

September 11th, 2024

Notice on Disposal of Treasury Stock through 3rd party Allotment upon the Performance-linked Stock Compensation Plan

Company name: TOKYO SEIMITSU CO., LTD.

(Stock code: 7729, Tokyo Stock Exchange, Prime Segment)

Representative: Ryuichi Kimura, President and COO

Inquiries: Koichi Kawamura, Executive Vice President and CFO (Tel: +81-(0)42-642-1701)

TOKYO SEIMITSU CO., LTD. (the Company) resolved at a meeting of its Board of Directors held today to dispose the Company's treasury stock (hereinafter referred to as "the Disposal") in association with the introduction of a new performance-linked stock compensation plan called the Board Benefit Trust (=Board Benefit Trust (BBT)) (hereinafter referred to as "the Plan") announced on May 20th, 2024, as described below.

1. Detail of Disposal

(1) Date of disposal	September 27 th (Fri), 2024
(2) Type/Number of share to be disposed	Common Stock, 200,000 shares
(3) Disposal Price	6,906 Japanese Yen per Share
(4) Disposal Amount	1,381,200,000 Japanese Yen
(5) Planned recipient of disposal	Custody Bank of Japan, Ltd., (Trust Account E)
(6) Others	The Disposal is subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Act.

2. Reason and Purpose for Disposal

The Company announced introducing the Plan, then it was resolved at the 101st Annual General Meeting of shareholders held on June 21st, 2024. (For detail of the Plan, please refer to "Notice on the Introduction of a Performance-linked Share-based Remuneration Scheme" announced on May 20th, 2024).

The Disposal is a 3rd-party allotment of treasury stocks to the Trust Account E to be established at Japan Custody Bank, Ltd. (a re-trustee to receive the re-trust from Mizuho Trust & Banking Co., Ltd., the trustee of the trust (hereinafter referred to as "the Trust") established under the trust agreement to be concluded with Mizuho Trust & Banking Co Ltd in relation to the Plan) to hold and/or dispose of the Company's shares in the operation of the Plan.

The quantity to be disposed of is equivalent to the number of shares that are expected to be transferred to the plan's beneficiaries during the trust period (three (3) consecutive fiscal years starting from a fiscal year ending March, 2025 to a fiscal year ending March, 2027) in accordance with the Regulations Governing Share Benefits for Officers established by the Company, which is 0.48% of the total number of shares outstanding (42,104,381 shares) as at March 31st 2024, and is 0.50% of the total number of voting rights as at March 31st 2024 (403,258 voting rights) (all rounded to two decimal places).

TOKYO SEIMITSU CO., LTD.

2968-2 Ishikawa machi, Hachioji City

Tokyo 192-8515 Japan

Tel: +81-(0)42-642-1701

3. Outline of the Trust

- (1) Name: Board Benefit Trust (BBT)
- (2) Trustor: The Company
- (3) Trustee: Mizuho Trust & Banking Co., Ltd.
(re-trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries: Eligible personnel those who satisfy the requirements for beneficiaries as stipulated in the Regulations Governing Share Benefits for Officers
- (5) Trust administrator: A third party with no vested interest in the Company
- (6) Type of the Trust: Cash in trust other than a cash trust (non-grantor trust)
- (7) Date on which the Trust agreement is to be concluded: September 27th, 2024
- (8) Date on which cash is to be placed in trust: September 27th, 2024
- (9) Trust term: From September 27th, 2024 until the termination of the trust
(No termination date has been specified; the Trust shall remain in effect as long as the Scheme continues)

4. Basis of Calculation and Specific Details of Disposal Value

The disposal price was set at 6,906 Japanese Yen, which is the closing price on the business day immediately preceding the date of the Board of Directors' resolution about the Disposal the a meeting of its Board of Directors.

The closing price on the business day immediately preceding the date of the Board of Directors' resolution was chosen because it represents the company's appropriate corporate value in the stock market and was deemed reasonable.

The Audit and Supervisory Committee of the Company has expressed its opinion that the above disposal price does not constitute a particularly favorable disposal price.

5. Matters Relating to Procedures for the Corporate Code of Conduct

As the Disposal (i) has a dilution ratio of less than 25% and (ii) does not involve a change in the controlling shareholder, it is not necessary to obtain an opinion from an independent 3rd party or to confirm the intent of shareholders as required by Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

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