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Listing: TSE Prime
Securities code: 1720
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Notice regarding Disposal of Treasury Shares as Restricted Share Remuneration

TOKYU CONSTRUCTION CO., LTD. (the "Company") hereby announces that it has resolved at a meeting of the Board of Directors held today to dispose of treasury shares (the "Disposal of Treasury Shares" or the "Disposal"). The details are as follows.

1. Overview of the Disposal

(1)	Date of Disposal	July 23, 2026
(2)	Class and number of shares to be disposed of	42,558 shares of common stock of the Company
(3)	Disposal price	1,163 yen per share
(4)	Total disposal price	49,494,954 yen
(5)	Allottees, number thereof, and number of shares to be disposed of	34,048 shares for four (4) Directors (including Directors who are Audit and Supervisory Committee Members and Outside Directors, but excluding Directors not engaging in business execution) 8,510 shares for four (4) Executive Officers who do not concurrently serve as Directors

2. Purpose of and reasons for the Disposal

At the Board of Directors meeting held on May 22, 2026, the Company resolved to introduce a restricted share remuneration plan (the "Plan") as a remuneration plan for Directors (including Directors who are Audit and Supervisory Committee Members and Outside Directors, but excluding Directors not engaging in business execution; hereinafter, referred to as "Eligible Directors") and Executive Officers who do not concurrently serve as Directors (hereinafter, collectively referred to as the "Eligible Directors, etc.") for the purpose of incentivizing Eligible Directors, etc. to sustainably improve corporate value and to further advance the sharing of value with shareholders. At the 23rd Annual General Meeting of Shareholders held on June 24, 2026, the Company obtained approval for the following: The remuneration to be paid to Eligible Directors under the plan shall consist of either (1) the common stock of the Company; or (2) monetary claims in the form of property contributed in kind to be used for the purchase of the common stock of the Company. Under the Plan, the total amount of the Company's common stock or monetary claims to be paid to Eligible Directors shall be up to 60 million yen per year, the total number of the Company's common stock to be issued, or disposed of, to Eligible Directors shall be up to 120,000 shares per year, and a 30-year transfer restriction period shall be established for the restricted shares.

An overview of the Plan is as follows.

[Overview of the Plan]

Under the Plan, the Company shall issue or dispose of the Company's common stock to Eligible Directors, etc. This is carried out either by issuing or disposing of the Company's common stock to Eligible Directors without requiring monetary payment or the provision of property contributed in-kind as remuneration, etc. (hereinafter referred to as "Granting without Consideration"), or by granting monetary claims to Eligible Directors as remuneration, etc., and having them contribute all of said monetary claims as property contributed in kind to receive the issuance or disposal of the Company's common stock (hereinafter referred to as "In-kind Granting"), as well as via In-kind Granting to Eligible Directors, etc. other than Eligible Directors. However, at the issuance or disposal of shares of common stock of the Company under the Plan, the Company and the Eligible Directors, etc. shall enter into a restricted stock allotment agreement, which will include the following provisions: 1) Eligible Directors, etc. shall be prohibited from transferring, creating security interest on, or otherwise disposing of the common stock of the Company allotted under the restricted stock allotment agreement to any third party for a certain period of time; and 2) The Company may acquire the said common stocks without consideration if certain events occur.

In the event that the allocation to the Eligible Directors is to be performed by way of Granting without Consideration, the Eligible Directors shall not be required to make any payment of monetary claims as property contributed in-kind in exchange for the common stock of the Company upon the issuance or disposal of the said common stock of the Company. The value of the Company's common stock on a per-share basis shall be calculated as the amount per share for the said issuance or disposal based on the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day preceding the Board of Directors' resolution date (if shares of the Company are not traded on this date, the closing price on the most recent trading day preceding this date).

In the event that the allocation to the Eligible Directors, etc., is to be performed by way of In-kind Granting, the Eligible Directors, etc. shall pay all monetary claims provided by the Company under the Plan as property contributed-in kind, for which they will receive an issuance or disposal of the common stock of the Company. The amount to be paid per share shall be determined by the Board of Directors based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day preceding the Board of Directors' resolution date (if shares of the Company are not traded on this date, the closing price on the most recent trading day preceding this date) within the limits that ensure that the amount will not be particularly advantageous to the Eligible Directors, etc., that subscribe to the shares.

On this occasion, after considering circumstances, including the purpose of the Plan, financial results of the Company, the scope of responsibilities of the Eligible Directors, etc., and other factors, the Company decided to grant the Eligible Directors, etc. monetary claims totaling 49,494,954 yen (the "Monetary Claims") and 42,558 shares of common stock.

At the Disposal of Treasury Shares, based on the Plan, the eight (8) Eligible Directors, etc. to whom shares will be allotted shall pay in all of the Monetary Claims against the Company as property contributed in kind and receive shares of common stock of the Company (the "Allotted Shares"). An overview of the restricted share allotment agreement (the "Allotment Agreement") to be concluded between the Company and the Eligible Directors, etc. at the Disposal of Treasury Shares is as stated in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

July 23, 2026 (hereinafter, referred to as the "Disposal Date") to July 22, 2056

(2) Conditions for cancellation of the transfer restriction

On condition that the Eligible Director, etc. has continuously held any of the positions of Director, Corporate Officer, Executive Officer who does not concurrently serve as Director, Audit & Supervisory Board Member, advisor, counselor, employee, and other equivalent position thereof of the Company or a subsidiary of the Company during the transfer restriction period, the restriction on all of the Allotted Shares shall be canceled when the transfer restriction period expires.

(3) Treatment in the event that the Eligible Director, etc. retires or resigns during the transfer restriction period for a justifiable reason, such as an expiration of his/her term of office and his/her reaching the mandatory retirement age

i) Timing of the cancellation of the transfer restriction

If the Eligible Director, etc. retires or resigns for a justifiable reason, such as an expiration of his/her term of office and his/her reaching the mandatory retirement age (including retirement or resignation due to his/her death) from all of the positions of Director, Corporate Officer, Executive Officer who does not concurrently serve as Director, Audit & Supervisory Board Member, advisor, counselor, employee, and other equivalent position thereof of the Company or a subsidiary of the Company, the transfer restriction shall be canceled immediately following the retirement or the resignation of the Eligible Director, etc.

ii) Number of shares whose transfer restriction is canceled

Obtained by multiplying the number of Allotted Shares held by the Eligible Director, etc. at the time of the retirement or the resignation described in i) above by the fraction of the number of months between the month including the date of the Disposal and the month including the date of the Eligible Director's retirement or resignation over 12. (However, in the event that the Eligible Director, etc. is an Executive Officer who does not concurrently serve as Director, this shall be by the fraction of the number of months between the month including the date of the Disposal and the month including the date of the Eligible Director's retirement or resignation over 9; in both cases, if the fraction is more than one, it shall be rounded down to one.) (However, if the calculation result has a fraction of a share, it shall be rounded down to zero.)

(4) Acquisition by the Company without compensation

If an Eligible Director, etc. commits an act that is in violation of laws and regulations during the transfer restriction period, or in the case of any other specific event specified in the allotment agreement, the Company shall, as a matter of course, purchase all of the Allotted Shares held by the said Eligible Director, etc. as of that point without compensation. The Company shall also acquire, as a matter of course, without any compensation, the Allotted Shares on which the transfer restriction has not been canceled at the time of the expiration of the transfer restriction period or the cancellation of the transfer restriction described in (3) above.

(5) Treatment in an organizational restructuring

In the event of a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plan in which the Company will become a wholly-owned subsidiary, or any other matter related to organizational restructuring is approved at the General Meeting of Shareholders of the Company (if approval at the General Meeting of Shareholders is not required regarding the organizational restructuring, approval at a meeting of the Board of Directors of the Company) during the transfer restriction period, the Company shall, if the Eligible Director, etc. is a Director (including Directors who are Audit and Supervisory Committee Members and Outside Directors, but excluding Directors not engaging in business execution), cancel the transfer restriction on the number of the Allotted Shares that is determined by multiplying the number of Allotted Shares held by the Eligible Director, etc. at the time of the approval of the restructuring by the fraction of the number of months between the month including the date of the Disposal and the month including the date of the approval over 12. (However, in the event that the Eligible Director, etc., is an Executive Officer who does not concurrently serve as Director, this shall be by the fraction of the number of months between the month including the date of the Disposal and the month including the date of the approval over 9; in both cases, if the fraction is more than one, it shall be rounded down to one.) (if the calculation result has a fraction of a share, it shall be rounded down to zero.) by a resolution of the Board of Directors at a time immediately prior to the day before the effective date of the organizational restructuring. In addition, the Company shall acquire, as a matter of course, without any compensation all of the Allotted Shares on which the transfer restriction has not been canceled at the time immediately after the cancellation of the transfer restriction.

(6) Management of shares

The Allotted Shares shall be managed in special accounts opened by the Eligible Directors, etc. with Nomura Securities Co., Ltd. so that they will not be transferred, created security interest on, or otherwise disposed of during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of the accounts for the Allotted Shares held by the Eligible Directors, etc. to ensure the effectiveness of the transfer restriction on the Allotted Shares. The Eligible Directors, etc. shall agree to details related to the management of the accounts.

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

The Disposal of Treasury Shares to those to whom shares will be allotted shall be carried out by contributing the monetary claims granted as Restricted Share Remuneration for the 24th fiscal year of the Company under the Plan as contributed property. The disposal price has been set at 1,163 yen, which is the closing price of shares of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 23, 2026 (the business day prior to the date of resolution of the Board of Directors), to eliminate arbitrariness. This is the market price immediately prior to the date of the resolution of the Board of Directors, and the Company considers that the price is reasonable and does not constitute a particularly advantageous price.