



July 25, 2025

Company name: Ishihara Chemical Co., Ltd.

Name of Representative: Akihiko Fujimoto, Representative Director and President

(Securities code: 4462; Tokyo Stock Exchange, Prime Market)

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Notice regarding disposal of treasury stock as restricted stock compensation

We hereby announce that, at the Board of Directors meeting held today, our company has resolved to implement the dispose of treasury shares as restricted stock compensation, as outlined below (hereinafter referred to as the "Disposal of Treasury Shares").

1. Overview of the Disposal

(1) Payment Date	August 22, 2025
(2) Class and number of shares to be disposed of	8,100 common shares
(3) Disposal price	2,063 yen per share
(4) Total value of Disposal	16,710,300 yen
(5) Planned share recipients and number of share	Directors of the company (excluding directors who are Audit and Supervisory Committee members and outside directors): 6 Directors, 8,100 shares

2. Purpose and Reason for Disposal

At the 84th Annual General Meeting of Shareholders held on June 28, 2022, we obtained approval to introduce a Restricted Stock Compensation Plan (hereinafter referred to as "the Plan") for our Directors (excluding Outside Directors). The purpose of the Plan is to provide incentives to enhance the sustainable growth of our corporate value and to further promote value-sharing with our shareholders.

In addition, in connection with the transition to a company with an Audit and Supervisory Committee, at the 85th Annual General Meeting of Shareholders held on June 28, 2023, we obtained approval to set the total amount of monetary compensation claims for granting restricted stock to the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as the "Eligible Directors") at a maximum of 40 million yen per year. We also obtained approval to set the total number of shares of the Company's common stock to be issued or disposed of for the Eligible Directors at a maximum of 50,000 shares per year and to establish the restricted stock transfer period from the payment date until the day the Eligible Director resigns or retires from the position of Director of the Company, its subsidiaries, or other positions determined by the Board of Directors.

At the Board of Directors meeting held today, we resolved to grant a total monetary compensation claim of 16,710,300 yen (hereinafter referred to as the "Monetary Compensation Claim") to six Eligible Directors, taking into account the purpose of the

Plan, the Company's performance, and other relevant factors. Additionally, at the same Board of Directors meeting, we resolved to dispose of 8,100 shares of the Company's common stock (hereinafter referred to as the "Allocated Shares") based on the Plan, with the six Eligible Directors, as the intended allottees, contributing the entire amount of the Monetary Compensation Claim as in-kind contribution to the Company.

3. Summary of the Share Allocation Agreement

The Company will individually enter into a Restricted Stock Allocation Agreement with each Eligible Director, the summary of which is as follows:

(1) Transfer Restriction Period

The eligible directors shall not transfer, pledge, gift, or otherwise dispose of the allocated shares during the period (hereinafter referred to as the "Transfer Restriction Period") from the payment date of the allocated shares until the later of (i) the date on which the director resigns or retires from any position equivalent to a director, auditor, employee, advisor, or counselor of the Company or its subsidiaries, or (ii) the date on which the Company submits its securities report for the fiscal year in which the payment date falls (or, if the payment date is within six months from the beginning of the fiscal year, the semi-annual report).

(2) Conditions for Lifting Transfer Restrictions

The transfer restrictions on all of the Allocated Shares will be lifted upon the expiration of the Transfer Restriction Period, provided that the Eligible Director has continuously held a position as a director, auditor, employee, advisor, or other equivalent position at the Company or its subsidiaries throughout the period from the day immediately preceding the payment date of the Allocated Shares until the conclusion of the first Ordinary General Meeting of Shareholders thereafter (hereinafter referred to as the "Service Provision Period").

However, if an eligible director resigns or retires during the transfer restriction period due to legitimate reasons or due to death, the transfer restrictions on a portion of the allocated shares will be lifted immediately after such resignation or retirement. The number of shares to be released from the transfer restriction will be calculated by multiplying the number of shares held by the eligible director at that time by a fraction obtained by dividing the number of months from the month following the month that includes the start date of the service provision period to the month that includes the date of resignation or retirement by 12 (provided, however, that if the result exceeds 1, it shall be deemed to be 1). Any fractional shares resulting from this calculation will be rounded down.

(3) Grounds for Gratis Acquisition

If an eligible director resigns or retires from any position as a director, auditor, employee, advisor, consultant, or any equivalent position at the Company or its subsidiaries without legitimate reason before the conclusion of the Company's first annual general meeting of shareholders following the payment date of the allocated shares, the Company shall automatically acquire the allocated shares without compensation.

Additionally, if there are any allocated shares for which the transfer restrictions have not been lifted at the time specified in (2) above, the Company shall automatically acquire such shares without compensation.

(4) Treatment in Case of Organizational Restructuring, etc.

Notwithstanding the provisions of (1) above, if matters related to organizational restructuring, such as a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other similar matters, are approved at the Company's General Meeting of Shareholders (or by the Board of Directors if shareholder approval is not required), the transfer restrictions on a portion of the allocated shares will be lifted by resolution of the Board of Directors.

The number of shares to be released from transfer restrictions will be calculated by multiplying the number of shares held by the eligible director on the date of such approval (hereinafter referred to as the "Organizational Restructuring Approval Date") by a fraction obtained by dividing the number of months from the month following the month including the date of the annual general meeting of shareholders immediately preceding the payment date to the month including the Organizational Restructuring Approval Date by 12 (provided, however, that if the result exceeds 1, it shall be deemed to be 1). Any fractional shares resulting from this calculation will be rounded down.

In this case, if there are any allocated shares for which the transfer restrictions have not been lifted immediately after the transfer restrictions are released, the Company shall automatically acquire such shares without compensation.

(5) Management of Shares

The eligible directors shall open a dedicated account with Mizuho Securities Co., Ltd., in the manner specified by the Company, to register or record the allocated shares. Until the transfer restrictions are lifted, all of the allocated shares shall be stored and maintained in the dedicated account.

4. Basis for Calculation of the Payment Amount and Specific Details

The disposal price for the treasury shares in this transaction has been set at 2,063 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the Board of Directors meeting (July 24, 2025). This price reflects the market value of the shares just before the resolution by the Board of Directors and is considered neither particularly advantageous nor unreasonable.