



August 8, 2025

Company name: ISHIHARA SANGYO KAISHA, LTD.
Representative: Executive Director and President Hiroshi Okubo
(Code: 4028, Prime Market of the Tokyo Stock Exchange)
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Notice Concerning Disposal of Treasury Stock in Connection with the Introduction of a Stock Compensation Plan

ISHIHARA SANGYO KAISHA, LTD. (the “Company”) hereby announces that it has resolved, at the meeting of the Board of Directors held today, to dispose of its treasury shares (hereinafter referred to as the “Treasury Stock Disposal”) as stock compensation. Details are as follows:

1. Overview of the Disposal

(1) Date of disposal	August 26, 2025
(2) Type and number of shares to be disposed of	Common stock of the Company 443,800 shares
(3) Disposal price	2,247 yen per share
(4) Total disposal amount	997,218,600 yen
(5) Scheduled recipient	Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trust trustee: Custody Bank of Japan, Ltd. (Trust Account))
(6) Other	An extraordinary report regarding the Treasury Stock Disposal has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for the Disposal

At the meeting of the Board of Directors held on May 20, 2025, the Company resolved to introduce a stock compensation plan (the “Plan”) for the purpose of more clearly linking the remuneration of the Company’s Directors, excluding Outside Directors, and Executive Officers, Executive Fellows, and Advisors who have concluded delegation contracts with the Company (hereinafter collectively referred to as “Delegated Executive Officers, etc.”), as well as the Directors and Delegated Executive Officers, etc. of some of the Company’s subsidiaries (together with the Company’s Directors and Delegated Executive Officers, etc., hereinafter collectively referred to as “Directors, etc.”) to the value of the Company’s stock and encouraging Directors, etc. to contribute to improving medium-to long-term business performance and maximizing corporate value by ensuring that they share with stockholders the benefits and risks of stock price movements. The introduction of the Plan for the Company’s Directors was approved and resolved at the 102nd Ordinary General Meeting of Shareholders held on June 26, 2025.

For an overview of the Plan, please refer to the “Notice Concerning the Introduction of a Performance-Linked Stock Compensation Plan (RS Trust) for Directors” dated May 20, 2025.

The Treasury Stock Disposal is to be made to Sumitomo Mitsui Trust Bank, Limited (Trust Account) (re-trust trustee: Custody Bank of Japan, Ltd. (Trust Account)), the trustee of the trust (the “Trust”) established for the introduction of the Plan.

The number of shares to be disposed of will be equivalent to the number of shares expected to be delivered to Directors, etc. based on the share delivery guidelines established by the Company upon the introduction of the Plan, taking into consideration the positions and composition of Directors, etc. of the Company during the trust period. The scale of dilution will be 1.10% of the total 40,383,943 issued shares as of March 31, 2025 (1.17% of the total 379,829 voting rights as of March 31, 2025, both rounded to the second decimal place). The Company believes that the Plan will help clearly link the remuneration of Directors, etc. to the value of the Company’s stock and will lead to an increase in the Company’s corporate value in the medium to long term. And the Company has determined that the number of shares to be disposed of in the Treasury Stock Disposal and the scale of dilution are reasonable, and that the impact on the market will be minimal.

(Reference) Overview of the trust agreement for the Trust

Settlor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trust trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Directors, etc. who satisfy the beneficiary requirements
Trust administrator	Selection of a third-party independent of the Company and its officers is planned.
Exercise of voting rights	Voting rights pertaining to shares held in the Trust will not be exercised throughout the trust period.
Type of trust	Monetary trust (third-party benefit trust) that is not a money trust
Trust agreement date	August 26, 2025
Trust period	August 26, 2025 to August 31, 2030
Purpose of trust	To deliver the Company’s shares to beneficiaries based on the share delivery guidelines

3. Basis and details of the disposal price calculation

In consideration of recent stock price trends and to eliminate arbitrariness, the disposal price has been set as 2,247 yen, which is the closing price on the Tokyo Stock Exchange on August 7, 2025 (the business day immediately preceding the date of the Board of Directors’ resolution). The closing price of the business day immediately preceding the date of the board of Directors’ resolution was set because it represents the market value immediately prior to the date of the Board of Directors’ resolution and was deemed to be highly objective and reasonable as a basis for calculation.