

July 22, 2025

Company name: OSAKA SODA Co., Ltd.
Name of representative: Kenshi Terada, Representative Director and President and Chief Executive Officer
(Securities code: 4046; Tokyo Stock Exchange)
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Notice Concerning Disposal of Treasury Shares as Restricted Stock-based Compensation

At the meeting of the Board of Directors held on July 22, 2025, OSAKA SODA Co. Ltd. (the “Company”) passed a resolution to dispose of treasury shares to provide restricted stock compensation as described below.

1. Outline of the Disposal

(1) Payment date	August 7, 2025
(2) Class and number of shares to be disposed	5,699 Shares of common stock of the Company
(3) Disposal price	1,827 yen per share
(4) Total value of shares to be disposed	10,412,073 yen
(5) Allottees and number thereof, number of shares to be disposed of	Directors (※) 3 persons 4,633 shares Executive Officers 2 persons 1,066 shares ※ Excluding Outside Directors

2. Reasons and Purpose of the Disposal

At the 165th Annual General Shareholders Meeting held on June 26, 2020, the Company obtained shareholder approval to introduce a stock-based compensation system as restricted stock for its directors (excluding outside directors). The compensation system is designed to strengthen the director’s motivation more than ever to contribute to the enhancement of corporate value and stock price by sharing merits and risks of stock price fluctuation with shareholders. The regulations of the compensation system we established were also approved by shareholders at that time. The details of the regulations include upper limits on the total values of monetary compensation claims and the number of shares granted as restricted stock-based compensation per fiscal year, which are 50 million yen and 50,000 shares, respectively. (After stock split on September 30, 2024, the upper limit on the number of shares was adjusted to 250,000 shares.) Also included is the transfer restriction period which runs from the payment date until the retirement of the individual from their position as director, officer or employee, and other related matters.

Today, the Company’s Board of Directors has resolved to provide restricted stock compensation to its 3 directors, excluding outside directors, and its 2 executive officers who are the respective allottees (the “Allottees”). The details of the resolution are that the Company provides monetary compensation claims total 10,412,073 yen to the Allottees as restricted stock compensation for the period between the 170th and the 171th Annual General Shareholders Meeting to be held in June 2026, and allocates 5,699 shares of common stock of the Company to them as certain restricted stock compensation by way of the Allottees paying as contribution the entire amount of the monetary compensation claims.

The amount of the monetary compensation claims has been determined based on the level of contribution for the Company of the Allottees and other related matters. The monetary compensation claims are provided to the Allottees with terms such as the Allottees entering into the contract for allocation of restricted stock (the “Contract”). The points of the contract are described in “3. Points of the Contract”.

3. Points of the Contract

① The transfer restriction period

The transfer restriction period is from August 7, 2025 until the retirement of the individual from their position as director, officer or employee (the “Restriction Period”).

Till the Restriction Period ends, the Allottees cannot dispose of the restricted stocks, such as transferring them to others, the establishment of a pledge, making a lifetime gift, bequeathing them, and other related matters.

② The acquisition of the restricted stocks without consideration

If the Allottees retire from their position as director, officer or employee of the Company by the day before the first Annual General Shareholders Meeting held after the start of the Restriction Period, unless the Company’s Board of Directors determines the retirement to be justified, the Company may acquire the allotted shares without consideration on the date of the retirement.

In addition, if there are the stocks whose restrictions have not been lifted based on “③ The lifting of the restriction” of the allotted stocks at the end of the Restriction Period, the Company may acquire those shares without consideration immediately after the Restriction Period ends.

③ The lifting of the restriction

The Company lifts the restriction when the Restriction Period ends if the allottee’s positions are director, officer or employee of the Company by the day the first Annual General Shareholders Meeting is held after the start of the transfer restriction period. Provided that the Allottees retire from their positions as director, officer or employee of the Company by the day before the first Annual General Shareholders Meeting is held after the start of the Restriction Period and the Company’s Board of Directors determines the retirement to be justified, the Company lifts the restriction on a certain number of the shares immediately after the date of the retirement. The number of shares described above is calculated by dividing the number of the months from July 2025 to the month including the date of the retirement by 12 and multiplying it by the number of shares held by the Allottees at that time (any fractional shares resulting from the calculation are rounded down).

④ The administration of the restricted stocks

Each Allottees shall open an account to describe the restricted stocks at SMBC Nikko Securities Inc. in the manner instructed by the Company and hold the restricted shares in that account until the Restriction Period ends.

⑤ The treatment when the Company faced organizational restructuring and other related matters

Provided that the proposal, regarding organizational restructuring and other related matters such as a merger agreement under which the Company is a disappearing company, a share exchange agreement and a plan for share transfer, under which the Company will become a wholly owned subsidiary, and other related matters, is approved at Shareholders Meeting of the Company (if these matters regarding organizational restructuring need not to be approved by Shareholders Meeting of the Company, the Company’s Board of Directors approved these matters.) during the Restriction Period runs, the Company lifts the restriction on a certain number of the shares just before the business day preceding the effective date of the organizational restructuring and other related matters by the Company’s Board of Director’s resolve.

The number of shares described above is calculated by dividing the number of the months from July 2025 to the month including the date of the approval by 12 (any result exceeding 1 shall be treated as 1.) and multiplying it by the number of shares held by the Allottees at that time (any fractional shares resulting from the calculation are rounded down).

The Company also may acquire the shares on which the restriction has not been lifted without consideration on the day before the effective date of the organizational restructuring and other related matters, based on described above.

4. Calculation basis for, and specific details of, the amount to be paid

In order to eliminate arbitrariness for the disposal of treasury shares, the Disposal price has been set at 1,827 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 18, 2025 (the business day before the date of the Board of Directors' resolution). This is the market price immediately before the date of the Board of Directors' resolution, and it is felt that this is reasonable and not a particularly favorable price.