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Focus Systems

July 27, 2026

Dear all,

Company name: Focus Systems Corporation
Representative: Representative Director and President, Mori Keiichi
(Securities Code: 4662, Tokyo Stock Exchange Prime Market)
Inquiries: Director and Executive Officer, Mizuno Wataru
(Tel: +81-3-5421-7777)

Notice Regarding the Disposal of Treasury Shares for Restricted Stock Compensation

Focus Systems Corporation (the "Company") hereby announces that the Company has resolved at the meeting of the Board of Directors of the Company held today, to dispose of treasury shares (the “Disposal”) as the restricted stock compensation as follows.

1. Overview of the Disposal

(1) Disposal date	August 27, 2026
(2) Class and number of shares to be disposed of	Common shares 16,900 shares
(3) Disposal price	JPY 1,722 per share
(4) Total value of disposal	JPY 29,101,800
(5) Persons Scheduled to Be Allocated	5 Directors (*) 16,900 shares *Excluding outside directors and directors concurrently serving as employees.

2. Purpose and Reason of the Disposal

The Company resolved at the meeting of the Board of Directors of the Company held on May 15, 2020, to introduce the Restricted Stock Compensation Plan (the “Plan”) to the Directors of the Company (excluding outside directors; hereinafter the "Eligible Directors") for the purpose of providing the Eligible Directors with incentives to continuously increase the Company’s corporate value, as well as promoting further shared value with shareholders, as a new compensation plan. At the 44th Annual General Meeting of Shareholders held on June 29, 2020, the payment of compensation under the Plan was approved by the shareholders. On this occasion, the Company resolved at the meeting of its Board of Directors held on May 15, 2026, to implement the revision of the compensation plan to the Eligible Directors with the purpose of setting compensation levels that enable the Eligible Directors to maintain a higher level of motivation in order to realize the Company's management philosophy and business strategies, while seeking to enhance mid- to long-term corporate value and strengthening incentives to promote further value sharing with shareholders. With respect to the Plan, at the 50th Annual General Meeting of Shareholders held on June 29, 2026, it was approved that the total number of the Company's common shares to be issued or disposed of to the Eligible Directors under the Plan shall not be more than 35.5 thousand shares per year (provided, however, that in the case where the total number of issued shares by the Company increases or decreases due to a consolidation of shares or splitting of shares (including allotment of shares without contribution), the maximum number of shares shall be adjusted in accordance with the ratio of such consolidation of shares or splitting of shares.), the amount shall not exceed JPY 50 million per year, and the delivery of shares shall be made either without requiring payment of money or contribution of property in-kind, or by granting the Eligible Directors monetary compensation claims and having such claims contributed in-kind.

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Under the Plan, (a) the restriction period is a period from the date of delivery of the restricted stock to the date of resignation or retirement from the position determined by the Board of Directors of the Company, and (b) the conditions for lifting of transfer restriction shall be: (i) the continuous holding of the position of director of the Company or other position prescribed by the Board of Directors of the Company during the service period determined by the Board of Directors of the Company and (ii) in the event of resignation or retirement from such position before the expiration of the service period, such resignation or retirement must be for a reason deemed justifiable by the Board of Directors of the Company.

The Company has resolved at the meeting of the Board of Directors of the Company held today to grant monetary compensation claims in a total amount of JPY 29,101,800 and dispose of 16,900 shares (the "Allocated Shares") to 5 Eligible Directors, considering the purpose of the Plan, the scope of the responsibility of each Eligible Director and other circumstances. The ratio of the total number of issued shares by the Company (as of March 31, 2026) represented by the number of shares relating to the Disposal is 0.1 %. The dilution ratio is minor and reasonable considering the purpose and overview of the Plan. Prior to the resolution, the compensation advisory committee deliberated on the matter upon referral from the Board of Directors of the Company and issued its recommendation, and the Board of Directors of the Company adopted the resolution for the Disposal with due regard to the substance of such recommendation.

<Summary of Allocation Agreement>

The Company and the Eligible Director will individually execute the allocation agreement in connection with the Disposal, and the overview of the allocation agreement is as follows.

(1) Restriction Period

The Eligible Director shall not transfer, create a security interest in, or otherwise dispose of the allocated common shares of the Company during a period from August 27, 2026 (payment date) to the date such Eligible Director resigns or retires from the position as the director of the Company.

(2) Conditions for Lifting of Transfer Restriction

On the condition that the Eligible Director continuously serves the position as the director of the Company from the date of the Annual General Meeting of Shareholders immediately preceding the payment date to the date of the Annual General Meeting of Shareholders to be held in the following year (the "Service Period"), the Company will lift the transfer restriction regarding all Allocated Shares at the time of expiration of the transfer restriction period; provided, however, that, if the Eligible Director resigns or retires from the position as the director of the Company during the Service Period due to death or other reasons determined justifiable by the Company's Board of Directors, the Company will lift, on the day following the date of resignation or retirement, the transfer restriction regarding the Allocated Shares in a quantity obtained by multiplying the number, which is obtained by dividing the number of months from the month following the month including the commencement date of the Service Period to the month including the resignation date, by 12, by the number of Allocated Shares (provided, however, that any fraction less than 1 share arising as a result of the calculation, such fraction shall be rounded down).

(3) Acquisition by the Company without Compensation

The Company will acquire the Allocated Shares, for which the transfer restriction has not been lifted as of the expiration of the restriction period, as a matter of course, without any compensation.

(4) Management of Shares

During the restriction period, the Allocated Shares will be managed in dedicated accounts of the restricted stock opened by the Eligible Directors with Daiwa Securities Co. Ltd. so that the Eligible Directors cannot transfer, create a security interest in, or otherwise dispose of the Allocated Shares during the restriction period.

(5) Treatment in Organizational Restructuring, etc.

In the event 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 the wholly-owned subsidiary, or any other matter related to organizational restructuring, etc., is approved in the General Meeting of Shareholders (or the Board of Directors' meeting if approval in the General Meeting of Shareholders is not required in relation to such organizational restructuring) during the restriction period, the Company will lift the transfer restriction based on the resolution of the Board of Directors immediately before the business day preceding the effective day of such organizational restructuring, etc. for the Allocated Shares with respect to the number obtained by multiplying the number (i) the number obtained by dividing the number of months from the month following the month including the commencement date of the Service Period to the month including the approval date of the reorganization, etc. by 12 (if the result of calculation exceeds 1, it shall be 1), by (ii) the number of shares held at that time (provided, however, that any fraction less than 1 share arising as a result of the calculation, such fraction shall be rounded down).

3. Basis and Details of Calculating the Amount to be Paid in

The Disposal shall be conducted using the monetary compensation claims to be paid to the persons scheduled to be allocated as the contributed assets in kind pursuant to the Plan, and the amount paid per share is JPY 1,722 , which is the closing price of the Company's common shares on the Tokyo Stock Exchange on July 24, 2026 (business day prior to the resolution date of the Board of Directors), to adopt a price that excludes arbitrariness. This price is the market value immediately prior to the resolution date of the Board of Directors, and is a reasonable price that properly reflects the Company's corporate value in a state where there are no special circumstances under which the foregoing price is not relied upon the most recent share price, and does not fall within a price that is excessively advantageous for the Eligible Directors.