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April 25, 2025

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Name of representative: Mitsunori Watanabe, President (Securities code: 4099; Tokyo Prime Market)
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Notice Concerning Disposal of Treasury Shares through Third-Party Allotment in Connection with Continuation of the Share-Based Remuneration System

SHIKOKU KASEI HOLDINGS CORPORATION (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of treasury shares as share-based remuneration (the "Disposal of Treasury Shares") as described below.

1. Overview of Disposal

(1)	Date of disposal	May 13, 2025
(2)	Class and number of shares for disposal	93,000 common shares of the Company
(3)	Disposal price	¥1,756 per share
(4)	Total disposal amount	¥164,888,400
(5)	Scheduled allottee	Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-entrustment trustee: Custody Bank of Japan, Ltd. (trust account))
(6)	Other matters	The Disposal of Treasury Shares shall be subject to a Securities Registration Statement under the Financial Instruments and Exchange Act taking effect.

2. Purpose and reason for disposal

At the meeting of the Board of Directors held on May 28, 2019, the Company resolved to introduce a share-based remuneration system (the "System") that aims to enhance awareness of contributions to improved medium- and long-term business performance and increased corporate value, by more clearly linking the remuneration of [the Company's Directors (excluding External Directors and Directors who are non-residents of Japan; the same applies hereinafter) and Executive Officers (collectively, the "Directors, etc.")] and the Company's share value, while having the Directors, etc. share the benefits and risks of share price fluctuations with shareholders. The System was introduced following its approval by resolution at the 99th Annual General Meeting of Shareholders, held on June 25, 2019, and it has been in operation since then.

For an overview of the System, please refer to the "Notice Concerning Introduction of a Performance-Linked Share-Based Remuneration System for Officers" dated May 28, 2019.

The Disposal of Treasury Shares will be made to Sumitomo Mitsui Trust Bank, Limited (trust account) (re-entrustment trustee: Custody Bank of Japan, Ltd. (Trustee)) as the trustee for the trust (the "Trust") established by the Company for the introduction of the System.

The quantity of shares for disposal corresponds to the number of shares expected to be delivered to the Directors, etc., taking into consideration factors such as the positions of the Company's Directors and changes in their composition, etc., during the extended trust period, based on the share delivery rules established by the Company upon the introduction of the System. The scale of dilution is calculated to be 0.21% of the total number of shares outstanding as of December 31, 2024 (44,869,563 shares) (and 0.21% of the total number of voting rights as of December 31, 2024 (447,652 votes), with all values rounded to the nearest second decimal place).

The Company believes that the System will clarify the linkage between the remuneration of the Directors, etc. and the Company's share value, and therefore lead to enhancement of the Company's corporate value over the medium- to long-term. The Company has determined that the disposal quantity and the scale of dilution resulting from the Disposal of Treasury Shares are reasonable, and that the impact on the trading market will be negligible.

(Reference) Overview of the Trust Agreement for the Trust

Trustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-entrustment trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Directors, etc. of the Company who satisfy the beneficiary requirements
Trust administrator	A third party to be selected that is independent of the Company and its officers
Exercise of voting rights	The voting rights of the shares held in the trust will not be exercised at any time during the trust period.
Type of trust	Trust of money other than "money trust" (*kinsen-shintaku*) (third-party-benefit trust)
Date of trust agreement	August 19, 2019
Trust period	August 19, 2019 ~ Last day of May 2029 (scheduled)
Trust purpose	To deliver the Company Shares to the beneficiaries based on the share delivery rules

3. Basis of calculation and specific details of the disposal price amount

The disposal price is set at ¥1,756, the closing price of the Company's shares on the Tokyo Stock Exchange on the business day immediately prior to the date of the Board of Directors' resolution April 24, 2025, in order to eliminate arbitrariness in pricing. The Company chose the closing price of the business day immediately preceding the Board of Directors' resolution because it reflects the market value immediately prior to the Board of Directors' resolution date, which the Company has determined to be a highly objective and reasonable basis for calculation.

Regarding the price, the deviation rate from the average closing price of ¥1,757 (rounded down to the nearest yen) over the one-month period immediately preceding the Board of Directors resolution date (from March 25, 2025 to April 24, 2025) is (0.06)%; the deviation rate from the average closing price of ¥1,868 (rounded down to the nearest yen) over the three-month period immediately preceding the Board of Directors resolution date (from January 27, 2025 to April 24, 2025) is (6.00)%; and the deviation rate from the average closing price of ¥1,951 (rounded down to the nearest yen) over the six-month period (from October 25, 2024 to April 24, 2025) is (9.99)% (all deviation rates are rounded to the nearest second decimal place).

As a result of considering the above, the Company believes that the disposal price for the Disposal of Treasury Shares is not particularly advantageous to the scheduled allottee and is reasonable.

Furthermore, with respect to the disposal price described above, all Audit & Supervisory Board Members who were present at the Board of Directors meeting (4 persons, of which 2 are External Audit & Supervisory Board Members) expressed the opinion that the basis for calculation is reasonable, and that it is a disposal price that is not particularly advantageous to the scheduled allottee and is in compliance with the law.

4. Matters concerning the procedure required by the 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) it does not involve a change in controlling shareholder.