

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



June 20, 2025

Company name: Gun Ei Chemical Industry Co., Ltd.  
Name of representative: Kiichiro Arita, President & CEO & Representative Director  
(Securities code: 4229; TSE Prime Market)  
Head office: 700 Shukuorui-machi, Takasaki-shi, Gunma  
Inquiries: Katsuhiro Maruyama, Director Executive Officer and Division Manager of Corporate Division  
(Telephone: +81-27-353-1810)

## Notice Concerning Disposal of Treasury Shares as Restricted Stock Remuneration

Gun Ei Chemical Industry Co., Ltd. (hereinafter the “Company”) hereby announces that, at a meeting of the Board of Directors held on June 20, 2025, the Company resolved to dispose of its treasury shares (hereinafter the “Treasury Share Disposal” or the “Disposal”) as set forth below.

### 1. Outline of the Disposal

(1) Disposal date	July 18, 2025
(2) Class and number of shares to be disposed	3,515 shares of common stock of the Company
(3) Disposal price	2,859 yen per share
(4) Total value of shares to be disposed	10,049,385 yen
(5) Allottees and number thereof, number of shares to be allotted	Director Executive Officers of the Company (excluding Directors who are Audit & Supervisory Committee Members): 3 persons, 3,073 shares Executive Officers who do not concurrently serve as Directors of the Company: 2 persons, 442 shares

### 2. Purposes and reasons for the disposal

The Company’s Board of Directors, at its meeting held on April 19, 2023, resolved to introduce a restricted stock remuneration plan (hereinafter the “Plan”) as a new remuneration plan for the Company’s Director Executive Officers and Executive Officers who do not concurrently serve as Directors, for the purpose of providing them with incentives to continually enhance the corporate value of the Company and promote further shared value with shareholders. In addition, at the Company’s 106th Annual General Meeting of Shareholders held on June 23, 2023, it was approved, among other things, that as remuneration for acquiring restricted stocks by contributing property in kind (hereinafter the “Restricted Stock Remuneration”), monetary claims of up to 30 million yen per annum shall be paid to Director Executive Officers and up to 12,000 shares of the Company’s common stock per annum shall be issued or disposed under the Plan, and that the transfer restriction period of restricted stock shall be from the date of allotment of shares

of the Company's common stock pursuant to the restricted stock allotment agreement to be executed between the Company and the Director Executive Officers until the time immediately following their retirement or resignation from their positions as officers or employees of the Company or its subsidiaries, as previously determined by the Board of Directors of the Company.

Furthermore, at the 107th Annual General Meeting of Shareholders held on June 21, 2024, the partial amendments to the Company's Article of Incorporation were approved, and the Company transitioned to a company with an Audit & Supervisory Committee as of the same date. In connection with this transition, the Company also received approval that the amount of restricted stock granted as remuneration to Director Executive Officers (excluding Directors who are Audit & Supervisory Committee Members; hereinafter "Eligible Director(s)") shall not exceed either 30 million yen per annum or 12,000 shares per annum.

The overview of the Plan, etc., for the Eligible Directors and Executive Officers who do not concurrently serve as Directors (hereinafter collectively with Eligible Directors, the "Eligible Director(s), etc.") is as follows.

[Overview of the Plan, etc.]

The Eligible Directors, etc. shall pay all monetary claims paid to them under the Plan as property contributed in kind, and shall receive common stocks of the Company through issuance or disposal. The amount of monetary claims to be paid per share shall be an amount determined by the Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Directors, etc. who will receive the shares of the common stock, based on the closing price of its common stock on the Tokyo Stock Exchange on the trading day prior to the date of each resolution by the Board of Directors (or if no transaction is made on such trading day, the closing price on the trading day immediately before the said day).

In addition, upon issuance or disposal of common stocks of the Company under the Plan, the Company and the Eligible Directors, etc. will conclude a restricted stock allotment agreement. The terms of the agreement include: (i) the Eligible Directors, etc. shall be prohibited from transferring to third parties, creating security interests on, or otherwise disposing of common shares of the Company received by allotment for a certain period under the restricted stock allotment agreement; and (ii) in the event that certain grounds arise, the Company will acquire such shares of its common stock without compensation.

This time, after consultation with the Nomination and Remuneration Conference, the Company has been decided to grant the Eligible Directors, etc. monetary claims of 10,049,385 yen in total (hereinafter the "Monetary Claims") and 3,515 shares of its common stock in consideration of the objective of the Plan, the Company's business situation, the scope of the job responsibilities of each Eligible Directors, etc., and various circumstances, with the aim of further boosting the motivation of the Eligible Directors, etc.

In the Treasury Share Disposal, the five Eligible Directors, etc., who are the scheduled allottees, will pay all Monetary Claims against the Company as property contributed in kind and will receive the disposal of shares of the Company's common stock (hereinafter the "Allotted Shares"). Concerning the Treasury Share Disposal, the overview of the restricted stock allotment agreement to be executed between the Company and the Eligible Directors, etc. (hereinafter the "Allotment Agreement") is described in 3. below.

### 3. Overview of the Allotment Agreement

#### (1) Transfer restriction period

The period from July 18, 2025 (hereinafter the “Disposal Date”) until the time immediately following the resignation or retirement of any Director (excluding Director who is an Audit & Supervisory Committee Member) or Executive Officer who does not concurrently serve as a Director.

#### (2) Conditions for the removal of transfer restriction

In the case that the Eligible Directors, etc. have continuously held the position of the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members) or Executive Officers who do not concurrently serve as Directors during the period from the commencement date of the performance of duties by the Eligible Directors, etc. until the time immediately prior to the conclusion of the first Annual General Meeting of Shareholders held thereafter (hereinafter the “Service Provision Period”) (provided, however, that in the case of Executive Officers who do not concurrently serve as Directors, such period shall be deemed to be the period from the beginning date of the business year in which the Disposal Date falls to the end of such business year; the same shall apply hereinafter), the transfer restrictions will be removed for all Allotted Shares on the expiration of the transfer restriction period.

#### (3) Treatment in the event that Eligible Directors, etc. retire or resign for justifiable reasons, such as the expiration of their term of office or reaching the mandatory retirement age during the Service Provision Period

##### (i) Timing of the removal of transfer restriction

In the event that an Eligible Director, etc. retires or resigns from the position of Director (excluding Director who is an Audit & Supervisory Committee Member) or Executive Officer who does not concurrently serve as a Director for justifiable reasons such as the expiration of the person’s term of office or reaching the mandatory retirement age (including retirement or resignation due to death), the transfer restriction will be removed as of the time immediately after the retirement or resignation of the Eligible Director, etc.

##### (ii) Number of shares subject to the removal of transfer restriction

The number of shares subject to the removal of transfer restriction is determined by multiplying the number of Allotted Shares held at the time of the said retirement or resignation stipulated in (i) by the number derived by dividing the number of months from the month that includes the Disposal Date (provided, however, that the Eligible Director, etc. is an Executive Officer who does not concurrently serve as a Director, the Disposal Date shall be deemed to be the start date of the business year in which the Disposal Date falls) to the month that includes the date of retirement or resignation of the Eligible Director, etc. by the number of months (12) pertaining to the Service Provision Period (1 if the calculation results in more than 1) (any fractions of less than one share generated as a result of the calculation shall be rounded down).

#### (4) Acquisition by the Company without consideration

In the event that an Eligible Director, etc. engages in any unlawful acts during the transfer restriction period or otherwise falls under certain circumstances specified in the Allotment Agreement, the Company shall rightfully acquire all of the Allotted Shares held by the person at that time without consideration. Additionally, the Company shall rightfully acquire all of the Allotted Shares for which the transfer restriction has not been removed at the expiration of the transfer restriction period or at the removal of the transfer restriction specified in (3) above, without consideration.

(5) Treatment in case of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the Company becomes the disappearing company, a stock exchange agreement under which the Company becomes a wholly-owned subsidiary, a stock transfer plan, or any other matter relating to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company, if such organizational restructuring, etc. does not require the approval by the General Meeting of Shareholders), the Company shall, by a resolution of the Board of Directors of the Company, remove the said transfer restriction immediately preceding the business day prior to the effective date of the subject organizational restructuring, etc. with respect to the number of shares determined by multiplying the number of Allotted Shares held at that time by the number derived by dividing the number of months from the month that includes the Disposal Date (provided, however, that the Eligible Directors, etc. are Executive Officers who do not concurrently serve as Directors, the Disposal Date shall be deemed to be the start date of the business year in which the Disposal Date falls) to the month that includes the date of approval by the number of months (12) pertaining to the Service Provision Period (1 if the calculation results in more than 1) (any fractions of less than one share generated as a result of the calculation shall be rounded down). Furthermore, immediately after the said transfer restriction is removed, the Company shall rightfully acquire all of the Allotted Shares that has not had the transfer restriction removed without consideration.

(6) Management of the shares

The Allotted Shares shall be managed in a dedicated account opened at a securities company designated by the Company during the transfer restriction period, so as to prevent their transfer, creation of security interests, or other disposition during this period. The Company has entered into an agreement with a securities company designated by the Company in connection with the management of the account for the Allotted Shares held by each Eligible Director, etc., to ensure the effectiveness of the transfer restrictions and other measures concerning the Allotted Shares. In addition, the Eligible Directors, etc. shall agree to the contents of the management of the said accounts.

4. Basis of calculation and specific details for the payment amount

The Treasury Share Disposal to the scheduled allottees shall be made by contributing the monetary claims received as Restricted Stock Remuneration for the 109th business year of the Company under the Plan as property in kind. The disposal price has been determined to exclude arbitrariness and has been set at 2,859 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange as of June 19, 2025, the business day immediately preceding the date of the resolution by the Company's Board of Directors. This is the market share price immediately prior to the date of the Board of Directors' resolution, and the Company believes it is reasonable and does not represent a particularly favorable price.