



December 17, 2025

To whom it may concern:

Company name: Shinnihonseiyaku Co., Ltd.  
Representative name: Takahiro Goto, President & Representative Director of the Board and Chief Executive Officer  
(Securities Code: 4931, TSE Prime)  
Contact: Mitsuyoshi Fukuwara, Senior Managing Director of the Board and Chief Operating Officer  
(TEL) +81-92-720-5800

Notice Concerning the Disposal of Treasury Shares as Stock Compensation for Directors of the Board

Shinnihonseiyaku Co., Ltd. (the “Company”) announces that, at the Board of Directors meeting held on December 17, 2025, the Company resolved to dispose of treasury shares as retirement benefit stock compensation (transfer-restricted stock compensation) (the “Disposal of Treasury Shares (I)”) and to dispose of treasury shares as performance-based stock compensation (transfer-restricted stock compensation) (the “Disposal of Treasury Shares (II)”) for its Directors of the Board (excluding Outside Directors and Directors of the Board who are Audit & Supervisory Committee Members). Details are as follows.

1. Outline of the disposal

(1) Disposal of treasury shares as retirement benefit stock compensation (Disposal of Treasury Shares (I))

- a. Disposal date: January 16, 2026
- b. Class and number of shares to be disposed of: 9,098 shares of the Company’s common stock
- c. Disposal price: 1,992 yen per share
- d. Total value of the disposal price: 18,123,216 yen
- e. Method of performance of contribution: By way of in-kind contribution of the monetary compensation claims
- f. Allottees of shares, the number thereof, and the number of shares to be allotted: 9,098 shares for two Directors of the Board

(2) Disposal of treasury shares as performance-based stock compensation (Disposal of Treasury Shares (II))

- a. Disposal date: January 16, 2026
- b. Class and number of shares to be disposed of: 24,187 shares of the Company’s common stock
- c. Disposal price: 1,992 yen per share
- d. Total value of the disposal price: 48,180,504 yen
- e. Method of performance of contribution: By way of in-kind contribution of the monetary compensation claims
- f. Allottees of shares, the number thereof, and the number of shares to be allotted: 24,187 shares for two Directors of the Board

## 2. Purposes and reasons for the disposal

At the 32nd Annual General Meeting of Shareholders, held on December 23, 2020, the Company resolved to introduce a restricted stock system (the “Retirement Benefit-type RS System”) that grants its transfer-restricted common stock to its Directors of the Board (excluding Outside Directors and Directors of the Board who are Audit & Supervisory Committee Members; the “Eligible Directors of the Board”) as a stock compensation system. This is to replace the retirement benefits system for directors. The purposes are to provide Eligible Directors of the Board with an incentive that encourages them to sustainably increase the Company’s corporate value and, at the same time, further promote value sharing between the Eligible Directors of the Board and shareholders.

The specific details of this matter are as follows: (1) the total amount of monetary compensation claims for the purpose of providing transfer-restricted stock shall not exceed 30,000,000 yen (30 million yen) per year, (2) the total number of shares of the Company’s common stock to be issued or disposed of shall not exceed 15,000 shares per year, (3) the specific allocation to each Eligible Director of the Board under the Retirement Benefit-type RS System shall be determined by the Board of Directors, and (4) the period determined by the Company’s Board of Directors as the transfer-restricted period for transfer-restricted stock shall be between 5 years and 30 years.

Moreover, at the 36th Annual General Meeting of Shareholders, held on December 19, 2024, the Company resolved to abolish in the future the operation of the performance-based stock compensation (Performance Share Unit) system that it resolved to introduce at the 32nd Annual General Meeting of Shareholders and, in its place, to introduce performance-based transfer-restricted stock compensation (Restricted Stock System) (the “Performance-based-type RS System”) that grants its transfer-restricted common stock based on performance as a stock compensation system. The Company did this to further solidify the purpose of value sharing between the Eligible Directors of the Board and shareholders.

The specific details of this matter are as follows: (1) the total number of shares of the Company’s common stock to be issued or disposed of to provide transfer-restricted stock, when combined with the Retirement Benefit-type RS System, shall not exceed 75,000 shares per year, (2) the total number of shares of the Company’s common stock to be issued or disposed of in each fiscal year shall not exceed 60,000 shares, (3) the specific allocation to each Eligible Director of the Board under the Performance-based-type RS System shall be determined by the Board of Directors, and (4) the period determined by the Company’s Board of Directors as the transfer-restricted period for transfer-restricted stock shall be between 5 years and 30 years.

Under both the Retirement Benefit-type RS System and the Performance-based-type RS System, the Eligible Directors of the Board pay the monetary compensation claims to the Company by way of in-kind contribution and they then receive the Company’s common stock through the issuance of new shares or the disposal of treasury shares by the Company.

An outline of the Retirement Benefit-type RS System and Performance-based-type RS System and other details are as follows.

## 3. Outline of the RS systems

### (1) Retirement Benefit-type RS System

The Retirement Benefit-type RS System is a system that grants Eligible Directors of the Board with the number of shares of the Company’s common stock (the “Allocated Stock”) equivalent to an amount determined in accordance with the Eligible Director of the Board’s position. The specific amount of and conditions for payment shall be agreed upon with each Eligible Director of the Board in an allocation

agreement to be executed between the Company and the Eligible Directors of the Board (the “Allocation Agreement”).

a. Transfer-restricted period

From January 16, 2026 to January 16, 2056

b. Acquisition without compensation

In the event that the Eligible Directors of the Board retire without a valid reason during the transfer-restricted period, or that certain illegal acts, such as violations of laws and regulations or the Company’s internal rules, have occurred or similar circumstances have arisen that fall under the grounds for acquisition without compensation (determined by the Company’s Board of Directors) necessary to maintain the purpose of the stock compensation system, the Company shall rightfully acquire the Allocated Stock without compensation.

c. Lifting of the transfer restriction

The Company will lift the transfer restriction at the time of the expiration of the transfer-restricted period for all the Allocated stock on the condition that the Eligible Directors of the Board continue to be in the position of director of the board, executive manager, employee, or otherwise of the Company or a subsidiary thereof throughout the transfer-restricted period.

However, notwithstanding the provision of b. above, in the event an Eligible Director of the Board retires with a valid reason during the transfer-restricted period, the Company will lift the transfer restriction at the time of the said retirement for all the Allocated Stock on the condition that the said Eligible Director of the Board continues to be in the position of director of the board, executive manager, employee, or otherwise of the Company or a subsidiary thereof throughout the period from the commencement date of the transfer-restricted period until the commencement date of the Annual General Meeting of Shareholders related to the reporting or determination of financial results of the fiscal year containing the commencement date of the transfer-restricted period (the “Duty Execution Period”). Moreover, in the event the Eligible Directors of the Board retire with a valid reason before the expiration of the Duty Execution Period without falling under any event for acquisition without compensation prescribed in b. above, the number shares of the Allocated Stock for which the transfer restriction is to be lifted and the timing at which the transfer restriction is to be lifted shall be reasonably adjusted as necessary.

d. Acquisition of residual stock without compensation

The Company shall rightfully acquire the Allocated Stock for which the transfer restriction has not been lifted in accordance with the provision of c. above at the time of the expiration of the transfer-restricted period, free of charge.

e. Treatment in the event of business reorganization

In the event that matters related to business reorganization or similar are approved at the Company’s Annual General Meeting of Shareholders (or at a meeting of the Company’s Board of Directors in the event that approval at the Company’s Annual General Meeting of Shareholders is not required concerning the business reorganization or similar), the transfer restriction on the part of the Allocated Stock to be reasonably provided by resolution at a meeting of the Company’s Board of Directors based on the period from the commencement date of the transfer-restricted period to the approval date of the business reorganization or similar shall be lifted prior to the effective date of the business reorganization or similar. In this event, the Company shall rightfully acquire the Allocated Stock for

which the transfer restriction has not been lifted immediately after the lifting of the transfer restriction free of charge.

## (2) Performance-based-type RS System

The Performance-based RS System is a system that grants the Company's common stock with a transfer restriction after the end of either one fiscal year or each fiscal year for three years in principle as determined by the Board of Directors in advance (the "Performance Evaluation Periods") according to the achievement of performance targets in the said Performance Evaluation Periods. The specific amount of and conditions for payment shall be agreed upon with each Eligible Director of the Board in an allocation agreement to be executed between the Company and the Eligible Directors of the Board.

\*1: The "number of shares to be delivered" is calculated by multiplying the number of shares determined in accordance with the Eligible Director of the Board's position by the provision ratio determined in accordance with the achievement of the performance targets during the Performance Evaluation Periods.

\*2: The "share price at the time of delivery" is based on the closing price of the shares of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Company's Board of Directors regarding the issuance or disposal of those shares (if no trading was completed on that day, the closing price on the trading date immediately preceding that day).

The details other than the above of the transfer-restricted period, acquisition without compensation, lifting of the transfer restriction, acquisition of residual stock without compensation and treatment in the event of business reorganization are the same as for the Retirement Benefit-type RS System.

## 4. Basis for calculating the amount to be paid in and its specific details

The Disposal of Treasury Shares (I) and the Disposal of Treasury Shares (II) are made as disposal of treasury shares under the Retirement Benefit-type RS System and the Performance-based-type RS System respectively. For that reason, to eliminate arbitrariness, the disposal price shall be 1,992 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on December 16, 2025 (the business day preceding the date of the resolution by the Board of Directors). This is the market stock price immediately prior to the date of the resolution by the Board of Directors pertaining to the Disposal of Treasury Shares (I) and the Disposal of Treasury Shares (II). The Company believes that this amount is reasonable and is not particularly advantageous.