



June 19, 2025

Company: Toho Titanium Co., Ltd.  
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To whom it may concern:

### Notice regarding the Disposal of Treasury Stock as Restricted Stock Compensation

At the Board of Directors meeting held on June 19, 2025, the Company resolved to dispose of treasury stock of its as Restricted Stock Compensation (hereinafter referred to as ""this disposal of treasury shares""), as detailed below.

#### 1. Overview of Disposal

(1) Payment date	July,11,2025
(2) Type and number of shares to be disposed of	14,906 shares of common stock
(3) Amount at which shares to be disposed of shall be granted	1,292 yen for each share to be disposed of
(4) Total grant amount	19,258,552 yen
(5) Parties to the disposition of shares	Three directors of the Company who are not Audit and Supervisory Committee Members*: 3,867 shares Nine executive officers: 7,944 shares Five employees: 3,095 shares * Limited to executive directors

#### 2. Purpose and Reason for Disposal

At The 94th Ordinary General Meeting of Shareholders held on June 19, 2025, the Company received approval to introduce a stock compensation system (hereinafter referred to as ""this system"" ) that grants restricted stock to directors who are not Audit and Supervisory Committee Members (limited to executive directors, hereinafter referred to as ""target directors"" ) to provide incentives for the sustainable enhancement of the Company's corporate value and to further promote value sharing with shareholders. Under this system, the total amount of monetary compensation claims to be paid as compensation related to restricted stock to target directors is set at a maximum of 10 million yen per year, the total number of restricted stock allocated to target directors in each business year is capped at 30,000 shares, and the transfer restriction period for restricted stock is from the date of delivery of the restricted stock until the day the target director loses the position determined by the Board of Directors. Today, the Board of Directors meeting of the Company resolved to grant Restricted Stock to the targeted directors, starting from The 94th Ordinary General Meeting of Shareholders held June 19, 2025, until The 95th Ordinary General Meeting of Shareholders planned to be held in June 2026. Additionally,

Restricted Stock for the 95th business year (from April 1, 2025, to March 31, 2026) will also be provided to 3 target directors, 9 executive officers, and 5 employees (hereinafter referred to as ""Allocation Targets""). A total monetary compensation claim of 19,258,552 yen will be granted, and the Allocation Targets shall provide all of this monetary compensation claim through in-kind contributions, resulting in the allocation of 14,906 shares of our common stock (of which 3,867 shares will be allocated to the targeted directors) as specific Restricted Stock Compensation.

The amount of monetary compensation claims for each Allocation Targets is determined by comprehensively considering various factors such as the contribution of each Allocation Targets to the Company. Furthermore, the scale of dilution due to this disposal of treasury shares is minor, at 0.02% (rounded to the third decimal place) against the total number of issued shares 71,270,910 shares, as of March 31, 2025, which is considered rational in light of the purpose of this system. Additionally, the monetary compensation claims will be granted on the condition that each Allocation Targets enters into a Restricted Stock allocation agreement (hereinafter referred to as ""Allocation Agreement"" ) with our company, which includes the following contents.

### 3. Overview of Allocation Agreement

#### ① Transfer Restriction Period

From July 11, 2025, until the day the Allocation Targets resigns or retires from any position as an Executive Director, Executive Officer, or Employee of the Company.

During the transfer restriction period specified above (hereinafter referred to as ""this transfer restriction period""), the Allocation Targets cannot transfer, pledge, set transfer security rights, make inter vivos gifts, bequeath, or otherwise dispose of the restricted stock allocated to them (hereinafter referred to as 'this allocated stock') to third parties (hereinafter referred to as ""the transfer restriction "" ).

#### ② Free Acquisition of Restricted Stock

The Company will automatically acquire this allocated stock for free at the time of such resignation or retirement if the Allocation Targets resigns or retires from any position as an Executive Director, Executive Officer, or Employee of the Company after the start date of this transfer restriction period and before the day preceding the first Ordinary General Meeting of Shareholders (or before the day preceding the end of the 95th business year if the Allocation Targets is an Executive Officer or Employee), unless there is a reason deemed legitimate by the Board of Directors.

Furthermore, if there is any this allocated stock for which the transfer restriction has not been lifted based on the provisions of the transfer restriction release reasons in ③ below at the time this transfer restriction period expires (hereinafter referred to as ""expiration time""), the Company will acquire them for free immediately after the expiration time.

#### ③ Release of the Transfer Restriction

The Company will release the transfer restriction on all of this allocated stock held by the Allocation Targets at the expiration time, provided that the Allocation Targets has continuously held a position as an Executive Director, Executive Officer, or Employee of the Company from the start date of this transfer restriction period until the first Ordinary General Meeting of Shareholders (or until the end of the 95th business year if the Allocation Targets is an Executive Officer or Employee).

However, if the Allocation Targets resigns or retires from any position as an Executive Director,

Executive Officer, or Employee of the Company after the start date of this transfer restriction period and before the day preceding the first Ordinary General Meeting of Shareholders (or before the day preceding the end of the 95th business year if the Allocation Targets is an Executive Officer or Employee) for a reason deemed legitimate by the Board of Directors, the transfer restriction will be released immediately after such resignation or retirement for the number of this allocated stock calculated by multiplying the number of months from July 2025 (or April 2025 if the Allocation Targets is an Executive Officer or Employee) to the month including the day of resignation or retirement by the number of this allocated stock held by the Allocation Targets at that time, divided by 12 (fractions less than one share resulting from the calculation will be discarded).

④ Mars Clause

The Company will acquire all of this allocated stock held by the Allocation Targets for free, if during this transfer restriction period, the Allocation Targets significantly violates laws or internal regulations which is deemed appropriate by the Board of Directors, or determined certain circumstances by the Board of Directors arise.

⑤ Provisions on Stock Management

The Allocation Targets must complete the opening of an account with SMBC Nikko Securities Inc. in the manner specified by the Company, where this allocated stock will be recorded or documented, and maintain this allocated stock in that account until the transfer restriction is released.

⑥ Handling in Organizational Restructuring, etc.

If a merger agreement in which the Company becomes the disappearing company, a share exchange agreement in which the Company becomes a wholly-owned subsidiary, a share transfer plan, or other organizational restructuring proposal is approved at the Company's General Meeting of Shareholders (or by the Board of Directors if shareholder approval is not required for such organizational restructuring) during this transfer restriction period (Only when the effective date of such restructuring occurs before the expiration time (hereinafter referred to as "time of organizational restructuring approval")), and the Allocation Targets resigns or retires from any position as an Executive Director, Executive Officer, or Employee of the Company due to such organizational restructuring, the transfer restriction will be released immediately before the business day preceding the effective date of such organizational restructuring for the number of this allocated stock calculated by multiplying the number of months from July 2025 (or April 2025 if the Allocation Targets is an Executive Officer or Employee) to the month including the day of approval by the number of this allocated stock held by the Allocation Targets on the day of approval, divided by 12 (if the calculation result exceeds 1, it will be set to 1; fractions less than one share resulting from the calculation will be discarded).

Furthermore, at the time of organizational restructuring approval, the Company will acquire all this allocated stock for which the transfer restriction has not been released on the business day preceding the effective date of such organizational restructuring for free.

4. Basis for Calculation of Payment Amount and Its Specific Content

Regarding the disposal price in this disposal of treasury shares, to eliminate arbitrariness, it is set at 1,292 yen, which is the closing price of our common stock on the Tokyo Stock Exchange on the

business day (June 18, 2025) immediately preceding the resolution date of the Board of Directors. This is considered the market price immediately before the resolution date of the Board of Directors and is rational and is not particularly to be a favorable price.

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