



March 26, 2026

Name of listed company: Taki Chemical Co., Ltd.
Representative: Katsuhiko Taki, Representative Director, President
Code number: 4025 (Prime Market of Tokyo Stock Exchange)
Inquiries to: Osamu Okamoto, General Manager,
General Affairs & Personnel Department
Tel: +81-(0)79-437-6002

Notice regarding disposal of treasury shares as advance-issue-type restricted stock compensation

Taki Chemical Co., Ltd. (the “Company”) hereby announces that it has resolved, at the Board of Directors meeting held today, to dispose of its treasury shares (the “Disposal of Treasury Shares”) as advance-issue-type restricted stock compensation as described below.

1. Overview of disposal

(1) Date of payment	April 24, 2026
(2) Type and number of shares to be disposed of	9,072 shares of the Company’s common stock
(3) Disposal price	¥4,820 per share
(4) Total amount of disposal	¥43,727,040
(5) Planned allottees	4,356 shares for 5 Directors* 4,716 shares for 9 Executive Officers and Associate Executive Officers, etc. (excluding Directors) *Excluding Directors who are Audit & Supervisory Committee Members

2. Purpose and reason of disposal

The Company has introduced a restricted stock compensation plan (the “Plan”) as a compensation system for its Directors. The purpose of the Plan is to provide incentives to the Company’s Directors excluding Directors who are the Audit & Supervisory Committee Members (the “Eligible Directors”) to continuously enhance the Company’s corporate value and to further share value with shareholders over the medium to long term.

In addition, the following matters have been approved at the 102nd Annual General Meeting of Shareholders held on March 30, 2021. Based on the Plan, monetary compensation claims of up to ¥21 million per year will be paid to Eligible Directors as in-kind contributions for the grant of restricted stock, separately from the existing monetary compensation framework. The total number of common shares to be issued or disposed of by the Company under the Plan shall be 5,200 shares or less per year; this number of shares may be reasonably adjusted in case where adjustments are unavoidable, such as in the event of a stock split or consolidation of the Company’s common shares. The specific allocation and timing of payment to each Eligible Director shall be determined by the Board of Directors, based on a point system according to their position and other factors.

The outline of the Plan is as follows:

Outline of the Plan

Under the Plan, Eligible Directors shall pay all monetary compensation claims paid by the Company as in-kind contributions and receive the issuance or disposal of common shares of the Company.

The amount of payment per share shall be determined by the Board of Directors within a range that is not particularly advantageous to the Eligible Directors. The amount shall be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of the Board of Directors' resolution. If no trading is conducted on that day, the amount shall be based on the closing price on the most recent trading day prior to that date.

When issuing or disposing of the Company's common stock under the Plan, the Company and the Eligible Directors shall enter into restricted stock allotment agreements that include the following provisions:

- (i) The Eligible Directors shall not transfer, attach a security interest on, or otherwise dispose of the Company's common stock allotted to them for a predetermined period.
- (ii) In certain circumstances, the Company shall acquire the common stock without consideration.

The Company has also introduced a similar stock compensation plan for Executive Officers and Associate Executive Officers, etc. who are not Directors of the Company (the "Eligible Executive Officers, etc.").

Based on the above, the Company has resolved at the Board of Directors meeting held today, to grant monetary compensation claims to five Eligible Directors and monetary claims to the nine Eligible Executive Officers, etc. (collectively, the "Eligible Officers, etc."), totaling ¥43,727,040, and to dispose of a total of 9,072 shares of the Company's common stock (the "Allotted Shares").

Outline of the restricted stock allotment agreement

The Company and the Eligible Officers will individually enter into restricted stock allotment agreements (the "Allotment Agreements"), as outlined below.

(1) Transfer restriction period

From April 24, 2026 (date of delivery) to the date of termination of their positions as Directors, Executive Officers, and Associate Executive Officers, etc. of the Company.

During the period above, the Eligible Officers shall not transfer, attach a security interest on, or otherwise dispose of the Allotted Shares.

(2) Conditions for lifting the transfer restriction

Provided that the Eligible Officers remain in their positions as Directors, Executive Officers, or Associate Executive Officers, etc. of the Company during the period from April 24, 2026 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending December 2026 (the "Service Period"), the transfer restrictions on all the Allotted Shares shall be released upon the expiration of the transfer restriction period. However, if an Eligible Officer dies, their term of office expires, or they lose their position as a Director, Executive Officer, or Associate Executive Officer, etc. of the Company for any other reason deemed valid by the Board of Directors during the Service Period, the transfer restrictions on a portion of the Allotted Shares shall be lifted at the end of the transfer restriction period. The number of shares shall be calculated by multiplying the number of Allotted Shares by the number of months from April 2026 to the month including the date of retirement, divided by 12. If the result is more than 1, it shall be deemed to be 1. Any fractional shares resulting from the calculation that are less than one share shall be rounded down.

(3) Gratis acquisition of Allotted Shares by the Company

The Company shall, as a matter of course, acquire without any consideration all Allotted Shares for which the transfer restriction has not been lifted at the time of expiration of the transfer restriction period, immediately after such time.

In addition, if any of the events specified in the Allotment Agreements as grounds for acquisition without consideration occurs during the transfer restriction period, the Company shall, as a matter of course, acquire the Allotted Shares in the number specified in the Allotment Agreements without consideration.

(4) Administration of shares

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account for restricted stock opened by the each of Eligible Officers at Daiwa Securities Co. Ltd., so that the Eligible Officers cannot transfer, attach a security interest on, or otherwise dispose of them during the transfer restriction period.

(5) Treatment upon organizational restructuring or other significant events

During the transfer restriction period, if matters with regard to a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other organizational restructuring are approved by the general meeting of shareholders of the Company (or by the Board of Directors of the Company unless such organizational restructuring or other significant events require approval by the general meeting of shareholders), the transfer restrictions on a portion of the Allotted Shares shall be lifted immediately before the business day prior to the effective date of the organizational restructuring, based on the resolution of the Board of Directors.

The number of shares shall be calculated by multiplying the number of Allotted Shares by the number of months from April 2025 to the month including the date of such approval, divided by 12. If the result exceeds 1, it shall be deemed to be 1. Any fractional shares resulting from the calculation that are less than one share shall be rounded down.

In this case, the Company shall automatically make a gratis acquisition of the Allotted Shares for which the transfer restrictions have not yet been lifted, immediately after the lifting of such restrictions as described above.

3. Basis of calculating the amount to be paid in and specific details thereof
To eliminate arbitrariness, the disposal price for the Disposal of Treasury Shares to the Eligible Officers has been set at ¥4,820, the closing price on the business day immediately prior to the Board of Directors' resolution. This represents the market price immediately before the resolution date, and, in the absence of any special circumstances that would render the most recent stock price unreliable, is considered reasonable, appropriately reflective of the Company's corporate value, and not particularly advantageous to the Eligible Officers.

– End of Document –