

June 26, 2025

To Whom It May Concern,

Name of company: Nippon Kayaku Co., Ltd.  
Name of representative: Shigeyuki Kawamura, President  
Code No.: 4272  
Tokyo Stock Exchange, Prime  
Market  
Contact: Ichio Kohinata, Director  
General Manager of  
Legal Affairs Division  
(Tel: +81-3-6731-5918)

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

The Company announces its decision at the Board of Directors meeting held on June 26, 2025 on the treasury shares to be disposed of as restricted stock compensation.

#### 1. Summary of the disposal

(1) Payment date	July 18, 2025
(2) Class and number of shares to be disposed of	84,307 shares of common stock of the Company
(3) Disposal price	1,284.5 yen per share
(4) Total value of shares to be disposed of	108,292,351 yen
(5) Method of contribution	By in-kind contribution in the form of monetary compensation receivables
(6) Planned share recipients and number of shares	Board members of the Company (excluding outside directors): Five (5), 33,397 shares Directors of the Company (excluding Board members and directors who are working outside Japan): Eighteen (18), 50,910 shares

#### 2. Purpose and reasons for disposal

At the Board of Directors meeting held on May 21, 2021, the Company resolved to introduce a restricted stock compensation plan (“the Plan”) for Board members and directors of the Company (collectively referred “Eligible Directors” excluding outside directors). The aims are for such the Plan to fully function as an incentive to achieve sustained increases in our corporate value and to share added value with our shareholders. In addition, at the Ordinary General Meeting of Shareholders held on June 25, 2021, the Company received an approval for the establishment of a monetary compensation receivable limit of up to 100 million yen per year for Eligible Directors to serve as capital contributions for the acquisition of restricted stock under the Plan, and for the restricted period to last from the date of restricted stock allotment to the date of resignation from any Board members or directors position of the Company.

The outline of the Plan is as follows.

#### [Outline of the Plan]

Eligible Directors shall pay all monetary compensation receivables from the Company under the Plan as property for contribution in kind and receive the issuance or disposal of common

stock of the Company.

The total number of shares of our common stock to be issued or disposed of to Eligible Directors under the Plan shall be no more than 100,000 shares per year. The amount to be paid per share shall be determined by the Board of Directors meeting to the extent that such an amount is not specifically favorable to the Eligible Directors who subscribe for such restricted shares on the basis of the Tokyo Stock Exchange common stock on the on the business day prior to the date of the Board of Directors meeting resolution (the closing price on the most recent trading day prior to the trading day on which no transactions have been completed).

In addition, in the issuance or disposal of our common stock under the Plan, the Company shall enter into a restricted stock grant agreement (“Grant Agreement”) between the Company and the Eligible Directors, the contents of which shall include the following matters:

- i) Eligible Directors shall not transfer, create security interests or otherwise dispose of any shares of our common stock granted under the Grant Agreement for a predetermined period.
- ii) In the case of certain events, the Company shall acquire all or part of such common stock free of charge.

Today, by resolution of the Board of Directors meeting, the Company decided to grant a total of 108,292,351 yen in monetary compensation claims to the 23 Eligible Directors concerned and to allot 84,307 shares of our common stock as restricted stock in exchange for all the monetary compensation claims received by the Eligible Directors through contribution in kind. The amounts of monetary compensation claims owed to Eligible Directors are determined after comprehensively considering various circumstances such as our business performance and Eligible Director responsibilities. In addition, the monetary compensation claims shall be paid subject to the execution, by the Eligible Directors, of the Grant Agreement including the following contents.

### 3. Summary of the Grant Agreement

#### (1) Transfer restriction period

The transfer restriction period starts from July 18, 2025, until the date on which Eligible Directors retire or resign from their position as a Board member and/or director of the Company. During the aforementioned transfer restriction period (“the Transfer Restriction Period”), Eligible Directors shall not transfer any security interests to any third party or otherwise dispose of (“Transfer Restrictions”) the restricted stock allotted to them (“the Allotted Stock”).

#### (2) Lifting of the Transfer Restrictions

The Company shall lift Transfer Restrictions for all Allotted Stock held by an Eligible Director, provided that the Eligible Director holds the position of Board member and/or director continuously during the Transfer Restriction Period. However, if, for reasons deemed justifiable by the Board of Directors meeting, the Eligible Director resigns or retires from his or her position before the termination of the Transfer Restriction Period, the number of Allotted Stocks and the time period for Transfer Restrictions shall be reasonably adjusted as necessary.

#### (3) Gratis acquisition of restricted stock

If an Eligible Director resigns or retires from their position as a Board member and/or director of the Company before the termination of the Transfer Restriction Period, unless there are extenuating circumstances deemed reasonable by the Board of Directors meeting, the Company shall be entitled to recover all or part of the Allotted Stock without compensation. In addition, if there exist Allotted Stock for which Transfer Restrictions described in (1) have not been lifted pursuant to the reasons for lifting described in (2), the Company shall be entitled to recover those Allotted Stock without compensation.

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

If, during the Transfer Restriction Period, a motion involving a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter concerning organizational restructuring, etc., is approved at a General Meeting of Shareholders (or by the Board of Directors meeting in cases where approval at a General Meeting of Shareholders is not required for the reorganizational restructuring, etc.), the Company shall, by resolution of the Board of Directors meeting, lift the Transfer Restrictions for part of the Allotted Stock reasonably calculated before the effective date of the organizational restructuring, etc. In such cases, the Company shall be entitled to recover without compensation the remaining part of Allotted Stock for which the Transfer Restrictions have not been lifted.

(5) Management of allot shares

The Eligible Directors shall open an account in which to book or record the Allotted Stock to the financial services provider specified in advance by the Company (scheduled for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.). The Allotted Stock shall be retained and maintained in that account, and shall not be transferred, established as a security interest or otherwise disposed of until such Transfer Restrictions are lifted.

4. Basis of calculation of the amount for share disposal

To avoid arbitrary pricing, the disposal price for the disposal of treasury shares shall be set at 1,284.5 yen, which is the closing price of one share of our common stock on the Tokyo Stock Exchange on June 25, 2025, the business day immediately before the Board of Directors meeting approved the resolution. This is the market share price immediately prior to the date of the resolution, which the Company considers to be reasonable and not particularly advantageous to the Eligible Directors.