

August 29, 2025

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(Securities code: 8091; Tokyo Stock Exchange Prime Market)
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Notice Concerning Disposal of Treasury Shares through Third-Party Allotment in Association with the Continuation of the Stock Compensation Plan

NICHIMO CO., LTD. (the “Company”) hereby announces that it has resolved, at a meeting of Board of Directors held today, to dispose of treasury shares as share-based remuneration (hereinafter the “Disposal of Treasury Shares”). Details are as follows.

1. Overview of Disposal

(1)	Date of disposal	September 17, 2025
(2)	Class and number of shares to be disposed of	20,400 shares of the Company’s common stock
(3)	Disposal price	2,600 yen per share
(4)	Total proceeds from disposal	53,040,000 yen
(5)	Scheduled disposal recipient	Sumitomo Mitsui Trust Bank, Ltd. (Trust account) (Re-trustee: Custody Bank of Japan, Ltd. (Trust account))
(6)	Other matters	A Written Notice of Securities has been submitted with respect to the Disposal of Treasury Shares, pursuant to the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposal

At a meeting of Board of Directors held on May 13, 2022, the Company resolved to introduce a stock compensation plan for Directors (excluding Directors Serving as Audit & Supervisory Committee Member, and External Directors; the same applies hereinafter) (the “Plan”). The purpose of the Plan is to strengthen alignment between executive compensation and the Company’s performance and stock value, and to ensure that Directors are exposed to the same stock price-related benefits and risks as shareholders, thereby reinforcing their commitment to improving the Company’s medium- to long-term performance and corporate value. The introduction of the Plan was approved at the 136th Annual General Meeting of Shareholders held on June 24, 2022. The Plan has been in place to date.

For details of the Plan, please refer to the announcement dated May 13, 2022, titled “Notice Concerning Change to Stock Compensation Plan for Officers.” (Japanese only)

The Disposal of Treasury Shares will be made to Sumitomo Mitsui Trust Bank, Ltd. (trust account), the trustee of the trust (hereinafter the “Trust”) established for the purpose of implementing the Plan (re-trusted to Custody Bank of Japan, Ltd. (trust account)).

The number of shares to be disposed of corresponds to the number of shares expected to be delivered to Directors based on the Share Delivery Regulations previously established by the Company in connection with the introduction of the Plan, taking into consideration the Company’s Director ranks and transition in their composition during the extended trust period. The dilution effect of the disposal will be

approximately 0.23% of the total number of issued shares as of March 31, 2025, or 9,008,800 shares (approximately 0.24% of the total voting rights as of March 31, 2025, or 83,906 units; both percentages rounded to two decimal places).

The Company considers that the Plan clarifies the alignment between executive compensation and the value of the Company's shares and will contribute to the enhancement of corporate value over the medium to long term. The disposal quantity and impact of dilution are reasonable, and the impact on the secondary market is expected to be minimal.

(Reference) Overview of the trust agreement pertaining to the Trust

Trustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Ltd (Re-trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Directors who meet the beneficiary criteria
Trust administrator	A third party independent from the Company and officers of the Company
Exercise of voting rights	No voting rights pertaining to the shares in the Trust will be exercised throughout the trust period.
Type of trust	Money held in trust other than money trust (third-party beneficiary trust)
Date of trust agreement	September 12, 2022
Trust period	September 12, 2022 to August 31, 2028 (planned)
Purpose of the trust	To deliver shares of the Company to beneficiaries in accordance with the Share Delivery Regulations

3. Basis of Calculation and Specific Details of Disposal Price

To eliminate arbitrariness and ensure the price objectively reflects recent share price movements, the disposal price was set at 2,600 yen per share, which is the closing price of the Company's stock on the Tokyo Stock Exchange on August 28, 2025, the business day immediately preceding the date of the Board resolution. The use of the closing price on the last trading day prior to the Board resolution was considered an objective and reasonable basis for calculation as it reflects the market value at the time closest to the decision.

The disposal price represents a deviation of 6.08% from the average closing price of 2,451 yen (rounded down to the nearest yen) during the one-month period ending on the last trading day prior to the Board resolution date (i.e. July 29, 2025 to August 28, 2025), a deviation of 14.14% from the average closing price of 2,278 yen (rounded down to the nearest yen) during the three-month period ending on that same day (May 29, 2025 to August 28, 2025), and a deviation of 21.95% from the average closing price of 2,132 yen (rounded down to the nearest yen) during the six-month period ending on that same day (March 3, 2025 to August 28, 2025) (All deviation rates are rounded to two decimal places).

In light of the above, the Company believes that the disposal price for the Disposal of Treasury Shares is not particularly advantageous to the scheduled disposal recipient and is a reasonable one.

Additionally, the Company's Audit & Supervisory Committee expressed its members' unanimous opinion today that the basis of calculation of the disposal price is reasonable, that the price is not particularly advantageous to the scheduled disposal recipient, and that it is lawful.

4. Matters Concerning Procedure Required by Corporate Code of Conduct

The Disposal of Treasury Shares does not require the procurement of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) this third-party allotment does not involve a change in controlling shareholder.