

June 23, 2025

For Immediate Release

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Notice Regarding Issuance of New Shares as Restricted Stock Compensation

Sumitomo Seika Chemicals Co., Ltd. (“the Company”) hereby announces that the Board of Directors resolved at the meeting held on June 23, 2025, to issue new shares (“New Share Issuance” or “Issuance”) as follows:

1. Outline of New Share Issuance

(1)	Payment date	July 22, 2025
(2)	Type and number of shares to be issued	4,576 shares of the Company’s common stock
(3)	Issuance price	4,295 yen per share
(4)	Total amount of issuance	19,653,920 yen
(5)	Allotees, number of allottees, and number of shares to be allotted	4 members of the Company’s Board of Directors (excluding Audit and Supervisory Committee Members, External Directors and non-executive Directors): 3,450 shares 4 executive officers not concurrently serving as members of the Company’s Board of Directors (excluding non-residents of Japan): 1,126 shares

2. Purpose and reasons for the Issuance

The Company’s Board of Directors, at its meeting held on May 12, 2023, resolved to introduce the Restricted Stock Compensation System (“the System”) to provide incentives for members of the Board of Directors (excluding Audit and Supervisory Committee Members, External Directors and non-executive Directors, “Applicable Board Members”) and executive officers not concurrently serving as members of the Company’s Board of Directors (collectively with Applicable Board Members “Eligible Officers”) to realize continuous improvement of the Company’s corporate value and share even closer sense of value with shareholders.

In addition, at the 110th Ordinary General Meeting of Shareholders held on June 23, 2023, it was approved that monetary claims of not more than 90 million yen per year shall be paid to Applicable Board Members as compensation to be used as investment funds for the acquisition of restricted stock under the System (“Restricted Stock Compensation”), that the total number of shares of the Company’s common stock newly issued or disposed of by the Company under the System shall be not more than 10,000 shares per year, and that the transfer restriction period for restricted stock shall be the period from the date of allotment of shares of the Company’s common stock under a restricted stock allotment contract to be concluded between the Company and Applicable Board Members until a point immediately after the resignation or retirement from the position of officers or employees in the Company or its affiliates appointed by the Company’s Board of Directors.

The outline of the System is as follows.

Outline of the System

Eligible Officers shall pay in, as in-kind contribution of property, all monetary claims paid by the Company under the System and receive shares of the Company's common stock to be issued or disposed of. The amount of the monetary claims to be paid in per share of such shares shall be decided by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the last working day before the date of each resolution of the Board of Directors on such amount (or the closing price on the most recent previous trading day if there was no trading for the Company's common stock on that day), within such boundaries that the amount is not particularly advantageous to Eligible Officers receiving such shares.

In addition, when shares of the Company's common stock are issued or disposed of under the System, a restricted stock allotment contract shall be concluded between the Company and Eligible Officers, the contents of which shall include the following: (i) Eligible Officers may not transfer to a third party, create a security interest in, or otherwise dispose of in any way, shares of the Company's common stock allotted by the Company under the restricted stock allotment contract for a certain period of time; and (ii) upon the occurrence of certain events, the Company will acquire the shares of the Company's common stock without consideration.

After the deliberation in the Nomination & Compensation Committee, the Company decided to pay monetary claims of 19,653,920 yen in total ("Monetary Claims") and grant shares in exchange for contribution in kind of the Monetary Claims as written in 1. Outline of New Share Issuance, (2) Type and number of shares to be issued.

For the New Share Issuance, 35 Eligible Officers to whom such shares are to be allotted shall pay in, as in-kind contribution of property, all the Monetary Claims to the Company and receive such shares of the Company's common stock through an allotment ("Allotted Shares") under the System. The summary of the restricted stock allotment contract to be concluded between the Company and Eligible Officers ("Allotment Contract") for the New Share Issuance is provided in 3 below.

3. Summary of the Allotted Contract

(1) Transfer restriction period

Transfer restriction period shall be from July 22, 2025 ("Payment Date") until a point immediately after the resignation or retirement from the position such as Director, executive officer not concurrently serving as a member of the Board of Directors, advisor, counselor, officers and employees, or other equivalent positions in the Company.

(2) Conditions for removal of transfer restrictions

For all the Allotted Shares, the transfer restrictions shall be lifted at the end of the transfer restriction period under the conditions that Eligible Officers continue to serve as Director, executive officer not concurrently serving as a member of the Board of Directors, advisor, counselor, officers and employees, or other equivalent positions in the Company from the start date of the Eligible Officer's executing duties until a point immediately before the conclusion of the first Ordinary General Meeting of Shareholders held after the start date (that period, however, shall be replaced with the period from the start date until the final date of the fiscal year the Payment Date belongs if the Eligible Officer is an executive officer not concurrently serving as a member of the Board of Directors) ("Service Period").

(3) Treatment in case Eligible Officers resign or retire during the Service Period because of the expiration of the term, reaching retirement age, or other adequate reasons

A) Timing of removal of transfer restrictions

Transfer restrictions shall be lifted at the point immediately after the Eligible Officers resign or retire from either Director, executive officer not concurrently serving as a member of the Board of Directors, advisor, counselor, officers and employees, or other equivalent positions for adequate reasons such as the expiration of the term, reaching retirement age, or others including death.

B) Number of shares removal of transfer restrictions applied

The number of shares that removal of transfer restrictions are applied shall be calculated by multiplying the number of the Allotted Shares held at the point of resignation or retirement due to the reasons mentioned in A) by the number obtained by dividing the number of months from the month including the Payment Date (that date, however, shall be replaced with the start date of the fiscal year the Payment Date belongs if the Eligible Officer is an executive officer not concurrently serving as a member of the Board of Directors) through the month including the date of resignation or retirement of the Eligible Officers by the number of months pertaining to the Service Period (12) (if the quotient so obtained is greater than 1, it shall be 1) (provided that any resulting fraction of less than one share shall be rounded down).

(4) Acquisition without consideration

The Company acquires, without consideration, all the Allotted Shares held at a point in cases that an Eligible Officer violates laws or regulations, or fulfills certain conditions set in the Allotment Contract during the transfer restriction period.

In addition, at the expiration of the transfer restriction period or the removal of transfer restriction period set in (3) above, the Company automatically acquires, without consideration, those Allotted Shares for which the Transfer Restrictions have not been removed.

Furthermore, the Company may acquire all the Allotted Shares or a part of the Allotted Shares including those the transfer restriction period has been already lifted from, in cases fulfilling certain conditions set in the Allotment Contract such as an Eligible Officer violates the laws or regulations, the Company's internal regulations, or significant matters of the Allotment Contract, and such violation is recognized by the Company's Board of Directors.

(5) Treatment in cases such as organizational restructuring

If, during the transfer restriction period, a merger contract under which the Company will be a merged company, a stock-for-stock exchange agreement under which the Company will become a wholly-owned subsidiary, a share transfer plan, or any other organizational restructuring is approved by the Company's shareholders at a General Meeting of Shareholders (or by the Company's Board of Directors in a case in which the relevant organizational restructuring does not require approval by the Company's shareholders at a General Meeting of Shareholders), then by resolution of the Company's Board of Directors, the Transfer Restrictions shall be removed, immediately before the working day before the effective date of the relevant organizational restructuring, for the number of Allotted Shares calculated by multiplying the number of Allotted Shares held at the time of approval by the number obtained by dividing the number of months from the month including the Payment Date (that date, however, shall be replaced with the start date of the fiscal year the Payment Date belongs if the Eligible Officer is an executive officer not concurrently serving as a member of the Board of Directors) through the month including the date of approval by the number of months pertaining to the Service Period (12) (if the quotient so obtained is greater than 1, it shall be 1) (provided that any resulting fraction of less than one share shall be rounded down).

In addition, immediately after the Transfer Restrictions are removed, the Company will automatically acquire, without consideration, all the Allotted Shares for which the Transfer Restrictions have not been removed.

(6) Administration of Shares

During the transfer restriction period, the Allotted Shares will be administered in dedicated accounts with Nomura Securities Co., Ltd. opened by Eligible Officers so that Eligible Officers will not be able to transfer, create a security interest in, or otherwise dispose of the Allotted Shares during the transfer restriction period. The Company has concluded a contract with Nomura Securities Co., Ltd. concerning the administration of accounts for the Allotted Shares held by Eligible Officers in order to ensure the effectiveness of the Transfer Restrictions and other terms and conditions concerning the Allotted Shares. Eligible Officers shall agree on the terms and conditions for the administration of such accounts.

4. Basis for calculation of the amount to be paid in and specifics thereof

The New Share Issuance to the allottees shall be effected upon the contribution of monetary claims paid as Restricted Stock Compensation for the 113th fiscal year of the Company under the Plan. The issuance price is set at 4,295 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange's Prime Section on June 20, 2025 (the working day immediately before the date of the Board of Directors' resolution), in order to exclude arbitrariness. This is the market price of the Company's common stock immediately before the date of the Board of Directors' resolution, and the Company considers the price to be reasonable and not a particularly advantageous price.

*Notes:

To executive officers who are non-residents of Japan and have difficulties in receiving the Restricted Stock Compensation, the Company substitutionally provides monetary rewards (phantom stock) linking with the Company's stock price and other factors which are considered to be equal financial value with Restricted Stock Compensation. The same conditions as those with the System shall be applied to the provision of the phantom stock.