligible Directors, etc., within an annual amount of ¥40 million and 80,000 shares, in addition to the annual amount of ¥100 million and 200,000 shares mentioned above.

An overview of the Plan and other details are as follows.

#### [Overview of the Plan]

The Eligible Directors, etc. shall pay all of the monetary claims awarded by the Company or its subsidiaries under the Plan as property contributed in kind in exchange for the issued or disposed shares of the Company's common stock. The per share payment amount shall be determined by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board resolution (or, if no transaction occurred on that day, the closing price on the most recent prior trading day) and within a range that does not confer a particular advantage to the Eligible Directors, etc. receiving the Company's common stock.

In addition, the issuance or disposal of the Company's common stock and the payment of monetary claims as property contributed in kind shall be subject to the execution of a Restricted Stock Allotment Agreement concluded between the Company and the Eligible Directors, etc. that includes the provisions that (1) the Eligible Directors, etc. will be prohibited for a certain period from transferring to a third party, pledging as collateral, or otherwise disposing of the Company's common stock allotted under the Restricted Stock Allotment Agreement; and (2) in the event of certain circumstances, the Company will acquire the relevant common stock without compensation.

After consultation with the Compensation Committee, the Company has decided to grant monetary claims totaling ¥158,683,992 (hereinafter referred to as the "Monetary Claims") and 287,471 shares of common stock as restricted stock compensation for the current fiscal year of the Company or its subsidiaries under the Plan (hereinafter referred to as the "Restricted Stock Compensation I") and as restricted stock compensation in lieu of shares intended as stock acquisition rights as stock compensation-stock options that the Eligible Directors, etc. have waived in previous year (hereinafter referred to as "Restricted Stock Compensation II").

For the Treasury Stock Disposal, under the Plan, the 26 Eligible Directors, etc. who are the intended allottees will pay all of the Monetary Claims awarded by the Company or its subsidiaries as property contributed in kind and will receive the disposed shares of the Company's common stock (hereinafter referred to as "the Allotted Shares") in exchange. In the Treasury Stock Disposal, the overview of the Restricted Stock Allotment Agreement concluded between the Company and the Eligible Directors, etc. (hereinafter referred to as the "Allotment Agreement") can be found in 3. below.

### 3. Overview of Allotment Agreement

#### (1) Restricted period

From June 20, 2025 (hereinafter referred to as the "Disposal Date") until the time immediately after retirement or resignation from all of the positions of Director, officer, Executive Officer not concurrently serving as Director, Auditor, employee, advisor, counselor, or any other equivalent position of the Company or its subsidiaries

#### (2) Conditions for lifting of transfer restrictions

The Company shall lift the transfer restrictions on all of the Restricted Stock Compensation-Based Shares I (hereinafter the "Allotted Shares I") and Restricted Stock Compensation II (hereinafter the "Allotted Shares II") allotted to the Eligible Directors, etc. at the expiration of the restricted period on the condition that the Eligible Directors, etc. have continuously served in any of the positions of Director, officer, Executive Officer not concurrently serving as Director, Auditor, employee, advisor, counselor, or any other equivalent position of the Company or its subsidiaries for the period from the date on which they commenced the execution of their duties until the time immediately prior to the conclusion of the first Annual General Meeting of Shareholders after that date

(however, if the Eligible Director, etc. is an Executive Officer who is not concurrently serving as Director, this shall be read as the period from the start of the fiscal year in which the Disposal Date falls until the final day of that fiscal year; the same shall apply hereinafter) (this period is hereinafter referred to as the “Service Provision Period”).

- (3) Treatment in cases when an Eligible Director, etc. vacates his or her position due to expiration of term of office, mandatory retirement, or other justifiable reason

(a) Timing of lifting of transfer restrictions

If an Eligible Director, etc. vacates any of the positions of Director, officer, Executive Officer not concurrently serving as Director, Auditor, employee, advisor, counselor, or any other equivalent position of the Company or its subsidiaries due to expiration of term of office, mandatory retirement, or other justifiable reason (this includes vacation of position due to death), the Company shall lift the transfer restrictions for Allotted Shares I and II at a time immediately after the vacation of position by the Eligible Director, etc.

(b) Number of shares subject to lifting of transfer restrictions

(i) Allotted Shares I

This shall be the number of shares obtained by dividing the number of months from the month of Disposal Date (however, if the Eligible Director, etc. is an Executive Officer not concurrently serving as Director, this shall be read as the start of the fiscal year in which the Disposal Date falls) until the month of the vacation of position by the Eligible Director, etc. by the number of months of the Service Period (12) (if the number resulting from this division is less than 1, the number 1 shall be used) and multiplying the result by the number of Allotted Shares I held at the time of the vacation of position set forth in (a) (however, if, as the result of this calculation, fractions of less than one share occur, such fractions shall be discarded).

(ii) Allotted Shares II

All of the Allotted Shares II held at the time of vacation of position set forth in (a).

- (4) Acquisition by the Company without compensation

The Company shall rightfully acquire without compensation all of the Allotted Shares I and II for which transfer restrictions are yet to be lifted at the time of the expiration of the restricted period or at the time of the lifting of the transfer restrictions as set forth in (3) above.

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

(a) Timing of lifting of transfer restrictions

If, during the restricted period, a matter concerning a merger agreement in which the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved by the General Meeting of Shareholders of the Company (or by the Company’s Board of Directors in the case where the approval of the General Meeting of Shareholders of the Company is not required for the said organizational restructuring, etc.), the Company shall lift the Transfer Restrictions for Allotted Shares I and II at a time immediately preceding the business day immediately prior to the effective date of the said organizational restructuring, etc.

(b) Number of shares subject to lifting of transfer restrictions

(i) Allotted Shares I

This shall be the number of shares obtained by dividing the number of months from the month of the Disposal Date (however, if the Eligible Director, etc. is an Executive Officer not concurrently serving as Director, this shall be read as the start of the fiscal year in which the Disposal Date falls) until the month that includes the date of the said approval by the number of months of the Service Period (12) (if the number resulting from this division is less than 1, the number 1 shall be used) and multiplying the result by the number of Allotted Shares I held at the time of the approval set forth in (a) (however, if, as the result of this calculation, fractions of less than one share occur, such fractions shall be discarded). The Company shall rightfully acquire without compensation all of the Allotted Shares I for which transfer restrictions are yet to be lifted at the time immediately after the lifting of the transfer restrictions.

(ii) Allotted Shares II

All of the Allotted Shares II held at the time of the approval set forth in (a).

(6) Administration of shares

To ensure that the Allotted Shares cannot be transferred, pledged as collateral, or otherwise disposed of during the restricted period, for the duration of the restricted period, they will be administered in special accounts to be established by the Eligible Directors, etc. at Nomura Securities Co., Ltd. To ensure the effectiveness of the transfer restrictions on the Allotted Shares and other matters, the Company has concluded an agreement with Nomura Securities Co., Ltd. regarding the administration of the Allotted Shares accounts held by each Eligible Director, etc. The Eligible Directors, etc. shall consent to the details of the administration of those accounts.

4. Basis for Calculation of Payment Amounts and Their Specific Details

The Treasury Stock Disposal for the intended allottees will be conducted by contributing as invested property the monetary claims paid as Restricted Stock-Based Compensation I and II under the Plan. To eliminate arbitrariness from the disposal price, the price has been set at ¥552, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on May 21, 2025 (or the business day immediately preceding the date of the Board of Directors resolution). As this is the market share price on the day immediately preceding the Board resolution date, the Company believes that it is a reasonable price and one that does not confer a particular advantage.