



June 25, 2025

To Whom It May Concern:

Company Name: TOTECH CORPORATION
Name of Representative: Kaoru Koyama,
Representative Director and President
(Securities Code: 9960)
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Notice Concerning Disposal of Treasury Stock for Restricted Stock Compensation

The Company hereby announces that at the Board of Directors meeting held today, it resolved to dispose of treasury stock (hereinafter referred to as the “Treasury Stock Disposal” or “Disposal”) as follows.

1. Summary of disposal

(1) Disposal date	July 18, 2025
(2) Class and number of shares for disposal	The Company’s common stock 12,200 shares
(3) Disposal value	2,795 yen per share
(4) Total disposal amount	34,099,000 yen
(5) Allottees, their number and the number of shares for disposal	Two Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company 12,200 shares

2. Purpose and reasons for disposal

At the Board of Directors meeting held on May 20, 2022, the Company resolved to introduce a Restricted Stock Compensation Plan (hereinafter referred to as the “Plan”) for the Company’s Directors, excluding Outside Directors, for the purpose of providing the Company’s Directors, excluding Outside Directors, with an incentive to continuously enhance the Company’s corporate value and further sharing value with shareholders. In line with the transition to a company with an audit and supervisory committee last year, the Company obtained approval for the following at the 68th Ordinary General Meeting of Shareholders held on June 28, 2023. To pay, under the Plan, monetary claims of not more than 100 million yen per year to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Eligible Directors”), and issue or dispose of not more than 40,000 shares of the Company common stock per year as compensation for investment assets for the acquisition of restricted stock (hereinafter referred to as the “Restricted Stock Compensation”). And also, to set the transfer restriction period as the period from the day on which the Company’s common stock is allotted under the restricted stock allotment agreement concluded between the Company and the Eligible Directors to the time immediately after the resignation or retirement from positions determined in advance by the Company’s Board of Directors among officers and employees of the Company or its subsidiaries (provided,

however, that if the time immediately after such resignation or resignation is before the day on which three months have elapsed after the fiscal year to which the day of allotting the Company's common stock belongs, and the expiration of the transfer restriction period may be adjusted within a reasonable extent).

As announced by the Company in the "Notice Concerning Stock Split and Partial Amendment to the Articles of Incorporation" on January 31, 2024, the common stock of the Company was split at a ratio of three shares for one, effective on April 1, 2024, and the total number of the Company common stock to be issued or disposed of as restricted stock to the Eligible Directors has not exceeded 120,000 shares per year since that date.

A summary of the Plan, etc. is as follows.

[Summary of the Plan, etc.]

Eligible Directors shall pay all of the monetary claims provided by the Company under the Plan as property contributed in kind and receive issuance or disposal of common shares of the Company. The amount to be paid in per share shall be determined by the Board of Directors on the basis of the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Board of Directors (if no transaction is closed on the day, the closing price of the most recent transaction day) to the extent that the amount is not particularly favorable to Eligible Directors who receive the common stock.

In addition, for the issuance or disposal of the Company's common stock under the Plan, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement, which shall include provisions such as (1) the Eligible Directors shall, for a certain period of time, be prohibited from transferring, creating pledges and security interests, making lifetime gifts, making bequests, and making any other disposal of the Company's common stock allotted under the restricted stock allotment agreement to third parties, and (2) the Company shall acquire such common stock without consideration if there are certain events.

This time, after consultation with the Nomination and Compensation Committee, in consideration of the purpose of the Plan, the Company's business performance, the scope of responsibilities of each Eligible Director, and various circumstances, the Company has decided to grant a total of 34,099,000 yen in monetary claims (hereinafter referred to as the "Monetary Claims") and 12,200 shares of common stock to further motivate each Eligible Director.

For the Treasury Stock Disposal, two Eligible Directors who are the planned allottees shall pay all of the Monetary Claims against the Company as property contributed in kind under the Plan and shall be disposed of common shares of the Company (hereinafter referred to as the "Allotted Shares"). For the Treasury Stock Disposal, a summary of the restricted stock allocation agreement to be executed between the Company and the Eligible Directors (hereinafter referred to as the "Allotment Agreement") is as described in 3. below.

3. Summary of the Allocation Agreement

(1) Transfer restriction period

From July 18, 2025 (hereinafter referred to as the "Disposal Date") until the time immediately after resignation or retirement from all positions of officers and employees of the Company and its subsidiaries, or July 1, 2026, whichever is later.

(2) Conditions subsequent for transfer restriction

The transfer restriction shall be lifted for all of the Allotted Shares upon expiration of the transfer restriction period, on condition that the Eligible Directors have held any position of officer or employee of the Company and its subsidiaries continuously during the period from the commencement date of execution of duties until the time immediately prior to the conclusion of the first ordinary general meeting of shareholders (hereinafter referred to as the "Service Period").

(3) Treatment of Eligible Directors if they resign or retire during the Service Period due to the expiration of their term of

office or other justifiable reasons

(i) Timing of lifting transfer restriction

If Eligible Directors resign or retire from all positions as an officer or employee of the Company or its subsidiary due to the expiration of their term of office or for other justifiable reasons (including resignation or retirement due to death), the transfer restriction shall be lifted at the time immediately after their resignation or retirement or on July 1, 2026, whichever is later. Notwithstanding the above provisions, however, if Eligible Directors resign or retire due to death by the time immediately prior to July 1, 2026, the Company shall naturally acquire all of the Allotted Shares held at the time of such resignation or retirement without consideration.

(ii) Number of shares subject to lifting of transfer restriction

It shall be the number of shares calculated by multiplying the number of the Allotted Shares held at the time of such resignation or retirement as stipulated in (1) by the number obtained by dividing the number of months from the month including the Disposal Date to the month including the date of resignation or retirement of the Eligible Directors by the number of months for the Service Period (12) (provided, however, that if there is a fraction less than one share as a result of the calculation, such fraction shall be discarded).

(4) Acquisition by the Company without consideration

If Eligible Directors commit an act in violation of laws and regulations during the transfer restriction period or fall under any other specified event stipulated in the Allotment Agreement, the Company shall naturally acquire all of the Allotted Shares held at such time without consideration. In addition, at the time of expiration of the transfer restriction period or at the time of lifting of the transfer restriction as specified in (3) above, the Company shall naturally acquire the Allotted Shares for which the transfer restriction has not been lifted without consideration.

(5) Treatment in organizational restructuring, etc.

During the transfer restriction period, if a merger agreement under which the Company becomes a dissolved company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, or a share transfer plan or other matters related to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (provided, however, that in cases where the organizational restructuring, etc. does not require approval at a shareholders meeting of our company, the board of directors of the Company), the Transfer Restriction related to all of the Allotted Shares held at that time shall be lifted by a resolution of the Board of Directors at the time immediately prior to the business day preceding the effective date of the organizational restructuring, etc. In addition, at the time immediately after the lifting of the Transfer Restriction, the Company shall naturally acquire all of the Allotted Shares for which the transfer restriction has not been lifted without consideration.

Notwithstanding the above provisions, however, if the time immediately preceding the effective date of the organizational restructuring, etc. is until July 1, 2026, the Company shall naturally acquire all of the Allotted Shares held at the time of such resignation or retirement without consideration.

(6) Management of shares

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by the Eligible Directors at Nomura Securities Co., Ltd., so that the Allotted Shares may not be transferred, pledged, or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the restriction on transfer of the Allotted Shares, the Company has concluded an agreement with Nomura Securities Co., Ltd. in connection with the management of the accounts of the Allotted Shares held by each Eligible Director. In addition, the Eligible Directors shall consent to the details of the management of such accounts.

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

The Treasury Stock Disposal to the planned allottees shall be made using monetary claims that were paid as restricted stock compensation for the 71st fiscal year of the Company under the Plan as investment assets. The disposal value is set at 2,795 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June

24, 2025 (the business day immediately preceding the date of the resolution by the Board of Directors), in order to eliminate arbitrariness. This is the market stock price immediately before the date of resolution by the Board of Directors, and we believe that it is reasonable and is not a particularly favorable value.