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Listed company name: Nitto Denko Corporation

Stock exchange listing: Tokyo, Prime Market

Code number: 6988

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Notice Concerning Disposition of Treasury Shares as Remuneration for Restricted Shares and  
Performance-Linked Shares

Nitto Denko Corporation (the “Company”) hereby announces that it decided to dispose of treasury shares as remuneration for restricted shares and performance-linked shares (hereinafter, the “Disposition of Treasury Shares” or “Disposition”) at the meeting of its Board of Directors held today.

1. Overview of the Disposition

1) Disposition as Remuneration for Restricted Shares

(1)	Date of disposition	July 10, 2025
(2)	Type and number of shares to be disposed	Common shares of the Company 103,200 shares
(3)	Disposition price	2,621 yen per share
(4)	Total disposition price	270,487,200 yen
(5)	Envisaged purchasers	Directors of the Company (*) 5 people for 41,700 shares Vice Presidents of the Company 22 people for 61,500 shares *Excluding Part-time Director and Outside Directors
(6)	Other	An Extraordinary Report has been submitted in accordance with the Financial Instruments and Exchange Act concerning the Disposition of Treasury Shares.

2) Disposition as Remuneration for Performance-Linked Shares

(1)	Date of disposition	July 10, 2025
(2)	Type and number of shares to be disposed	Common shares of the Company 49,700 shares
(3)	Disposition price	2,621 yen per share
(4)	Total disposition price	130,263,700 yen
(5)	Envisaged purchasers	Directors of the Company (*) 3 people for 49,700 shares *Excluding Part-time Director and Outside Directors
(6)	Other	The Disposition of Treasury Shares is conditioned on the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act.

2. Purposes and Reasons for the Disposition

At the 153rd Ordinary General Meeting of Shareholders held on June 22, 2018, the Company received approval for the introduction of a share-based remuneration plan to provide restricted shares (hereinafter, the “Restricted Share Remuneration Plan”) and a share-based remuneration plan to provide performance-linked shares (hereinafter, the “Performance-Linked Share Remuneration Plan” and the “Plan” including the Restricted Share Remuneration Plan) to the Directors of the Company (excluding Outside Directors; hereinafter, the “Eligible Directors”) with the purpose of incentivizing even more strongly the Eligible Directors to contribute to mid- and long-term improvement to the Company’s performance and the sustained growth of its corporate value. At the same time, the Company obtained approval for the following matters:

- The total amount of monetary remuneration receivables to be provided to the Eligible Directors as remuneration, etc. in connection with the restricted shares shall be capped at JPY243 million a year; the total number of restricted shares to be allotted to the Eligible Directors in each fiscal year shall be capped at 32,000 shares (currently at 160,000 shares as the Company conducted a 5-for-1 share split of its common shares as of October 1, 2024); and restricted shares may not be disposed of for thirty years, among others.
- It has also obtained approval that the total amount of monetary remuneration receivables to be provided to the Eligible Directors as remuneration, etc. in connection with the performance-linked shares shall be capped at JPY364 million a year; the total number of restricted shares to be allotted to the Eligible Directors in each fiscal year shall be capped at 48,400 shares (currently at 242,000 shares as the Company conducted a 5-for-1 share split of its common shares as of October 1, 2024), among others.

In addition, the Company resolved at the meeting of its Board of Directors on April 27, 2018, that it would also offer the Restricted Share Remuneration Plan to its Vice Presidents (hereinafter,

the “Allotment Targets” including the Eligible Directors). The Disposition of Treasury Shares shall be executed under the Restricted Share Remuneration Plan based on a resolution of the meeting of Board of Directors held today.

### 3. Overview of the Plan

#### (1) Restricted Share Remuneration Plan

The following is a summary of the Allotment Agreement that the Company plans to enter into with the Allotment Targets to whom the Company will pay restricted share remuneration in connection with the Disposition of Treasury Shares.

##### i. Transfer Restriction Period

July 10, 2025 – July 9, 2055

Allotment Targets may not dispose of such restricted shares allotted to the Targets (hereinafter, the “Allotted Shares”) in any way, including transfer to third parties, establishment of right of pledge, offering as collateral, establishment of a mortgage, advancement, or bequest, for the transfer restriction period stipulated above (hereinafter, the “Transfer Restriction Period”).

##### ii. Cancellation of Transfer Restrictions

The Company will cancel transfer restrictions for all of the Allotted Shares owned by Allotment Targets upon the completion of the Transfer Restriction Period (hereinafter, the “Period Completion Time”), on the condition that Allotment Targets have maintained the status of either Director, Vice President, or employee of the Company up until the date of the first Shareholders’ Meeting of the Company after the Transfer Restriction Period’s commencement date. Notwithstanding the above, in the event Allotment Targets have stepped down or retired from the position of Director, Vice President, or employee of the Company before the expiration of the Transfer Restriction Period for legitimate reasons otherwise deemed justifiable by the Company’s Board of Directors, the Company will cancel transfer restrictions on this at the time of the said stepping-down or immediately after retirement, for the number of Allotted Shares calculated by dividing by 12 the number of months from July 2025 up to the month which includes the day when Allotment Targets step down or retire from the position of Director, Vice President, or employee of the Company (however, 1 if the calculation result is over 1), then multiplying the result by the number of Allotted Shares owned by Allotment Targets at the said time (however, if there is a fraction less than 1, it shall be rounded off).

##### iii. Acquisition of Restricted Shares Without Contribution

The Company will naturally acquire without contribution the Allotted Shares at the time of the said stepping down or retirement in the event that Allotment Targets have stepped down or retired

from the position of Director, Vice President, or employee of the Company by the day prior to the first Shareholders' Meeting of the Company after the Transfer Restriction Period's commencement date, except when there are legitimate reasons otherwise deemed justifiable by the Company's Board of Directors.

Moreover, at the time immediately after the Period Completion Time, the Company will naturally acquire without contribution any and all Allotted Shares for which transfer restriction has not been cancelled pursuant to the reasons for such cancellation described in ii) above at Period Completion Time.

iv. Stipulations for Management of Shares

Allotment Targets shall complete the opening of the account at SMBC Nikko Securities Inc. for describing and recording the Allotted Shares by the method designated by the Company, and keep and maintain the Allotted Shares in the said account until transfer restrictions are canceled.

v. Treatment in the Event of Organizational Restructuring, etc.

During the Transfer Restriction Period, in the event that approval is given at the Shareholders' Meeting of the Company (or at a meeting of the Board of Directors of the Company in the case that approval by the Shareholders' Meeting of the Company is not required regarding organizational restructuring, etc.) on matters regarding merger agreements under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other agenda items regarding organizational restructuring, etc., the Company will, by resolution of the Board of Directors of the Company, cancel transfer restrictions on this at the time immediately before the day preceding the effective date of such organizational restructuring, for the number of Allotted Shares calculated by dividing by 12 the number of months from July 2025 up to the month which includes the day of the said approval (however, 1 if the calculation result is over 1), then multiplying the result by the number of Allotted Shares owned by Allotment Targets at the said time (however, if there is a fraction less than 1, it shall be rounded off).

In such cases, the Company will naturally acquire without contribution any and all Allotted Shares for which transfer restrictions are not cancelled on the day preceding the effective date of such organizational restructuring pursuant to the provisions above.

vi. Grounds for Calculating the Amount to Be Paid and Its Specific Details

In order to make it the price without any arbitrary nature, the disposition price for the Disposition of Treasury Shares was decided as 2,621 yen, the closing price of our common share at the Tokyo Stock Exchange on the business day immediately preceding the resolution date of our Board of Directors meeting (June 19th, 2025). We presume this is the market price

immediately before the resolution date of our Board of Directors meeting, and therefore, is reasonable and does not fall under particularly advantageous prices.

## (2) Performance-Linked Share Remuneration Plan

### i. Overview of the Performance-Linked Share Remuneration Plan

The Company shall establish in advance the number of shares to be issued, the performance evaluation period, and evaluation index according to their position. The number of shares, calculated by multiplying the payment rate according to the achievement level of the evaluation index by the number of shares to be issued, will be allotted to each Eligible Director at the end of the performance evaluation period, on condition that they have held the position of Eligible Director under the Performance-Linked Share Remuneration Plan during the entire performance evaluation period (however, this includes newly-appointed Directors in the first year of their performance evaluation period). At this time, monetary remuneration receivables in an amount equivalent to the market value of the Allotted Shares shall be paid to the Eligible Directors, and each Eligible Director will acquire the Company's common shares by transferring such monetary remuneration receivables to the Company in the form of contribution in kind. The Company's common shares acquired by Eligible Directors may be transferred at their discretion as long as they are not subject to insider trading regulations.

### ii. Remuneration Period and Performance Evaluation Period

The three fiscal years from April 1, 2022 to March 31, 2025 (hereinafter, the "Applicable Period") shall constitute the remuneration period and performance evaluation period.

### iii. Index of Performance Achievement and Payment Rate

The number of shares to be delivered to each person shall be determined based on consolidated operating profit, consolidated ROE, and ESG items (such as CO2 emissions reduction, initiatives to increase ratio of female managers, etc.) at the end of the third year from the start of the performance evaluation period. Ambitious targets are to be set, with no payouts being made if targets are not achieved, and the payout rate will vary between 80% and 150% depending on the level of achievement.

### iv. Amount to Be Paid per Share

The amount shall be determined by the Board of Directors of the Company, after the end of the performance evaluation period, based on the closing price of our common share at the Tokyo Stock Exchange on the business day preceding the resolution date of our Board of Directors meeting regarding the issuance of new shares or disposition of treasury shares to be paid under

the Performance-Linked Share Remuneration Plan (if no transaction is effected on that date, the closing price on the most recent trading day prior to that date shall apply) within a range that is not particularly advantageous to any Eligible Director receiving the common shares of the Company.

- v. Conditions for the Issuance of the Company's Common Shares
  - The Eligible Director continuously held the position of Director (excluding Outside Directors) of the Company during the Applicable Period
  - The Eligible Director has not committed any act of misconduct as determined by the Board of Directors of the Company
  - The Eligible Director must satisfy other requirements determined by the Board of Directors of the Company as being necessary to achieve the purpose of Performance-Linked Share-Based Remuneration
- vi. Treatment in the Event of a Change in Position of an Eligible Director During the Applicable Period
  - In the event of an Appointment, Promotion, or Demotion to an Eligible Director during the Applicable Period
    - i Performance-Linked Share-Based Remuneration shall not be granted for the Applicable Period to any individual that is newly appointed as a Director of the Company (excluding Outside Directors).
    - ii For Eligible Directors who are promoted or demoted (change in position), the number of shares calculated using the following formula shall be the number of shares to be issued based on the position held.  
  
$$\text{The number of shares to be issued} = \text{The number of shares to be issued before change in position} + (\text{The number of shares to be issued after change in position} - \text{The number of shares to be issued before change in position}) \times \text{Remaining number of months of the Applicable Period after change in position}^* / 36$$

\* If the period is less than 1 month, it shall be calculated as 0 months.
  - Performance-Linked Share-Based Remuneration shall not be granted for the Applicable Period to any individual who resigns or otherwise ceases to serve as a Director of the Company (excluding Outside Directors) during the Applicable period.
- vii. Treatment in the Event of a Corporate Reorganization or Discontinuation of the Performance-Linked Share Remuneration Plan During the Applicable Period

During the Applicable Period, in the event that approval is given at the Shareholders' Meeting of the Company (or at a meeting of the Board of Directors of the Company in the case that

approval by the Shareholders' Meeting of the Company is not required regarding organizational restructuring, etc.) on matters regarding merger agreements under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other agenda items regarding organizational restructuring, etc., Performance-Linked Share-Based Remuneration shall not be granted for the Applicable Period.

Note: Concerning the Company's executive position of "Part-time Director," under the Plan, such Directors are treated in the same manner as an "Outside Director" .

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