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Press Release

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 (Code: 5901, Prime Market of Tokyo Stock Exchange)

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**Disposal of Treasury Shares as Restricted Share Incentives for
 Employee Shareholding Association**

The Board of Directors of Toyo Seikan Group Holdings, Ltd. (the "Company") resolved today to introduce a restricted share incentive plan that grants restricted shares to employees of the Company and its subsidiaries (collectively, the "Group") through the Employee Shareholding Association of Toyo Seikan Group Holdings ("Plan") and to conduct the disposal of treasury shares to be allotted as restricted shares to the association ("Disposal"), as described below.

1. Outline of the Disposal

1) Payment date	May 14, 2026
2) Class and number of shares to be allotted	738,300 common shares of the Company
3) Allotment price	3,830 yen per share
4) Total allotment price	2,827,689,000 yen (the estimated amount as of the date of this press release, calculated by multiplying the number of shares shown in 2) above by the allotment price per share shown in 3) above)
5) Allotment method	Third-party allotment
6) Allottees	Employee Shareholding Association of Toyo Seikan Group Holdings (the "Association"): 738,300 shares
7) Others	The Disposal has been reported in an extraordinary report under the Financial Instruments and Exchange Act.

Note: The Association will, soon after the resolution of the Board of Directors, provide the Group's employees with sufficient time to fully understand the details of the Plan and conduct an enrollment campaign to invite new members. Therefore, the number of shares to be allotted shown above is the estimated maximum number, and the actual number of shares to be allotted will be fixed according to the number of employees who agreed to become a member of the Association and to join the Plan after the above-mentioned period and enrollment campaign.

2. Purpose and background of the Disposal

The Company will establish the Plan in order to motivate the Group's employees to contribute to increasing corporate value, and to encourage further enrollment in the Association. The restricted shares will be given only to, among the Group's employees, members of the Association who have agreed to own interests in the shares allotted to the Association and who do not fall under the category of non-residents in Japan or the category of members suspending the payment of contributions to the Association ("Eligible Employees").

The following is the detailed outline of the Plan.

[Restricted share incentive plan (the Plan)]

Under the Plan, monetary claims as a special incentive to acquire the above-mentioned restricted shares ("Monetary Claims") will be given to Eligible Employees. They will contribute their Monetary Claims to the Association, which will contribute the Monetary Claims to the Company as contribution in kind for restricted common shares to be allotted to the Association through the issuance of new shares or the disposal of treasury shares.

In the issuance or disposal of the Company's common shares for an allotment under the Plan, the allotment price per share is determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the date of the Board of Directors' resolution of the relevant issuance or disposal (or, if there are no transactions in the Company's shares on such business day, on the most recent trading day preceding such business day) to the extent that the price is not particularly favorable to the Association (or to Eligible Employees).

To issue or dispose of its common shares under the Plan, the Company will conclude with the Association a restricted share allotment agreement that includes the following terms: 1) prohibition, for a certain period, of transferring allotted shares to a third party, pledging allotted shares, or any other form of disposal of allotted shares ("Transfer Restrictions"), and 2) provisions that allow the Company to reacquire allotted shares without consideration under certain circumstances. Monetary Claims will be given to Eligible Employees on the condition that the restricted share allotment agreement is concluded between the Company and the Association.

In accordance with the Association's membership rules, the Eligible Employees will not be allowed to withdraw restricted shares that correspond to their interests in the restricted shares allotted to the Association through share issuance or treasury share disposal under the Plan ("Restricted Share Interests") until the Transfer Restrictions are removed.

[Disposal of treasury shares (the Disposal)]

Under the above-mentioned conditions, the Group will grant the Eligible Employees monetary claims totaling 2,827,689,000 yen as a special incentive. The Eligible Employees will contribute their monetary claims to the Association, which will contribute the monetary claims to the Company as contribution in kind. The Company will grant the Association a total of 738,300 common shares of the Company ("Allotted Shares") in exchange for the monetary claims contributed by the Association.

The Disposal is conducted through a third-party allotment in which the Company allots treasury shares to the Association in exchange for the contribution of the monetary claims that the Group grants to the Eligible Employees as a special incentive. The number of shares to be allotted to the Association will be up to 738,300 shares, although the actual number will be fixed later, as described in the note of section 1 (Outline of the Disposal) above.

[Restricted share allotment agreement]

The Company and the Association will enter into a restricted share allotment agreement ("Allotment Agreement"). The outline of the agreement is as follows.

1) Transfer restriction period

The Association shall not transfer or pledge Allotted Shares or perform any other form of disposal of Allotted Shares during the period from May 14, 2026 (the payment date) to June 1, 2029 ("Service Period").

2) Conditions to remove Transfer Restrictions

For Allotted Shares that correspond to the Restricted Share Interest of an Eligible Employee ("Individual Allotted Shares"), the Transfer Restrictions shall be removed on the expiration date of the transfer restriction period on the condition that the Eligible Employee continues membership in the Association throughout the Service Period. The Company shall notify the Association of the removal of Transfer Restrictions and the number of Allotted Shares that are released from the restrictions. The Association shall, in accordance with the Association's membership rules, transfer the Restricted Share Interest (in the Allotted Shares released from the restrictions) of an Eligible Employee satisfying the above-mentioned conditions to an interest in the shares acquired by the Association outside the Plan ("Ordinary Interest").

3) Withdrawal from the Association

If an Eligible Employee withdraws from the Association (i.e. the Eligible Employee loses membership and automatically withdraws from the Association, or the Eligible Employee submits a notice of withdrawal from the Association; the same applies hereinafter.) during the transfer restriction period for any of the reasons specified in the Allotment Agreement, the Transfer Restrictions on the Individual Allotted Shares for the Eligible Employee shall be removed on the first business day of the month that includes the day of settlement on withdrawal for the Eligible Employee. However, if an Eligible Employee withdraws from the Association during the Service Period due to retirement or any other reason specified in the Allotment Agreement, the Transfer Restrictions on all Allotted Shares shall be removed on such business day.

4) Reacquisition by the Company without consideration

The Company shall acquire without consideration the Allotted Shares still under Transfer Restrictions at the expiration of the transfer restriction period or at any other time specified in the Allotment Agreement.

5) Management of shares

To prevent Allotted Shares from being transferred or pledged, or disposed of in any other manner, during the transfer restriction period, the Association shall create a dedicated account for restricted shares at Daiwa Securities Co. Ltd. to manage Allotted Shares during the transfer restriction period. The Association shall also register and manage Restricted Share Interests separately from Ordinary Interests in accordance with the Association's membership rules.

6) Reorganization

In the event that a merger in which the Company is a merged company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter related to reorganization is approved by the Company's general meeting of shareholders (or by the Company's Board of Directors, if the matter does not require approval of

the general meeting of shareholders) during the transfer restriction period, the Transfer Restrictions on all Allotted Shares shall be removed, in accordance with the resolution of the Board of Directors, at the time immediately preceding the business day prior to the effective date of the relevant reorganization.

3. Basis for the determination of the allotment price

The Disposal will be conducted with the funds consisting of Monetary Claims granted to Eligible Employees and then contributed by Eligible Employees to the Association. To avoid arbitrary pricing, the allotment price was determined to be the closing price of the Company's common shares on the Tokyo Stock Exchange on December 18, 2025 (the business day prior to the date of resolution by the Board of Directors), which is 3,830 yen per share. This price, a market price immediately before the date of the Board of Directors' resolution, is deemed to reasonably reflect the company's value and not particularly favorable to the Association, unless there are special circumstances indicating that the price determination cannot be based on the most recent share prices.

The deviations of the above-mentioned closing price, 3,830 yen, from the recent average closing prices of the Company's shares on the Tokyo Stock Exchange are shown below (the percentages are rounded to two decimal places).

Period	Average closing price (rounded down to the nearest yen)	Deviation
1 month (November 19 – December 18, 2025)	3,742 yen	2.34%
3 months (September 19 – December 18, 2025)	3,544 yen	8.06%
6 months (June 19 – December 18, 2025)	3,386 yen	13.10%

Taking into account that the purpose of the Disposal is to introduce the Plan and that the allotment price is the closing price on the business day prior to the date of the Board of Directors' resolution, the four Audit and Supervisory Board Members of the Company (including two outside auditors) expressed their opinion as follows: the process of the Company's determination that the above-mentioned allotment price is not particularly favorable to the allottee (the Association) was reasonable; and such determination was lawful.

4. Matters related to the code of business conduct

Based on the fact that 1) the share dilution is less than 25% and 2) the Disposal involves no changes in controlling shareholders, the Disposal does not need to obtain an opinion from an independent third party or confirm the shareholders' intent as required by Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

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Structure of the restricted share incentive plan (the Plan)

- 1) The Group grants employees who agree to join the Plan monetary claims as a special incentive to acquire the restricted shares under the Plan.
- 2) The employees who agree to join the Plan contribute the granted monetary claims to the Association.
- 3) The Association pays all contributed monetary claims to the Company.
- 4) The Company allots common shares as restricted shares (RS) to the Association (Allotted Shares).
- 5) The Allotted Shares are deposited into a dedicated account created by the Association at Daiwa Securities Co. Ltd. and subject to withdrawal restrictions.
- 6) After the Transfer Restrictions are removed, the Allotted Shares are transferred to the securities account for Ordinary Interests.

