



June 13th, 2025

Company Name: TOKAI RIKA CO., LTD.
Name of representative: Hiroyoshi Ninoyu, Representative
Director and President
(Security code 6995; Tokyo and Nagoya Stock Exchanges)
Inquires: Yasuo Kumada, General Manager,
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

TOKAI RIKA CO., LTD. (hereinafter referred to as the “Company”) announces that, at the Board of Directors meeting held on today, it resolved to implement the disposal of treasury shares (hereinafter referred to as the “Disposal of Treasury Shares” or the “Disposal”) as follows.

1. Overview of the Disposal

(1) Payment date	June 30, 2025
(2) Class and numbers of shares to be disposed	26,681 shares of the common stock of the Company
(3) Disposal price	2,160 yen per share
(4) Total value of the Disposal	57,630,960 yen
(5) Recipients of disposed shares	3 Directors (excluding outside directors): 15,861 shares 6 Corporate Officers (excluding those who hold concurrent positions as directors): 10,820 shares

2. Purpose and reason of the disposal

At the Board of Directors meeting held on May 15, 2020, the Company has resolved to introduce a stock compensation system (hereinafter referred to as the “System”) that grants restricted stock to our directors (excluding outside directors; hereinafter referred to as the “Eligible Directors”) and Corporate Officers to encourage their efforts to enhance the company's mid- to long-term corporate value, and to promote management with a stronger sense of responsibility as executives, standing on the same ground as the shareholders. Additionally, at the 73th Ordinary General Meeting of Shareholders held on June 10, 2020, the Company has received approval that the total amount of monetary compensation claims to be provided as compensation for the allocation of restricted stock to Eligible Directors under the System shall be within 40 million yen per year, and that the total number of restricted stocks to be allocated to Eligible Directors shall be within 40,000 shares per year. Furthermore, the restriction period for the transfer of restricted stock will be set from the

date of granting the restricted stock until the date they resign from any position as our Director, Auditor, or Corporate Officer. In addition, at the 78th Ordinary General Meeting of Shareholders held on June 13, 2025, the Company has received approval of revision that the total amount of monetary compensation claims to be provided as compensation for the allocation of restricted stock to Eligible Directors shall be within 70 million yen per year, and that the total number of restricted stocks to be allocated to Eligible Directors shall be within 70,000 shares per year.

Today, the Board of Directors meeting has resolved to grant a monetary compensation claim totaling 57,630,960 yen to three of our Directors (excluding outside directors) and six Corporate Officers (hereinafter referred to as the “Allottees”) as part of a restricted stock compensation plan for the period from our 78th Ordinary General Meeting of Shareholders to our 79th Ordinary General Meeting of Shareholders planned for June 2026. The Allottees will receive this monetary compensation claim in full, which will then be contributed in kind as 26,681 shares of our common stock with specific transfer restrictions. Furthermore, the amount of the monetary compensation claim for each Allottees is determined by the Board of Directors meeting based on discussions and recommendations from the Remuneration Committee, which was established as an advisory body to enhance the independence and transparency of the decisions made by our Board. Additionally, the payment of the monetary compensation claim is conditional upon each Allottees entering into a restricted stock allotment agreement (hereinafter referred to as the “Allotment Agreement”) with us, which includes the main details outlined below.

3. Overview of the Allotment Agreement

(i) Restriction period

Period from June 30, 2025 to the date on which the Allottees resign from any position as a Director, an Auditor or a Corporate officer.

During the above transfer restriction period (hereinafter the “Restriction Period”), no eligible Allottees shall transfer, create a pledge or mortgage by transfer on, make a gift during his or her lifetime, make a bequest of, or otherwise dispose of, the restricted shares allotted to them (hereinafter referred to as the “Allotted Shares”) to or in favor of any third parties (hereinafter referred to as the “Transfer Restrictions”)

(ii) Acquisition of restricted stock without charge

If any of the Allottees resign from a Director or an Auditor or a Corporate Officer by the day before the date of the first Ordinary General Meeting of Shareholder held after the start of the Transfer Restricted Period, the Company shall acquire the Restricted Stock granted to the Allottee without charge unless the Board of Directors meeting finds a justifiable reason for the Allottee’s resignation.

Additionally, if Restricted Stock is not fully released from Transfer Restrictions before the end of the Transfer Restricted Period (hereinafter referred to as the “Time of Expiry”) because the conditions of provision (iii) below have not been satisfied, the Company shall naturally acquire the Restricted Stock granted to the Allottee without charge immediately following the Time of Expiry.

(iii) Lifting of Transfer Restrictions

If any of the Allottees who has been granted Restricted Stock continues to serve as a Director or an Auditor or a Corporate Officer until the date of the first Ordinary General Meeting of Shareholders held after the start of Transfer Restricted Period, the Company shall release the Restricted Stock granted to the Allottee from Transfer Restrictions in its entirety at the Time of Expiry. However, in the event that an Allottee resigns from the Director and the Auditor and the Corporate Officer prior to the date of first Ordinary General Meeting of Shareholders held after the start of the Transfer Restricted Period for the reason deemed justifiable by the Board of Directors meeting, the Company shall release in the granted shares calculated by multiplying the number of granted shares held by the Allottee at that point by the number of months from the start of the Transfer Restricted Period up to and inclusive of the month of the Allottee's resignation from the Director and from the Auditor and from the Corporate Officer divided by twelve (if the quotient resulting from the calculation exceeds 1, then the quotient shall be deemed to be 1), multiplied by the number of Allotted Shares then held by the Eligible Allottee (any fractional shares less than one share resulting from the calculation will be discarded).

(iv) Management of shares

The Allottees shall complete procedures for opening an account at SMBC Nikko Securities Inc. in the manner as designated by the Company for starting or recording matters related to the granted shares and shall keep and maintain the granted shares in the account until the release of Transfer Restrictions.

(v) Treatment during reorganization, etc.

If, during the Restriction Period, a proposition relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. is approved at the Ordinary General Meeting of Shareholders (or at the Board of Directors meeting in cases where approval at the Ordinary General Meeting of Shareholders is not required in relation to the reorganization, etc.), then the Transfer Restrictions on the number of Allotted Shares calculated as follow will be lifted by a resolution of the Company's board of directors immediately before the business day immediately prior to the date on which the reorganization, etc. becomes effective: the number of months from the start of the Transfer Restricted Period up to the month in which the approval is given, divided by twelve (if the quotient resulting from calculation exceeds 1, then the quotient shall be deemed to be 1), multiplied by the number of Allotted Shares held by the Eligible Allottees on the date of approval (any fractional shares less than one share resulting from the calculation will be discarded).

In that case, the Company shall, as of the business day immediately prior to the date on which the reorganization, etc. becomes effective, automatically acquire without contribution all Allotted Shares on which Transfer Restrictions have not been lifted on that day pursuant the above provision.

4. Basic of calculation of the payment amount and specific details thereof

The disposal price has been set at 2,160 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 12, 2025, the business day immediately preceding the date of resolution by the Board of Directors meeting, to preceding the date of the resolution by the Board of Directors meeting, the Company believe it is a reasonably determined price giving no particular favor.