



To: all concerned parties

July 24, 2025

Company name: Toho Gas Co., Ltd.
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 (Securities code: 9533;
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Notice of Disposal of Treasury Stock as Restricted Stock Compensation

Toho Gas Co., Ltd. hereby announces, as resolved by the Board of Directors in a written resolution pursuant to Article 370 of the Companies Act, the disposal of its treasury shares as restricted stock compensation (hereafter, "this Disposition of Treasury Shares"), as detailed below.

1. Outline of the Disposal

(1) Payment date	August 22, 2025
(2) Class and number of shares to be disposed	23,740 shares of the common stock of the Company
(3) Disposal price	4,254 yen per share
(4) Total value of shares to be disposed	100,989,960 yen
(5) Planned recipients of disposal	Directors of the Company(※1): 6persons, 10,860 shares Executive Officer of the Company(※2): 13persons, 12,880 shares (※1) Excluding Outside Directors. (※2) Excluding Director and Executive Officers.

2. Purpose and Reasons for the Disposal

At the 150th Ordinary General Meeting of Shareholders held on June 28, 2021, the company approved the introduction of a stock compensation plan (the "Plan") for the directors (excluding outside directors; hereinafter, "Eligible Directors"). The Plan aims to further align their value with shareholders and enhance their motivation to contribute to the mid- to long-term improvement of the corporate value. Under this Plan, the total monetary compensation claims to be paid as restricted stock compensation to Eligible Directors are capped at ¥50 million annually. The total number of restricted shares to be allotted to Eligible Directors will not exceed 11,000 shares annually. Furthermore, the transfer restriction period for these restricted shares will run from the grant date until the date on which the Eligible Director resigns from all positions as a director and executive officer of the company.

Additionally, under the Plan, effective April 1, 2022, restricted stock compensation similar to that provided to Eligible Directors will also be granted to executive officers who do not concurrently serve as directors of the company (hereinafter, "Eligible Executive Officers," and Eligible Directors and Eligible Executive Officers are collectively referred to as "Allottees").

Today, the Board of Directors resolved to allot a total of 100,989,960yen in monetary compensation claims to the Allottees (i.e., the prospective allottees). This compensation is for restricted stock for Eligible Directors for the period from the 154th Ordinary General Meeting of Shareholders until the 155th Ordinary General Meeting of Shareholders scheduled for June 2026, and for

Eligible Executive Officers for the 155th business year (April 1, 2025 – March 31, 2026). The Allottees will then contribute the entirety of these monetary compensation claims in kind to acquire 23,740 shares of the common stock as specific restricted shares. The amount of monetary compensation claims for each Allottee has been determined based on a comprehensive consideration of various factors, including their contribution to the company. Furthermore, these monetary compensation claims will be granted on the condition that each Allottee enters into a restricted stock allotment agreement (the "Allotment Agreement") with the company, which will substantially include the following provisions.

3. Outline of the Allotment Agreement

① Transfer Restriction Period

The period will be from August 22, 2025, until the date on which the Allottee resigns from all positions as a director and executive officer of the company.

During the transfer restriction period defined above (the "Transfer Restriction Period"), the Allottee may not transfer, pledge, assign as collateral, make a lifetime gift, bequeath, or otherwise dispose of any of the restricted shares allotted to them (the "Allotted Shares") to any third party (the "Transfer Restriction").

② Gratis acquisition of the Allocated Shares by the Company

If an Allottee resigns from any position as a director or executive officer of the company by the day immediately preceding the date of the first Ordinary General Meeting of Shareholders to be held after the commencement date of the Transfer Restriction Period (or, in the case of an Eligible Executive Officer, by the day immediately preceding the end of the first fiscal year after the commencement date of the Transfer Restriction Period), the company shall, unless there is a reason deemed legitimate by the Board of Directors, automatically acquire the Allotted Shares without consideration as of the time of such resignation.

Furthermore, if any of the Allotted Shares remain subject to the Transfer Restriction at the expiration of the Transfer Restriction Period (hereinafter, "Expiration Time") based on the provisions for lifting the Transfer Restrictions as stipulated in ③ below, the company shall automatically acquire such shares without consideration immediately after the Expiration Time.

③ Lifting of the Transfer Restrictions

Provided that the Allottee has continuously held a position as a director or executive officer of the company from the commencement date of the Transfer Restriction Period until the date of the first Ordinary General Meeting of Shareholders to be held thereafter (or, in the case of an Eligible Executive Officer, until the end of the first fiscal year after the commencement date of the Transfer Restriction Period), the company will lift the Transfer Restrictions on all Allotted Shares held by the Allottee at the Expiration Time.

However, if an Allottee resigns from any position as a director or executive officer of the company by the day immediately preceding the first Ordinary General Meeting of Shareholders to be held after the commencement date of the Transfer Restriction Period (or, in the case of an Eligible Executive Officer, by the day immediately preceding the end of the first fiscal year after the commencement date of the Transfer Restriction Period) due to a reason deemed legitimate by the Board of Directors, the Transfer Restriction on a number of Allotted Shares will be lifted immediately after such resignation. This number will be calculated by multiplying the number of Allotted Shares held by the Allottee at that time by a fraction, where the numerator is the number of months from July 2025 (or April 2025, in the case of an Eligible Executive Officer) up to and including the month in which the Allottee resigned from all positions as a director and executive officer, and the denominator is 12 (any fraction of a share resulting from this calculation will be rounded down).

④ Management of shares

The Allottee shall complete the opening of an account for recording the Allotted Shares at SMBC Nikko Securities Inc. in a method designated by the company, and shall hold and maintain the Allotted Shares in said account until the Transfer Restrictions are lifted.

⑤ Treatment during reorganization, etc.

In the event that the company's Board of Directors (or, if approval by shareholders' meeting is not required for such corporate reorganization, the Board of Directors) approves a merger agreement where the company is the disappearing company, a share exchange agreement or share transfer plan where the company becomes a wholly-owned subsidiary, or any other proposal related to corporate reorganization (limited to cases where the effective date of such corporate reorganization precedes the Expiration Time; hereinafter, "Time of Corporate Reorganization Approval"), and if, as a result of such corporate reorganization, the Allottee is to resign from any position as a director or executive officer of the company, then by a resolution of the Board of Directors, the Transfer Restrictions on a number of Allotted Shares will be lifted immediately prior to the business day preceding the effective date of such corporate reorganization. This number will be calculated by multiplying the number of Allotted Shares held by the Allottee on the date of such approval by a fraction, where the numerator is the number of months from July 2025 (or April 2025, in the case of an Eligible Executive Officer) up to and including the month in which such approval occurred, and the denominator is 12 (if the result of the calculation exceeds 1, it shall be capped at 1; any fraction of a share resulting from this calculation will be rounded down).

Furthermore, at the Time of Corporate Reorganization Approval, the company shall automatically acquire without consideration all Allotted Shares for which the Transfer Restriction has not been lifted as of the business day preceding the effective date of such corporate reorganization.

4. Basis of Calculation and Specific Details for the Payment Amount

The disposition price for this Disposition of Treasury Shares is set at 4,254yen, which is the closing price of the common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution (July 23, 2025). This price was chosen to eliminate arbitrariness and represents the market price immediately prior to the Board of Directors' resolution date. The company considers that the value is reasonable and not particularly favorable.