



April 11, 2025

To Whom It May Concern

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Notice of Treasury shares Disposal as Restricted Shares to Board Directors and Executive Officers

Milbon Co., Ltd. (hereafter "the Company") have resolved to dispose of Treasury shares as restricted shares (the "Treasury shares Disposition") at Board of Directors held today as follows:

1. Outline of Dispositions

(1) Date of disposal	May 9, 2025
(2) Class and number of shares subject to disposal	30,314 shares of common stock of the Company
(3) Disposal price	2,843 yen per share
(4) Total value of disposal	86,182,702 yen
(5) Allottees and number of shares to be allotted	7 Board Directors (*) 23,076 shares 7 Executive Officers 7,238 shares * Excludes Outside Board Directors.

2. Purpose and Reasons for Treasury Stock Disposal

At the Board of Directors meeting held on February 12, 2020, the Company introduced a restricted stock compensation plan (the "Plan") for our Board Directors (excluding Outside Board Directors) (hereinafter referred to as "Eligible Directors") with the aim of providing incentives for the sustained improvement of our medium-to long-term corporate and shareholder value and promoting greater value sharing with our shareholders. Additionally, at the 60th Annual General Meeting of Shareholders held on March 26, 2020, the Company received approval for the payment of monetary compensation receivables of up to 100 million yen per annum to Eligible Directors as contribution-in-kind assets related to grants of restricted stock, separate from the existing monetary compensation facilities, and the total number of shares of the Company's common stock to be issued or disposed of to Eligible Directors under the Plan is no more than 100,000 per annum.



The Company has also introduced a restricted stock award plan similar to this Plan for our Executive Officers.

Furthermore, by resolution of the Board of Directors held today, we have granted monetary claims totaling 86,182,702 yen (hereinafter referred to as "Monetary Claims") to our 7 Board Directors (hereinafter referred to as "Allotment Board Directors") and 7 Executive Officers (hereinafter collectively referred to as "Allocated Persons") in consideration of the objectives of the Plan, the scope of our performance, the responsibilities of each Allocated Person, and various other circumstances. It was resolved to grant a total of 30,314 shares of our common stock (hereinafter referred to as "Allotment Shares") as the purpose of contribution in kind (the amount of monetary claims to be contributed per share of subscription stock is 2,843 yen).

<Overview of Restricted Stock Allocation Agreement>

In connection with this disposal of treasury shares, the Company and the Allotment Board Directors will enter into individual Share Allotment Agreements with Restriction on Transfer (hereinafter referred to as the "Allotment Agreement"), the outline of which is as follows. The Company plans to enter into generally similar restricted share allotment agreements with its Executive Officers, who are the allottees.

(1) Restriction Period on Transfer

Allotment Board Directors may not transfer, pledge, or dispose of the Allotted Shares or any other rights during the period from May 9, 2025 (due date for payment) until the date when any of our officers or employees lose their positions.

(2) Termination Conditions of Restriction on Transfer

Allotment Board Directors shall terminate the transfer restriction with respect to all of the Allotted Shares at the time of expiration of the Restriction Period on Transfer, provided that they continue to hold the position of our officers and employees during the period from May 9, 2025 (Payment Date) to April 1, 2026 (hereinafter referred to as the "Period for Provision of Services, etc." and the period from the Payment Date to the termination of the regular General Meeting of Shareholders for the December 2025 term). However, if the Allotment Board Directors lose their positions due to death, expiration of term of office, or other reasons deemed justifiable by our Board of Directors, the transfer restrictions will be lifted with respect to the Allotment Shares, calculated by multiplying the number of months from April 2025 to the month including the relevant date of loss by 12 (provided, however, that if it exceeds 1, it is deemed to be 1) by the number of the Allotment Shares (provided, however, if the calculation results in a fractional number of less than 1 share, this will be rounded down).

(3) Free Acquisition by the Company

The Company will naturally acquire, without charge, the Allotment Shares for which the



Restriction on Transfer has not been terminated at the time specified in the contract at the expiration of the Restriction on Transfer.

(4) Management of Shares

The Allotment Shares shall be managed in the exclusive account of the Transfer Restricted Shares opened by Allotment Board Directors at Daiwa Securities Co. Ltd. during the Transfer Restriction Period so that the transfer, establishment of security interest, and other rights may not be disposed of during the Transfer Restriction Period.

(5) Treatment in Organizational Restructuring, etc.

If, during the Restriction on Transfer, matters relating to the merger agreement, the share-for-share exchange agreement, or the reorganization of the share transfer plan or other matters in which the Company becomes a wholly-owned subsidiary are approved by the General Meeting of Shareholders (provided, however, that in the event such reorganization is not subject to the approval of the General Meeting of Shareholders, the approval of the Board of Directors), the number obtained by dividing the number of months from April 2025 to the date of the approval on organizational restructuring by 12 (provided, however, that such number shall be deemed to be 1) by the number of the Allotted Shares, provided, however, that if the calculation results in a fractional number of less than 1 share, this will be rounded down. The transfer restrictions on the Allotted Shares shall be cancelled immediately before the business day prior to the effective date.

3. Basis for Calculating the Amount to be Paid and the Specific Contents Thereof

The disposal of treasury shares consists of monetary (compensation) claims paid to the planned allotment counterparties under the Plan as investment assets. The paid-in amount is set at 2,843 yen, the closing price of our common shares on the Tokyo Stock Exchange on April 10, 2025 (the business day prior to the Board of Directors resolution date), in order to eliminate arbitrary transactions. This is the market stock price immediately before the date of the Board of Directors resolution, and in circumstances where there are no special circumstances indicating that the Company cannot rely on the most recent stock price, the Company believes that this is a reasonable price that appropriately reflects the Company's corporate value and does not fall under the category of a value that is particularly favorable to the Allocated Persons.