



June 20, 2025

Company name: JAPAN PURE CHEMICAL CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4973 URL <https://www.netjpc.com>  
 Representative: Representative Director and President Tomoyuki Kojima  
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## Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

The Board of Directors of the Company resolved at its meeting held today to dispose of treasury shares as restricted stock compensation (hereinafter, the "Disposal of Treasury Shares") as outlined below.

### 1. Overview of the Disposal

(1) Payment Date	July 18, 2025
(2) Class and Number of Shares to Be Disposed	6,200 shares of the Company's common stock
(3) Disposal Price	¥3,190 per share
(4) Total Disposal Value	¥19,778,000
(5) Allottees	- 2 Directors of the Company (excluding Non-Executive Directors including Audit and Supervisory Committee Members and Outside Directors): 3,700 shares - 5 Non-Executive Directors (excluding those who are Audit and Supervisory Committee Members): 2,500 shares
(6) Other	None

### 2. Purpose and Reason for the Disposal

At the 54th Annual General Meeting of Shareholders held on June 20, 2025, a resolution was passed to introduce a restricted stock compensation plan (hereinafter, "Plan I") for Directors of the Company (excluding Non-Executive Directors including Audit and Supervisory Committee Members and Outside Directors; hereinafter, "Eligible Directors I"). The purpose of this plan is to further align the interests of shareholders and Directors by sharing both the benefits and risks of stock price fluctuations and to enhance motivation toward improving medium- to long-term business performance and corporate value.

Under Plan I, the Company may grant monetary compensation claims of up to ¥60 million per year to Eligible Directors I as assets contributed in kind for acquiring restricted shares. The total number of common shares of the Company to be issued or disposed under this plan is capped at 24,000 shares per year, and the restriction period shall continue until the Director resigns from the position.

The revised compensation formula under Plan I will take effect from the 56th fiscal year (beginning July 2026), and the amount of compensation for the 55th fiscal year (July 2025–June 2026) will be calculated based on the previous formula.

Today, based on this framework, the Board of Directors resolved to allocate 3,700 common shares (the "Allocated Shares") to 2 Eligible Directors I by granting a total monetary compensation claim of ¥11,803,000 (the "Compensation Claim"), which the Directors will contribute in kind.

In order to fulfill the purpose of this plan—enhancing sustainable corporate value and ensuring long-term value-sharing with shareholders—the restriction period will last until each Director resigns from office.

Additionally, at the same shareholder meeting, a resolution was passed to introduce a separate restricted stock compensation plan (hereinafter, "Plan II") for Non-Executive Directors (excluding Audit and Supervisory Committee Members; hereinafter, "Eligible Directors II") with the aim of aligning their perspectives with those of shareholders and providing incentives for sustainable corporate value growth.

Under Plan II, monetary compensation claims of up to ¥10 million per year may be granted to Eligible Directors II, and the total number of shares issued or disposed is capped at 4,000 shares per year. The restriction period is similarly defined as lasting until resignation.

In accordance with this, the Board resolved today to allocate 2,500 common shares to 5 Eligible Directors II by granting them a total monetary compensation claim of ¥7,975,000, which will be contributed in kind.

#### Summary of the Restricted Stock Allotment Agreement

The Company will enter into individual restricted stock allotment agreements with the Eligible Directors. Key terms are as follows:

##### (1) Restriction Period

The Eligible Directors may not transfer, pledge, gift inter vivos, or otherwise dispose of the Allocated Shares from the payment date until the date of resignation as Director. If resignation occurs before June 30, 2026, the restriction period will end on July 1, 2026.

##### (2) Conditions for Lifting of Transfer Restrictions

Transfer restrictions will be lifted at the end of the restriction period provided the Director has continuously held their position through the conclusion of the first Annual General Meeting of Shareholders following the payment date.

If the Board determines that a legitimate reason exists, it may adjust the timing of lifting the restrictions.

In the case of resignation due to legitimate reasons or death during the restriction period, restrictions will be lifted for a prorated number of shares, calculated as:

$$(\text{Number of months from the month after the AGM immediately prior to the payment date through the month of resignation} \div 12) \times \text{Number of Allocated Shares held at the time}$$

Rounded up to the nearest share unit if a fraction arises.

##### (3) Free Acquisition by the Company

If the Eligible Director resigns without a legitimate reason before the end of the first Annual General Meeting of Shareholders following the payment date, the Company shall automatically acquire all Allocated Shares without compensation.

Also, any shares for which restrictions have not been lifted at the time transfer restrictions are lifted (as per (2)) shall also be acquired without compensation.

##### (4) Treatment in Organizational Restructuring

Notwithstanding item (1), if during the restriction period the Company's shareholders or Board of Directors approve a merger in which the Company ceases to exist, a share exchange or transfer in which the Company becomes a wholly owned subsidiary, or another form of corporate reorganization, the Company may lift transfer restrictions prior to the effective date of such reorganization. The number of shares for which restrictions are lifted will be calculated similarly to item (2), using the month of reorganization approval as the endpoint.

Any shares with restrictions still in place after such adjustment will be acquired by the Company without compensation.

##### (5) Management of the Allocated Shares

Eligible Directors are required to open a designated account with Mizuho Securities Co., Ltd. to register or record the Allocated Shares and to maintain those shares in said account until transfer restrictions are lifted.

### 3. Basis for the Calculation of Disposal Price

The disposal price of ¥3,190 per share was determined as the closing price of the Company's common stock on the Tokyo Stock Exchange on June 19, 2025, the business day immediately prior to the Board resolution.

This price is based on the market value just before the resolution date and is deemed to be fair and not particularly advantageous to the allottees.