June 27, 2023

Kureha Corporation

Notice Regarding Disposal of Treasury Stock as Restricted Stock Remuneration

Kureha Corporation hereby announces that it has resolved to dispose of its treasury stock as restricted stock remuneration (hereinafter the "Disposal of Treasury Stock" or "Disposal") at the Board of Directors' meeting held today. Details are as follows.

1. Overview of the Disposal

(1) Payment date	July 26, 2023
(2) Class and number of shares subject to disposal	4,336 shares of common stock of Kureha Corporation
(3) Disposal price	8,330 yen per share
(4) Total value of disposal	36,118,880 yen
(5) Scheduled allottees	4 Directors* 2,676 shares 6 Executive officers 1,660 shares *Excluding outside directors
(6) Other	With respect to the Disposal of Treasury Stock, Kureha Corporation has filed a securities registration statement in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for the Disposal

At its Board of Directors' meeting held on May 17, 2023, Kureha Corporation resolved to introduce an advance awarding-type restricted stock remuneration plan (hereinafter the "Plan") as a new system of remuneration for Kureha Corporation's directors (excluding outside directors, the same applies below) that together with providing an incentive to continuously enhance its corporate value, has the goal of giving them a greater sense of shared value with shareholders.

In addition, at the 110th Annual General Meeting of Shareholders held on June 27, 2023, Kureha Corporation has decided that 1) based on the Plan, it would pay compensation to directors for the granting of restricted stock under the Plan and that the transfer restriction period shall be the period from the date of awarding said shares to the date on which such director retires or resigns from the position of director of Kureha Corporation or any other position designated by Kureha Corporation's Board of Directors; 2) the awarding of restricted stock shall be made by way of issuance or disposal of Kureha Corporation's common stock in exchange for a contribution in kind of all monetary compensation claims paid to the directors; and 3) the total number of shares of Kureha Corporation's common stock to be issued or disposed of under the Plan shall be limited to 9,000 shares or less per year, and the amount of said shares shall be limited to 50 million yen or less per year, which is separate from the monetary compensation limit.

In addition, Kureha Corporation has also decided to grant restricted stock to executive officers as an incentive to continuously enhance Kureha Corporation's corporate value, along with the goal of giving them a greater sense of shared value with shareholders.

Kureha Corporation's Board of Directors, at a meeting held today, resolved to pay a total of 36,118,880 yen in monetary compensation claims to Kureha Corporation's four (4) directors and six (6) executive officers (hereinafter collectively the "Eligible Officers"), and to dispose of 4,336 shares of common stock as shares with transfer restrictions by having them contribute such compensation in kind, taking into account the purpose of the Plan, the scope of each Eligible Officer's duties and various other circumstances.

<Overview of agreement for allotment of restricted shares>
In accordance with the Disposal of Treasury Stock, Kureha Corporation and each of the Eligible Officers shall conclude an agreement for the allotment of restricted shares (hereinafter the "Restricted Stock Allotment Agreement"), with the overview as follows.

(1) Transfer restriction period
During the period from July 26, 2023 (the payment date) to the date of retirement of either director or executive officer, the Eligible Officers shall not transfer, pledge, or otherwise dispose of the shares of Kureha Corporation's common stock allotted under the Restricted Stock Allotment Agreement (hereinafter the "Allocated Shares").

(2) Conditions for lifting restrictions on transfers
The restriction on transfer of all of the Allocated Shares shall be lifted at the expiration of the transfer restriction period subject to the condition that 1) the Eligible Officer who is a director of Kureha Corporation has held the position during the period from the date of Kureha Corporation's Annual General Meeting of Shareholders immediately preceding the payment date to the date of the Annual General Meeting of Shareholders to be held in the following year, or 2) the Eligible Officer who is an executive officer of Kureha Corporation has held the position during the period from April 1 immediately preceding the payment date to March 31 of the following year (hereinafter, the service periods defined in 1) and 2) are collectively referred to as the "Service Period"). However, in the case that an Eligible Officer resigns as either a director or executive officer of Kureha Corporation during the Service Period due to death or for any other reason deemed justifiable by Kureha Corporation's Board of Directors, restrictions on Allocated Shares shall be lifted at the expiration of the transfer restriction period. The number of the Allocated Shares for which transfer restrictions shall be lifted is determined by dividing the number of months from either the month following the month to which the start date of the Service Period belongs for Eligible Officers who are directors of Kureha Corporation, or the month to which the start date of the Service Period belongs for Eligible Officers who are executive officers of Kureha Corporation, up to and including the month of such retirement by 12, then multiplying it by the number of the Allocated Shares (any fraction of less than one share resulting from the calculation shall be rounded down).

(3) Acquisition by Kureha Corporation without consideration

Kureha Corporation shall automatically acquire without consideration Allocated Shares for which the transfer restriction has not been lifted at the expiration of the transfer restriction period.

(4) Administration of shares

The Allocated Shares shall be managed in a dedicated account for shares with transfer restriction opened by the Eligible Officer at Daiwa Securities Co. Ltd. during the restricted transfer period so that the Allocated Shares may not be transferred, pledged or otherwise disposed of during the restricted transfer period.

(5) Treatment in organizational restructuring, etc.

During the transfer restriction period, in the event there is a merger agreement under which Kureha Corporation becomes a merged company, a share exchange agreement or share transfer plan in which Kureha Corporation will become a wholly-owned subsidiary, or any other matters relating to organizational restructuring, etc. are approved at Kureha Corporation's General Meeting of Shareholders (or at a meeting of the Board of Directors if approval by the General Meeting of Shareholders is not required for such reorganization, etc.), upon a resolution of Kureha Corporation's Board of Directors, Kureha Corporation shall lift the transfer restriction on the Allocated Shares as of the time immediately preceding the business day before the effective date of the organizational restructuring. The number of the Allocated Shares for which transfer restrictions shall be lifted is determined by dividing the number of months from either the month following the month to which the start date of the Service Period belongs for Eligible Officers who are directors of Kureha Corporation, or the month to which the start date of the Service Period belongs for Eligible Officers who are executive officers of Kureha Corporation, up to and including the month in which such organizational restructuring is approved by 12 (if the calculation results in a number exceeding one, then a coefficient of 1 is used), then multiplying it by the number of the Allocated Shares held at the time (any fraction of less than one share resulting from the calculation shall be rounded down).

3. Basis of calculating the amount to be paid and other specific details

The Disposal of Treasury Stock shall be conducted with the monetary compensation claims paid to the scheduled allottees as investment assets under the Plan, and the amount to be paid is set at 8,330 yen, which is the closing price of Kureha Corporation's common stock on the Tokyo Stock Exchange on June 26, 2023 (the business day prior to the date of the Board of Directors resolution), in order to exclude arbitrariness from the price. This price is a stock price immediately preceding the date of the Board of Directors meeting, and under the circumstances where Kureha Corporation has no exceptional reason which prevents reliance on the latest stock price, Kureha Corporation views that such price is reasonable, appropriately reflects corporate value, and does not represent a particularly advantageous price for the Eligible Officers.