



June 24, 2025

To Whom It May Concern:

Company Name: Eiken Chemical Co., Ltd.
Representative: Yuji Segawa, President & CEO
(Securities Code: 4549, TSE Prime)
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

Eiken Chemical Co., Ltd. (the “Company”) hereby announces that, at its Board of Directors meeting held today, the Company resolved to dispose of treasury shares (“Disposal of Treasury Shares” or “Disposal”) as follows.

1. Overview of Disposal

Officers of the Company

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| (1) | Disposal date | July 23, 2025 |
| (2) | Type and number of shares subject to Disposal | Common shares of the Company: 40,321 shares |
| (3) | Disposal price | 2,130 yen per share |
| (4) | Total value of Disposal | 85,883,730 yen |
| (5) | Allottees and number thereof; number of shares to be disposed | Seven outside directors: 3,710 shares Eleven executive officers of the Company: 36,611 shares |
| (6) | Other | Regarding the Disposal of Treasury Shares, the extraordinary report set forth in the Financial Instruments and Exchange Act was submitted. |

Employees of the Company

| | | |
|-----|---|--|
| (1) | Disposal date | July 23, 2025 |
| (2) | Type and number of shares subject to Disposal | Common shares of the Company: 77,688 shares |
| (3) | Disposal price | 2,130 yen per share |
| (4) | Total value of Disposal | 165,475,440 yen |
| (5) | Allottees and number thereof; number of shares to be disposed | 134 employees of the Company: 77,688 shares |
| (6) | Other | Regarding the Disposal of Treasury Shares, the extraordinary report set forth in the Financial Instruments and Exchange Act was submitted. |

2. Purpose and reasons for Disposal

At the Compensation Committee meeting held on November 18, 2022, in order to clarify the incentives for officers and employees and align their objectives of with those of shareholders, thereby motivating these officers and employees to work together and maintain keen focus on sustainably improving medium-to-long term shareholder and corporate value, the Company resolved to introduce a restricted stock compensation plan for the Company's directors and executive officers ("Eligible Officers"), and executive staff ("Eligible Employees"; together with Eligible Officers and Eligible Employees, "Eligible Persons"). For details of this matter, please see the "Notice Regarding Introduction of Restricted Stock Compensation Plan" dated November 18, 2022.

The overview etc. of the Plan is as follows.

Overview etc. of the Plan

Eligible Persons shall make in-kind contribution of all monetary claims provided by the Company under the Plan, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company. The amount to be paid per share shall be decided by the Board of Directors based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (or if no transaction is made on such business day, the closing price on the transaction

day immediately prior thereto), to the extent that the amount will not be particularly advantageous to Eligible Persons who will subscribe to such common shares.

Further, for the issuance or disposal of common shares of the Company under the Plan, the Company and each Eligible Person shall enter into a restricted stock allotment agreement, which include, among other terms, (i) that the Eligible Persons shall not transfer to any third party, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the restricted stock allotment agreement during a certain predetermined period, and (ii) that in a case where certain events occur, the Company shall acquire such common shares without charge.

The total sum of the monetary claims of 251,359,170 yen (“Monetary Claims”), and 118,009 shares of common shares shall be provided to the Eligible Officers based on the decision of the Company’s Compensation Committee held today, and to the Eligible Employees based on their positions at the point in time of provision. Further, in light of the purpose of introducing the Plan, which is to provide an incentive for the sustainable improvement of medium-to-long term shareholder and corporate value, the transfer restriction period for an Eligible Officer shall be from the date of allotment of the common shares of the Company under the restricted stock allotment agreement entered into by the Company and the Eligible Officer until the time immediately following the Eligible Officer’s retirement from the position of director, executive officer, consultant, special advisor, or counselor of the Company, and the transfer restriction period for an Eligible Employee shall be three years.

For the Disposal of Treasury Shares, under the Plan, 152 Eligible Persons, to whom the shares are scheduled to be allotted, shall make in-kind contributions of all Monetary Claims against the Company, and the Company shall dispose of the common shares of the Company (“Allotted Shares”). The overview of the restricted stock allotment agreement (“Allotment Agreement”) entered into between the Company and the Eligible Persons for the Disposal of Treasury Shares is set forth in 3 below.

3. Overview of Allotment Agreement

(1) Transfer restriction period

Eligible Officers

An Eligible Officer must not transfer to any third party, create a security interest on, or otherwise dispose of the Allotted Shares from July 23, 2025 (“Disposal Date”) until the time immediately following the Eligible Officer’s retirement from the position of director, executive officer, consultant, special advisor, or counselor of the Company.

Eligible Employees

July 23, 2025-June 1, 2028

An Eligible Employee must not transfer to any third party, create a pledge on, create a security interest by transfer on, make a lifetime gift of, bequeath, or otherwise dispose of the Allotted Shares during the above period (“Transfer Restriction Period”).

(2) Conditions for cancellation of transfer restriction

Eligible Officers

On the condition that the Eligible Officer has continuously held the position of director, executive officer, consultant, special advisor, or counselor of the Company during the period from the commencement date of business execution until the date of the first annual general shareholders meeting to be held thereafter (“Service Provision Period”), the Company shall cancel the transfer restriction on all Allotted Shares at the point in time of expiration of the Transfer Restriction Period.

The treatment in a case where the Eligible Officer retires during the Service Provision Period due to expiration of his/her term of office or any other legitimate reason shall be as set forth in (i) and (ii) below.

(i) Timing of cancellation of transfer restriction

In a case where the Eligible Officer retires from his/her position as director, executive officer, consultant, special advisor, or counselor of the Company due to expiration of his/her term of office or any other legitimate reasons (excluding retirement due to death), the transfer restriction will be cancelled immediately after the retirement of the Eligible Officer.

(ii) Number of shares subject to cancellation of transfer restriction

The number of shares obtained by dividing the number of months from the month including the Disposal Date to the month including the retirement date of the eligible officer by the number of months for the Service Provision Period (12) (if the number exceeds one, it shall be rounded down to one) and multiplying it by the number of the Allotted Shares held at the point in time immediately following the retirement set forth in (i) (however, any fractional shares of less than one share resulting from the calculation shall be discarded).

Eligible Employees

On the condition that an Eligible Employee has continuously held his/her position as an employee or any other equivalent position of the Company or the Company’s subsidiaries during the period between April 1, 2025 and March 31, 2028 (“Requisite Service Period”), in accordance with the conditions pertaining to the position of the Eligible Employee (“Position Condition”), the Company shall cancel the transfer restriction on all or part of the Allotted Shares at the expiration of the Transfer Restriction Period.

In a case where the Eligible Employee retires from the position of employee or any other

equivalent position of the Company or the Company's subsidiaries during the Requisite Service Period due to mandatory retirement (if they are re-employed after the mandatory retirement, this should be read as such re-employment period expiration), appointment to the position of officer, or any other legitimate reason (this does not include personal reasons of the Eligible Employee; hereinafter the same), in accordance with the Position Condition, the Company shall cancel the transfer restriction on all or part of Allotted Shares at the point in time immediately following such retirement; provided, however, that in a case where the Eligible Employee retires due to death, the number of shares to be cancelled shall be zero.

Position Condition

The number of shares for which the transfer restriction is cancelled shall be the number obtained as a result of the calculation by the following formula based on the position of the Eligible Employee.

1. If, regarding the number of cancellation shares by position set forth in the following table, the Requisite Service Period does not include a position change that would result in a decrease in the number of shares from the number of cancellation shares by position corresponding to the position at the point in time of commencement of the Requisite Service Period ("Initial Position") ("Base Number of Cancellation Shares").
The number of transfer restriction cancellation shares = Base Number of Cancellation Shares \times (service period / 36)
2. If, regarding the number of cancellation shares by position set forth in the following table, the Requisite Service Period includes a position change that would result in a decrease in the number of shares from the Base Number of Cancellation Shares
The number of transfer restriction cancellation shares = A + B

A = Base Number of Cancellation Shares \times (service period in the Initial Position (including positions in which the number of cancellation shares by position set forth in the following table is the same as the Initial Position) / 36)

B = The number of cancellation shares by position corresponding to the position other than the Initial Position (limited to positions in which the number of cancellation shares by position set forth in the following table differs from that of the Initial Position) \times (service period in such position / 36)

The service period shall start from the month including the commencement date of the Requisite Service Period.

| Position | Number of cancellation shares by position |
|----------------------------|--|
| General Manager (Office) | 1,408 shares |
| General Manager (Division) | 704 shares |

| | |
|-----------------|------------|
| Section Manager | 422 shares |
|-----------------|------------|

(3) Acquisition of Allotted Shares without charge by the Company

Eligible Officers

In a case where an eligible officer engages in actions during the Transfer Restriction Period that violate laws and regulations or otherwise fall under any of the certain events set forth in the Allotment Agreement, the Company shall acquire as a matter of course all the Allotted Shares without charge. Further, the Company shall acquire as a matter of course the Allotted Shares for which the transfer restriction has not been cancelled at the point in time of expiration of the Transfer Restriction Period or the point in time of cancellation of transfer restriction set forth in (2) above.

Eligible Employees

The Company shall acquire as a matter of course the Allotted Shares for which the transfer restriction has not been cancelled at the point in time of expiration of the Transfer Restriction Period or the point in time of cancellation of transfer restriction set forth in (2) above.

(4) Treatment during reorganization, etc.

If, during the Transfer Restriction Period, matters relating to a merger agreement in which the Company is the absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other reorganization are approved at the Company's general shareholders meeting (or in the case where, in relation to such reorganization etc., the approval at the Company's general shareholders meeting is not required, its Board of Directors meeting) (limited to the case where the effective date of such reorganization etc. arrives before the expiration of the Transfer Restriction Period), based on the Board of Directors resolution, the Company shall cancel, at the time immediately prior to the business day preceding the effective date of such reorganization etc., the transfer restriction of all Allotted Shares held at such point in time. Further, the Company shall acquire, as a matter of course, the Allotted Shares for which the transfer restriction has not been cancelled at the point in time immediately after the transfer restriction is cancelled.

(5) Management of shares

During the Transfer Restriction Period, the Allotted Shares are held in dedicated accounts at Nomura Securities Co., Ltd. that are opened by the Eligible Persons so that no transfer, creation of security interest, or other disposal can be performed. In order to ensure the effectiveness of the transfer restriction etc. pertaining to the Allotted Shares, the Company

has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of accounts for the Allotted Shares held by each Eligible Person. The Eligible Persons shall consent to the terms regarding the management of such accounts.

4. Basis of Calculation of the Payment Amount and Specific Details thereof

The Disposal of Treasury Shares to the Eligible Persons scheduled to receive allotment of shares shall be funded by monetary claims which were provided as restricted stock compensation for the 88th fiscal year under the Plan. To eliminate arbitrariness concerning the Disposal price, this price will be 2,130 yen, which is the closing price for the common shares of the Company on the Prime Market of the Tokyo Stock Exchange on June 23, 2025 (the business day prior to the day of the Board of Directors resolution). As this is the market price the day prior to the day of the Board of Directors resolution, we believe it is reasonable and does not represent a particularly favorable price for the Eligible Persons.

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