



August 27, 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
	(Phone: +81-3-6731-5918)

Notice of partial correction to the Notice of Disposal of Treasury Shares as Restricted Stock Compensation for Employee Shareholding Association

Nippon Kayaku Co., Ltd. (the "Company") hereby announces that a partial correction has been made to the "Notice of Disposal of Treasury Shares as Restricted Stock Compensation for Employee Shareholding Association" published on August 26, 2025.

1. Reason for Correction

After the publication of the "Notice of Disposal of Treasury Shares as Restricted Stock Compensation for Employee Shareholding Association", an error was identified in the date of publishment. Therefore, the Company has made a necessary correction.

2. Details of Correction

[The date of publishment before correction]	August 26, 2026
[The date of publishment after correction]	August 26, 2025

After correction



August 26, 2025

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**Notice of Disposal of Treasury Shares as Restricted Stock Compensation for
Employee Shareholding Association**

Nippon Kayaku Co., Ltd. (the “Company”) has introduced an incentive program that grants restricted stock to the Company’s employees (the “Program”) which was implemented by the Board of Directors meeting held on May 15, 2023, and announces that, at the Board of Directors meeting held on today, the Company has resolved to dispose of treasury stock as restricted stock (the “Treasury Stock Disposal” or the “Disposal”), based on the Program through the Nippon Kayaku Employee Shareholding Association (the “ESA”) with ESA as a scheduled allottee.

1. Summary of the disposal

(1) Disposal date	October 17, 2025
(2) Class and number of shares to be disposed of	38,700 shares of common stock of the Company (Note)
(3) Disposal price	1,425.5 yen per share
(4) Total value of shares to be disposed of	55,166,850 yen
(5) Method of disposal	The Company will allot to the ESA the number of shares determined and applied for by the ESA, provided that the ESA applies for a subscription by way of a third-party allotment within the number of shares to be disposed of as described in (2) above (The number of shares allotted shall be the number of shares to be disposed of.). In addition, the Company will not accept any application from eligible employees (as defined below) for portions of the number of shares to be granted to each eligible employee.
(6) Scheduled Allottees	The ESA

(Note) The “number of shares to be disposed” and the “total value of shares to be disposed” are calculated based on the assumption that shares of the Company’s common stock will be granted as restricted stock to each of the 387 employees of the Company, which is the maximum number of persons who are eligible under the Program. The actual number of shares to be disposed and the actual total value of shares to be disposed will be determined after recommending membership to non-members of the ESA and confirming consent to the Program among the members of the ESA by multiplying the number of employees of the

Company who agree to the Program (the “Eligible Employees”), up to a maximum of 387 employees, by 100 of shares per employee. Specifically, as stated in (5) above, the number of shares applied for as determined by the ESA will be the “number of shares to be disposed”, and the amount obtained by multiplying such number by the disposal price per share will be the “total value of shares to be disposed”.

2. Purpose and reasons for disposal

The Company has resolved to establish the Program for the purpose of providing Eligible Employees with incentives to continuously improve the Company’s corporate value and to further promote value sharing between Eligible Employees and the Company’s shareholders, in addition to helping Eligible Employees build their wealth by providing them with opportunities to acquire restricted shares (common stock) issued or disposed of by the Company through the ESA.

The outline of the Program is as follows.

[Outline of the Program]

Under the Program, the Eligible Employees will be granted monetary claims (the “Special Incentive”) as a special incentive payment for the grant of restricted stock, and the Eligible Employees will contribute the Special Incentive to the ESA. The ESA will then provide to the Company the Special Incentive contributed by the Eligible Employees by way of an in-kind contribution, and in turn shall receive the issue or disposal of the Company’s common stock as restricted stock.

The amount per share to be paid for the Company’s common stock in cases where such common stock is to be issued or disposed of based on the Program shall be resolved by the Board of Directors within a scope that is not particularly advantageous to the ESA (and by extension to the Eligible Employees) 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 the resolution by the Board of Directors pertaining to the issue or disposal.

In issuing or disposing of the Company’s common stock based on the Program, the Company and the ESA will execute a restricted stock allotment agreement (the “Allotment Agreement”), the outline of which will include, among other things, that (1) the ESA is prohibited from transferring, creating any security interest on, or otherwise disposing of the allotted shares to a third party during a certain restriction period (the “Restriction”), and (2) the Company shall make acquisition of the allotted shares without payment of any contribution if certain events occur. Furthermore, the Special Incentive will be granted to the Eligible Employees on the condition that the Allotment Agreement is executed between the Company and the ESA.

In addition, until the Restriction is lifted, based on the ESA rules, the ESA detailed operation rules and other rules of the ESA (collectively, the “ESA Rules, etc.”), the Eligible Employee will be restricted from withdrawing the Eligible Employee’s member equity interest pertaining to the allotted shares to be held by the Eligible Employee in proportion to the monetary claims contributed to the ESA (the “Restricted Stock Equity Interest”).

In the Treasury Stock Disposal, the Company’s common stock (the “Allotted Shares”) will be disposed of to the ESA, as the scheduled allottee, contributing all of the Special Incentive contributed from the Eligible Employees as a contribution in-kind based on the Program. In the Treasury Stock Disposal, the overview of the Allotment Agreement to be executed between the Company and the ESA is as described in “3. Overview of Allotment Agreement” below. The number of shares to be disposed of in the Treasury Stock Disposal will be determined in due course as indicated in (Note) of 1. above; however, assuming that all 387 employees of the Company, which is the maximum number of persons who could be eligible for the Program, join

the ESA and agree to the Program, a maximum of 38,700 shares will be disposed of. Please note that the scale of stock dilution based on the Treasury Stock Disposal is, when based on the foregoing number of shares disposed of, 0.02% (rounded off to two decimal places; hereinafter the same in the calculation of percentages) of 165,003,570 shares as the total number of issued shares as of March 31, 2025, and is 0.02% of 1,596,094 voting rights as the total number of voting rights as of March 31, 2025.

Please note that the Treasury Stock Disposal will be implemented on the condition that the amended ESA Rules, etc. become effective by the day preceding the date of disposal of the Treasury Stock Disposal, and that the Allotment Agreement between the Company and the ESA will be concluded during the application period.

3. Overview of Allotment Agreement

(1) Transfer restriction period

From October 17, 2025 to November 10, 2028

(2) Condition for lifting of the Restriction

On the condition that an Eligible Employee has been a member of the ESA on a continuing basis during the transfer restriction period, the Restriction shall be lifted as of the expiration of the transfer restriction period for the total number of the Allotted Shares according to the Restricted Stock Equity Interest held by the Eligible Employee who satisfies such condition.

(3) Treatment upon terminating membership of the ESA

In cases where an Eligible Employee terminates membership (including cases where the employee loses membership qualification or applies for termination of membership, and includes termination of membership due to death) from the ESA during the transfer restriction period upon reaching retirement age or any other justifiable cause (this does not include the personal circumstances that are avoidable), the Company shall lift the transfer restrictions on the date the ESA accepts the application for termination of membership for all of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employee.

(4) Acquisition without payment of any contribution by the Company

The Company shall, as a matter of course, acquire the Allotted Shares without compensation for which the Transfer Restrictions are not lifted at the time of the expiration of the transfer restriction period or at the time of the lifting of the Transfer Restrictions prescribed in (3) above.

(5) Management of stocks

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by the ESA at Mizuho Securities Co., Ltd. in order to ensure that the ESA neither transfers, creates any security interest on, nor otherwise disposes of the Allotted Shares during that period. Furthermore, the ESA shall register and manage the Restricted Stock Equity Interest that will be held by the Eligible Employee pertaining to the Allotted Shares, separately from other equity interest held by the Eligible Employees.

(6) Treatment upon reorganization

In cases where, during the transfer restriction period, an approval is obtained for a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly owned subsidiary, or other matters regarding reorganization at a general meeting of shareholders of the

Company (however, in cases where the reorganization in question does not require approval from a general meeting of shareholders of the Company, a resolution of the Board of Directors of the Company, or in the case of stock issuance, an approval of a general meeting of shareholders of the stock issuing parent company), the Restriction shall be lifted for the Allotted Shares before the business day preceding the effective date of the reorganization.

4. Basis of Calculation and Specific Details of the Disposal Amount

The Treasury Stock Disposal to the ESA as the scheduled allottee is conducted through the Eligible Employees' contribution of the Special Incentive to the ESA for the grant of restricted stock as property contributed in-kind. To eliminate any arbitrariness in the disposal amount, the closing price for the Company's common stock on August 25, 2025 (the business day before the day of resolution of the Board of Directors) on the Tokyo Stock Exchange Prime Market, 1,425.5 yen, is used as the disposal amount. As this is the market share price immediately before the date of resolution of the Board of Directors, the Company believes that it is rational and not a particularly advantageous amount.

Note that the deviation rate (rounded off to two decimal places) of this price from the average closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market is as follows.

Period	Average closing price (any amount less than 1 yen shall be rounded off)	Deviation rate
1 month (July 28, 2025 to August 25, 2025)	1,382 yen	3.15%
3 months (May 26, 2025 to August 25, 2025)	1,333 yen	6.94%
6 months (February 26, 2025 to August 25, 2025)	1,338 yen	6.54%

All of the 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) have provided their opinion that the foregoing disposal price is not particularly advantageous to the scheduled allottee and that such determination is legitimate, in considering that the purpose of the Treasury Stock Disposal is to introduce the Plan and that the disposal price is the closing price on the Prime Market of the Tokyo Stock Exchange on the business day prior to the date of the resolution.

5. Matters Related to Procedures under the Company's Code of Conduct

With regard to the Treasury Stock Disposal, since (1) the dilution rate is less than 25% and (2) it does not involve any change of the controlling shareholder, there is no need to take procedures to acquire the opinion of an independent third party and confirm the intention of shareholders as set forth in Article 432 of the Securities Listing Regulations prescribed by the Tokyo Stock Exchange.

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