(NOTE) This document has been translated from the Japanese original for reference purposes only. In all cases, the Japanese original shall take precedence.

April 27, 2026

To Whom It May Concern:

Company name: Nippon Denko Co., Ltd.
Representative: Yasushi Aoki, President & CEO
(Securities code: 5563 TSE Prime Market)
Inquiries: Toru Tanaka, Executive Officer
Tel: +81-3-6860-6800

Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

Nippon Denko Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on April 27, 2026, to dispose treasury shares as restricted stock compensation (the "Disposal of Treasury Shares") as described below.

1. Overview of disposal

(1)	Due date of disposal	May 25, 2026
(2)	Class and number of shares to be disposed	91,800 shares of common stock of the Company
(3)	Disposal price	422 yen per share
(4)	Total disposal amount	38,739,600 yen
(5)	Allottees and number thereof; number of shares to be allotted	5 Directors (Excluding outside directors): 44,700 shares 8 Executive Officers: 39,000 shares 3 Executive Counselors: 8,100 shares

2. Purpose and reason for disposal

At the Board of Directors meeting held on February 27, 2019, the Company has resolved to introduce a new compensation plan, a restricted stock compensation plan (the "Plan") targeted toward the Company's directors, excluding outside directors to provide incentives to sustainably increase the Company's corporate value and to share shareholder value. In addition, the Company transitioned to a company with an Audit & Supervisory Committee at the 124th Annual General Meeting of Shareholders held on March 28, 2024. Consequently, the Company has obtained approval to pay the Company's directors, excluding directors who are Audit & Supervisory Committee Members and outside directors (the "Eligible Directors") monetary compensation claims for the purpose of in-kind contribution for acquiring restricted stocks under this Plan (the "Restricted Stock Compensation") within 100 million yen per year, and that the transfer restriction period of the restricted stocks will be twenty years.

The overview of the Plan is as follows.

[Overview of the Plan, etc.]

The Eligible Directors will make an in-kind contribution of all monetary compensation claims paid by the Company according to the Plan, and will, in return, receive the Company's common stocks that will be issued or disposed of by the Company. The total number of common stocks to be issued or disposed of by the Company in this Plan will be 700,000 shares or less per year. The amount to be paid in per share will be based on the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

The issuance or disposal of the common stock of the Company under this Plan will be subject to the conclusion of a restricted stock subscription agreement including the following content between the Company and Eligible Directors:

(i) The Eligible Directors will not transfer, create a security interest on, or otherwise dispose of the common stock of the Company allocated under the restricted stock subscription agreement during a certain period; and
(ii) The Company will acquire the said common stock without consideration in the case where certain events happen, etc.

This time, in addition to the Eligible Directors, executive officers and executive counselors who do not concurrently serve as directors of the Company (collectively the "Eligible Directors, Etc."), will be eligible for the Plan for the same purpose as above. Considering the purpose of the Plan, the Company's business performance, responsibilities of the Eligible Directors, Etc., and various circumstances, the Company has decided to grant the total sum of 38,739,600 yen in monetary compensation claims (the "Monetary Compensation Claims") and 91,800 of common stocks to further increase the motivation of the Eligible Directors, Etc.

In the Disposal of Treasury Shares, sixteen Eligible Directors, Etc., the prospective allottees, will make an in-kind contribution of all Monetary Compensation Claims on the Eligible Companies according to the Plan, and will, in return, receive the Company's common stocks (the "Allotted Stocks") that will be disposed. The summary of the restricted stock subscription agreement that will be concluded between the Company and the Eligible Directors, Etc., in the Disposal of Treasury Shares (the "Subscription Agreement") is as noted in 3. below.

3. Summary of the Subscription Agreement
(1) Transfer restriction period: May 25, 2026 – May 25, 2046
(2) Conditions for the removal of the transfer restrictions
On the condition that the Eligible Directors, Etc., continuously hold, during the transfer restriction period, the positions of directors, executive officers or executive counselors who do not concurrently serve as directors of the Company, the Company will remove the transfer restriction for all of the Allotted Stocks at the expiration of the transfer restriction period.
(3) Treatment in cases in which the Eligible Directors Etc., resign due to expiration of the term of office, reaching the mandatory retirement age, or for other legitimate reasons during the transfer restriction period,
(i) Timing of removal of the transfer restrictions
If the Eligible Directors, Etc., resign from the positions of directors, executive officers or executive counselors who do not concurrently serve as directors of the Company due to the expiration of the term of office, reaching the mandatory retirement age, and other legitimate reasons (except resignation due to death), then the transfer restriction will be removed immediately after the resignation of the Eligible Directors, Etc. In case of resignation due to death, the transfer restriction will be removed at a time separately determined by the Board of Directors after the death of the Eligible Director, Etc.
(ii) Number of shares subject to removal of transfer restrictions
The number of shares will be the number of shares obtained by multiplying the number of the Allotted Stocks held at the time of the said resignation as specified in (i) above by the number obtained by dividing the period of service (in months) from the date of the resolution of allocation to the date of resignation of the Eligible Directors, Etc. by 12 (if such number exceeds one (1), one (1) will be used; however, if the calculation results in a fraction of a unit of shares, such fraction will be rounded down).
(4) The Company's acquisition without consideration
At the expiration of the transfer restriction period or the timing of the removal of the transfer restrictions as specified in (3) above, the Company will automatically acquire, without consideration, the Allotted Stocks from which the transfer restrictions have not been removed.

(5) Administration of shares
To ensure that the Allotted Stocks will not be transferred, created a security interest on, or disposed of during the transfer restriction period, the Allotted Stocks will be administered in a dedicated account at Nomura Securities Co., Ltd., opened by the Eligible Directors, Etc., during the transfer restriction period. To secure the effectiveness of the transfer restriction, etc., pertaining to the Allotted Stocks, the Company has concluded an agreement with Nomura Securities Co., Ltd. for the administration of accounts of the Allotted Stocks possessed by the Eligible Directors, Etc. In addition, the Eligible Directors, Etc., will agree to the details of

administration of said accounts.

(6) Treatment in the event of organizational restructuring, etc.

If, during the transfer restriction period, matters relating to a merger agreement in which the Company will be the absorbed company, a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary, or other organizational restructuring, etc. are approved at the Company's meeting of shareholders (or in the case where the approval at the Company's meeting of shareholders is not required in regards to the said organizational restructuring, etc., a meeting of the Company's Board of Directors), then, based on the resolution of the Board of Directors, the transfer restriction will be removed on the shares obtained by multiplying the number of the Allotted Stocks held at the said timing by the number obtained by dividing the period from the date of resolution of allocation to the said approval date (in months) by 12 (if such number exceeds one (1), one (1) will be used; however, if the calculation results in a fraction of a unit of shares, such fraction will be rounded down), immediately before the business day prior to the effective date of the organizational restructuring, etc. In addition, the Company will automatically acquire, without consideration, all of the Allotted Stocks that have not been removed from the transfer restriction as of the time immediately following the removal of such restrictions.

4. Basis of calculation and specific details of the amount to be paid in

The Disposal of Treasury Shares to the prospective allottees will be made by way of in-kind contribution of the monetary compensation claims paid as Eligible Companies' Restricted Stock Compensation under the Plan for April 2026 to March 2027. To avoid arbitrary decisions on price, the closing price of the Company's common stocks on the Prime Market of the Tokyo Stock Exchange of 422 yen on April 24, 2026 (the business day immediately prior to the date of the resolution by the Board of Directors), is used as the disposal price. As this is the market price of the day immediately prior to the date of the resolution of the Board of Directors, it is believed to be reasonable, and that this price does not constitute a particularly favorable price.