



May 14, 2025

Company name: Toho Acetylene Co., Ltd.  
(Securities Code: 4093, Tokyo Stock Exchange Prime Market)  
Representative: Hidetoshi Horiuchi, President, Executive  
President, Representative Director  
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**Notice Concerning Progress Based on the Plan for Conforming to Criteria for Continued Listing on the Prime Market, and Commencement of Preparations for Application to Change the Market Segment to the Standard Market**

Toho Acetylene Co., Ltd. (the “Company”) submitted “The plan for conforming to criteria for continued listing on the Prime Market, a new market segment” and disclosed its contents on December 17, 2021. In addition, the Company disclosed “Progress based on the plan for conforming to criteria for continued listing” on May 17, 2024. The Company hereby announces the progress of the plan as of the end of March 2025 and other information as below.

The Company also announces that it has resolved, at a meeting of the Board of Directors held today, to commence, by the end of October 2025, preparations for application to change the market segment to the Standard Market while at the same time proceeding with the plan for conforming to criteria for listing on the Prime Market.

**1. Changes in the status of the Company’s conformance to criteria for continued listing on the Prime Market and the plan period**

The status of the Company’s conformance to criteria for continued listing on the Prime Market as of the end of March 2025 as well as changes in the status are as described below. The market capitalization of negotiable shares does not meet the criteria.

		Number of shareholders (persons)	Number of negotiable shares (unit)	Market capitalization of negotiable shares (100 million yen)	Ratio of negotiable shares (%)	Average daily trading value (100 million yen)
Conformance status of the Company and its changes	As of the end of June 2021	6,035	32,793	40.5	46.8	0.22
	As of the end of March 2023	6,050	33,830	41.5	48.3	0.23
	As of the end of March 2024	7,899	175,703	67.7	50.1	0.37
	As of the end of March 2025	11,855	180,758	65.8	51.6	0.37
Criteria for continued listing		800	20,000	100.0	35.0	0.20
Status of conformance		Conforming	Conforming	Non-conforming	Conforming	Conforming
Plan period stated in the original plan		—	—	By the end of March 2026	—	—

- ※ The Company conducted a stock split at a ratio of five shares for every one common share effective from January 1, 2024.
- ※ The conformance status of the Company was calculated on the basis of the distribution status of the Company's share certificates and other information available to the Tokyo Stock Exchange as of the record date.
- ※ The average daily trading value as of the end of March 2025 represents the average for daily trading value from January 1, 2024 to December 31, 2024, which was advised by the Tokyo Stock Exchange on January 10, 2025.

## 2. Implementation status and assessment of initiatives for conforming to criteria for continued listing on the Prime Market

About the [market capitalization of negotiable shares]

・Implementation status and assessment of initiatives

### (1) Execution of the Medium-Term Management Plan

The results for FY2024, which is the third year of the Plan, were net sales of 34.8 billion yen, ordinary profit of 2.1 billion yen, and profit attributable to owners of parent of 1.2 billion yen. Sales and profits decreased year on year due to the regular major repair at the Tagajo Plant and increases in distribution unit costs and other costs, in addition to the stagnant demand in the appliances and equipment-related business.

### (2) Further improvement of corporate governance

With the goal of further enhancing the effectiveness and diversity of the Board of Directors, the Company is striving to further improve corporate governance by appointing four of the seven Directors from outside the Company (of which, three are Independent Outside Directors), including one female Director.

The Audit & Supervisory Board, consisting of four Corporate Auditors all of whom are invited from outside the Company, works to strengthen the auditing system by, for example, attending meetings of the Board of Directors and other essential meetings, conducting operational audits, and collaborating with the Accounting Auditor.

Since the establishment of the Publicity & IR Office in June 2022, the Company has strived to improve publicity and IR activities, including promoting dialogues with the media and investors through top management, holding company information sessions for institutional investors, actively holding individual interviews with analysts and investors, aggressively disseminating information through various media and the website, and expanding the contents of the integrated report “Toho Acetylene Report.”

To enhance the recognition of the Company, we will increase our focus on publicity and IR activities and actively disseminate information that helps deepen understanding about the Company Group’s business, growth strategies including advantages, and potential.

### (3) Shareholder return policy

During the Medium-Term Management Plan, we adopt a progressive dividend policy with a minimum dividend of 50 yen per share. The annual dividend for FY2024, or the third year of the Medium-Term Management Plan, is equivalent to 70 yen per share, which is the same amount as in the previous fiscal year.

(The dividend represents the amount before the stock split. If the stock split is taken into account, the annual dividend for FY2024 would be 14 yen per share.)

### (4) An increase in the number of negotiable shares

As a result of approaching leading banks and other institutions about the elimination of cross-held shares, the number of negotiable shares increased to 180,758 units as of the end of March 2025, with the ratio of negotiable shares improving to 51.6%.

To create an environment that makes investors feel more comfortable about investment, expand the investor base, and improve the liquidity of the Company’s shares, we conducted a stock split at a ratio of five shares for every one common share in January 2024.

Through these initiatives, the Company aimed to increase the market capitalization of negotiable shares, but the market capitalization of negotiable shares stands at 6,580 million yen as of the end of March 2025, failing to meet criteria for continued listing.

## **3. Reason for the commencement of preparations for application to change the market segment to the Standard Market**

At present, the Company does not meet a criterion for continued listing on the Prime Market, which is a market capitalization of negotiable shares of 10,000 million yen or more, and there is the possibility that we will fail to meet criteria by the end of March 2026, which is the end of the period for improvement. In view of this situation, we concluded that we would be able to contribute to improving shareholder value by concentrating our management resources on continued growth and the improvement of medium- to long-term corporate value in the Standard Market, which is considered to be suitable for companies with sufficient liquidity and governance levels.

In parallel with preparations for application to change the market segment to the Standard Market, we will implement initiatives for improving corporate value and continue to make efforts to increase the market capitalization of the Company's negotiable shares in accordance with the Medium-Term Management Plan.

#### 4. Status of conformance to criteria for continued listing on the Standard Market

As of the end of March 2025, the Company meets all criteria for continued listing on the Standard Market on the basis of our trial calculation as shown in the table below.

	Number of shareholders (persons)	Number of negotiable shares (unit)	Market capitalization of negotiable shares (100 million yen)	Ratio of negotiable shares (%)	Average monthly trading value (unit)	Amount of net assets (100 million yen)
Conformance status of the Company As of the end of March 2025	11,855	180,758	65.8	51.61	20,285	203
Criteria for continued listing	400	2,000	10.0	25.0	10	Positive
Status of conformance	Conforming	Conforming	Conforming	Conforming	Conforming	Conforming

- \* The conformance status of the Company was calculated on the basis of the distribution status of the Company's share certificates and other information available to the Company by assuming the record date is March 31, 2025.
- \* The average monthly trading value was calculated by the Company for the trading sessions of the Tokyo Stock Exchange during the period of six months from July 1 to December 31, 2024.
- \* The amount of net assets as of March 31, 2025 released in the announcement of financial results for fiscal year ended March 31, 2025.

The Company will not change its willingness and strategies for growth, and will strive to improve corporate value while advancing ambidextrous management by enhancing the competitiveness of the existing business and making active investments in growth areas.

We ask for shareholders' understanding, continued support, and encouragement.