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Notice Regarding Disposal of Treasury Shares as Performance-Based Stock Compensation

We hereby announce that at the extraordinary meeting of the Board of Directors held today, Tokyo Ohka Kogyo Co., Ltd. has resolved to dispose of treasury shares as performance-based stock compensation as outlined below.

1. Overview of the Disposal

Date of Disposal	May 17, 2024
Number of shares disposed of in this offering	160,682 shares
Disposal price	1,114 yen per share
Total amount to be paid in	179,000,000 yen
Other	A report on this disposal of treasury shares has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposition

At the meeting of the Board of Directors held on May 18, 2022, Tokyo Ohka Kogyo Co., Ltd. resolved to introduce a performance-based stock compensation plan (hereinafter the “Plan”) for the Company’s directors (excluding outside directors) and executive officers (hereinafter collectively referred to as the “Eligible Directors”). The purpose of this Plan is to further enhance the Eligible Directors’ motivation to contribute to the sustainable enhancement of the Company’s corporate value and to promote greater value sharing with shareholders.

Subsequently, at the 17th Annual General Meeting of Shareholders held on June 23, 2022, the shareholders approved the following items in connection with the Plan:

The provision to each Eligible Director of monetary compensation claims of up to ¥200 million per performance period (a three-fiscal-year period), which will be used as assets contributed in exchange for the acquisition of restricted shares;

The restriction period on the transfer of such shares shall be three years or longer, as determined by the Board of Directors.

Under the Plan, the total number of shares of the Company’s common stock to be disposed of for each performance period shall not exceed 200,000 shares. However, in the event of a stock split (including a gratis allotment of shares) or reverse stock split of the Company’s common stock with an effective date

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on or after the date of approval at the General Meeting of Shareholders, such number shall be reasonably adjusted according to the split or reverse split ratio, as necessary.

The issue price per share shall be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors (or the closing price on the most recent trading day prior to that date if no trading occurred on such day).

Taking into consideration the purpose of the Plan, the Company's business performance, the scope of responsibilities of each Eligible Director, and various other factors, the Company has decided to grant a total monetary compensation claim of ¥179,000,000 (the "Compensation Claim") and allot 160,682 shares of common stock.

In line with the objective of the Plan—to enhance the Eligible Directors' motivation to contribute to the sustainable increase of the Company's corporate value and to further promote value sharing with shareholders—the restriction period for the shares to be allotted on this occasion has been set at three years.

In this disposal of treasury shares, under the terms of the Plan, the three Eligible Directors to whom the shares are to be allotted will contribute the full amount of their respective monetary compensation claims to the Company as contributions in kind, and in return, they will be allotted shares of the Company's common stock (hereinafter the "Allotted Shares").

Furthermore, pursuant to the Restricted Stock Compensation Plan approved at the 17th Annual General Meeting of Shareholders held on June 23, 2022, the Company will allot restricted shares to the Eligible Directors. In connection with such allotment, a portion of the monetary compensation claims and the Allotted Shares will be appropriated to cover the tax obligations arising from the grant of shares. The number of shares used for this purpose will be calculated using the following formula:

$$(\text{Number of shares to be released from restriction}) \times (\text{Closing price of the common shares on the Tokyo Stock Exchange on the expiration date of the restriction period}) \times 1/2$$

An outline of the restricted stock allotment agreement (hereinafter the "Allotment Agreement") to be executed between the Company and each Eligible Director in relation to this disposal of treasury shares is provided in Section 3 below.

3. Overview of the Allocation Agreement

(1) Period of Restriction of Transfer

July 22, 2025 to July 22, 2028

(2) Conditions of Termination of the Transfer Restrictions

The transfer restrictions shall remain in effect from July 22, 2025, to July 22, 2028 (the "Restriction Period"); provided, however, that if the Eligible Director resigns from their position as a Director, Executive Officer, or employee of the Company due to death during the Restriction Period, the Restriction Period shall be the period from the payment date to the date of such resignation.

The restrictions on transfer of the Allotted Shares held by the Eligible Director (or, in the case of death, the Eligible Director's heir) shall be lifted at the expiration of the Restriction Period (or, in the case of resignation due to death, immediately after such resignation), provided that the Eligible Director has continuously served in any of the positions of Director, Executive Officer, or employee of the Company throughout the Restriction Period.

The number of shares for which the transfer restrictions will be lifted shall be determined based on the level of achievement, during the fiscal years ending March 2026 through March 2028, against the cumulative operating profit target set forth in the Company's medium-term management plan.

(3) Treatment upon Resignation or Other Events During the Service Period

If the Eligible Director resigns from all positions as a director, executive officer, or employee of the

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Company Group, the Company may, by resolution of the Board of Directors and in consideration of the reason for such resignation and other individual circumstances, take either of the following actions:

I. Initiate procedures such as the transfer of the Allotted Shares subject to forfeiture and acquire all such shares without compensation upon completion of the transfer process.

II. Initiate procedures such as the transfer of the Allotted Shares equivalent to the amount calculated by subtracting (2) from (1) below, and acquire such shares without compensation upon completion of the transfer process:

(1) The number of shares for which the lifting of transfer restrictions has been confirmed;

(2) The number of shares obtained by multiplying the number in (1) by the service period ratio, which is calculated by dividing the number of months from the month including the payment date to the month including the date on which the Eligible Director resigned from all applicable positions, by 36. (Any fractional shares resulting from this calculation shall be rounded down.)

(4) Administration of Stocks

To prevent any Allotted Person from transferring, creating a security interest on, or disposing of Allotted Shares during the Transfer Restriction Period, Allotted Shares will be administered in a dedicated account with Nomura Securities Co., Ltd. opened by each Allotted Person during the Transfer Restriction Period.

(5) Procedure in the Event of Organizational Restructuring, etc.

In the event that a matter related to a corporate reorganization—such as a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other form of reorganization—comes into effect during the transfer restriction period, the transfer restrictions on the Allotted Shares shall be lifted as of the time immediately prior to the close of business on the business day preceding the effective date of such reorganization.

4. The Basis for Calculating the Amount to Be Paid and Related Specific Details

The Disposal of Treasury Stock will be conducted with the monetary compensation claims provided to the Allotted Persons as the capital contribution, and to exclude arbitrariness, the amount of this payment shall be ¥1,114, which is the closing price of the Company's common shares on the Tokyo Stock Exchange "PRIME" as of June 24, 2025 (the business day preceding the date of the resolution of the Board of Directors). Since this is the market share price immediately preceding the date of the resolution by the Board of Directors, the Company believes that it is reasonable amount appropriately reflecting the Company's corporate value and does not constitute an especially advantageous amount to the Allotted Persons.