

General Meeting of Shareholders convened on June 27, 2017, approved, based on the Plan, the monetary payment of a maximum of 100 million yen per year to Eligible Directors (maximum of 6 million yen for Outside Directors. However, this amount does not include employee salaries for employees serving concurrently as Directors) and the monetary payment of a maximum of 20 million yen per year for Eligible Audit & Supervisory Board Members, as contributions in-kind for the purpose of acquiring restricted stock. Approval was also received for the restriction period of the restricted stock set in advance by the Company's Board of Directors, which shall last from one to five years.

An overview of the Plan is as follows.

Eligible Officers shall contribute all monetary compensation claims provided by the Company based on the Plan as contributions in-kind, and either receive issuance or disposition of the Company's common stock. The total number of shares of common stock issued or disposed of by the Company under the Plan shall be up to 100,000 shares per year for Eligible Directors and up to 20,000 shares per year for Eligible Audit & Supervisory Board Members. The amount to be paid-in per share is based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day each resolution is passed by the Board of Directors (or the closing price on the trading day immediately prior in the event that trading is not held on that date).

Moreover, with respect to the issuance or disposition of the Company's common stock under the Plan, the Company and Eligible Officers shall enter a Restricted Stock Allotment Agreement, under which [1] Eligible Officers must not transfer, create security interests on, or otherwise dispose of the Company's common stock allotted based on the Restricted Stock Allotment Agreement for a certain period of time, and [2] the Company shall acquire the relevant common stock without consideration under certain circumstances, among other conditions set forth in the agreement.

Taking into account the purpose of the Plan, the Company's performance, the roles and positions of Eligible Officers, and the officer compensation standards for the chemicals industry, the Company has set the total monetary compensation claim at 23,654,400 yen and the number of shares of common stock to be granted at 1,792 shares. Moreover, the restriction period has been set to one year for the purpose of steadily advancing the Company's medium-term management plan, "SMART 2030," and generating further results. While the Company has previously granted restricted stock compensation to Eligible Audit & Supervisory Board Members, the Audit & Supervisory Board has resolved, from the perspective of further enhancing the independence of its members, that it is desirable to suspend the provision of such compensation. Accordingly, the Company will not grant restricted stock compensation to Eligible Audit & Supervisory Board Members from this fiscal year onward.

3. Overview of the Restricted Stock Allotment Agreement

The Company and each Eligible Director shall enter a Restricted Stock Allotment Agreement (hereinafter referred to as "the Allotment Agreement") on an individual basis, an overview of which is provided below.

(1) Restriction Period: July 15, 2026, to July 14, 2027

(2) Conditions for Restriction Removal

Eligible Directors who have continuously served in the position of Company Director shall have the restrictions removed from all of the Company's common stock allotted through the Allotment Agreement (hereinafter referred to as "the Allotted Shares") when the restriction period reaches its end.

However, any Eligible Director who has retired for a valid reason accepted by the Company's Board of Directors shall, at the time of their retirement, have the restrictions removed from a number of shares equal

to the number of the Allotted Shares multiplied by the number of months from the month including the pay-in date to the month including the retirement date divided by 12 (however, if the calculation result exceeds 1, it shall be deemed as 1.) Moreover, if the calculation result remainder is less than one share, this fractional share shall be rounded down.

(3) Gratis Acquisition by the Company

The Company shall automatically acquire the Allotted Shares from which the restrictions have not been removed without consideration at the end of the restriction period. Moreover, when an Eligible Director has resigned, the Company shall acquire all of the Allotted Shares without consideration immediately after the date of retirement by the retired Eligible Director. However, this shall not apply in the event the Company's Board of Directors recognizes a valid reason for retirement.

(4) Management of Shares

In order to ensure that Eligible Directors cannot transfer, create security interests on, or otherwise dispose of the Allotted Shares during the restriction period, during the restriction period Eligible Directors who are granted shares shall open an account in which the Allotted Shares shall be held, and that describes and records the Allotted Shares at a financial instruments business operator designated in advance by the Company in a method designated by the Company.

(5) Treatment During Organizational Restructuring, etc.

Notwithstanding the provision in (1) above, if during the restriction period the Company's General Meeting of Shareholders (or the Company's Board of Directors if the relevant decision does not require approval by the Company's General Meeting of Shareholders) approves the Company's entry into a merger agreement where the Company becomes the extinct company, entry into a share exchange agreement or share transfer plan where the Company becomes a wholly owned subsidiary, or other matters regarding organizational restructuring, then by resolution of the Board of Directors, the restrictions shall be removed on a number of shares held by the relevant Eligible Directors to be granted shares equal to the number of the Allotted Shares multiplied by the number of months from the month during which the paid-in period occurred until the month of the relevant approval divided by 12 (however, if the calculation result exceeds 1, it shall be deemed to be 1). Moreover, if the calculation result remainder is less than one share, this fractional share shall be rounded down. The restrictions on these shares shall be removed immediately before the close of business on the business day preceding the effective date of the restructuring, etc. Moreover, in the event of a restructuring stipulated above, the Company shall automatically acquire the Allotted Shares for which the restrictions have not been removed without consideration, immediately before the close of business on the business day preceding the effective date of the restructuring, etc.

4. Basis of Calculation and Specific Details for the Paid-in Amount

This disposal of treasury stock for the Recipients of Allotment shall, based on the Plan, be conducted using monetary compensation claims provided as restricted stock compensation as contributions in kind for the Company's 162nd Fiscal Year. In order to ensure that the disposal price excludes arbitrariness, the disposal price is set at 13,200 yen, the closing price for the Company's common stock on the Tokyo Stock Exchange Prime Market on June 22, 2026 (the business day prior to the date of the Board of Directors' resolution). As this is the market price immediately preceding the date of the Board of Directors' resolution, it is therefore considered to be rational and not especially advantageous to the Recipients of Allotment.