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July 18, 2025

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Representative: Hidetoshi Horiuchi, President, Executive
President, Representative Director
(Securities Code: 4093, Tokyo Stock Exchange Prime Market)
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Notice Concerning the Disposal of Treasury Shares Under Restricted Stock Compensation Plan

Toho Acetylene Co., Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors of the Company held today, it resolved to dispose of its treasury shares under its restricted stock compensation plan (the "Disposal of Treasury Shares)." The details are as follows:

1. Outline of Disposal

(1)	Payment date	August 4, 2025
(2)	Class and number of shares to be disposed of	19,000 shares of the Company's common shares
(3)	Disposal price	351yen per share
(4)	Total value of the disposal	6,669,000 yen
(5)	Recipients of the treasury shares to be disposed of	Directors of the Company (*) 3 at 14,600 shares Senior Vice President of the Company 2 at 4,400 shares *Excluding Outside Directors

2. Purposes and Reasons of the Disposal

At the 86th Annual General Meeting of Shareholders held on June 29, 2020, the Company approved the introduction of a stock based compensation plan in which restricted stock are delivered to Directors of the Company (excluding Outside Directors) (hereinafter, the "Plan"). At the same meeting, the Company also set, among other matters, the total amount of monetary compensation claims to be paid as compensation to Directors of the Company (excluding Outside Directors) in the form of restricted stock under the Plan to a maximum value of 16,000 thousand yen per fiscal year, the total number of such restricted stock to be allocated to Directors of the Company (excluding Outside Directors) within each fiscal year to 66,000 shares, and the transfer restriction period for the restricted stock to the date on which the restricted stock are delivered until the date on which the Director, Senior Vice President, or employee of the Company resigns or retires from their respective positions within the Company. The purpose of this was to ensure that Directors of the Company (excluding Outside Directors) will be able to better share the benefits and risks of fluctuations in the prices of the Company's stock price with the shareholders of the Company while

also further increasing their willingness to contribute to rises in the stock price and corporate value.

At a meeting of the Board of Directors held today, the Company resolved to pay monetary compensation claims totaling 6,669,000 yen to three recipient Directors (excluding Outside Directors) and two recipient Senior Vice Presidents of the Company (hereinafter, the "Allottees") under the Restricted Stock Compensation Plan for the period covering the 91st Annual General Meeting of Shareholders until the 92nd Annual General Meeting of Shareholders, which is scheduled to be held in June 2026. Under this, a total of 19,000 of the common shares of the Company shall be allotted as specific restricted stock by means of the Allottees providing all of said monetary compensation claims as contributions in kind. The amount of monetary compensation claims for each Allottee shall be determined upon comprehensive consideration of a range of factors, including the Allottee's level of contribution to the Company. The said monetary compensation claims shall be paid on the condition that the respective Allottee concludes a Restricted Stock Allotment Agreement (hereinafter, "Allotment Agreement"), which generally includes the details below, with the Company.

3. Outline of Allotment Agreement

(1) Transfer Restriction Period

From August 4, 2025 to the date in which the Director, Senior Vice President, or employee of the Company resigns or retires from their respective positions within the Company

During the above transfer restriction period (hereinafter, the "Transfer Restriction Period"), the Allottees may not transfer to a third party, create any security interest on, gift inter vivos, bequest, or otherwise dispose of (hereinafter, the "Transfer Restrictions") the restricted stock allocated to the said Allottees (hereinafter, the "Allotted Stock").

(2) Gratis acquisition of restricted stock

If an Allottee resigns from his/her position as either a Director or Senior Vice President of the Company on the day preceding the date on which the first Annual General Meeting of Shareholders following the date of commencement of the Transfer Restriction Period is held, or a day prior to the same, the Company may naturally acquire at no cost the Allotted Stock at the point of the said resignation except where there is a reason deemed justifiable by the Board of Directors of the Company.

In the event that the Transfer Restrictions have not been removed pursuant to the reasons for removal of transfer restrictions set out in (3) below at the time of the expiration of the Transfer Restriction Period (hereinafter, the "Expiration of the Transfer Restriction Period"), the Company shall naturally acquire the said Allotted Stock immediately after the Expiration of the Transfer Restriction Period.

(3) Removal of Transfer Restrictions

The Company shall remove the Transfer Restrictions on all Allotted Shares held by Allottees as of the Expiration of the Transfer Restriction Period on the condition that the said Allottee remains in his/her respective position as a Director or Senior Vice President of the Company until the date of the first Annual General Meeting of Shareholders of the Company is held following the commencement of the Transfer Restriction Period. However, in the event that an Allottee resigns from his/her respective position as a Director or Senior Vice President of the Company on the day prior to the date on which the first Annual General Meeting of Shareholders of the Company is held following the commencement of the Transfer Restriction Period, or a day prior to the same, for a reason deemed justifiable by the Board of Directors of the Company, the

Company shall, immediately after the resignation or retirement of the Allottee from his/her respective position as a Director, Senior Vice President, or employee of the Company, remove the Transfer Restriction Period for a number of Allotted Shares calculated by first dividing the number of months between July 2025 and the month during which the said Allottee resigns from his/her position as a Director or Senior Vice President of the Company by 12, and then multiplying that number by the number of Allotted Shares held by the said Allottee as of that point in time (any fractional shares resulting from this calculation shall be rounded down).

(4) Provisions regarding share management

The Allottees shall open an account with SMBC Nikko Securities Inc. by the means stipulated by the Company, into which the Allotted Shares shall be documented or recorded. The Allotted Shares shall be held and maintained in the said account until the Transfer Restrictions are removed.

(5) Treatment in event of reorganization

During the Transfer Restriction Period, if a proposal regarding a merger agreement in which the Company would be the disappearing company, or a share exchange agreement or share transfer plan in which the Company would become a wholly-owned subsidiary of another company, or other matters concerning reorganization, etc., has been approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if approval for the said reorganization, etc., at the General Meeting of Shareholders is not required) (only when the effective date of the said reorganization, etc., is on a date earlier than the Expiration of the Transfer Restriction Period; hereinafter, the "Approval Date of the Reorganization") and an Allottee resigns or retires from his/her position as a Director, Senior Vice President, or employee of the Company in conjunction with the said reorganization, etc., the Company shall remove the Transfer Restrictions on the Allotted Shares calculated by first dividing the number of months between July 2025 and the month in which the said approval takes place by 12 (if, as a result of this calculation, the result is greater than 1, it shall be treated as 1), and then multiplying that number by the number of shares held by the said Allottee on the Approval Date of the Reorganization (any fractional shares less than 1 resulting from this calculation shall be rounded down) immediately prior to the business day prior to the effective date of the said reorganization.

Further, on the Approval Date of the Reorganization, the Company shall acquire at no costs all Allotted Shares for which the Transfer Restrictions have not been removed as of the business day prior to the effective date of the said reorganization.

4. Basis for calculating the amount to be paid for each share and other specific details

To avoid issuing the shares based on arbitrary decisions on price, the closing price of the common shares of the Company on the Prime Market of the Tokyo Stock Exchange of 351 yen on July 17, 2025 (the business day immediately prior to the resolution date of the Board of Directors of the Company), shall be taken to be the disposal price of the Treasury Shares. Since this was the market price immediately before the date of the resolution of the Board of Directors of the Company, it is believed to be reasonable and not to be particularly advantageous.