



MEMBERSHIP

June 29, 2022

Company name: UBE Corporation  
Representative: Masato Izumihara  
President and Representative Director  
Securities code: 4208 (shares listed on Prime Section of the  
Tokyo Stock Exchange and Fukuoka Stock  
Exchange)  
Contact: Shingo Nakayama  
General Manager, General Affairs Department  
Tel: +81-3-5419-6110

## Notice Regarding Disposal of Treasury Stock as Restricted Stock Remuneration

UBE Corporation hereby announces that at the Board of Directors meeting held today, the Company resolved to implement disposal of treasury stock (hereinafter, the "Disposal of Treasury Stock" or "Disposal") as follows.

### 1. Overview of Disposal

(1) Disposal date	July 28, 2022
(2) Class and number of shares subject to Disposal	161,900 shares of common stock of the Company
(3) Disposal price	2,053 yen per share
(4) Total value of Disposal	332,380,700 yen
(5) Disposal recipients, the number of such recipients and the number of shares subject to Disposal	Directors of the Company (excluding Directors who are Audit and Supervisory Committee members and Outside Directors): 4 Directors, 102,400 shares Executive Officers not concurrently serving as Directors of the Company: 9 Executive Officers, 59,500 shares
(6) Others	The Disposal of Treasury Stock is subject to the entry into force of the securities registration statement pursuant to the Financial Instruments and Exchange Act.

### 2. Purpose and Reasons for Disposal

For the purpose of increasing incentives for the Company's Directors, excluding Directors who are Audit and Supervisory Committee members and Outside Directors, (hereinafter, "Eligible Directors") and Executive Officers not concurrently serving as Directors (hereinafter collectively, "Eligible Directors, etc.") to achieve the medium- to long-term goals of the Company and improve shareholder value and promoting further value sharing with shareholders, the Company resolved to introduce a restricted stock remuneration plan (hereinafter, the "Plan") as a new remuneration plan for Eligible Directors, etc. at the Board of Directors meeting held on May 12, 2022. At the 116th Ordinary General Meeting of Shareholders held on June 29, 2022, it was approved that under the Plan, monetary claims of up to 70 million yen per year shall be paid to Eligible Directors as monetary remuneration to be used as properties contributed for the acquisition of restricted stock (hereinafter, "Restricted Stock Remuneration"), that up to 41,000 shares per year of the Company's common stock shall be issued or disposed of, and that the transfer restriction period for restricted stock shall be a period stipulated by the Board of Directors of the Company that is between three and thirty years. It was also approved that in this fiscal year, as a transition measure from stock options, the remuneration for granting the same number of shares of restricted stocks as the number of shares that is the purpose of the waived stock acquisition rights shall be paid in an amount up to 369 million yen per year, separately from the above amount of up to 70 million yen per year, and that the total number of shares of common stock to be newly issued or disposed of shall be up to 91,700 shares per year, separately from the 41,000 shares above.

An overview of the Plan, etc. is provided below.

[Overview of the Plan, etc.]

Eligible Directors, etc. shall make in-kind contribution of all monetary claims paid by the Company under the Plan and shall, in return, receive shares of common stock of the Company subject to issuance or Disposal by the Company. The amount to be paid per share shall be determined by the Board of Directors based on the closing price of shares of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of resolution of each Board of Directors meeting (if a transaction is not completed on that day, the closing price on the most recent trading day prior to that date), to the extent that the amount is not particularly favorable for the Eligible Directors, etc. who will underwrite said common stock.

Upon the issuance or Disposal of the Company's common stock under the Plan, the Company and Eligible Directors, etc. shall conclude an agreement on the allotment of restricted stock, which shall include the following terms: (1) Eligible Directors, etc. shall not transfer to a third party, create a security interest in, or otherwise dispose of shares of the Company's common stock allotted under the agreement on the allotment of restricted stock for a certain period; and (2) The Company shall acquire said shares of common stock without consideration in the event of certain circumstances.

As Restricted Stock Remuneration for the 117th fiscal year of the Company under the Plan (hereinafter, "Restricted Stock Remuneration I") and Restricted Stock Remuneration in place of 138,800 shares (including 91,700 shares for Eligible Directors), which is the purpose of stock acquisition rights as stock options for the past fiscal years to be waived by Eligible Directors, etc. (hereinafter, "Restricted Stock Remuneration II"), the Company has decided to grant a total of 332,380,700 yen in monetary claims (hereinafter, the "Monetary Claims") and 161,900 shares of common stock. In order to realize the sharing of shareholder value, which is the purpose of introducing the Plan, over the medium to long term, the Company has set the transfer restriction period to 30 years.

For the Disposal of Treasury Stock, 13 Eligible Directors, etc. who are scheduled to receive allotment of shares shall pay all the Monetary Claims to the Company as properties contributed in kind and receive shares of the Company's common stock (hereinafter, the "Allotted Shares") subject to Disposal by the Company, in accordance with the Plan. An overview of the agreement on the allotment of restricted stock that will be concluded between the Company and Eligible Directors, etc. (hereinafter, the "Allotment Agreement") for the Disposal of Treasury Stock is provided in 3 below.

### **3. Overview of the Allotment Agreement**

#### **(1) Transfer restriction period**

July 28, 2022 (hereinafter, the "Disposal Date") to July 27, 2052

#### **(2) Conditions and timing for lifting the transfer restrictions**

On the condition that an Eligible Director, etc. continuously holds the position of the Company's Director or Executive Officer not concurrently serving as a Director throughout the period from the date of commencement of execution of his/her duties to the time immediately before the conclusion of the first Ordinary General Meeting of Shareholders to be held thereafter (this shall be deemed to be replaced with the period from April 1, 2022 to March 31, 2023 if the Eligible Director, etc. is an Executive Officer not concurrently serving as a Director; the same shall apply hereinafter), the Company shall lift the transfer restrictions for all shares of Restricted Stock Remuneration I (hereinafter, the "Allotted Shares I") and Restricted Stock Remuneration II (hereinafter, the "Allotted Shares II") that are allotted to the Eligible Director, etc. at the expiration of the transfer restriction period (or at the time immediately after resignation or retirement of the Eligible Director, etc. if he/she resigns or retires from any of the positions of the Company's Director or Executive Officer not concurrently serving as a Director due to the expiration of his/her term of office or other justifiable reasons (excluding personal reasons of the Eligible Director, etc. other than unavoidable circumstances, such as a disease that makes it difficult for him/her to continue his/her duties, but including resignation or retirement due to death; the same shall apply hereinafter)).

- (3) Treatment in the case where an Eligible Director, etc. resigns or retires from any of the positions of the Company's Director or Executive Officer not concurrently serving as a Director during the transfer restriction period due to the expiration of his/her term of office or other justifiable reasons
- (a) Timing for lifting the transfer restrictions
- If an Eligible Director, etc. resigns or retires from any of the positions of the Company's Director or Executive Officer not concurrently serving as a Director during the transfer restriction period due to the expiration of his/her term of office or other justifiable reasons, the transfer restrictions for the Allotted Shares I and the Allotted Shares II shall be lifted immediately after the resignation or retirement of the Eligible Director, etc.
- (b) Number of shares subject to lifting of the transfer restrictions
- (i) Allotted Shares I
- The number of shares obtained by multiplying the number of Allotted Shares I owned by an Eligible Director, etc. at the time of said resignation or retirement as specified in (a) by the number calculated by dividing the number of months from the month containing the Disposal Date (this shall be deemed to be replaced with April of the year containing the Disposal Date if the Eligible Director, etc. is an Executive Officer not concurrently serving as a Director) to the month containing the date of resignation or retirement of the Eligible Director, etc. by 12 (if the obtained quotient is greater than 1, it shall be 1) (any resulting fraction of less than the unit number of shares shall be rounded down)
- (ii) Allotted Shares II
- All of the Allotted Shares II owned by an Eligible Director, etc. at the time of said resignation or retirement as specified in (a)
- (4) Acquisition by the Company without consideration
- If an Eligible Director, etc. violates laws and regulations or falls under any other circumstances specified in the Allotment Agreement during the transfer restriction period, the Company shall as a matter of course acquire all of the Allotted Shares without consideration at the time of such event. In addition, the Company shall as a matter of course acquire without consideration all of the Allotted Shares I and II for which the transfer restrictions are not lifted at the time of expiration of the transfer restriction period or at the time of lifting of the transfer restrictions as specified in (3) above.
- (5) Treatment in the case of organizational restructuring, etc.
- (a) Timing for lifting the transfer restrictions
- If a merger agreement under which the Company will be a merged company, a share exchange agreement or a share transfer plan under which the Company will be a wholly owned subsidiary or any other matter related to organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or by the Company's Board of Directors if said organizational restructuring, etc. does not require approval by the Company's General Meeting of Shareholders) during the transfer restriction period, the transfer restrictions for the Allotted Shares I and II shall be lifted at the time immediately before the business day prior to the effective date of organizational restructuring, etc.
- (b) Number of shares subject to lifting of the transfer restrictions
- (i) Allotted Shares I
- The number of shares obtained by multiplying the number of Allotted Shares I owned by an Eligible Director, etc. at the time of said approval as specified in (a) by the number calculated by dividing the number of months from the month containing the Disposal Date (this shall be deemed to be replaced with April of the year containing the Disposal Date if the Eligible Director, etc. is an Executive Officer not concurrently serving as a Director) to the month containing the date of said approval by 12 (if the obtained quotient is greater than 1, it shall be 1) (any resulting fraction of less than one share shall be rounded down). In addition, the Company shall as a matter of course acquire without consideration all of the Allotted Shares I for which the transfer restrictions are not lifted immediately after lifting of the transfer restrictions.
- (ii) Allotted Shares II
- All of the Allotted Shares II owned by an Eligible Director, etc. at the time of said approval as specified in (a)
- (6) Management of shares
- During the transfer restriction period, the Allotted Shares shall be managed in dedicated accounts opened

by Eligible Directors, etc. at Nomura Securities Co., Ltd. so that Eligible Directors, etc. cannot transfer, create a security interest in, or otherwise dispose of the Allotted Shares during the transfer restriction period. The Company has concluded an agreement with Nomura Securities Co., Ltd. concerning the management of the accounts for the Allotted Shares held by Eligible Directors, etc. in order to ensure the effectiveness of the transfer restrictions, etc. relating to the Allotted Shares. In addition, Eligible Directors, etc. shall consent to the details of management of said accounts.

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

The Disposal of Treasury Stock to the persons who are scheduled to receive allotment of shares will be carried out by using monetary claims provided as Restricted Stock Remuneration I and Restricted Stock Remuneration II under the Plan as properties contributed. The disposal price is set at 2,053 yen, the closing price of shares of the Company's common stock on the Tokyo Stock Exchange's Prime Section on June 28, 2022 (the business day prior to the date of resolution by the Board of Directors), in order to eliminate arbitrariness. This is the market price immediately before the date of resolution by the Board of Directors, and the Company believes that it is reasonable and not a particularly favorable price.