May 12, 2025
TOKYO OHKA KOGYO CO., LTD.

Notice Regarding Disposal of Treasury Shares as Restricted Stock Incentive for Employees Stockholding Association

We hereby announce that at the meeting of the Board of Directors held today, Tokyo Ohka Kogyo Co., Ltd. resolved to dispose of its treasury shares as restricted stock to Tokyo Ohka Employees Stockholding Association (the "Stockholding Association") as the scheduled allottee (the "Disposal of Treasury Shares" or the "Disposal").

1. Outline of disposal

(1)	Date of disposal	June 25, 2025
(2)	Class and number of shares to be disposed of	212,166 shares of the Company's common shares (Note)
(3)	Disposal price	3,309 yen per share
(4)	Total value of shares to be disposed of	702,057,294 yen (Note)
(5)	Disposal method (Scheduled allottee)	Third-party allotment (Tokyo Ohka Employees Stockholding Association 212,166 shares)
(6)	Other	The Company submitted the Extraordinary Report on Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

(Note) "Number of shares to be disposed of" and "Total value of shares to be disposed of" are calculated based on the assumption that restricted stock will be granted to 1,653 employees, the maximum number of individuals who may be eligible for the Plan, including the Company's and its domestic subsidiaries' employees (the "Employees, etc."). The actual number of shares to be disposed of and the total value of shares to be disposed of will be determined based on the number of Employees, etc. of the Company and its domestic subsidiaries who have agreed with the Plan (the "Eligible Members") and the number of shares to be granted per person which will be specified according to the employee grades set by the Company (management position (maximum 318 employees): 62,646 shares; non-managerial position (maximum 1,335 employees): 149,520 shares) after the promotion for joining the Stockholding Association to employees who have not yet participated and the confirmation of consent of members of the Stockholding Association to the Plan are completed.

2. Purposes and reasons of the Disposal

On July 16, 2024, the Company determined to introduce the Plan as part of its human capital investment in accordance with Article 370 of the Companies Act and Article 28 (Omission of resolutions of the Board of Directors) of the Company's Articles of Incorporation.

The Plan aims to support asset building of the Eligible Members among the employees of the Company and its domestic subsidiaries participating in the Stockholding Association, provide them with incentives for sustainable improvement of corporate value, and further encourage them to share values with our shareholders, by, as a measures to enhance our welfare program, creating opportunities for the Eligible Members to acquire the Company's common shares issued or disposed of by the Company as restricted stock through the Association.

Overview, etc. of the Plan is as follows:

[Overview, etc. of the Plan]

In the Plan, the Company or its domestic subsidiaries will provide the Eligible Members with monetary claims as special incentives to grant the Company's common shares as restricted stock (the "Special Incentives"), which will be contributed to the Stockholding Association. Then, the Stockholding Association will pay the Special Incentives contributed by the Eligible Members to the Company as contribution in kind to receive the Company's common shares which will be issued or disposed of as restricted stock.

When the Company's common shares are newly issued or disposed of under the Plan, the paid-in amount per share of the Company's common shares will be determined by the Company's Board of Directors within a range that is not particularly advantageous to the Stockholding Association (consequently to the Eligible Members) 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 a resolution of the Board of Directors on the issuance or disposal (the closing price of the most recent trading day prior to that day if no transaction is executed on that day).

When the Company's common shares are newly issued or disposed of under the Plan, the Company and the Stockholding Association will enter into a restricted stock allotment agreement (the "Allotment Agreement") which includes provisions that (1) the Stockholding Association is prohibited to transfer to a third party, create a security interest on, or otherwise dispose of the allotted shares for a certain period of time (the "Transfer Restrictions") and (2) the Company shall acquire the allotted shares without contribution if certain circumstances arise. The Special Incentives will be paid to the Eligible Members on the condition that the Company and the Stockholding Association enter into the Allotment Agreement.

In accordance with the Stockholding Association Regulations and the Detailed Regulations on Operation of the Stockholding Association (the "Stockholding Association Regulations, etc."), the Eligible Members will be restricted from withdrawing restricted stock corresponding to their member equity interest pertaining to the allotted restricted stock acquired by the Stockholding Association through the issuance or disposal (the "Restricted Stock Equity Interest" or "RS Equity Interest") until the Transfer Restrictions are lifted.

With respect to the Disposal of the Treasury Shares under the Plan, the Company's common shares (the "Allotted Shares") will be disposed of to the Stockholding Association, the scheduled allottee, in exchange for all of the Special Incentives contributed by the Eligible Members as contribution in kind. The overview of the Allotment Agreement to be entered into by the Company and the Stockholding Association regarding the Disposal of Treasury Shares is described in "3. Overview of the Allotment Agreement" below. As described in (Note) in 1. above, the number of shares to be disposed of in the Disposal of Treasury Shares is to be fixed at a later date, but the maximum number to be disposed of is expected to be 212,166 shares. The scale of dilution due to the Disposal of Treasury Shares is, when based on the foregoing maximum number of shares, 0.17% (rounded off to two decimal places; the same applies hereinafter in the calculation of percentages) to the total number of issued shares of 127,800,000 shares as of December 31, 2024, and 0.18% to the total number of voting rights of 1,198,757 units as of December 31, 2024.

The Plan will be introduced with the aim to support the Eligible Members' asset building, provide them with incentives for sustainable improvement of corporate value, and further encourage them to share values with our shareholders, by, as a measures to enhance our welfare program for the Eligible Members, creating opportunities to acquire the Company's common shares issued or disposed of by the Company as restricted stock through the Association, and the Company believes that increasing motivation of employees of the Company and its domestic subsidiaries will contribute to the increase of the Group's corporate value and that the number of shares to be disposed of in the Disposal of Treasury Shares and the scale of dilution are reasonable, with the impact on the market to be insignificant.

Please note that the Disposal of Treasury Shares will be executed on the condition that the allotment agreement between the company and the stockholding association is concluded during the application period.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From June 25, 2025 to June 24, 2028

(2) Condition for lifting of the Transfer Restrictions

On the condition that the Eligible Members have been a member of the Stockholding Association on a continuing basis during the transfer restriction period, the Transfer Restrictions shall be lifted at the expiration of the transfer restriction period for all of the Allotted Shares corresponding to the

Restricted Stock Equity Interest held by the Eligible Members who have satisfied such condition.

(3) Treatment upon terminating the membership of the Stockholding Association

If an Eligible Member withdraws from the Stockholding Association because he/she leaves the Company or its subsidiary (referring to cases where the Eligible Member loses eligibility or applies for withdrawal, including the case of withdrawal due to death) during the transfer restriction period due to promotion to officer, mandatory retirement, expiration of contract period, or transfer as a result of business transfer, company split or other company initiatives, or other justifiable cause (including the case of involuntary termination of membership due to the circumstances of the Company or its subsidiary and the cases where the Company or its subsidiary finds it difficult for the Eligible Member to continue working due to unavoidable circumstances such as illness, injury, disability, nursing care, etc., but excluding the case of voluntary termination of membership not based on unavoidable circumstances. The same applies hereinafter), the transfer restriction period will be lifted on the date when the Stockholding Association receives the application for withdrawal from the Eligible Member (the "Date of Receipt of Withdrawal Application") for all of the Restricted Stock Equity Interest held by the Eligible Member as of the Date of Receipt of Withdrawal Application.

(4) Acquisition without contribution by the Company

If an Eligible Member withdraws from the Stockholding Association during the transfer restriction period due to reasons other than the resignation of the Company or its subsidiary due to promotion to officer, mandatory retirement, expiration of contract period, or transfer as a result of business transfer, company split or other company initiatives, or other justifiable cause, if he/she violates laws and regulations, or other cases deemed appropriate by the Board of Directors, the Company will justifiably acquire without contribution all of the Allotted Shares corresponding to Restricted Stock Equity Interest held by the Eligible Member at that time. In addition, the Company will also justifiably acquire without contribution the Allotted Shares for which the Transfer Restrictions are not lifted as of the time immediately after the expiration of the transfer restriction period or the lifting of the Transfer Restrictions stipulated in (3) above.

(5) Management of shares

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by the Stockholding Association at Nomura Securities Co., Ltd. to ensure that Stockholding Association neither transfers, creates any security interest on, nor otherwise disposes of the Allotted Shares during that period. Furthermore, pursuant to the provisions of the Stockholding Association Regulations, etc., the Stockholding Association shall register and manage the Restricted Stock Equity Interest separately from other membership interests held by the Eligible Members (the "Ordinary Interests").

(6) Treatment upon organizational restructuring and other events

If, during the transfer restriction period, matters regarding a merger agreement under which the Company will become a non-surviving company or a share exchange agreement, share transfer plan, or other organizational restructuring, etc., under which the Company will become a wholly owned subsidiary are approved at a general meeting of shareholders of the Company (or by the Board of Directors of the Company in case the approval by a general meeting of shareholders is not required for such organizational restructuring, etc.), the Transfer Restrictions shall be lifted on the date of the announcement of such organizational restructuring, etc. based on a resolution of the Board of Directors for all of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Members included in the Allotted Shares held by the Stockholding Association as of the date of such approval.

4. Basis of calculation and specific details of the disposal price

The Disposal of Treasury Shares to the Stockholding Association, the scheduled allottee, will be executed by the Eligible Members contributing the Special Incentives paid to the Eligible Members for the grant of the restricted stock to the Stockholding Association as contribution in kind. The Company believes that the latest stock price of the Company's common shares appropriately reflect its shareholder value and therefore uses

3,309yen, which is the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on May 9, 2025 (the business day immediately preceding the date of the resolution of the Board of Directors) as the disposal price. As this is the market share price immediately preceding the date of the resolution of the Board of Directors, the Company believes that it is reasonable and is not a particularly advantageous price.

The deviation rate (rounded off to two decimal places) of the disposal price from the average closing price of the Company's shares on the Prime Market of the Tokyo Stock Exchange is as follows.

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
1 month (April 10, 2025 to May 9, 2025)	3,028yen	9.28%
3 months (February 10, 2025 to May 9, 2025)	3,262yen	1.44%
6 months (November 10, 2024 to May 9, 2025)	3,420yen	△3.25%

In light of the fact that the above disposal price is the closing price of the Company's common shares on the business day immediately preceding the date of the resolution of the Board of Directors, the Company's Audit and Supervisory Committee, consisting of four members including three outside directors, expressed its opinion that the disposal price is not particularly advantageous to the Stockholding Association, the scheduled allottee, and is legitimate.

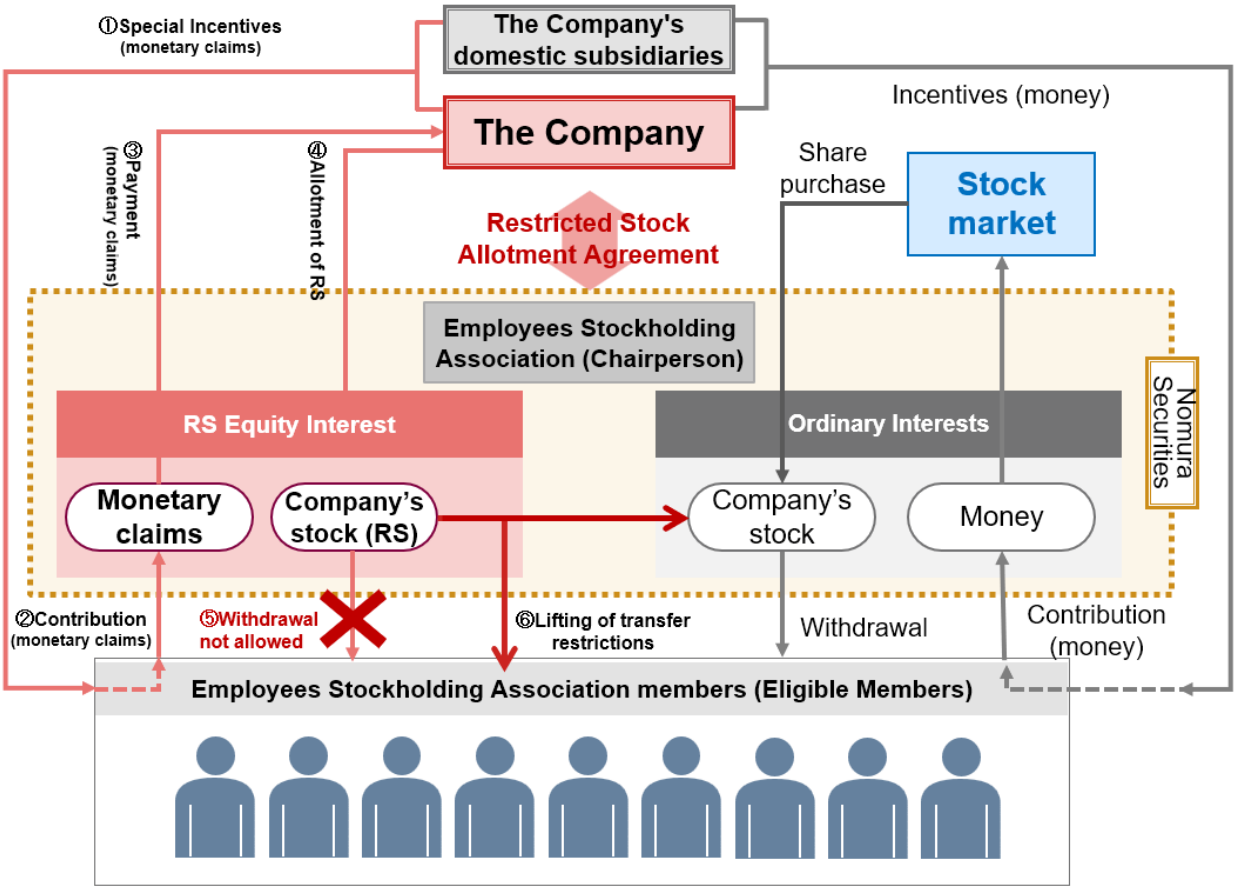
5. Matters related to the procedures under the Code of Corporate Conduct

For the Disposal of Treasury Shares, it is not required to acquire an opinion from an independent third party or perform procedures to confirm the intent of shareholders as set forth in Article 432 of the Securities Listing Regulations stipulated by the Tokyo Stock Exchange because (1) the dilution ratio is less than 25%, and (2) it does not result in a change of the controlling shareholder.

(Reference)

[Structure of the Plan]

i. The Company or its domestic subsidiaries will pay the Eligible Members who have agreed with the Plan monetary claims as special incentives to grant the restricted stock.
ii. The Eligible Members who have agreed with the Plan will contribute the monetary claims described in i. above to the Stockholding Association.
iii. The Stockholding Association will collect the monetary claims contributed in ii. above and pay to the Company.
iv. The Company will allot the Allotted Shares to the Stockholding Association as restricted stock (referred to as "RS" in the figure below).
v. The Allotted Shares will be deposited in a dedicated account opened by the Stockholding Association through Nomura Securities Co., Ltd. and the withdrawals will be restricted during the transfer restriction period.
vi. After the Transfer Restrictions are lifted, the Allotted Shares will be transferred to either the Ordinary Interests or a security account under the name of the Eligible Members in accordance with provisions of the Shareholder Association Regulations, etc.



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