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July 25, 2025

To whom it may concern,

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Notice Concerning the Introduction of a Restricted Stock Compensation Plan for Executive Officers and the Disposal of Treasury Shares as Restricted Stock Compensation for Directors and Executive Officers

TAYCA CORPORATION (the "Company") hereby announces that, at the Board of Directors meeting held on July 25, 2025, (the "Allotment Resolution Date") it resolved to introduce a restricted stock compensation plan for executive officers (excluding those concurrently serving as directors, the "Eligible Executive Officers"), and the disposal of treasury shares as restricted stock compensation (the "Disposal of Treasury Shares" or "Disposal") for Directors and Executive Officers.

I Introduction of the Restricted Stock Compensation Plan for Eligible Executive Officers

At the Board of Directors meeting held on May 10, 2023, the Company resolved to implement a restricted stock compensation plan (the "Plan") for the Company's directors (excluding those who are Audit & Supervisory Committee members and outside directors, the "Eligible Directors"), with the purpose of incentivizing them to continuously improve corporate value and promote value sharing with shareholders. At the 157th Ordinary General Meeting of Shareholders held on June 27, 2023, the Company received approval for the payment of monetary claims of up to 30 million yen and the issuance or disposal of up to 25,000 shares of common shares per year to Eligible Directors as compensation to be used as contributions for the acquisition of restricted stock under the Plan ("Compensation with Restricted Stock"). The Company has also obtained the approvals of the Transfer Restriction Period of the restricted stock shall be from the date of allotment of the Company's common shares under the restricted stock allotment agreement to be executed between the Company and the Eligible Director until the time immediately following the retirement or resignation from their position of director or employee of the Company or its subsidiary, as predetermined by the Company's Board of Directors, along with other conditions.

Additionally, the Company has implemented a restricted stock compensation plan for its Eligible Executive Officers that is similar to the existing Plan. This initiative aims to incentivize them to continually enhance corporate value while fostering greater value sharing with shareholders.

II Disposal of Treasury Shares as Restricted Stock Compensation for Eligible Directors and Eligible Executive Officers

1. Overview of disposal

(1) Date of disposal	August 21, 2025		
(2) Class and number of shares to be disposed of	The Company's common shares 12,881 shares		
(3) Disposal price	1,308 yen per share		
(4) Total disposal amount	16,848,348 yen		
(5) The number of allottees and the number of shares to be disposed of	four (4) Eligible Directors	9,951 shares	
	seven (7) Eligible Executive Officers	2,930 shares	

2. Purpose and reason for disposal

As outlined in "I. Introduction of the Restricted Stock Compensation Plan for Eligible Executive Officers" above, the Company has implemented a restricted stock compensation plan as a compensation mechanism for its Eligible Directors and Eligible Executive Officers, providing an incentive to drive continuous improvement in corporate value while sharing value with shareholders.

The overview of the Plan is as follows.

[Overview of the Plan]

Eligible Directors will pay all monetary claims paid by the Company under the Plan in the form of contributions in kind and will receive issued or disposed common shares of the Company. The amount to be paid per share shall be determined at the Board of Directors meeting, based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately before the each resolution at the Board of Directors meeting (or the closing price of the immediately preceding trading day if no trading occurs on that date), ensuring that such amount is not disproportionately favorable to the Eligible Directors accepting the common shares.

Upon the issuance or disposal of common shares of the Company under the Plan, the Company shall enter into a restricted share allotment agreement with the Eligible Directors and the Eligible Executive Officers. The agreement shall stipulate that (i) Eligible Directors and Eligible Executive Officers are not permitted to transfer to a third party, pledge, or otherwise dispose of the common shares awarded to them under the restricted stock allocation agreement for a designated period, and (ii) the Company shall acquire those common shares without providing any compensation upon the occurrence of a particular event.

After consulting with the Nomination and Remuneration Committee and considering the purpose of the Plan, the Company's business conditions, and the scope of responsibilities of each Eligible Director and Eligible Executive Officer, the Company decided to grant a total monetary claim of 16,848,348 yen (the "Monetary Claim") and 12,881 shares of common stock to boost their motivation further.

In the Disposal of Treasury Shares, four (4) Eligible Directors and seven (7) Eligible Executive Officers (collectively, the "Eligible Officers"), who are the scheduled allottees under the Plan, will pay all the Monetary Claims against the Company as contributions in kind, and will receive the disposed shares of the Company's common stock (the "Allotted Shares"). The restricted stock allotment agreement (the "Allotment Agreement"), which will be signed by the Company and the Eligible Officers in connection with the Disposal of Treasury Shares, is outlined in "3. The Overview of the Allotment Agreement" below.

3. Overview of the Allocation Agreement

(1) Transfer Restriction Period

From August 21, 2025, until just after they retire from the positions of Director or Executive Officer of the Company.

(2) Conditions for canceling transfer restrictions

The Company shall lift the transfer restriction on all Allotted Shares once the Transfer Restriction Period ends, provided that the Eligible Officers remain in their roles as directors or executive officer of the Company from the start of their duties until the time immediately before the conclusion of the first Ordinary General Meeting of Shareholders that follows (the "Service Provision Period").

(3) Handling a situation in which an Eligible Officer resigns during the Service Provision Period due to the expiration of their term of office or other justifiable reasons

(i) Timing of canceling transfer restrictions

If an Eligible Officer resigns from their position as a director or executive officer of the Company due to the expiration of their term of office or for other justifiable reasons (including resignation due to death), the transfer restriction shall be lifted immediately following their retirement.

(ii) Number of shares subject to cancellation of transfer restrictions

The number of shares will be calculated by multiplying the number of Allotted Shares held at the time of such retirement, as specified in (i) above, by the number of months from the month of the Allotment Resolution Date to the month of the date of the Eligible Officer's retirement, divided by 12, which represents the number of months in the Service Period (if the number of months calculated exceeds one, it will be rounded down to one. Any fraction of a share resulting from this calculation will be rounded down to the nearest whole share).

(4) Acquisition of shares by the Company free of charge

If an Eligible Officer violates any laws or regulations during the Transfer Restriction Period or falls under any other conditions specified in the Allotment Agreement, the Company will automatically acquire all Allotted Shares held by the Eligible Officer at that time without any payment. Additionally, the Company shall automatically acquire the Allotted Shares without compensation upon the expiration of the Transfer Restriction Period or when the transfer restriction specified in (3) above is canceled, provided that the restrictions are not lifted.

(5) Treatment in reorganization, etc.

During the Transfer Restriction Period, if a merger agreement under which the Company becomes the dissolved Company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other matters related to organizational restructuring, etc. are approved at a General Meeting of Shareholders of the Company (however, in cases where the organizational restructuring, etc. does not require approval by a shareholders meeting of the Company, approval by the Board of Directors of the Company), the number of the Allotted Shares held as of such time will be multiplied by the number of months from the month of the Allotment Resolution Date to the month of the date of such approval, divided by 12, which represents the number of months in the Service Period (if the number of months calculated exceeds one, it will be rounded down to one. Any fraction of a share resulting from this calculation will be rounded down to the nearest whole share). The restriction on such shares will be lifted immediately before the business day preceding the effective date of the organizational restructuring, etc., by a resolution of the Board of Directors. Additionally, immediately after the transfer restriction is lifted, the Company will automatically acquire all of the Allotted Shares for which the transfer restriction has not been lifted at no cost.

(6) Management of shares

During the Restricted Transfer Period, the Allotted Shares will be managed in a dedicated account at Nomura Securities Co., Ltd., which the Eligible Officers opened to ensure that the shares cannot be transferred, pledged as collateral, or otherwise disposed of during the period. To ensure the effectiveness of the restrictions on the transfer of the Allotted Shares, etc., the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of accounts for the Allotted Shares held by each Eligible Officer. Eligible Officers shall consent to the details of the management of relevant accounts.

4. Basis of calculation and specific details of the amount to be paid in

The Disposal of Treasury Shares to the scheduled allottees is to be conducted with the monetary claims paid as restricted stock compensation for the Company's 160th fiscal year under the Plan as contributions. To eliminate any arbitrariness, the disposal price is set at 1,308 yen, reflecting the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on July 24, 2025, the business day prior to the date of resolution at the Board of Directors meeting. This pricing represents the market value immediately before the date of resolution at the Board of Directors meeting, which the Company considers to be reasonable and not disproportionately favorable.