



June 26, 2025

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 Name of representative: Toshiaki Asai, Representative
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 (Securities code: 9729; Prime Market Tokyo Stock
 Exchange)
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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

TOKAI Corp. (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it resolved to dispose of treasury shares (hereinafter the “Disposal of Treasury Shares” or the “Disposal”) as described below.

1. Overview of the Disposal

(1) Date of Disposal	July 18, 2025
(2) Class and number of shares to be disposed of	14,100 shares of the Company’s common stock
(3) Disposal price	2,127 yen per share
(4) Total disposal value	29,990,700 yen
(5) Recipients of shares and number thereof, number of shares to be allotted	Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) 4 persons, 7,520 shares Corporate Officers who do not concurrently serve as Directors of the Company 14 persons, 6,580 shares

2. Purpose and reason for disposal

At the 65th Ordinary General Meeting of Shareholders held on June 26, 2020, the Company obtained the approval to introduce a restricted stock compensation plan (hereinafter the “Plan”) as a new compensation plan for the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter the “Eligible Directors”) and Corporate Officers who do not concurrently serve as Directors (hereinafter, collectively referred to as the “Eligible Directors, etc.”). The aim of this introduction is to provide incentives for the Eligible Directors, etc. to sustainably increase the Company’s corporate value and to further promote value sharing with shareholders. Furthermore, in accordance with the Plan, the approval was obtained to pay monetary claims not exceeding 90 million yen per

annum to the Eligible Directors as monetary compensation to be contributed as property in kind for the acquisition of restricted shares (hereinafter the “Restricted Stock Compensation”), to issue or dispose of the Company’s common shares not exceeding 80,000 shares per annum, to set the transfer restriction period for the restricted shares as a period ranging from three to 30 years, as determined by the Board of Directors, and to conduct other related matters.

The overview, etc. of the Plan is as described below.

[Overview, etc. of the Plan]

The Eligible Directors, etc. shall pay all monetary claims paid to them by the Company in accordance with the Plan as property contributed in kind and shall receive shares of common stock of the Company through an issuance or disposal. The amount to be paid per share shall be an amount determined by the Board of Directors within a range that will not be particularly advantageous to the Eligible Directors, etc. who will receive the shares, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day prior to the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day).

In addition, when shares of common stock of the Company are issued or disposed of under the Plan, a restricted stock allotment agreement shall be entered into between the Company and the Eligible Directors, etc. Conditions of this agreement include the following and other matters: 1) The Eligible Directors, etc. shall be prohibited for a set period from transferring to a third party, use as collateral, or otherwise disposing of the shares of common stock of the Company received under the restricted stock allotment agreement and 2) When certain circumstances occur, the Company shall acquire the said common shares without consideration.

On this occasion, considering the objectives of the Plan, the Company’s business conditions, the scope of responsibilities of each of the Eligible Directors, etc., and other relevant circumstances, the Company has determined that, in order to further improve the motivation of each of the Eligible Directors, etc., it shall contribute total monetary claims of 29,990,700 yen (hereinafter, the “Monetary Claims”) and 14,100 shares of the common stock. Furthermore, in order to realize the purpose of the Plan to promote value sharing with shareholders over the medium to long term, the transfer restriction period has been set at 30 years in this instance.

With regard to the Disposal of the Treasury Shares, 18 Eligible Directors, etc., who are the scheduled allottees, shall pay all Monetary Claims to the Company as property contributed in kind and shall receive shares of common stock of the Company (hereinafter the “Allotted Shares”) through a disposal. The overview of the restricted stock allotment agreement entered into between the Company and the Eligible Directors, etc. (hereinafter the “Allotment Agreement”) is described in item 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 18, 2025 (hereinafter the “Payment Due Date”) to July 17, 2055

(2) Conditions for removal of transfer restrictions

On the condition that the Eligible Directors, etc. continuously hold the position during the transfer restriction period, as a Director, an Executive Officer, a Corporate Officer who does not concurrently serve as a Director, an employee, or any other equivalent position of the Company or its subsidiary, the Company shall remove the transfer restrictions on all of the Allotted Shares as of the expiration of the transfer restriction period.

(3) Treatment upon retirement or resignation of the Eligible Directors, etc., due to the expiration of their tenure, reaching the retirement age, or any other justifiable reason during the transfer restriction period

1) Timing for removal of transfer restrictions

If an Eligible Director, etc. retires or resigns from all of the positions as Director, Executive Officer, Corporate Officer who does not concurrently serve as a Directors, employee, or any other equivalent position of the Company or its subsidiary, for reasons such as the expiration of their tenure, reaching the retirement age, or any other justifiable reason (including due to their death), the transfer restrictions shall be removed immediately following their retirement or resignation.

2) Number of shares subject to removal of transfer restrictions

The number of shares subject to removal of transfer restrictions shall be calculated by multiplying the number of the Allotted Shares held as of the point of retirement or resignation of the Eligible Directors, etc., set out in 1) by the number of months from the month that includes the Payment Due Date to the month in which the Eligible Directors, etc. retire or resign divided by 12 (if that number exceeds 1, it shall be set to 1.) (However, any fractional shares resulting from the calculation will be rounded down.)

(4) Acquisition without consideration by the Company

The Company shall automatically acquire without consideration the Allotted Shares for which the transfer restrictions have not been removed as of the expiration of the transfer restriction period or as of the time for removal of transfer restrictions set out in 3) above.

(5) Treatment in case of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement where the Company will be the non-surviving company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. are approved at a General Meeting of Shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the General Meeting of Shareholders of the Company), the Company shall, by a resolution of the Board of Directors, remove the transfer restrictions immediately before the business day prior to the effective date of the organizational restructuring, etc., for the shares calculated by multiplying the number of

the Allotted Shares held as of that point by the number of months from the month that includes the Payment Due Date to the month that includes the approval date divided by 12 (if that number exceeds 1, it shall be set to 1.) (However, any fractional shares resulting from the calculation will be rounded down.) In addition, the Company shall automatically acquire all Allotted Shares without consideration for which transfer restrictions have not been removed immediately after the removal of transfer restrictions.

(6) Management of shares

The Allotted Shares will be managed throughout the transfer restriction period in dedicated accounts opened by the Eligible Directors, etc. with Nomura Securities Co., Ltd. so as to ensure that the Allotted Shares may not be transferred, used as collateral, or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares, the Company has entered into a contract with Nomura Securities Co., Ltd. pertaining to the management of the accounts of the Allotted Shares held by the respective Eligible Directors, etc. In addition, the Eligible Directors, etc. shall agree to the details of the management of these accounts.

4. Basis for calculation of the amount to be paid and specific details thereof

The Disposal of Treasury Shares for the scheduled allottees will be made in the form of monetary claims as property contributed in kind paid through the Restricted Stock Compensation for the Company's fiscal year ending March 2026 in accordance with the Plan. To ensure a price free of arbitrariness, the disposal price has been set as 2,127 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 25, 2025 (the business day prior to the date of the resolution of the Board of Directors). This represents the market price of the Company's shares immediately before the resolution of the Board of Directors and is considered reasonable, without being particularly advantageous.