



August 8, 2025

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### Notice Concerning Disposal of Treasury Stock as Restricted Stock Incentives for Employee Shareholding Association

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 as restricted stock (hereinafter referred to as the “Treasury Stock Disposal” or the “Disposal”), with the Ishihara Sangyo Employee Shareholding Association (the “ESA”) as the scheduled allottee, under the Restricted Stock Incentive Plan for Employee Shareholding Association (the “Plan”) as follows:

#### 1. Overview of the Disposal

|                                                 |                                                                                                                                                                                                                                               |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Date of disposal                            | October 31, 2025                                                                                                                                                                                                                              |
| (2) Type and number of shares to be disposed of | Common stock of the Company 17,989 shares (Note)                                                                                                                                                                                              |
| (3) Disposal price                              | 2,247 yen per share                                                                                                                                                                                                                           |
| (4) Total disposal amount                       | 40,421,283 yen (Note)                                                                                                                                                                                                                         |
| (5) Method of disposal (Scheduled allottee)     | Third-party allotment<br>(Ishihara Sangyo Employee Shareholding Association 17,989 shares)<br>Please note that applications from Eligible Employees (as defined below) for a part of the number of shares to be granted will not be accepted. |
| (6) Other                                       | An extraordinary report regarding the Treasury Stock Disposal has been submitted in accordance with the Financial Instruments and Exchange Act.                                                                                               |

(Note) The “number of shares to be disposed of” and the “total disposal amount” are maximum values. The actual number of shares to be allocated and the total disposal amount will be determined based on the number of employees of the Company and its subsidiaries (maximum 281) after the completion of a membership promotion for non-members of the ESA and the confirmation of consent to the Plan by members, as well as the number of shares granted per person specified by the Company according to the employee ranks established by the Company and its subsidiaries (M3 and P3 equivalent: 106 shares [maximum 36 people, 3,816 shares], M2 and P2 equivalent: 80 shares [maximum 44 people, 3,520 shares], M1 and P1 equivalent: 53 shares [maximum 201 people, 10,653 shares] See Appendix for more details.).

#### 2. Purpose and reasons for the Disposal

The Company has resolved to introduce the Plan, which is intended to provide employees of the Company and its subsidiaries who are members of the ESA (those in managerial positions who are subject to the Plan) and who agree to the Plan (hereinafter referred to as the “Eligible Employees”) with opportunities to acquire restricted shares (common stock of the Company) issued or disposed of by the Company through the ESA as a measure to enhance welfare benefits of the Eligible Employees, for the purpose of assisting the Eligible Employees in building their assets, providing them with incentives to contribute to the sustainable improvement of the Company’s corporate value, and promoting further sharing of value between the Eligible Employees and the Company’s shareholders.

The following is an outline of the Plan.

#### [Outline of the Plan]

Under the Plan, the Eligible Employees will be provided a monetary claim (the “Special Incentive Payment”) as a special incentive for the grant of restricted stock, and the Eligible Employees will contribute the Special Incentive Payment to the ESA. Subsequently, the ESA will make an in-kind contribution of the Special Incentive Payment contributed by the Eligible Employees to the Company, in exchange for which the Company will issue or dispose of its common shares as restricted stock.

In the event that the Company newly issues or disposes of its common stock under the Plan, the paid-in amount per share of the common stock shall be determined by the Board of Directors within a range not particularly advantageous to the ESA (and, by extension, the Eligible Employees), based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors’ resolution related to the issuance or disposal (if no transactions were executed on that day, the price shall be based on the closing price on the most recent trading day).

The Company and the ESA shall enter into a restricted stock allotment agreement (hereinafter referred to as the “Allotment Agreement”) in connection with the issuance or disposal of the Company’s common stock under the Plan. The agreement shall include provisions such as: (1) The prohibition of the transfer of allotted shares to a third party, the establishment of security interests, or any other form of disposal for a certain period (hereinafter referred to as the “Transfer Restrictions”) and (2) The Company’s right to acquire the allotted shares without compensation in the event that certain conditions arise. In addition, the granting of the Special Incentive Payment to the Eligible Employees shall be subject to the execution of the Allotment Agreement between the Company and the ESA.

Moreover, with regard to their member equity interest in the restricted stock acquired by the ESA through the issuance or disposal (hereinafter referred to as “Restricted Stock Equity Interest” or “RS Equity Interest”), the Eligible Employees shall be restricted from withdrawing the restricted stock that corresponds to the Restricted Stock Equity Interest until the Transfer Restrictions in relation to the restricted stock are lifted, in accordance with the ESA Rules and the ESA Detailed Operational Rules, etc. (including the “Special Provisions for the Employee Shareholding Association” related to these Rules; hereinafter referred to as the “ESA Rules”) (Note).

In the Disposal of Treasury Shares, the Company shall dispose of its common stock (hereinafter referred to as the “Allotted Shares”) to the ESA, which is the scheduled allottee, in accordance with the Plan. The ESA shall make payment for the shares by contributing the entire amount of the Special Incentive Payment, which has been contributed by the Eligible Employees, as an in-kind contribution. The outline of the Allotment Agreement to be concluded between the Company and the ESA in connection with the Treasury Stock Disposal is as set forth below in “3. Outline of the Allotment Agreement.” The number of shares to be disposed of in the Treasury Stock Disposal will be determined at a later date, as stated in (Note) to 1. above, but the maximum number of shares to be disposed of to the ESA is planned to be 17,989. Assuming this number of shares, the dilution ratio resulting from the Treasury Stock Disposal will be 0.04% of the total number of issued shares, 40,383,943 shares, as of March 31, 2025 (rounded to the second decimal place; the same rounding method applies to all percentage calculations below), and 0.05% of the total number of voting rights, 379,829 units, as of March 31, 2025.

The Company believes that the introduction of the Plan will provide the Eligible Employees with incentives to aim for sustainable growth of the Company’s corporate value. 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.

The Treasury Stock Disposal will be implemented on the condition that the revised ESA Rules, etc. take effect by the day prior to the date of disposal related to the Treasury Stock Disposal.

### 3. Outline of the Allotment Agreement

#### (1) Transfer Restriction Period

From October 31, 2025 (the “Disposal Date”) until the date on which each Eligible Employee retires from his/her position as an employee of the Company or its subsidiaries in which he/she holds membership in the ESA (the “Transfer Restriction Period”), the transfer, establishment of security interests, or any other form of disposal shall be prohibited (the “Transfer Restrictions”).

#### (2) Conditions for lifting the Transfer Restrictions

Subject to the condition that the Eligible Employee remains a member of the ESA during the period from the Disposal Date to October 30, 2026 (the “Vesting Period”), the Transfer Restrictions on all Allotted Shares held by the ESA, in a number that corresponds to the Restricted Stock Equity Interest held by the Eligible Employee who satisfies the aforementioned condition, shall be lifted upon expiration of the Transfer Restriction Period. In such case, the Company shall notify the ESA of the intention to lift the Transfer Restrictions and the number of the Allotted Shares for which the Transfer Restrictions will be lifted. With regard to the Restricted Stock Equity Interest held by the Eligible Employee who satisfies the aforementioned condition, the ESA shall, in accordance with the provisions of ESA Rules, etc., transfer the portion that corresponds to the Allotted Shares for which Transfer Restrictions have been lifted, in principle, to the member equity interest held by the Eligible Employee with respect

to the shares acquired by the ESA not pursuant to the Plan (“Ordinary equity interest”) or to a securities account opened with Nomura Securities Co., Ltd. in the name of the Eligible Employee.

(3) Treatment in the event of withdrawal from the ESA

If an Eligible Employee withdraws from the ESA during the Vesting Period due to mandatory retirement or other legitimate reason (indicating cases where the Eligible Employee loses membership qualification or submits a request for membership withdrawal, including the case of withdrawal due to death), the Transfer Restrictions will be lifted on the Retirement Date for the number of Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employee on the day the Eligible Employee retires from the Company or its subsidiary (“Retirement Date”) multiplied by the number of months from the month following the month that includes the Disposal Date to the month including the Retirement Date, divided by the number of months in the Vesting Period (12) (if this number exceeds 1, it shall be set to 1) (however, if the calculation results in a fraction less than one share, it shall be rounded down).

(4) Acquisition without consideration by the Company

The Company shall automatically acquire, without compensation, any Allotted Shares for which the Transfer Restrictions are not lifted at the expiration of the Transfer Restriction Period or at the time of the lifting of the Transfer Restrictions as stipulated in (3) above. In this case, the Company shall notify the ESA of its intention to acquire the Allotted Shares without consideration and the number of Allotted Shares to be acquired without consideration, and the ESA shall, in accordance with the provisions of the ESA Rules, etc., deduct the portion of the Restricted Stock Equity Interest held by the Eligible Employees at that time that corresponds to the Allotted Shares subject to the acquisition without consideration.

(5) Management of shares

The Allotted Shares shall be managed in a dedicated account opened by the ESA with Nomura Securities Co., Ltd., to ensure that the transfer, the establishment of security interests, or any other form of disposal cannot be made during the Transfer Restriction Period. In addition, the ESA shall register and manage, in accordance with the provisions of the ESA Rules, etc., the Restricted Stock Equity Interest to be held by the Eligible Employees with respect to the Allotted Shares separately from the ordinary equity interest held by the Eligible Employees with respect to shares acquired by the ESA not pursuant to the Plan.

(6) Treatment upon reorganization, etc.

If, during the Transfer Restriction Period, a merger agreement based on which the Company becomes a disappearing company, a share exchange agreement based on which the Company becomes a wholly owned subsidiary, or any matter associated with organizational restructuring, etc., including a share transfer plan, is approved by the General Meeting of Shareholders of the Company (or, if approval of the General Meeting of Shareholders of the Company is not required for said organizational restructuring, etc., then, the Board of Directors of the Company), by resolution of the Board of Directors, the Transfer Restrictions on all Allotted Shares held by the ESA on the day of such approval, in a number that corresponds to the Restricted Stock Equity Interest held by the Eligible Employees, will be lifted immediately before the business day preceding the effective date of the organizational restructuring, etc.

4. Basis and details of the disposal price calculation

The Treasury Stock Disposal to the ESA, as the scheduled allottee, is conducted through contributions from the Eligible Employees to the ESA, using the Special Incentive Payment granted to them for the purpose of receiving restricted stock as the contribution asset. To eliminate arbitrariness in determining the disposal price, it has been set as 2,247 yen, which is the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on August 7, 2025 (the business day immediately preceding the date of the Board of Directors’ resolution). The Company considers this price reasonable, as it reflects the market price of its stock immediately before the Board resolution date, and it is not deemed particularly advantageous.

The deviation rate of this disposal price from the average closing price of the Company’s stock on the Prime Market of the Tokyo Stock Exchange (rounded to the second decimal place) is as follows:

| Period                                     | Average closing price (rounded down to the nearest yen) | Deviation rate |
|--------------------------------------------|---------------------------------------------------------|----------------|
| 1 month (July 8, 2025–August 7, 2025)      | 2,178 yen                                               | 3.17%          |
| 3 months (May 8, 2025–August 7, 2025)      | 1,973 yen                                               | 13.89%         |
| 6 months (February 8, 2025–August 7, 2025) | 1,856 yen                                               | 21.07%         |

In light of the fact that the Treasury Stock Disposal is intended for the implementation of the Plan and that the disposal price is set at the closing price of the Company’s common stock on the business day immediately preceding the date of the resolution of the Board of Directors, all four Audit & Supervisory Board Members (including two Outside Audit &

Supervisory Board Members) who attended the Board of Directors meeting held today expressed their opinion that the process by which the Company determined that the above disposal price does not constitute a particularly advantageous price for the ESA, the scheduled allottee, and was reasonable, and that such determination was appropriate.

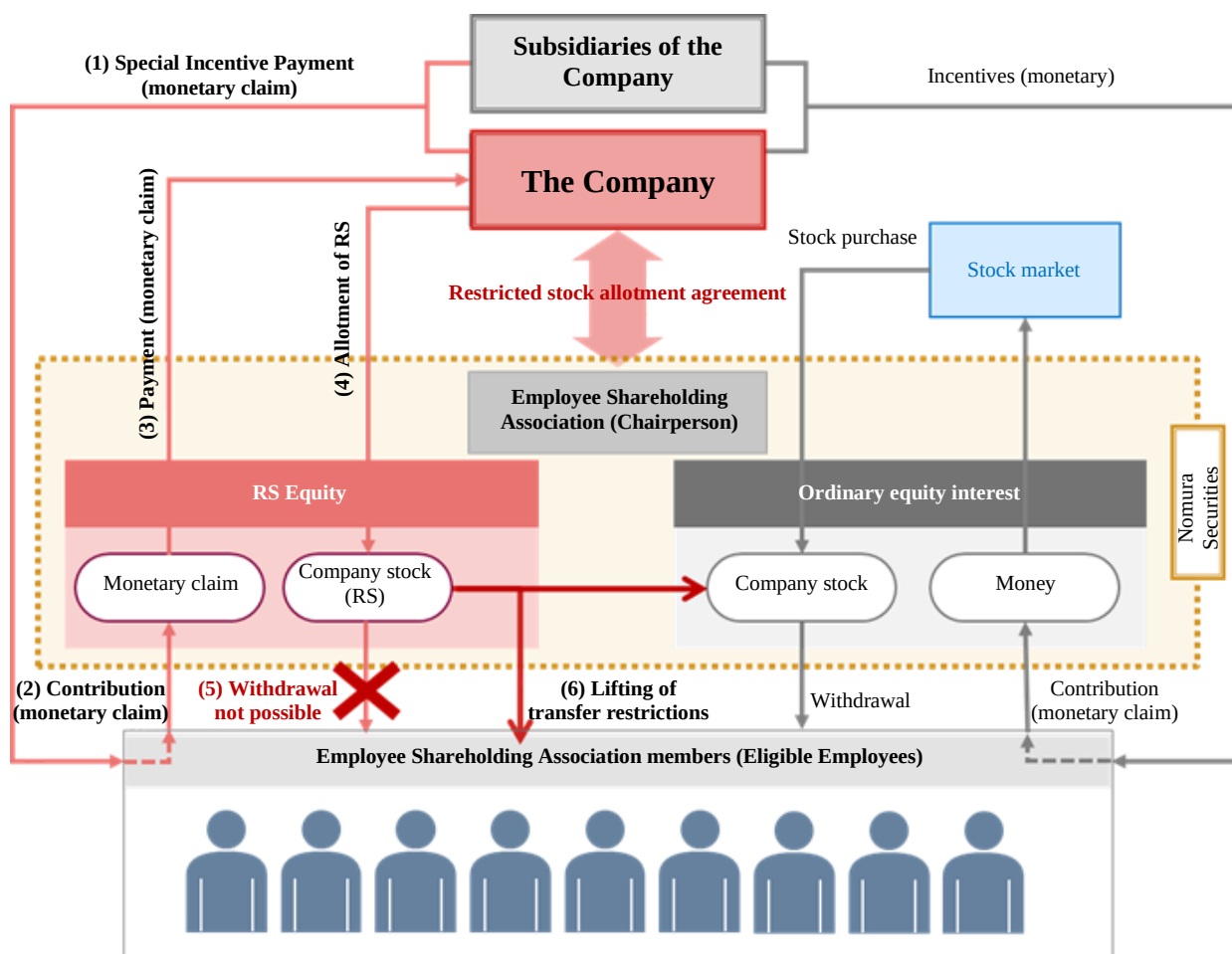
#### 5. Matters related to procedures under the Code of Corporate Conduct

The Treasury Stock Disposal does not require obtaining an opinion from an independent third party or confirming shareholders' intent as stipulated in Article 432 of the Securities Listing Regulations set by the Tokyo Stock Exchange. This is because (i) the dilution rate is less than 25% and (ii) the disposal does not involve a change in the controlling shareholder.

(Reference)

[Structure of the Plan]

- (1) The Company and its subsidiaries provide the Eligible Employees with a monetary claim as the Special Incentive Payment.
- (2) The Eligible Employees contribute the monetary claim above (1) to the ESA.
- (3) The ESA receives the monetary claim contributed as (2) above and pays it to the Company.
- (4) The Company allocates the Allotted Shares to the ESA.
- (5) The Allotted Shares are deposited in the RS Equity Interest account of the ESA through Nomura Securities Co., Ltd., and withdrawals will be restricted during the Transfer Restriction Period.
- (6) After the Transfer Restrictions are lifted, the Allotted Shares can be withdrawn in the same manner as the ordinary equity interest of the ESA.



(Appendix)

[Amount of monetary claims and number of shares allotted]

| Company     | Position                  | Amount of monetary claim per person (yen/year) | Number of shares granted per person (shares/year) | Number of people, amount, number of shares<br>(Prepared based on the closing price on August 7, 2025 [2,247 yen]) |                                     |                                        |
|-------------|---------------------------|------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------|
|             |                           |                                                |                                                   | Number of people                                                                                                  | Amount of monetary claim (yen/year) | Number of shares granted (shares/year) |
| ISK         | M3, P3                    | 238,182                                        | 106                                               | 29                                                                                                                | 6,907,278                           | 3,074                                  |
|             | M2, P2                    | 179,760                                        | 80                                                | 37                                                                                                                | 6,651,120                           | 2,960                                  |
|             | M1, P1                    | 119,091                                        | 53                                                | 157                                                                                                               | 18,697,287                          | 8,321                                  |
|             | Total                     |                                                |                                                   | 223                                                                                                               | 32,255,685                          | 14,355                                 |
| ITC         | General Manager           | 238,182                                        | 106                                               | 1                                                                                                                 | 238,182                             | 106                                    |
|             | Deputy General Manager/GL | 179,760                                        | 80                                                | 1                                                                                                                 | 179,760                             | 80                                     |
|             | Manager                   | 119,091                                        | 53                                                | 1                                                                                                                 | 119,091                             | 53                                     |
|             | Total                     |                                                |                                                   | 3                                                                                                                 | 537,033                             | 239                                    |
| IEP         | M3                        | 238,182                                        | 106                                               | 6                                                                                                                 | 1,429,092                           | 636                                    |
|             | M2                        | 179,760                                        | 80                                                | 0                                                                                                                 | 0                                   | 0                                      |
|             | M1/P                      | 119,091                                        | 53                                                | 16                                                                                                                | 1,905,456                           | 848                                    |
|             | Total                     |                                                |                                                   | 22                                                                                                                | 3,334,548                           | 1,484                                  |
| FTI         | M3                        | 238,182                                        | 106                                               | 0                                                                                                                 | 0                                   | 0                                      |
|             | M2                        | 179,760                                        | 80                                                | 6                                                                                                                 | 1,078,560                           | 480                                    |
|             | M1/SP1                    | 119,091                                        | 53                                                | 27                                                                                                                | 3,215,457                           | 1,431                                  |
|             | Total                     |                                                |                                                   | 33                                                                                                                | 4,294,017                           | 1,911                                  |
| Grand total | M3, P3 equivalent         |                                                |                                                   | 36                                                                                                                | 8,574,552                           | 3,816                                  |
|             | M2, P2 equivalent         |                                                |                                                   | 44                                                                                                                | 7,909,440                           | 3,520                                  |
|             | M1, P1 equivalent         |                                                |                                                   | 201                                                                                                               | 23,937,291                          | 10,653                                 |
|             | Total                     |                                                |                                                   | 281                                                                                                               | 40,421,283                          | 17,989                                 |

|                               |                   |  |  |    |           |       |
|-------------------------------|-------------------|--|--|----|-----------|-------|
| Total of subject subsidiaries | M3, P3 equivalent |  |  | 7  | 1,667,274 | 742   |
|                               | M2, P2 equivalent |  |  | 7  | 1,258,320 | 560   |
|                               | M1, P1 equivalent |  |  | 44 | 5,240,004 | 2,332 |
|                               | Total             |  |  | 58 | 8,165,598 | 3,634 |

Note) ISK: ISHIHARA SANGYO KAISHA, LTD. (the Company)

ITC: ISHIHARA TECHNO CORPORATION (subsidiary of the Company)

IEP: ISK ENGINEERING PARTNERS CORPORATION (subsidiary of the Company)

FTI: Fuji Titanium Industry Co., Ltd. (subsidiary of the Company)