

This Notice is a translation of the original; “Yakuinmukekabushikikyufushintaku no tsuikakyosyutsu ni tomonau Daisansyawariate niyoru Jikokabushiki no Syobun ni kannsuru Oshirase” written in Japanese, for convenience purpose only, and in the event of any discrepancy, the original in Japanese shall prevail.



July 30, 2025

For Immediate Release

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(Code number: 4114, Prime Market,
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Notice Regarding Disposal of Treasury Stock as Granting of Shares Through a Third-Party
Allotment in Accordance with Additional Contributions to the Shares Benefit Trust for Officers

NIPPON SHOKUBAI CO., LTD. (the “Company”) hereby announces that the Company has resolved, at the Board of Directors meeting held today, to dispose of treasury stock through the method of third-party allotment (the “Disposal”). Details are as follows.

1. Details of the Disposal

(1) Date of disposal	August 14, 2025
(2) Class and number of shares to be disposed of	41,100 shares of common stock of the Company
(3) Disposal price	1,694 yen per share
(4) Total value of disposal	69,623,400 yen
(5) Allottee	Custody Bank of Japan, Ltd. (Trust Account)
(6) Other	An extraordinary report pertaining to the disposal has been submitted pursuant to the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the Disposal

The Company resolved, at the Board of Directors meeting held on May 13, 2025, to partially amend and continue the Performance-linked Stock Compensation Plan (the “Plan”, the “Trust Agreement” for a trust agreement pertaining to the Plan entered into with Resona Bank, Limited, and “Trust ” for a trust established pursuant to a trust agreement) for the Company’s Directors of the Board (excluding Outside Directors of the Board and non-residents of Japan; the same applies hereinafter) and Executive Officers (excluding non-residents of Japan; the same applies hereinafter, and collectively with Directors of the Board, “Directors of the Board etc.”). A proposal regarding the amendment to the Plan for Directors of the Board was approved at the 113th Ordinary General Meeting of Shareholders held on June 19, 2025. For details of the Plan, please refer to the “Notice Regarding Partial Amendment and Continuation of Performance-linked Stock Compensation Plan” dated May 13, 2025.

The Company will dispose of treasury stock through a third-party allotment to Custody Bank of Japan, Ltd. (Trust Account), the re-trustee of Resona Bank, Limited, the trustee of the Trust, for the purpose of partially revising and continuing the Plan.

The number of treasury stock to be disposed corresponds to the total number of shares expected to be granted to the Directors of the Board etc. over three fiscal years, based on the share delivery rules established by the Company at the time of additional contributions to the Trust. As of March 31, 2025, this represents 0.03% of the total number of issued shares (156,000,000 shares), and 0.03% of the total number of voting rights (1,514,551 rights), both rounded off to two decimal place.

The Company believes that the Plan clarifies the linkage between the compensation of the Directors of the Board etc. and the Company's performance and stock value. It enables the Directors of the Board etc. not only to benefit from stock price increases but also to share the risk of stock price declines with shareholders. The Company believes that the Plan will contribute to increasing our corporate value over the medium to long term, so the Company believes that the number of shares disposed of and the scale of stock dilution in this disposal are reasonable, and that the impact on the market will be minor.

[Outline of the Trust]

(1) Name (after amendment)	Share benefit trust for officers (BBT-RS)
(2) Trustor	The Company
(3) Trustee	Resona Bank, Limited Resona Bank, Limited entered into a specific comprehensive trust agreement with Custody Bank of Japan, Ltd., under which Custody Bank of Japan, Ltd. serves as a re-trustee.
(4) Trustee	Directors of the Board etc. who meet the requirements for beneficiaries as stipulated in the share delivery rules
(5) Trust administrator	A third party with no conflict of interest with the Company
(6) Type of trust	Trust of money other than monetary trusts (third-party benefit trust)
(7) Date of execution of the Trust Agreement	August 16, 2022
(8) Trust period	From August 16, 2022 until the termination of the Trust (The Trust shall remain in effect for the period of the Plan, with no specific termination date stipulated.)
(9) Date of amendment to the Trust Agreement	July 30, 2025

[Outline of the Additional Trust and Purchase of the Company Shares under the Trust]

(1) Date of additional trust	August 14, 2025 (scheduled)
(2) Amount of Additional trust	41,259,236 yen
(3) Class of shares to be purchased	Common stock of the Company
(4) The number of shares to be purchased	41,100 shares
(5) Date of purchase	August 14, 2025 (scheduled)
(6) Method of purchase	Subscription to treasury stock disposed of by the Company

(Note) The Trust will purchase additional shares of our company using a total of 41,259,236 yen in additional trust and 28,364,164 yen in existing trust assets as the financial source.

3. Basis of Calculation and Specific Details of the Disposal Price

In order to eliminate any arbitrariness in the disposal price, the closing price of common stock of the Company on the Prime Market of Tokyo Stock Exchange on July 29, 2025, the business day prior to the day of the resolution of the Board of Directors (the “Resolution Day”), of 1,694 yen is used as the disposition price.

The reason for adopting the closing price on the business day prior to the day of the Resolution Day is that it is considered to reasonably reflect the fair corporate value of the Company in the stock market.

The Company believes that the disposal price is not particularly advantageous to the Trust as the allottee, as it is based on the closing price on the business day prior to the day of the Resolution Day, and the deviation rates from the average closing prices for the one-month period (from June 30, 2025 to July 29, 2025), three-month period (from April 30, 2025 to July 29, 2025), and six-month period (from January 30, 2025 to July 29, 2025) are 1.56%, 2.23%, and $\triangle 1.40$ %, respectively (rounded to the nearest third decimal place), compared to 1,668 yen, 1,657 yen, and 1,718 yen (rounded down to the nearest whole yen), respectively.

All 4 Audit & Supervisory Board Member (including 2 Outside Audit & Supervisory Board Member) who attended the Board of Directors held today have expressed their opinion that that the process through which the Company determined that the disposal price is not particularly advantageous to the Trust as the allottee is reasonable, and that such determination is appropriate.

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

With regard to the Treasury Stock Disposal, since (1) the dilution rate is less than 25% and (2) it does not involve the change of the controlling shareholder, there is no need to take procedures for acquiring the opinion of an independent third party and confirming the intention of shareholders as set forth in Article 432 of the listing regulations prescribed by the Tokyo Stock Exchange.