July 17, 2026

Company name: Toho Acetylene Co., Ltd.
Representative: Hidetoshi Horiuchi, President, Executive President, Representative Director
(Securities code: 4093, Tokyo Stock Exchange Standard Market)
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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

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 as restricted stock compensation (the "Disposal of Treasury Shares"). The details are as follows.

1. Outline of Disposal

(1)	Payment date	August 3, 2026
(2)	Class and number of shares to be disposed of	16,300 shares of the Company's common stock
(3)	Disposal price	423 yen per share
(4)	Total value of the disposal	6,894,900 yen
(5)	Recipients of the treasury shares to be disposed of	3 Directors* of the Company, 12,700 shares 2 Senior Vice Presidents of the Company, 3,600 shares *Excluding Outside Directors

2. Purpose and Reason for Disposal

At the 86th Annual General Meeting of Shareholders held on June 29, 2020, the Company received approval of the introduction of a stock-based compensation plan in which restricted shares are delivered to Directors of the Company (excluding Outside Directors) (hereinafter, the "Plan"). At the same meeting, among other matters, the Company also received approval to set 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 shares 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 from the date on which the restricted shares are delivered to the date on which the holder ceases to hold any position as Director, Senior Vice President, or employee of the Company by reason of resignation or retirement. The purpose of this was to have Directors (excluding Outside Directors) share the benefits and risks of stock price fluctuations with the Company's shareholders and further strengthen their motivation to contribute to stock price appreciation and the enhancement of corporate value.

At a meeting of the Board of Directors held today, the Company resolved to allot a total of 16,300 shares of the Company's common stock as specific restricted stock by means of paying monetary compensation claims totaling 6,894,900 yen to three recipient Directors (excluding Outside Directors) and two recipient Senior Vice Presidents of the Company (hereinafter, the "Allottees"), who are scheduled to receive the allocation, as the stock-based compensation with transfer restrictions for the period from the Company's 92nd Annual General Meeting of Shareholders to the Company's 93rd Annual General Meeting of Shareholders, scheduled to be held in June 2027, and the Allottees' providing the said monetary contribution claims as contributions in kind. Please note that the amount of the monetary compensation claim for each Allottee is determined after comprehensively considering various factors, including the extent of each Allottee's contribution to the Company. Furthermore, the said monetary compensation claims shall be paid on the condition that the respective Allottees enter into a restricted stock allotment agreement with the Company (hereinafter, the "Allotment Agreement"), which generally includes the details below.

3. Outline of Allotment Agreement

(1) Transfer Restriction Period

From August 3, 2026 to the date on which an Allottee ceases to hold any position as Director, Senior Vice President, or employee of the Company by reason of resignation or retirement

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

(2) Gratis Acquisition of Restricted Stock

If an Allottee ceases to hold any position as Director or Senior Vice President of the Company by reason of resignation on or before 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, the Company shall naturally acquire at no cost the Allotted Shares at the point of the said resignation unless there are grounds 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 at no cost the said Allotted Shares immediately after the Expiration of the Transfer Restriction Period.

(3) Removal of Transfer Restrictions

The Company shall remove the Transfer Restrictions on all of the Allotted Shares held by the Allottee as of the Expiration of the Transfer Restriction Period, on the condition that the said Allottee has continuously held the position of either Director or Senior Vice President of the Company from the commencement of the Transfer Restriction Period until the date of the first Annual General Meeting of Shareholders of the Company following such commencement date. However, in the event that an Allottee resigns from all positions as Director or Senior Vice President of the Company on or before 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, 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 all positions as Director, Senior Vice President, or employee of the Company, remove the Transfer Restrictions for a number of the Allotted Shares calculated by first dividing the number of months from July 2026 through the month in which the said Allottee resigns from all positions as Director or Senior Vice President of the Company by 12, and then multiplying this number by the number of the Allotted Shares held by the said Allottee as of the point in time (any fractional shares less than 1 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 the Event of Reorganization

During the Transfer Restriction Period, if a proposal regarding a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan in which the Company becomes 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 reorganization, etc., at the General Meeting of Shareholders is not required) (only when the effective date of the 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 all positions as 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 from July 2026 through the month in which the said approval takes place by 12 (if the result is greater than 1 as a result of this calculation, it shall be treated as 1), and then multiplying this number by the number of shares held by the said Allottee on the Approval Date of 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, based on a resolution of the Board of Directors.

Further, on the Approval Date of the Reorganization, the Company shall naturally acquire at no cost 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 eliminate arbitrariness in determining the disposal price for the Disposal of Treasury Shares, the Company has set the disposal price at 423 yen, which was the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution of the Board of Directors of the Company (July 16, 2026). 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 particularly advantageous.