April 4, 2025
TOKYO OHKA KOGYO CO., LTD.

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

We hereby announce that at the 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

(1)	Date of Disposal	May 2, 2025
(2)	Class and Number of Shares to be Disposed of	Common shares of the Company: 52,700 shares
(3)	Disposal Price	2,998 JPY per share
(4)	Total Disposal Amount	157,994,600 JPY
(5)	Allottees, Number of Allottees, and Number of Shares to be Allotted	Directors (excluding directors who are Audit and Supervisory Committee members, outside directors, and non-executive directors): 4 persons, 24,000 shares Executive officers who do not concurrently serve as directors: 11 persons, 22,400 shares Former Directors and Officers (who retired during or after the performance evaluation period): 3 persons, 6,300 shares
(6)	Other	This disposal of treasury shares is subject to the effectiveness of a securities registration statement filed under the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal

At the meeting of the Board of Directors held on February 20, 2020, following deliberation by the Nomination and Compensation Advisory Committee chaired by an outside director, the Company resolved to introduce a new performance-based stock compensation plan (hereinafter referred to as the "Plan") for the purpose of providing incentives aimed at the sustainable enhancement of corporate value. This Plan targets directors of the Company (excluding directors who are members of the Audit and Supervisory Committee, outside directors, and non-executive directors; hereinafter referred to as the "Eligible Directors"). Furthermore, at the 93rd Annual General Meeting of Shareholders held on March 30, 2023, shareholders approved the following: Under the Plan, the total annual amount of monetary compensation claims and cash provided to secure funds for tax payments (hereinafter referred to as the "Tax Payment Funds") to be granted to the Eligible Directors shall not exceed the value of 47,000 shares multiplied by the stock price at the time of delivery. Note that, due to the stock split of the Company's common shares at a ratio of 3 shares for every one share on January 1, 2024, from that date onward, the upper limit shall be revised to the value of 141,000 shares multiplied by the stock price at the time of delivery. It was also approved that the number of shares to be

delivered shall be within the range of 0% to 200% of a standard amount calculated based on a method prescribed by the Board of Directors, depending on the achievement rate of numerical targets related to business performance, etc., over a performance evaluation period consisting of multiple fiscal years (as defined by the Company, ranging from 2 to 5 years).

In addition, the Company has adopted the Plan for executive officers who do not concurrently serve as directors. At the Board of Directors meeting held today, the Company resolved to dispose of treasury shares as performance-based stock compensation for such executive officers (together with the disposal of treasury shares for the Eligible Persons mentioned above, hereinafter referred to as the "Disposal of Treasury Shares").

Accordingly, the Disposal of Treasury Shares will be carried out as part of the Plan and is intended for both Eligible Directors and executive officers who do not concurrently serve as directors (collectively, "Eligible Persons").

An overview of the Plan is provided below.

[Overview of the Plan]

Under the Plan, Eligible Persons shall make in-kind contributions of the full amount of the monetary compensation claims granted by the Company, and in return, shall be allotted or receive disposal of shares of the Company's common stock. In addition to the above monetary compensation claims, Eligible Persons shall also receive cash for Tax Payment Funds. Furthermore, the total number of shares of the Company's common stock to be issued or disposed of to the Eligible Persons under the Plan shall not exceed 70,500 shares per year. The per-share payment amount shall be determined by the Board of Directors of the Company based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board resolution (or the most recent trading day's closing price if no trading occurs on that day), within a range that does not constitute a particularly favorable price for the Eligible Persons.

In the current case, the Company has resolved to grant monetary compensation claims (hereinafter referred to as the "Compensation Claims") and Tax Payment Funds totaling JPY 318,038,600, and 52,700 shares of common stock, corresponding to the number of shares calculated based on the achievement rate of the ROE target during the performance evaluation period covering the three fiscal years from the fiscal year ended December 31, 2022, through the fiscal year ending December 31, 2024.

Under this Disposal of Treasury Shares, 18 Eligible Persons who are scheduled to receive the allotment will make in-kind contributions of the full amount of their respective Compensation Claims to the Company and will receive the disposal of the Company's common stock in accordance with the Plan.

3. Structure of the Plan

The specific structure of the Plan is as follows:

(1) The Company's Board of Directors shall determine the performance indicators necessary for calculating the number of shares to be delivered under the Plan, including numerical targets, performance-linked coefficients, and other relevant metrics.

(2) Upon completion of the performance evaluation period, the Company shall determine the number of shares to be allotted and the amount of cash to be provided to each Eligible Person, based on the achievement rate of the numerical targets during the applicable period.

(3) Based on the number of shares to be allotted as determined in item (2) above, the Company shall grant monetary compensation claims to each Eligible Person as compensation under the performance-based stock compensation plan, by resolution of the Board of Directors. Each Eligible Person shall contribute the entire amount of such monetary compensation claims in-kind and receive an allotment of the corresponding number of shares of the Company.

(4) Since the allotment of shares in item (3) above will give rise to tax obligations for each Eligible Person, the

Company shall provide, in addition to the monetary compensation claims mentioned above, a certain amount of cash (the Tax Payment Funds), as determined in item (2), for the purpose of securing funds to cover such tax payments.

(5) The conditions for share delivery and other details applicable to each Eligible Person shall be determined by the Company's Board of Directors.

4. Method of Calculating the Number of Shares to Be Delivered and the Amount of Cash to Be Provided to Eligible Persons

The number of shares of the Company's common stock to be delivered to each Eligible Person will be calculated using the formula in item (1) below (fractions of less than 100 shares shall be rounded down). The amount of cash to be provided to each Eligible Person for tax payment purposes (Tax Payment Funds) will be calculated using the formula in item (2).

(1) Number of Shares to Be Delivered to Each Eligible Person

Standard Share Units(*) × Payout Ratio × 50%

(2) Amount of Cash to Be Provided to Each Eligible Person

(Standard Share Units × Payout Ratio － Number of Shares Calculated in (1)) × Share Price at Time of Delivery

(*) The number of standard share units shall be determined by the Board of Directors based on the position of each Eligible Person.

If the total number of shares to be allotted to Eligible Persons as calculated using the formula in item (1) exceeds the pre-approved aggregate number of shares, the number of shares to be allotted to each Eligible Person shall be reasonably reduced within the approved total, based on a pro-rata or other appropriate method determined by the Company's Board of Directors.

5. Conditions for Delivery of Shares to Eligible Persons

Under the Plan, upon completion of the performance evaluation period and fulfillment of the following requirements, the Company shall deliver shares of its common stock and provide cash to each Eligible Person in accordance with the calculation methods described in Section 4 above. The Eligible Persons to whom the shares will be delivered, as well as the offering terms related to such issuance or disposal, shall be determined by the Company's Board of Directors after the end of the performance evaluation period.

(1) The Eligible Person has continuously served as such during the performance evaluation period (*)

(2) The Eligible Person has not committed any acts of misconduct as defined by the Company's Board of Directors

(3) The Eligible Person meets other conditions determined by the Board of Directors as necessary to fulfill the intent of the performance-based stock compensation plan

(*) In the event an Eligible Person retires during the performance evaluation period, the Company shall deliver shares and provide cash in proportion to the length of service during the performance evaluation period, based on a reasonable method prescribed by the Board of Directors. The same proportional approach shall apply to newly appointed Eligible Persons who assume their position during the performance evaluation period.

6. Basis and Details for the Calculation of the Payment Amount

The Disposal of Treasury Shares to the scheduled allottees will be conducted by way of in-kind contribution of the monetary compensation claims granted under the Plan. To eliminate arbitrariness in determining the disposal price, the per-share price has been set at JPY 2,998, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on April 3, 2025 (the business day immediately preceding the date of the Board resolution). This price reflects the most recent market value before the resolution and is considered fair and not particularly advantageous to the

Eligible Persons.

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