

July 23, 2025

For Immediate Release

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## Notice Concerning a Disposal of Treasury Shares as Restricted Stock Compensation

Sakai Chemical Industry Co., Ltd. (the “Company”) hereby announces its Board of Directors resolved to dispose of treasury shares as restricted stock compensation as detailed below during a meeting held on July 23, 2025.

### 1. Disposal Summary

(1)	Disposal date	August 7, 2025
(2)	Type and number of shares subject to disposal	7,767 common shares in the Company
(3)	Disposal price	2,705 yen per share
(4)	Total disposal value	21,009,735 yen
(5)	Planned recipients	A total of 7,767 shares will be allocated to four directors of the Company (none of whom are outside directors)
(6)	Other details	This disposal of treasury shares does not require or involve the submission of a Securities Registration Statement or Securities Notification Form under Japan’s Financial Instruments and Exchange Act.

### 2. Objectives and Justification for This Disposal of Treasury Shares

Through a meeting of its Board of Directors held on May 11, 2018, the Company resolved to introduce a restricted stock compensation plan (“the Plan”) for its inside directors (outside directors are excluded from eligibility). With the introduction of this plan, the Company aimed to align the interests of these directors with those of its shareholders by equalizing their exposure to stock price movements while further enhancing their motivation to contribute to share price growth and corporate value enhancement. During its 123rd Annual General Meeting of Shareholders held on June 27, 2018, the Company secured approval to: (i) cap the annual limit for monetary compensation claims under the Plan at 120 million yen; (ii) limit the total number of restricted shares allocated to directors (outside directors are ineligible for compensation under the Plan) per fiscal year to 100,000 shares; and (iii) impose a 20-year restriction on the transfer of shares awarded under the Plan.

Through a July 23, 2025 meeting of its Board of Directors, the Company resolved to allocate 7,767 common shares under this plan as restricted stock compensation for the period beginning with the conclusion of its 130th Annual General Meeting of Shareholders and ending with the close of its 131th, which is scheduled for June 2026. The Company will allocate these shares to four of its inside directors (“the Allottees”; outside directors are ineligible for compensation under the Plan) by granting them monetary compensation claims totaling 21,009,735 yen, which the Allottees will return in full as in-kind contributions to receive their restricted shares. The monetary compensation claim amounts for each Allottee have been determined based on a comprehensive evaluation of their individual contributions to the Company and other relevant factors.

Furthermore, these monetary compensation claims will be granted contingent upon each Allottee concluding a restricted stock allocation agreement (“the Allocation Agreement”) with the Company, which shall, in substance, include the following provisions.



### 3. Outline of Allocation Agreement

#### ① Transfer Restriction Period

August 7, 2025 through August 6, 2045

During the Transfer Restriction Period defined above (“the Transfer Restriction Period”), the Allottees shall not be permitted to transfer, pledge, assign as collateral, bestow as a gift inter vivos, bequeath, or engage in any other form of disposal of the restricted shares allocated to them (“the Allocated Shares”). This set of constraints shall hereinafter be referred to as “the Transfer Restrictions.”

#### ② Handling of Restricted Shares upon Retirement or Resignation

If an Allottee resigns from, retires from, or otherwise vacates his or her position as director of the Company on or after the date upon which the Transfer Restriction Period commences and prior to date of the Company’s first Annual General Meeting of Shareholders thereafter, the Company shall automatically acquire the Allocated Shares without compensation, except in cases of term of office expiration, death, or other reasons deemed justifiable by the Company’s Board of Directors.

#### ③ Lifting of Transfer Restrictions

Provided an Allottee has maintained uninterrupted service as a director of the Company from the date upon which the Transfer Restriction Period commenced through the date of the Company’s first Annual General Meeting of Shareholders thereafter, the Company shall lift the Transfer Restrictions previously placed on all Allocated Shares held by this Allottee upon expiration of the Transfer Restriction Period. The date upon which this period expires shall hereinafter be referred to as “the Restriction Expiration Date.”

However, if an Allottee resigns from, retires from, or otherwise vacates his or her position as director of the Company prior to the expiration of the Transfer Restriction Period due to term of office expiration, death, or other reasons deemed justifiable by the Company’s Board of Directors (as defined in Section ② above), effective from the time at which the position is vacated, the Company shall lift the Transfer Restrictions on a number of shares calculated by multiplying:

(i) the quotient obtained when dividing the number of months included within the period beginning with July 2025 and ending with the month containing the date upon which the position was vacated by 12 (quotient capped at 1.0), and

(ii) the number of Allocated Shares held by the Allottee at the point in time upon which he or she vacated his or her position (with any fractional shares resulting from the calculation rounded down).

#### ④ Acquisition Without Compensation

Upon expiry of the Transfer Restriction Period, the Company shall automatically acquire, without compensation, any Allocated Shares for which the Transfer Restrictions remain in place in accordance with the provisions set forth in item ③ above.

#### ⑤ Provisions Concerning the Administration of Shares

The Allottees shall, in accordance with methods specified by the Company, establish accounts with SMBC Nikko Securities Inc. for the purpose of registering or recording the Allocated Shares, and shall maintain the Allocated Shares in these accounts until the Transfer Restrictions are lifted.

#### ⑥ Handling of Shares in the Event of Organizational Restructuring or Similar Circumstances

If, during the Transfer Restriction Period, a proposal for a merger agreement under which the Company will be the dissolving entity, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or any other form of corporate reorganization is approved by participants in the Company’s General Meeting of Shareholders (or, if shareholder approval is not required, through a meeting of the Company’s Board of Directors), the Company shall lift via resolution adopted by its Board of Directors the Transfer Restrictions on a portion of the Allocated Shares.

The number of Allocated Shares eligible for this lifting of Transfer Restrictions shall equal the product between:

(i) the quotient obtained by dividing the number of months included within the period beginning with July 2025 and ending with the month containing the date upon which the corporate reorganization was approved by 12 (quotient capped at 1.0), and

(ii) the number of Allocated Shares held at the point in time upon which the corporate reorganization was approved (with any resulting fractional shares rounded down to the nearest whole share).

The Transfer Restrictions shall be lifted immediately prior to the close of business on the business



day preceding the effective date of the corporate reorganization.

In such an event, the Company shall automatically acquire without compensation any Allocated Shares for which the Transfer Restrictions remain in place as of the business day immediately preceding the effective date of said corporate reorganization in accordance with the provisions specified above.

#### 4. Basis for Determining the Issue Price and Relevant Specifics

To eliminate arbitrariness and ensure fairness in the pricing of this disposal of treasury shares, the Company has set the share issue price at 2,705 yen per share, the closing price of the Company's common shares on the Tokyo Stock Exchange as of the business day immediately preceding the date of the Board of Directors' resolution through which the allocation of shares was approved (July 22, 2025). As this issue price reflects the prevailing market price of the Company's shares immediately prior to the resolution date, the Company believes it to be reasonable and not unduly favorable.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.