

Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

Seikagaku Corporation announces that at its Board of Directors meeting held on June 20, 2025, it resolved to dispose of treasury shares (the "Treasury Share Disposal" or "Disposal") as restricted stock compensation as outlined below.

1. Overview of disposal

(1) Disposal date	July 11, 2025
(2) Number and class of shares for disposal	25,475 common shares of the Company
(3) Disposal price	621 yen per share
(4) Total value of disposal	15,819,975 yen
(5) Disposal recipients, number of recipients, and number of shares for disposal	3 Board Directors of the Company (excluding Outside Board Directors) 16,259 shares 4 Executive Officers of the Company who do not concurrently serve as Board Directors 9,216 shares
(6) Other	With respect to the Treasury Stock Disposal, the Company has filed a written notice of securities in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Disposal

At the Board of Directors meeting held on May 10, 2019, the Company resolved to introduce a restricted stock compensation plan for directors excluding outside directors (hereinafter referred to as "target directors") in order to provide incentives to enhance the sustainable corporate value of the Company and promote long-term stable stock ownership, thereby further advancing value sharing with shareholders. Furthermore, at a meeting of the Board of Directors held on June 13, 2019, the Company resolved to apply the same system as the restricted stock compensation plan for the Target Directors (hereinafter collectively referred to as the "Plan") to executive officers who do not concurrently serve as directors of the Company.

Furthermore, at the 73rd Ordinary General Meeting of Shareholders held on June 19, 2019, based on the Restricted Stock Compensation Plan, the Company resolved to grant cash compensation (hereinafter referred to as "Restricted Stock Compensation") to be used as consideration for the acquisition of Restricted Stock, and to set the transfer restriction period for the Restricted Stock as the period immediately following the resignation or retirement of the target director, as follows: as a monetary compensation claim of up to 50 million yen per year to be granted to the target directors, and to set the restriction period for the transfer of restricted stock until the point immediately following the resignation or retirement of the directors, and we have obtained your approval for this.

An overview of the Program and other relevant details are provided below.

【Overview of the Program, etc.】

The target directors and executive officers who do not concurrently serve as directors of the Company (hereinafter collectively referred to as the “target directors, etc.”) shall pay all monetary compensation receivable from the Company under this system as in-kind contributions and receive the issuance or disposal of common shares of the Company.

The total number of common shares issued or disposed of by the Company to the target directors under the restricted stock compensation plan shall not exceed 40,000 shares per year, and the subscription price per share shall be the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of the board of directors' resolution regarding the allocation of shares (or the closing price on the transaction day immediately prior to it if no transactions are made on that business day).

In addition, in connection with the issuance or disposal of our common shares under this system, we will enter into a restricted stock allocation agreement with the target directors, etc., and the contents of such agreement shall include the following: 1) the target directors, etc. shall not transfer, establishment of security interest, or otherwise dispose of the common shares of the Company allocated to them under the restricted stock allocation agreement during the period from the date of allocation under the restricted stock allocation agreement until the date immediately following their resignation or retirement from any position as a director or executive officer of the Company, and 2) In the event certain conditions are met, the Company shall have the right to acquire such common shares without consideration, among other provisions.

In the present case, based on the advice and suggestions of the Nomination & Compensation Advisory Committee, which consists of all the President and CEO and outside directors, and in consideration of circumstances including the Program's purpose, the Company's performance, and the scope of each Eligible Board Director, etc.'s duties, it was decided to allocate a total of 15,819,975 yen in Monetary Compensation Claim (“the Monetary Compensation Claim”) and 25,475 shares of common stock. In this self-share disposition, pursuant to this system, the seven target directors and other individuals designated as the allottees will contribute the entire principal monetary compensation claims as in-kind capital contributions to the Company and receive the common shares of the Company (hereinafter referred to as the “allotted shares”). The outline of the restricted stock allocation agreement (hereinafter referred to as the “allocation agreement”) to be entered into between the Company and the target directors and other individuals in connection with this self-share disposition is as follows in Section 3.

3. Overview of the Allotment Agreement

(1) Transfer restriction period: From July 11, 2025, until the moment of retirement or resignation

(2) Conditions for lifting transfer restrictions

The restriction on transfer of all of the Allotted Shares shall be cancelled at the expiration of the transfer restriction period on the condition that the target directors has continuously held the position of Director, Executive Officer not concurrently serving as Director to the time immediately preceding the conclusion of the first Ordinary General Meeting of Shareholders to be held thereafter (hereinafter referred to as the “Service Period”).

(3) Treatment in the event that the target director, etc. resigns or retires during the term of service due to the expiration of their term of office, reaching retirement age, or other valid reasons (including resignation or retirement due to death)

i) Timing of lifting transfer restriction

If any of the target directors or executive officers who are not concurrently serving as directors of the Company resign or retire due to the expiration of their term of office, reaching the mandatory retirement age, or other valid reasons, the transfer restriction shall be lifted at the time when the transfer restriction

period expires (immediately after the resignation or retirement).

ii) Number of Allotted Shares for which the transfer restriction is lifted

Number of shares eligible for cancellation of transfer restrictions The number of shares of the Allotted Shares held by the target directors, etc. at the time of such retirement or resignation as set forth in (i) above multiplied by the number of months from the month including the Disposal Date to the month including the date of retirement or resignation of the Eligible Allottee divided by 12 (this shall be deemed to be 1 if such number exceeds 1)(provided, however, that if the calculation results in a fraction less than one share, such fraction shall be rounded down).

(4) Acquisition by the Company without consideration

The Company shall acquire, without consideration, the allocated shares for which the transfer restrictions have not been lifted as of the expiration of the transfer restriction period.

(5) Management of shares

During the Transfer Restriction Period, the Allotted Shares shall be managed in dedicated accounts opened by the Eligible Board Directors, etc. at Nomura Securities Co., Ltd. to ensure that they cannot be transferred, that a security interest cannot be created, and that they cannot otherwise be disposed of during said period. To ensure the effectiveness of the transfer restriction on the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. relating to management of the accounts for the Allotted Shares owned by the Eligible Board Directors, etc. Furthermore, the Eligible Board Directors, etc. have consented to the details of managing these accounts.

(6) Handling in the event of organizational restructuring, etc.

During the Transfer Restriction Period, if a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or by the Company's Board of Directors, if the approval of the Company's General Meeting of Shareholders is not required with regard to the organizational restructuring, etc.), the transfer restriction shall be lifted for the number of shares obtained by multiplying the number of Allotted Shares owned at the applicable time by the number obtained by dividing the number of months from the start month of the Transfer Restriction Period through to the month in which the date of the approval falls by 12 (if this number is greater than 1, it will be considered as 1; fractional shares of less than 1 share will be rounded down) immediately before the business day prior to the effective date of the organizational restructuring, etc. based on a resolution of the Board of Directors. Furthermore, immediately after the transfer restriction is lifted, all Allotted Shares for which it has not been lifted will be acquired gratis by the Company as a matter of course.

4. Basis for calculating paid-in amount and specific details

For the Treasury Unit Disposal to the allotment recipients, Monetary Compensation Claim for restricted stock compensation for the Company's 42nd fiscal year based on the Program shall be provided in the form of property contributed. To eliminate arbitrariness in the disposal amount, it shall be 621 yen, which is the closing price of the Company common shares on the Tokyo Stock Exchange on June 19, 2025 (the business date prior to the date of the Board of Directors resolution). This is the market share price on the date immediately before the date of the Board of Directors resolution, which is deemed to be reasonable and not especially advantageous.

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