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November 13, 2025

To whom it may concern

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# Notice Concerning Disposal of Treasury Shares as Restricted Shares for Employee Shareholding Association

TOYO KANETSU K.K. (the "Company") hereby announces that, based on a plan to grant restricted shares (hereinafter referred to as the "Plan") through the Toyo Kanetsu Employee Shareholding Association (hereinafter referred to as the "Shareholding Association"), which is the Company's employee shareholding association, the Company resolved at a meeting of its Board of Directors held today to dispose of its treasury shares as restricted shares (hereinafter referred to as the "Disposal of Treasury Shares") to the Shareholding Association as the scheduled allottee, as follows.

## 1. Outline of disposal

(1) Due date of payment	December 1, 2025
(2) Class and number of shares to be disposed of	Company's common shares 16,350 shares
(3) Disposal price	4,600 yen per share However, if the highest of the closing prices of the Company's common stock on the Tokyo Stock Exchange on the trading day immediately preceding any day during the period from the 18th of November 2025 to the 21st of the same month (hereinafter referred to as "closing price on the trading day preceding the date upon which the terms are determined") exceeds 4,600 yen, the disposal price shall be the same amount as the highest of the closing prices on the trading day immediately preceding the date upon which the terms are determined. (Note 1)
(4) Total disposal price	75,210,000 yen (Note 2)
(5) Disposal method	By way of third-party allotment.
(6) Scheduled allottee	Toyo Kanetsu Employee Shareholding Association 16,350 shares

(7) Other matters	As this Disposal of Treasury Shares is subject to a restriction on prohibiting the transfer of shares until the Company's annual securities report pertaining to the fiscal year in which the date on which the scheduled allottee, the Shareholding Association, will receive the shares falls, is submitted, and the total disposal price is less than 100 million yen, neither a securities notice nor an extraordinary report pursuant to the Financial Instruments and Exchange Act has been submitted.
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(Note 1) Method of determining the disposal price for the Disposal of Treasury Shares (purpose of setting a price determination period)

In the case of procuring funds by the third-party allotment method like the Disposal of Treasury Shares, the disposal price is usually determined on the resolution date of the disposal. This time, however, the Company resolved on November 13, 2025, the date of the resolution for the Disposal of Treasury Shares, to split the shares of the Company while publicly announcing the financial results for the second quarter (interim period) of the fiscal year ending March 2026, etc. Therefore, in order to take into account the impact of this announcement on the stock price, and to give consideration to the interests of existing shareholders, on November 21, 2025, the Company will determine the higher amount as the disposal price by comparing 4,600 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange on November 12, 2025, with the highest closing price on the trading day preceding the date upon which the terms are determined, taking into consideration various circumstances, including fluctuations in the stock price. (Note 2) The total actual disposal price will be determined on November 21, 2025.

## 2. Purpose and reason for disposal

The Company resolved at the meeting of the Board of Directors of the Company held on August 8, 2025 to introduce the Plan in order to increase the Company employees' motivation to contribute to the enhancement of corporate value, and to further share value with the Company employees and shareholders by providing the Company employees with the opportunity to acquire the Company's common shares as restricted shares issued or disposed of by the Company through the Shareholding Association, and to encourage further participation in the Shareholding Association and help Company employees build their wealth. Restricted Shares will be granted only to those members of the Shareholding Association who are employees of the Company or the Company's subsidiaries, and who agree to acquire equity interests in the shares allocated to the Shareholding Association, and who are not non-residents of Japan (hereinafter referred to as "Eligible Employees").