



November 26, 2025

Company name: TOENEC CORPORATION
 Name of representative: Tsuguhisa Takimoto,
 President and Representative Director
 Securities Code: 1946; Tokyo Stock Exchange Prime Market
 /Nagoya Stock Exchange Premier Market
 Inquiries: Norishige Yamauchi, General Manager,
 General Affairs Department
 (TEL. +81-52-219-1906)

Notice Concerning Disposal of Treasury Shares as Restricted Stock Incentive for the Employee Shareholding Association

TOENEC CORPORATION (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to conduct the disposal of treasury shares as restricted stock (hereinafter referred to as the “Disposal of Treasury Shares” or the “Disposal”), with the Toenec Employee Shareholding Association (hereinafter referred to as the “Shareholding Association”) designated as the scheduled allottee as follows, in accordance with its restricted stock incentive plan for the employee shareholding association (hereinafter referred to as the “Plan”).

1. Outline of the Disposal

(1) Date of disposal	April 2, 2026
(2) Class and number of shares to be disposed of	663,800 shares of the Company’s common stock (Note)
(3) Disposal price	¥1,855 per share
(4) Total disposal amount	¥1,231,349,000 (Note)
(5) Disposal method (Scheduled allottee)	The shares shall be allotted to the Shareholding Association by means of third-party allotment, conditional upon subscription application submitted by the Shareholding Association. The number of shares allotted shall constitute the number of shares determined and applied for by the Shareholding Association, within the range of shares to be disposed of as stated in (2) above. (The number of shares allotted shall be the number of shares to be disposed of.) (Toenec Employee Shareholding Association: 663,800 shares) The Company will not accept applications from the respective eligible employees (as defined below) for portions of the number of shares to be granted thereto.
(6) Other	An extraordinary report regarding the Disposal of Treasury Shares has been submitted in accordance with the Financial Instruments and Exchange Act.

(Note) The “number of shares to be disposed of” and the “total disposal amount” have been calculated based on the assumption that the shares will be granted as restricted stock to 5,386 employees of the Company and its subsidiaries, which represents the maximum number of employees eligible under the Plan. The actual number of shares to be disposed of and the total disposal amount shall be determined based on (i) the number of employees of the Company and its subsidiaries who consent to the Plan (hereinafter referred to as the “Eligible Employees”; maximum of 5,386 employees) after completing membership promotion for non-members of the Shareholding Association and confirming consent of members of the Shareholding Association to the Plan; and (ii) the number of shares to be granted per person, as stipulated based on an employee’s position defined by the Company (Pattern A: 200 shares for a maximum of 1,252 employees;

Pattern B: 100 shares for a maximum of 4,134 employees). Specifically, as stated in (5) above, the “number of shares to be disposed of” constitutes the number of shares determined and applied for by the Shareholding Association. The “total disposal amount” is calculated by multiplying this number by the disposal price per share.

2. Purpose and reason for the Disposal

At the Board of Directors meeting held today, the Company resolved to introduce the Plan for the Eligible Employees of the Company and its subsidiaries who are members of the Shareholding Association as a means of enhancing benefits for the Eligible Employees. The Plan aims to foster greater value sharing between the Eligible Employees and the Company’s shareholders by creating opportunities for them to acquire the Company’s common stock issued or disposed of by the Company as restricted stock through the Shareholding Association, thereby assisting in their asset building and providing them with incentive to contribute to the sustainable improvement of the Company’s corporate value.

The outline of the Plan is as follows.

[Outline of the Plan]

Under the Plan, the Company and its subsidiaries shall provide the Eligible Employees with a monetary claim (hereinafter referred to as the “Special Incentive Payment”) as a special incentive for the granting of restricted stock. The Eligible Employees shall then contribute the Special Incentive Payment to the Shareholding Association. Subsequently, the Shareholding Association shall make in-kind contributions to the Company of the Special Incentive Payments that were contributed by the Eligible Employees, and in return shall receive issuance or disposal of the Company’s common stock as restricted stock.

When the Company newly issues or disposes of its common stock under the Plan, the amount to be paid in per share of such common stock shall be determined by the Board of Directors. The amount shall be based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the respective resolution of the Board of Directors for such issuance or disposal (or, if no transaction has been made on the same day, the closing price of the most recent trading day prior to that date), and shall be set within a range that is not particularly advantageous to the Shareholding Association (and, by extension, the Eligible Employees).

The Company and the Shareholding Association shall enter into a Restricted Stock Allotment Agreement in connection with the issuance or disposal of the Company’s common stock under the Plan. The agreement shall include provisions such as: (i) prohibition against transfer to third parties, creation of security interests, and other disposal of the allotted shares for a certain period (hereinafter referred to as the “Transfer Restrictions”); and (ii) the Company’s right to acquire the allotted shares without consideration upon the occurrence of certain events. In addition, the provision of the Special Incentive Payment to the Eligible Employees shall be conducted subject to conclusion of a Restricted Stock Allotment Agreement between the Company and the Shareholding Association.

Until the Transfer Restrictions are lifted, the Eligible Employees shall be restricted from withdrawing their membership interests representing the restricted stock they have acquired through monetary claims contributed to the Shareholding Association (hereinafter referred to as the “Restricted Stock Equity Interests” or the “RS Equity Interests”), in accordance with shareholding association rules and operational bylaws, etc. pertaining to the Shareholding Association (hereinafter referred to as the “Shareholding Association Rules, Etc.”) (Note).

(Note) At a meeting of its governing body slated to be held on November 27, 2025, the Shareholding Association plans to pass a resolution to amend the Shareholding Association Rules, Etc. to accommodate the Plan, prior to the Disposal of Treasury Shares. Such amendments are slated to take effect after two weeks have elapsed following notification to the Shareholding Association’s members in accordance with such amended Shareholding Association Rules, Etc., provided that objections are received from fewer than one-third of the members of the Shareholding Association.

In this Disposal of Treasury Shares, the Shareholding Association, as the scheduled allottee, shall make payment as property contributed in kind consisting of the entire Special Incentive Payment, which was contributed by the Eligible Employees, in accordance with the Plan, in exchange for which the Company will dispose of its common stock (hereinafter referred to as the “Allotted Shares”) to the Shareholding Association. The outline of the Restricted Stock Allotment Agreement (hereinafter referred to as the “Allotment Agreement”) to be concluded between the Company and the Shareholding Association in the Disposal of Treasury Shares is as set forth in “3. Outline of the Allotment Agreement,” below. The number of shares to be disposed of in the Disposal of Treasury Shares shall be determined at a later date, as stated in (Note) of 1. above. However, the Company plans to dispose of 663,800 shares if all 5,386 employees of the Company and its subsidiaries, which represents the maximum number of employees eligible under the Plan, join the Shareholding Association and consent to the Plan. Assuming this number of shares to be disposed of, the scale of share dilution in the Disposal of Treasury Shares would be 0.69% relative to the

96,649,950 total number of shares issued and outstanding as of September 30, 2025 (rounded to the second decimal place; the same applies to the calculation of percentages below), and 0.72% relative to the 927,571 total number of voting rights as of September 30, 2025.

With the introduction of the Plan, the Company aims to foster greater value sharing between the Eligible Employees and the Company's shareholders by creating opportunities for the Eligible Employees to acquire the Company's common stock issued or disposed of by the Company as restricted stock through the Association, thereby assisting in their asset building and providing them with incentive to contribute to the sustainable improvement of the Company's corporate value, as a means of enhancing benefits for the Eligible Employees. We believe that this initiative will contribute to growth of the Group's corporate value. We furthermore deem that the number of shares to be disposed of and scale of share dilution are reasonable, and that the impact on the market is negligible even taking into account the scale of dilution.

The Disposal of Treasury Shares shall be executed on the condition that the revised Shareholding Association Rules, Etc. take effect by the day prior to the date of disposal and that the Allotment Agreement is concluded between the Company and the Shareholding Association during the prescribed period.

3. Outline of the Allotment Agreement

(1) Transfer Restriction Period

From April 2, 2026 to March 31, 2029

(2) Conditions for lifting the Transfer Restrictions

On the condition that an Eligible Employee has been a Shareholding Association member continuously throughout the Transfer Restriction Period, the Company shall lift the Transfer Restrictions on all of the Allotted Shares, the number of which corresponds to the Restricted Stock Equity Interests held by the Eligible Employee who has satisfied such conditions, when the Transfer Restriction Period expires.

(3) Treatment in the event of withdrawal from the Shareholding Association

If an Eligible Employee withdraws from the Shareholding Association during the Transfer Restriction Period due to mandatory retirement or other justifiable reasons (meaning he or she has lost membership status or submitted a request for membership withdrawal, including withdrawal due to death), the Company shall lift the Transfer Restrictions on all of the Allotted Shares, the number of which corresponds to the Restricted Stock Equity Interests held by the Eligible Employee as of the date on which the Shareholding Association receives the Eligible Employee's request for membership withdrawal (or, in the case of loss of membership status, the date on which such status was lost, or in the case of withdrawal due to death, the date of death; hereinafter referred to as the "Membership Withdrawal Acceptance Date"), on the Membership Withdrawal Acceptance Date.

(4) Treatment in the event of becoming a non-resident

If the Company or its subsidiaries have determined that an Eligible Employee qualifies as a non-resident during the Transfer Restriction Period due to an overseas transfer or other similar circumstances, the Transfer Restrictions on all of the Allotted Shares, the number of which corresponds to the Restricted Stock Equity Interests held by the Eligible Employee as of the date on which such determination was made (hereinafter referred to as the "Overseas Transfer Determination Date"), shall be lifted as of the Overseas Transfer Determination Date.

(5) Acquisition by the Company without consideration

If an Eligible Employee commits an act in violation of laws or regulations during the Transfer Restriction Period or if any other event stipulated in the Allotment Agreement occurs, the Company shall automatically acquire without consideration all of the Allotted Shares, the number of which corresponds to the Restricted Stock Equity Interests held by the Eligible Employee at such time. In addition, the Company shall automatically acquire without consideration the Allotted Shares 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 stipulated in (3) or (4) above.

(6) Management of shares

The Allotted Shares shall be managed in a dedicated account opened by the Shareholding Association with Nomura Securities Co., Ltd. during the Transfer Restriction Period in order to prevent transfer, creation of security interests, or other disposition during the Transfer Restriction Period. In addition, the Shareholding Association shall register and manage the Restricted Stock Equity Interests separately from other member equity interests held by the Eligible Employees (hereinafter referred to as the "Ordinary Equity Interests") in accordance with provisions of the Shareholding Association Rules, Etc.

(7) Treatment in reorganization, etc.

If a merger agreement under which the Company becomes the dissolved company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other matters related to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (or by the Board of Directors of the Company if approval at the Company's general meeting of shareholders is not required for such organizational restructuring, etc.) during the Transfer Restriction Period, then, by resolution of the Board of Directors, the Transfer Restrictions shall be lifted immediately prior to the business day preceding the effective date of the organizational restructuring, etc., with respect to all of the Allotted Shares, the number of which corresponds to the Restricted Stock Equity Interests held by the Eligible Employee, from among the Allotted Shares held by the Shareholding Association on the date of such approval.

4. Basis for calculating disposal price and specific details thereof

The Disposal of Treasury Shares to the Shareholding Association, the scheduled allottee, shall be conducted using the Special Incentive Payment provided to the Eligible Employees for the purpose of granting restricted stock as the contributed property, which the Eligible Employees then contribute to the Shareholding Association. The disposal price has been set at ¥1,855, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on November 25, 2025 (the business day immediately preceding the date of resolution by the Board of Directors), in order to eliminate arbitrariness. Given that this is the market share price immediately preceding the date of resolution by the Board of Directors, we believe that it is reasonable and does not represent a particularly advantageous price.

The deviation rate of this disposal price from the average closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market (rounded to the second decimal place) is as follows.

Period	Average closing price (Rounded down to the nearest yen)	Deviation rate
One month (October 27, 2025 to November 25, 2025)	¥1,738	6.73%
Three months (August 26, 2025 to November 25, 2025)	¥1,521	21.96%
Six months (May 26, 2025 to November 25, 2025)	¥1,396	32.88%

The Audit and Supervisory Committee of the Company (comprised of four members, including three Outside Directors) has expressed the opinion that the above disposal price is not particularly advantageous with respect to the scheduled allottee and is lawful considering that the purpose of the Disposal of Treasury Shares is to introduce the Plan and that the disposal price constitutes the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of the resolution by the Board of Directors.

5. Matters related to procedures under the corporate code of conduct

The Disposal of Treasury Shares does not require the opinion of an independent third party or confirmation of shareholder intent as stipulated in Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) the disposal does not involve a change in the controlling shareholder.

(Reference)

[Structure of the Plan]

- (1) The Company and its subsidiaries provide the Eligible Employees with monetary claims as Special Incentive Payments for the purpose of granting restricted stock.
- (2) The Eligible Employees contribute the monetary claims received in (1) above to the Shareholding Association.
- (3) The Shareholding Association consolidates the monetary claims contributed in (2) above and pays the total amount to the Company.
- (4) The Company allots the Allotted Shares as restricted stock (referred to as “RS” in the figure below) to the Shareholding Association.
- (5) The Allotted Shares are deposited into a dedicated account opened by the Shareholding Association through Nomura Securities Co., Ltd., with withdrawal restrictions imposed during the Transfer Restriction Period.
- (6) After the Transfer Restrictions are lifted, the Allotted Shares will be transferred either to the Ordinary Equity Interests or to a securities account under the names of the Eligible Employees.

