



June 26, 2026

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(Securities code: 1945; Prime Market of the Tokyo Stock Exchange)
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Notice Concerning Disposal of Treasury Shares as Restricted Share-based Remuneration

TOKYO ENERGY & SYSTEMS INC. (the “Company”) hereby announces that it has resolved, at its meeting of the Board of Directors held today, to perform a disposal of treasury shares (hereinafter the “Disposal of Treasury Shares” or the “Disposal”) as described below.

1. Details of the Disposal

(1)	Date of the Disposal	July 24, 2026
(2)	Class and number of shares to be disposed of	Common shares of the Company: 19,600 shares
(3)	Disposal price	¥2,180 per share
(4)	Total disposal price	¥42,728,000
(5)	Allottees, number of allottees, and number of shares of disposal	Two Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of the Company: 8,100 shares Seven Executive Officers With Titles of the Company: 11,500 shares
(6)	Other	Regarding the Disposal of Treasury Shares, the Company has filed a written securities notice in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Disposal

At the Board of Directors meeting held on May 17, 2021, the Company resolved to establish a restricted share-based remuneration plan (hereinafter the “Plan”) as a new remuneration plan for granting restricted shares to the Company’s Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) (hereinafter “Eligible Directors”) and Executive Officers With Titles (hereinafter together with “Eligible Directors” collectively referred to as “Eligible Directors, etc.”) of the Company. The purpose of the Plan is to provide incentives to the Eligible Directors, etc. to promote the sustainable improvement of the Company’s corporate value and to further enhance value sharing with our shareholders. Additionally, at the 74th Annual General Meeting of Shareholders held on June 29, 2021, pursuant to the Plan, the Company has obtained approval to grant monetary remuneration claims (hereinafter the “Restricted Share-based Remuneration”) to the Eligible Directors as capital contribution for the acquisition of restricted shares, with the monetary remuneration claims not exceeding ¥50 million per year and the issuance or disposal of up to 50,000 shares of the Company’s common shares per year, and the transfer restriction period for restricted shares shall be the period from the date on which the Company’s common shares are allotted pursuant to an agreement on allotment of shares with transfer restrictions entered into between the Company and Eligible Directors, until the time immediately after resigning or retiring from any position as an officer or employee of the Company or any of its subsidiaries.

The overview of the Plan is as follows.

Overview of the Plan

The Eligible Directors, etc. shall pay all of the monetary remuneration claims provided by the Company under the Plan as in-kind contributions and receive the issuance or disposal of the Company's common shares. The payment amount per share shall be determined by the Board of Directors within the scope of an amount that is not particularly advantageous to the Eligible Directors, etc. who subscribe for common shares based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution (if no transaction is made on that day, the closing price on the most recent trading day preceding that date).

In addition, in connection with the issuance or disposal of the Company's common shares under the Plan, an agreement on allotment of shares with transfer restrictions shall be concluded between the Company and the Eligible Directors, etc., which will include the following provisions: (i) the Eligible Directors, etc. shall be prohibited from transferring, creating security interests in, or otherwise disposing of the common shares of the Company allotted to them under the agreement on allotment of shares with transfer restrictions to any third party for a certain period of time; and (ii) in the event that certain conditions are met, the Company shall have the right to acquire such common shares without consideration.

Following consultation with the Nomination and Remuneration Advisory Committee and taking into consideration the purpose of the Plan, the Company's business performance, the scope of responsibilities of each Eligible Director, etc., and various other circumstances, it has been decided to grant a total monetary remuneration claim of ¥42,728,000 (hereinafter the "Monetary Remuneration Claims") and 19,600 common shares.

Under the Disposal of Treasury Shares, the nine Eligible Directors, etc., who are the intended allottees, in accordance with the Plan, will pay in all of their Monetary Remuneration Claims to the Company as in-kind contributions and will receive the Company's common shares (hereinafter the "Allotted Shares") in return. The overview of the agreement on allotment of shares with transfer restrictions (hereinafter the "Allotment Agreement") to be concluded between the Company and the Eligible Directors, etc. in connection with the Disposal of Treasury Shares is as set forth in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 24, 2026 (the Payment Date) to the time immediately after resigning or retiring from any position as an officer or employee of the Company or any of its subsidiaries

(2) Number of shares subject to lifting of transfer restrictions

On the condition that the Eligible Directors, etc. continue to hold positions as officers or employees of the Company or its subsidiaries during the period from the month including the Payment Date to the time immediately prior to the conclusion of the first Annual General Meeting of Shareholders thereafter (however, in the case where the Eligible Directors, etc., are titled executive officers who do not concurrently serve as Directors, this period shall be read as the period from the beginning of the fiscal year containing the Disposal Date to the last day of that fiscal year; the same shall apply hereinafter.) (hereinafter the "Service Period"), the Company shall lift the transfer restrictions on all of the Allotted Shares at the expiration of the transfer restriction period. However, if the Eligible Directors, etc. resign or retire from their positions as officers or employees of the Company or its subsidiaries for reasons other than valid reasons, the Company shall automatically acquire such shares without consideration.

(3) Treatment in the event that an Eligible Director, etc. resigns or retires for a valid reason during the Service Period

(i) Timing of lifting of transfer restrictions

In the event that an Eligible Director, etc. resigns or retires from any position as an officer or employee of the Company or its subsidiaries for a valid reason (excluding resignation or retirement due to death), the transfer restrictions shall be lifted immediately upon the resignation or retirement of the Eligible Director, etc. In the event of resignation or retirement due to death, the transfer restrictions shall be lifted immediately upon the death of the Eligible Director, etc.

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

The number of shares subject to lifting of transfer restrictions shall be calculated as follows: The number of the Allotted Shares held by the relevant Eligible Director, etc. at the time of their resignation or retirement, as specified in (i), multiplied by the number obtained by dividing the service period (in months) subject to the transfer restriction period for the relevant Eligible Director, etc. by the number of

months (12) corresponding to the transfer restriction period for the relevant shares (if the result is more than one, it shall be rounded down to one, however, if the calculation results in a fractional share less than one unit, such fractional share shall be rounded down).

(4) Acquisition by the Company without any consideration

At the expiration of the transfer restriction period or immediately after the transfer restrictions specified in (3) above are lifted, the Company shall automatically acquire, without consideration, any Allotted Shares on which the transfer restrictions have not been lifted.

(5) Management of shares

During the transfer restriction period, the Allotted Shares shall be managed in dedicated accounts opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd., so that they may not be transferred, pledged as security interest, or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions, etc., regarding the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of the accounts of the Allotted Shares held by each Eligible Director, etc. Additionally, the Eligible Directors, etc. shall agree to the terms of the management of said accounts.

(6) Treatment during reorganization, etc.

During the transfer restriction period, if any matters related to organizational restructuring, such as a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other organizational restructuring, are approved by a General Meeting of Shareholders of the Company (or, if approval by the General Meeting of Shareholders is not required for such organizational restructuring, by the Board of Directors), the Company shall, by resolution of the Board of Directors, lift the transfer restrictions on the number of the Allotted Shares held at that time. This number is calculated by multiplying the number of the Allotted Shares by the fraction obtained by dividing the number of months from the month including the Payment Date (however, in the case where the Eligible Directors, etc., are titled executive officers who do not concurrently serve as Directors, this period shall be read as the beginning of the fiscal year containing the Payment Date.) to the month including the date of approval by the number of months (12) in relation to the Service Period (if this fraction is more than one, it shall be rounded down to one, however, if the calculation results in a fractional share less than one unit, such fractional share shall be rounded down). Additionally, the transfer restriction on such shares shall be lifted as of the business day immediately preceding the effective date of the reorganization. Immediately after this transfer restriction is lifted, the Company shall automatically acquire, without consideration, all of the Allotted Shares on which the transfer restrictions have not been lifted.

4. Basis for calculating the paid-in amount and specific details

The Disposal of Treasury Shares to the allottees will be conducted using the monetary remuneration claims paid as Restricted Share-based Remuneration for the Company's 80th fiscal year under the Plan as capital contribution. The disposal price is set at ¥2,180, which is the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on June 25, 2026 (the business day before the date of the Board of Directors' resolution), to eliminate any arbitrariness. This price reflects the market value immediately prior to the Board of Directors' resolution and is considered reasonable and not particularly advantageous.