

This document is an English translation of a statement written originally in Japanese for reference. The Japanese original should be considered as the primary version.

July 4, 2024

To Whom It May Concern,

Company Name: DAICEL CORPORATION
Representative: Yoshimi Ogawa, President and CEO
(Code: 4202, Prime Market of the Tokyo Stock Exchange)
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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

DAICEL CORPORATION (The “Company”) hereby announces that, at the Board of Directors’ meeting held on July 4, 2024 (Hereinafter, the “Allocation Resolution Date”), the Company has resolved to dispose of treasury stock as restricted stock compensation (hereinafter, “Disposal of Treasury Stock” or “Disposal”), as follows:

1. Overview of the Disposal

(1)	Disposal date	August 2, 2024
(2)	Class and number of shares to be disposed of	The Company’s Common stock 150,624 shares
(3)	Disposal value	1,548.5 yen per share
(4)	Disposal value	233,241,264 yen
(5)	Allottees and number thereof, number of shares to be allotted	The Company’s Board Directors (excluding Outside Board Directors): 5 people 43,906 shares The Company’s Executive Officers who do not concurrently serve as Board Directors: 17 people 66,174 shares The Company’s Corporate Officers: 6 people 11,616 shares The Company’s Executive Officers who do not concurrently serve as Board Directors of the Company’s subsidiaries: 8 people 28,928 shares
(6)	Other	An Extraordinary report will be submitted in accordance with the Financial Instruments and Exchange Act

	regarding this Disposal of Treasury Stock.
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2. Purposes and Reasons for the Disposal

The Company, at the Board of Directors' meeting held on May 10, 2018, resolved to introduce a Restricted Stock Compensation Plan (hereinafter, the "Plan") as a new compensation plan for the Company's Directors, excluding Outside Directors (hereinafter, the "Eligible Directors"), Executive Officers who do not concurrently serve as Directors, and Corporate Officers (hereinafter collectively the "Eligible Directors, etc." together with the Eligible Directors), aiming to step up value-sharing with shareholders and motivate them to contribute further to the improvement in corporate value of the Company in the medium and long term. In addition, at the 152th Annual General Meeting of Shareholders held on June 22, 2018, the Company obtained approval for the provision of monetary compensation claims of up to 100 million yen per year to Eligible Directors as monetary compensation to be contributed for the acquisition of restricted stock (hereinafter, "Restricted Stock Compensation") under the Plan, and for the transfer restriction period of the restricted stock to be set by the Company's Board of Directors within a period from 3 years to 30 years.

In addition, at the Board of Directors meeting held on May 9, 2024, the Company resolved to introduce a system similar to the Plan for directors and executive officers who are not concurrently serving as directors of the Company's subsidiaries (hereinafter, the Eligible Directors, executive officers (including Executive Fellows; the same applies hereinafter) and Corporate Officers, and executive officers who are not concurrently serving as directors of the Company's subsidiaries are collectively referred to as the "Eligible Directors, etc."), and at the 158th Ordinary General Meeting of Shareholders held on June 21, 2024, approval was obtained to change the conditions for the term of office of the Eligible Directors related to the lifting of transfer restrictions on the Eligible Directors from "director, executive officer not concurrently serving as director, auditor, corporate officers, advisor, consultant or advisor, or other equivalent position of the Company" to "Positions among officers and employees of the Company or its subsidiaries as determined in advance by the Company's Board of Directors."

The outline of the Plan is as follows:

[The outline of the Plan]

The Eligible Directors, etc. shall pay all of the monetary compensation claims provided by the Company or its subsidiaries under the Plan to the Company as the properties contributed in kind, and in turn shall receive the issuance or disposal of the Company's common stock.

In addition, the total amount of monetary compensation claims to be provided by the Company to the Eligible Directors under the Plan shall be no more than 100 million yen per year, and the total number of shares of the Company's common stock to be issued or disposed of shall be no more than 125 thousand shares per year (however, in the event of a stock split (including a gratis allotment of the Company's common stock) or a reverse stock split of the Company's common stock, or other events requiring adjustment of the total number of the Company's common stock to be issued or disposed of as restricted stock, such total number shall be adjusted to a reasonable extent). The amount to be paid in per share shall be determined by the Board of Directors to the extent that it is not particularly advantageous to the Eligible Directors, etc. who subscribe for the restricted

stock 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 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).

Based on the above, upon the receipt of recommendation issued by the Nomination and Compensation Committee in which Outside Directors account for the majority and Outside Director chairs the Committee, the Company decided to grant a total amount of 233,241,264 yen as monetary compensation claims, 150,624 shares of the common stock, and set a transfer restriction period at 30 years, in the consideration of the purpose of the Plan and the scope of duties of the Eligible Directors, etc.

In the Disposal of Treasury Stock, the 36 Eligible Directors, etc. as the scheduled allottees shall pay all of the monetary compensation claims to the Company as the properties contributed in kind under the Plan, and in turn shall receive the disposal of the Company's common stock (hereinafter, the "Allotted Shares"). In the Disposal of Treasury Stock, the outline of the restricted stock allotment agreement to be executed between the Company and the Eligible Directors, etc. (hereinafter, the "Agreement") is as described in 3. Below.

3. Outline of the Allotment Agreement

(1) The Period of the Transfer Restrictions: from August 2, 2024 to August 1, 2054

(2) Conditions for lifting the transfer restrictions

On the condition that the Eligible Directors, etc. had been in any one of the positions including Directors of the Company or its subsidiaries, Executive Officers who do not concurrently serve as Directors, Audit & Supervisory Board Members, Corporate Officers, advisors, consultants (including part-time, but excluding honorary advisors; the same applies below), or counselors (including part-time) on a continuing basis during the transfer restriction period, the Transfer Restrictions of the Allotted Shares shall be lifted as of the expiration of transfer restriction period. However, if the Eligible Directors, etc. resign or retire from the aforementioned positions before the expiration of the transfer restriction period due to expiration of the term of office, death, or any other justifiable reason, the time to lift the Transfer Restrictions shall be reasonably adjusted according to the length of their tenure.

(3) Number of shares subject to lifting the transfer restrictions

The number shall be calculated by multiplying the number of the Allotted Shares held by the Eligible Directors, etc. at the time of lifting of the Transfer Restrictions as described in (2) above by the number obtained (if such number exceeds 1, the number shall be rounded down to 1) by dividing the term of office of the Eligible Directors, etc. (by month) pertaining to the transfer restriction period by 12 (however, if any fraction of less than one share arises, the fractional share shall be discarded). If the period is less than one month, 15 or more calendar days will be considered as one month.

(4) Gratis acquisition by the Company

If the Eligible Directors, etc., resign or retire from the positions indicated in (2) above before the expiration of the transfer restriction period, the Company shall, as a matter of course, acquire the Allotted Shares without compensation unless there are justifiable reasons for the

retirement or resignation, such as expiration of the term of office, death, or other cause deemed justifiable by the Board of Directors of the Company.

(5) Administration of shares

During the transfer restriction period, the Allotted Shares shall be administered in a dedicated account opened at Nomura Securities Co., Ltd. in order to ensure that the Eligible Directors, etc. neither transfer, nor create any security interest on, nor otherwise dispose of the Allotted Shares during such period. To ensure the effectiveness of the Transfer Restrictions, etc. pertaining to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the administration of the account for the Allotted Shares held by each Eligible Directors, etc.

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

In cases where, during the transfer restriction period, a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly owned subsidiary, or other matters regarding organizational restructuring, etc., is approved by a general meeting of shareholders of the Company (however, in cases where such organizational restructuring, etc., does not require approval from a general meeting of shareholders of the Company, by the Board of Directors of the Company), the Company shall lift the Transfer Restrictions as of the time immediately before the business day prior to the effective date of said organizational restructuring, etc., for the number of the Allotted Shares calculated by multiplying the number of the Allotted Shares held at such time by the number obtained (if such number exceeds 1, the number shall be rounded down to 1) by dividing the number of months between the month when the transfer restriction period started and the month to which the date of such approval belongs by 12 (however, if any fraction less than one share arises as a result of the above calculation, the fractional share shall be discarded).

4. Basis of calculating the amount to be paid in for the Allotment Shares and other specific details

The Disposal of Treasury Shares to the scheduled allottees shall be funded by the monetary compensation claims provided as Restricted Stock Compensation under the Plan for the 159th fiscal year of the Company. The company determined the disposal price to be 1,548.5 yen, the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 3, 2024 (the business day prior to the date of the resolution of the Board of Directors), in order to eliminate any arbitrariness in such price. As this is the market price immediately prior to the date of the resolution of the Board of Directors, the Company believes that it is rational and not a particularly an advantageous price.

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