

June 26, 2025

To Whom It May Concern:

Company: Topcon Corporation
Representative: President and CEO, Takashi Eto
(Code No.: 7732 TSE Prime Market)
Inquiry: Director & Senior Managing Executive Officer,
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Notice of Issuance of New Shares as Restricted Stock Compensation

Topcon Corporation (hereinafter referred to as the “Company”) hereby announces that the Board of Directors resolved at its meeting held today to issue new shares (hereinafter the “New Share Issuance” or “Issuance”) as follows.

1. Summary of Issuance of New Shares

(1)	Payment date	July 25, 2025
(2)	Class and number of shares to be issued	57,400 shares of Common stock of the Company
(3)	Issue price	3,264 yen per share
(4)	Total amount of Issuance	187,353,600 yen
(5)	Allottees, number of allottees, and the number of shares to be allotted	5 Directors of the Company (excluding outside directors): 43,400 shares 5 Executive Officers who do not concurrently serve as Directors of the Company: 14,000 shares
(6)	Other	An Extraordinary Report under the Financial Instruments and Exchange Act has been filed with respect to the Issuance.

2. Objectives and reasons

The Company resolved at its Board of Directors’ meeting held on May 26, 2022, to introduce a new compensation plan that grants restricted stock compensation (hereinafter the “Plan”) to the Company’s Directors (excluding outside directors; hereinafter “Eligible Directors”) and Executive Officers who do not concurrently serve as Directors (hereinafter “Eligible Executive Officers,” and together with the Eligible Directors, the “Eligible Directors, etc.”). The purpose is to provide the Eligible Directors, etc. with incentives aimed at sustainably increasing the Company’s corporate value and to further promote shared value with shareholders. Subsequently, at the 129th Ordinary General Meeting of Shareholders held on June 28, 2022, it was approved that the Company may grant monetary compensation claims for the purpose of making an in-kind investment for the acquisition of restricted stock (hereinafter “Restricted Stock Compensation”), up to JPY 200 million per year to Eligible Directors, issue or dispose of up to 100,000 shares of the Company’s common stock per year, and that the restriction period for the transfer of the restricted stock shall be from the date of allotment of the Company’s common stock until the time immediately after the Eligible Directors, etc. resign from positions as the officers/employees of the Company or its subsidiaries as determined by the Board of Directors of the Company.

Below is an overview of the Plan, among other details.

【Overview of the Plan】

Under the Plan, the Eligible Directors, etc. will make an in-kind contribution of all of the monetary compensation claims granted by the Company and receive shares of the Company’s common stock to be issued or disposed of. The per-share payment amount will be determined by the Board of Directors based

on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding each Board of Directors' resolution date (or, if no trading is executed on that day, the closing price on the immediately preceding trading day) so that it will not be a particularly advantageous price for the Eligible Directors, etc. receiving such shares.

In addition, in issuing or disposing of common stock under the Plan, the Company will enter into a restricted stock allotment agreement with the Eligible Directors, etc., the contents of which will include: (1) for a certain period of time, the Eligible Directors, etc. are prohibited from transferring, pledging, or otherwise disposing of the Company's common stock allotted under the restricted stock allotment agreement; and (2) if certain events occur, the Company will acquire the relevant shares of common stock without consideration.

After deliberation by the Nominating and Compensation Committee, and in consideration of the Plan's objectives, the Company's operating performance, the scope of responsibilities of each Eligible Director, etc., and various other factors, it was determined that the total amount of monetary compensation claims to be granted will be 187,353,600 yen (hereinafter the "Monetary Compensation Claims"), and that 57,400 shares of common stock will be granted to further enhance the motivation of each Eligible Director, etc.

Under the New Share Issuance, 10 Eligible Directors, etc. to whom shares will be allotted will make an in-kind contribution of all of the Monetary Compensation Claims to the Company, and receive the issuance of the Company's common stock (hereinafter "Allotted Shares"). An overview of the restricted stock allotment agreement (hereinafter the "Allotment Agreement") to be concluded between the Company and the Eligible Directors, etc. is described in Section 3 below.

3. Summary of the Allotment Agreement

(1) Period of the transfer restriction

The period of the transfer restriction shall be from July 25, 2025 (hereinafter the "Payment Date") until the time immediately after the Eligible Director resigns from all positions as Director, Executive Officer and equivalent positions of the Company (excluding cases of reappointment concurrently with resignation; the same applies hereinafter).

(2) Conditions lifting the transfer restriction

The transfer restrictions on all of the Allotted Shares shall be lifted upon the expiration of the restriction period, provided that, the Eligible Director (or, in the case of an eligible Executive Officer, the same shall apply mutatis mutandis) continuously holds a position as either Director or Executive Officer of the Company throughout the service period, which is defined as the period from the conclusion of the Company's Ordinary General Meeting of Shareholders immediately prior to the Payment Date, until immediately before the conclusion of the next Ordinary General Meeting of Shareholders thereafter (in the case of an Eligible Executive Officer, the period is read as from the first day to the last day of the business year of the Company to which the Payment Date belongs; the same applies hereinafter) (hereinafter, the "Service Provision Period").

However, if the Eligible Director resigns from both positions as Director and Executive Officer of the Company before the end of the Service Provision Period, or if he or she falls under certain grounds stipulated in the Allotment Agreement (such as resignation due to reasons other than expiration of term of office, mandatory retirement age, death, or other legitimate grounds recognized by the Company, either during the restriction period or at the expiry thereof), the Company shall automatically acquire all of the Allotted Shares without compensation. In addition, any Allotted Shares that have not been lifted upon the expiration of the restriction period or at the time of the above-mentioned lifting of transfer restrictions shall be automatically acquired by the Company without compensation.

(3) Treatment in the Event of Organizational Restructuring, etc

If, during the restriction period, a matter relating to a merger contract under which the Company will be dissolved, a share exchange contract or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring, etc. is approved at the General Meeting of Shareholders of the Company (or by the Board of Directors in cases where such approval by the Company's shareholders is not required), the transfer restrictions shall be lifted immediately prior to the last business day before the effective date of such reorganization, by a resolution of the Board of Directors, for a number of shares calculated by multiplying the number of Allotted Shares held at that time by a fraction equal to the number of months from the month including the Payment Date to the month including the approval date, divided by 12 (rounded down to the nearest whole share, and capped at 1). The Company shall automatically acquire without compensation all of the Allotted Shares for which the transfer restrictions are not lifted immediately after such time.

(4) Management of Shares

In order to ensure that the Allotted Shares are not transferred, pledged, or otherwise disposed of during the restriction period, the shares will be managed in a dedicated account opened by the Eligible Director with Nomura Securities Co., Ltd. The Company has entered into an agreement with Nomura Securities Co., Ltd. with respect to the management of these accounts to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares, and the Eligible Director shall consent to the management of such account.

4. Basis of calculation and specific details for the payment amount

The New Share Issuance to be allotted to the intended allottees is carried out by way of an in-kind contribution of the monetary compensation claims under the Plan that were granted as restricted stock compensation for the 132nd fiscal year of the Company. To eliminate arbitrariness in determining the issue price, the Company has set the price at JPY 3,264, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 25, 2025 (the business day preceding the date of the Board of Directors' resolution). This is the market price immediately prior to the resolution of the Board of Directors, and the Company believes it is both reasonable and not a particularly advantageous price.