

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 25, 2025

Company name: TOKYU CONSTRUCTION CO., LTD.

Listing: TSE Prime

Securities code: 1720

URL: <https://www.tokyu-cnst.co.jp/en/>

Representative: Mitsuhiro Terada, Representative Director, President

Inquiries: Yasumasa Hoshino, General Manager, Corporate Planning Department

Telephone: +81-3(5466)5008

Notice regarding Disposal of Treasury Shares as Restricted Share Remuneration

TOKYU CONSTRUCTION CO., LTD. (the “Company”) hereby announces that it has resolved at a meeting of the Board of Directors held on June 25, 2025 (the “Allotment Resolution Date”) to dispose of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”). The details are as follows.

1. Overview of the Disposal

(1) Date of Disposal	July 24, 2025
(2) Class and number of shares to be disposed of	30,180 shares of common stock of the Company:
(3) Disposal price	1,047 yen per share
(4) Total disposal price	31,598,460 yen
(5) Allottees, number thereof, and number of shares to be disposed of	30,180 shares for five (5) Directors (excluding Outside Directors and Directors not engaging in business execution)

2. Purpose of and reasons for the Disposal

At the Board of Directors meeting held on May 25, 2021, the Company resolved to introduce a restricted share remuneration plan (the “Plan”) as a new remuneration plan for Directors, excluding Outside Directors and Directors not engaging in business execution, (“Eligible Directors”) for the purpose of incentivizing Eligible Directors to sustainably improve corporate value and to further advance the sharing of value with shareholders. At the 18th Annual General Meeting of Shareholders held on June 24, 2021, based on the Plan, the Company obtained approval for a proposal to grant monetary compensation claims to Eligible Directors of up to 60 million yen per year for them to use as contributed property to acquire restricted shares (“Restricted Share Remuneration”), to issue or dispose of up to 120,000 shares of the Company’s common stock per year, and to establish a 30-year transfer restriction period for the restricted shares. The Disposal of Treasury Shares will be carried out pursuant to the Plan.

An overview of the Plan is as follows.

[Overview of the Plan]

The Eligible Directors shall pay in all monetary claims granted by the Company under the Plan as property contributed in kind and receive shares of common stock of the Company that have been issued or disposed of. The amount to be paid per share shall be determined by the Board of Directors within the limits that ensure that the amount will not be particularly

advantageous to the Eligible Directors that subscribe to the shares based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day preceding the Board of Directors' resolution date (if shares of the Company are not traded on this date, the closing price on the most recent trading day preceding this date).

In addition, at the issuance or disposal of shares of common stock of the Company under the Plan, the Company and the Eligible Directors shall enter into a restricted share allotment agreement, which will include provisions 1) to prohibit the Eligible Directors from transferring, creating security interest on, or otherwise disposing of the common shares of the Company allotted under the restricted share allotment agreement to any third party for a certain period of time; and 2) to have the Company acquire these common shares without consideration if certain events occur.

On this occasion, after considering circumstances, including the purpose of the Plan, financial results of the Company, and the scope of responsibilities of the Eligible Directors, the Company decided to grant the Eligible Directors monetary claims totaling 31,598,460 yen (the "Monetary Claims") and 30,180 shares of common stock. The purpose of the introduction of the Plan is to reinforce the efforts at medium- to long-term enhancement of the Company's corporate value and further advance the sharing of value with shareholders. To realize the purpose over a long period of time, the transfer restriction period has been set at 30 years.

At the Disposal of Treasury Shares, based on the Plan, the five (5) Eligible Directors to whom shares will be allotted shall pay in all of the Monetary Claims against the Company as property contributed in kind and receive shares of common stock of the Company (the "Allotted Shares"). An overview of the restricted share allotment agreement (the "Allotment Agreement") to be concluded between the Company and the Eligible Directors at the Disposal of Treasury Shares is as stated in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

July 24, 2025 to July 23, 2055

(2) Conditions for cancellation of the transfer restriction

On condition that the Eligible Director has continuously held any of the positions of Director, Corporate Officer, Executive Officer who does not concurrently serve as Director, Audit & Supervisory Board Member, employee, advisor, counselor, and other equivalent position thereof of the Company or a subsidiary of the Company during the transfer restriction period, the restriction on all of the Allotted Shares shall be canceled when the transfer restriction period expires.

(3) Treatment in the event that the Eligible Director retires or resigns during the transfer restriction period for a justifiable reason, such as an expiration of his/her term of office and his/her reaching the mandatory retirement age

i) Timing of the cancellation of the transfer restriction

If the Eligible Director retires or resigns for a justifiable reason, such as an expiration of his/her term of office and his/her reaching the mandatory retirement age (including retirement or resignation due to his/her death) from all of the positions of Director, Corporate Officer, Executive Officer who does not concurrently serve as Director, Audit & Supervisory Board Member, employee, advisor, counselor, and other equivalent position thereof of the Company or a subsidiary of the Company, the transfer restriction shall be canceled immediately following the retirement or the resignation of the Eligible Director.

ii) Number of shares whose transfer restriction is canceled

The number of shares whose transfer restriction is canceled shall be obtained by multiplying the number of Allotted Shares held by the Eligible Director at the time of the retirement or the resignation described in i) above by the fraction of the number of months between the month including the date of the Disposal and the month including the date of the Eligible Director's retirement or resignation over 12 (if the fraction is more than one, it shall be rounded down to one). If the calculation result has a fraction of a share, it shall be rounded down to zero.

(4) Acquisition by the Company without compensation

The Company shall acquire, as a matter of course, without any compensation the Allotted Shares on which the transfer restriction has not been canceled at the time of the expiration of the transfer restriction period or the cancellation of the transfer restriction described in (3) above.

(5) Management of shares

The Allotted Shares shall be managed in special accounts opened by the Eligible Directors with Nomura Securities Co., Ltd. so that they will not be transferred, created security interest on, or otherwise disposed of during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of the accounts for the Allotted Shares held by the Eligible Directors to ensure the effectiveness of the transfer restriction on the Allotted Shares. The Eligible Directors shall agree to details related to the management of the accounts.

(6) Treatment in an organizational restructuring

If a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plan in which the Company will become a wholly-owned subsidiary, or any other matter related to organizational restructuring is approved at the General Meeting of Shareholders of the Company (if approval at the General Meeting of Shareholders is not required regarding the organizational restructuring, approval at a meeting of the Board of Directors of the Company) during the transfer restriction period, the Company shall cancel the transfer restriction on the number of the Allotted Shares that is determined by multiplying the number of Allotted Shares held by the Eligible Director at the time of the approval of the restructuring by the fraction of the number of months between the month including the date of the Disposal and the month including the date of the approval over 12 (if the fraction is more than one, it shall be rounded down to one) (if the calculation result has a fraction of a share, it shall be rounded down to zero.) by a resolution of the Board of Directors at a time immediately prior to the day before the effective date of the organizational restructuring. In addition, the Company shall acquire, as a matter of course, without any compensation all of the Allotted Shares on which the transfer restriction has not been canceled at the time immediately after the cancellation of the transfer restriction.

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

The Disposal of Treasury Shares to those to whom shares will be allotted shall be carried out by contributing the monetary claims granted as Restricted Share Remuneration for the 23rd fiscal year of the Company under the Plan as contributed property. The disposal price has been set at 1,047 yen, which is the closing price of shares of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 24, 2025 (the business day prior to the date of resolution of the Board of Directors), to eliminate arbitrariness. This is the market price immediately prior to the date of the resolution of the Board of Directors, and the Company considers that the price is reasonable and does not constitute a particularly advantageous price.