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 (Securities code: 2929 Prime Market)
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Notice Regarding the Disposal of Treasury Shares as Restricted Stock Compensation

Pharma Foods International Co., Ltd. (hereinafter: the "Company") hereby announces that, at a meeting of the Board of Directors held today, the Board resolved to dispose of treasury shares as restricted stock compensation (hereinafter: the "Disposal of Treasury Shares"), as detailed below.

1. Outline of the Disposal

(1) Payment Date	December 12, 2025
(2) Class and Number of Shares to be Disposed	228,576 shares of Common Stock of the Company
(3) Disposal Price	801 yen per share
(4) Total Disposal Value	183,089,376 yen
(5) Allottees of the Company	Directors*: 6, Shares: 167,161 Executive Officers: 2, Shares: 7,864 Directors of the Subsidiaries*: 8, Shares: 53,551 *Excluding outside Directors
(6) Other	An extraordinary report regarding this Disposal of Treasury Shares has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and Reasons for the Disposal

At the Company's 24th Ordinary General Meeting of Shareholders held on October 20, 2021, the shareholders approved the following measures, with the objective of having the Company's Directors (excluding Outside Directors; hereinafter, the "Eligible Directors") share the benefits and risks of stock price fluctuations with the shareholders, and of further enhancing their motivation to contribute to the Company's stock price appreciation and corporate value improvement. The introduction of a

stock compensation plan under which Restricted Stock would be granted to the Eligible Directors (hereinafter: the "Plan"); The setting of the total amount of monetary compensation claims to be paid as compensation for the Restricted Stock to the Eligible Directors at a maximum of 150 million yen per year; The capping of the total number of Restricted Stock shares to be allotted to the Eligible Directors in each business year at 60,000 shares; and the setting of the Restriction Period for the Restricted Stock to be a period of three years or more from the date of allotment, as determined by the Company's Board of Directors.

Furthermore, at the 27th Ordinary General Meeting of Shareholders held on October 24, 2024, the shareholders approved the revision of the total amount of monetary compensation claims to be paid to the Eligible Directors to a maximum of 200 million yen per year, and the revision of the total number of Restricted Stock shares to be allotted in each business year to a maximum of 200,000 shares.

At a meeting of the Company's Board of Directors held today, it was resolved to allot a total of 228,576 shares of the Company's common stock as Specially Restricted Stock to the Allottees - consisting of 6 Eligible Directors, 2 Executive Officers of the Company, and 8 Directors of the Company's Subsidiaries (excluding Outside Directors), hereinafter collectively referred to as the "Allottees" - by way of a contribution in kind by the Allottees of the entire monetary compensation claim, totaling 183,089,376 yen, granted to them as Restricted Stock Compensation for the period from the Company's 28th Ordinary General Meeting of Shareholders to the Company's 31st Ordinary General Meeting of Shareholders scheduled to be held in October 2028 and for the period from the Subsidiary's Ordinary General Meeting of Shareholders held in October 2025 to the Subsidiary's Ordinary General Meeting of Shareholders scheduled to be held in October 2028.

The amount of the monetary compensation claim granted to each Allottee was determined after comprehensively considering various factors, including the degree of each Allottee's contribution to the Company and its subsidiaries.

Furthermore, this monetary compensation claim is granted on the condition that each Allottee enters into a Restricted Stock Allotment Agreement (hereinafter, the "Allotment Agreement") with the Company, the main provisions of which are outlined below.

The Restricted Stock shall consist of two types: "Restricted Stock I," whose number of allotted shares is determined only upon the achievement of the initial performance targets (sales revenue and operating profit) for the business year immediately preceding the business year in which the restricted stock is allotted, and for which the transfer restriction will be lifted subject to the condition that the recipient continuously holds the position of either a Director or an Executive Officer of the Company for a fixed period; and "Restricted Stock II," whose number of shares for which the transfer restriction will be lifted is determined based on the degree of achievement of the performance targets, etc., set forth in the Company's Mid-Term Management Plan.

Furthermore, the Restriction Period has been set at three years in order to achieve the objective of introducing the Plan, specifically, to ensure the Allottees share the benefits and risks of stock price fluctuations with the Company's shareholders, and to further enhance the Allottees' motivation to contribute to the appreciation of the Company's stock price and the improvement of its corporate value.

3. Outline of the Restricted Stock Allotment Agreement

(1) Restriction Period: December 12, 2025 to December 11, 2028

During the Restriction Period stipulated above (hereinafter: the "Restriction Period"), the Allottees shall not transfer, create a pledge, create a security interest (e.g., as collateral for transfer), make a gift during their lifetime, make a testamentary gift, or engage in any other act of disposal whatsoever with respect to the Restricted Stock allotted to them (hereinafter: the "Allotted Shares") to any third party (hereinafter: the "Transfer Restriction").

(2) Gratuitous Acquisition

If an Allottee resigns from any of the positions of Director of the Company (including Executive Directors, Executive Officers, and General Managers of the Company or its subsidiaries) before the expiration of the Restriction Period, the Company shall, except when there is a reason deemed justifiable by the Company's Board of Directors, automatically acquire the Allotted Shares without compensation as of the time of such resignation.

Furthermore, if there are any Allotted Shares for which the transfer restriction has not been lifted pursuant to the provisions for lifting the transfer restriction set forth in (3) below, at the time the Restriction Period expires (hereinafter: the "Time of Expiration"), the Company shall automatically acquire such shares without compensation immediately after the Time of Expiration.

(3) Lifting of Transfer Restriction

i. Restricted Stock I

The Company shall lift the transfer restriction on all of the Allotted Shares held by the Allottee at the Time of Expiration, provided that the Allottee has continuously held any of the positions of Director of the Company (including Executive Directors, Executive Officers, and General Managers of the Company or its subsidiaries) throughout the entire Restriction Period; however, in the event that the Allottee resigns from any of the aforementioned positions before the expiration of the Restriction Period for a reason deemed justifiable by the Company's Board of Directors, the transfer restriction for a number of Allotted Shares calculated by multiplying the number of Allotted Shares held by the Allottee at that time by a ratio - which is obtained by dividing the number of months from November 2025 up to and including the month of the Allottee's resignation from any of the

relevant positions, by 36 (provided that if the calculated result exceeds 1, the number shall be 1) - shall be lifted immediately after such resignation (with any fraction of one share resulting from the calculation being rounded down).

ii. Restricted Stock II

The Company shall lift the transfer restriction on all or part of the Allotted Shares held by the Allottee at the Time of Expiration - the number of which is determined according to the degree of achievement of performance targets, such as the sales revenue growth rate, and other indicators pre-determined by the Company's Board of Directors under the Company's Mid-Term Management Plan - provided that the Allottee has continuously held any of the positions of Director of the Company (including Executive Directors, Executive Officers, and General Managers of the Company or its subsidiaries) throughout the entire Restriction Period.

However, in the event that the Allottee resigns from any of the aforementioned positions before the expiration of the Restriction Period for a reason deemed justifiable by the Company's Board of Directors, the transfer restriction shall be lifted, at a time reasonably adjusted by the Company, for a number of Allotted Shares calculated by multiplying the number of Allotted Shares that the Company shall reasonably adjust according to the degree of achievement of performance targets, such as the sales revenue growth rate, and other indicators pre-determined by the Company's Board of Directors under the Company's Mid-Term Management Plan, by a ratio - which is obtained by dividing the number of months from November 2025 up to and including the month of the Allottee's resignation from any of the relevant positions, by 36 (provided that if the calculated result exceeds 1, the number shall be 1) - with any fraction of one share resulting from the calculation being rounded down.

(4) Provision Concerning the Management of Shares

The Allottee shall complete the opening of an account at SMBC Nikko Securities Inc. for the entry or recording of the Allotted Shares in the manner designated by the Company, and shall store and maintain the Allotted Shares in the said account until the transfer restriction is lifted.

(5) Treatment in the Event of Organizational Restructuring

i. Restricted Stock I

The Company shall lift the transfer restriction on a number of the Allotted Shares - calculated by multiplying the number of Allotted Shares held by the Allottee as of the approval date by a ratio, which is obtained by dividing the number of months from November 2025 up to and including the month of such approval date by 36 (provided that if the calculated result exceeds 1, the number shall be 1) (with any fraction of one share resulting from the calculation being rounded down) - immediately preceding the business day prior to the effective date of the Organizational

Restructuring, in the event that a proposal concerning a merger agreement under which the Company is the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other Organizational Restructuring is approved by the Company's General Meeting of Shareholders (or, if approval by the General Meeting of Shareholders is not required for such Organizational Restructuring, by the Company's Board of Directors) during the Restriction Period; and in such case, the Company shall automatically acquire without compensation all Allotted Shares for which the transfer restriction has not been lifted based on the aforementioned provision, as of the business day prior to the effective date of such Organizational Restructuring.

ii. Restricted Stock II

The Company shall lift the transfer restriction on a number of the Allotted Shares - calculated by multiplying the number obtained by multiplying the number of Allotted Shares held by the Allottee as of the approval date by 100/120 (with any fraction of one share resulting from this intermediate calculation being rounded up), by a ratio which is obtained by dividing the number of months from November 2025 up to and including the month of such approval date by 36 (provided that if the calculated result exceeds 1, the number shall be 1) (with any fraction of one share resulting from the final calculation being rounded down) - immediately preceding the business day prior to the effective date of the Organizational Restructuring, in the event that a proposal concerning a merger agreement under which the Company is the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other Organizational Restructuring is approved by the Company's General Meeting of Shareholders (or, if approval by the General Meeting of Shareholders is not required for such Organizational Restructuring, by the Company's Board of Directors) during the Restriction Period.

In such case, the Company shall automatically acquire without compensation all Allotted Shares for which the transfer restriction has not been lifted based on the aforementioned provision, as of the business day prior to the effective date of such Organizational Restructuring.

4. Rationale for and Details of the Payment Amount

The disposal price for this Disposal of Treasury Shares has been set at 801 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Company's Board of Directors resolution (November 14, 2025), in order to ensure a price free from arbitrariness; and the Company believes that this price, being the market price immediately preceding the Board of Directors resolution, is reasonable and does not constitute a price particularly favorable to the allottees.