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To all whom it may concern

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### **Notice Regarding the Introduction of Restricted Stock Remuneration Plan**

Hanwa Co., Ltd. (hereinafter: “Hanwa”) hereby announces that at the Board of Directors meeting held on May 12, 2023 Hanwa reviewed the remuneration plan for directors and determined to submit the following proposal regarding the introduction of a restricted stock remuneration plan (hereinafter: the “Plan”) to the 76th Ordinary General Shareholders Meeting to be held on June 23, 2023 (hereinafter: the “General Shareholders Meeting”).

#### 1. Purpose and requirements for the introduction of the Plan

##### (1) Purpose of the Plan

The Plan is intended to provide the Executive Directors of Hanwa, including future appointed directors (hereinafter: the “Eligible Directors”), with incentives to sustainably increase Hanwa’s corporate value as well as to further promote shared interests with its shareholders.

##### (2) Requirements for the introduction of the Plan

As the Plan consists of monetary remuneration claims for granting restricted stock to the Eligible Directors as remuneration, its introduction is subject to approval of shareholders at the General Shareholders Meeting for the provision of such remuneration.

It was resolved at the 59th Ordinary General Shareholders Meeting held on June 29, 2006 that the aggregate remuneration payable to Directors shall be no more than 860 million yen per year. Hanwa will request the shareholders’ approval at the General Shareholders Meeting of a remuneration limitation for Eligible Directors under the Plan that is outside the scope of the aforementioned Directors’ monetary remuneration limitation.

#### 2. Overview of the Plan

Under the Plan, Eligible Directors will pay in as property contributed in kind all of the monetary remuneration claims provided by Hanwa and will receive the issuance or disposal of common stock of Hanwa.

Total remuneration payable to Eligible Directors shall be no more than 150 million yen per year beyond the scope of the current monetary remuneration limitation. Total number of shares of common stock of Hanwa to be issued or disposed of under the Plan shall not exceed 50,000 shares per year (for clarification, in the event the number of shares must be adjusted for unavoidable reasons such as a stock split or reverse stock split of Hanwa’s common stock, the total number of shares to be issued or disposed of may

be adjusted within a reasonable range).

In order to promote shared interests with shareholders over the medium to long-term, which is one of the purposes of the introduction of the Plan, the transfer restriction period shall consist of the time from the date when restricted stock is granted to the date when the Eligible Director retires or resigns as Hanwa's Director and from all other post(s) specified by the Board of Directors. The details of grant timing and allocations to each Eligible Director shall be decided by the Board of Directors following deliberation by the Executive Remuneration Committee, the majority of which is composed of independent outside directors and outside auditors.

The amount paid per one share of Hanwa to be issued or disposed of under the Plan will be decided by the Board of Directors based on the closing price of Hanwa's common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (if there is no transaction concluded on said date, the closing price of the most recent trading day preceding said date) to the extent that it will not be excessively advantageous for the Eligible Directors.

When Hanwa issues or disposes of common stock under the Plan, Hanwa and Eligible Directors shall conclude a restricted share allocation agreement (hereinafter: the "Allocation Agreement") which shall include the following terms:

- (i) an Eligible Director shall not transfer, create a security interest on, or otherwise dispose of Hanwa's common stock allocated under the Allocation Agreement for the period prescribed in advance; and
- (ii) If certain specified events occur, Hanwa shall acquire the allocated shares without consideration.

### 3. Application to Executive Officers

Subject to the approval of the agenda concerning the Plan at the General Shareholders Meeting, Hanwa plans to introduce a restricted stock plan for Executive Officers similar to that of the Plan.

End.