July 17, 2026

Company: TOCALO Co., Ltd.
Representative: Kazuya KOBAYASHI, President and CEO, Representative Director
(Stock Code: 3433 (Prime Market of Tokyo Stock Exchange))
Contact: Hiroshi GOTO, Senior Managing Executive Officer, Director
Phone: +81-78-303-3433

Notice Regarding Disposition of Treasury Stock as Restricted Stock Awards

TOCALO Co., Ltd. (the Company) hereby provides notification of its decision regarding disposition of treasury stock (hereinafter, "the Disposition") as presented below at the Board of Directors meeting held on July 17, 2026 (hereinafter, the Allocation Resolution Date.)

1. Overview of the disposition

(1)	Disposition date	August 7, 2026
(2)	Classification and volume of disposition shares	Ordinary shares: 9,311 shares
(3)	Disposition price	3,055 yen per share
(4)	Total disposition amount	28,445,105 yen
(5)	Allottees, number of allottees, and number of shares to be disposed of	Company directors (excluding external directors and part-time directors): 5 Directors 9,311 shares

2. Purpose and reason for the disposition

The Company decided at the Board of Directors meeting on May 17, 2021 to provide restricted stock awards as a new compensation program (the Program) for directors other than external directors and part-time directors (referred to as the Directors) and executive officers with titles who do not concurrently serve as directors (the Directors, etc. along with the Directors) for the purpose of giving an incentive to continuously enhance enterprise value and promoting further commonality of values with shareholders. Additionally, at the 70th Ordinary General Meeting of Shareholders held on June 25, 2021, the Company received approval to pay monetary claims within a range of 50,000,000 yen a year to the Directors as monetary compensation for use as investment assets to acquire the restricted stocks under the Program (hereinafter, referred as the "restricted stock awards") and issue or dispose of ordinary shares within a range of 50,000 shares annually with 30 years as the restriction period for restricted stock.

Refer below for an overview of the Program.

[Overview of the Program]
The Directors, etc. shall pay the entire amount of monetary claims supplied by the Company under the Program as contributed assets and receive issuance or disposition of the Company's ordinary shares. The Board of Directors shall decide the contribution amount per share based on the closing price of the Company's ordinary shares at the Tokyo Stock Exchange on the business day prior to the day of the Board of Directors' resolutions (if no transactions took place on such day, it shall be the closing price on the previous most recent transaction day).

Furthermore, the Company and the Directors, etc. shall conclude a restricted stock allocation contract related to the issuance or disposition of the Company's ordinary shares under the Program that includes (1) prohibition of the transfer by the Directors, etc. to third parties, setting collateral rights, and any other disposition of the Company's ordinary shares received under the restricted stock allocation contract for a certain period and (2) zero-cost acquisition of the subject ordinary shares by the Company in a case when certain reasons occur.

This time, considering advice and recommendations by the Nominating and Compensation Committee, the Company shall provide monetary claims totaling 28,445,105 yen (hereinafter, the Monetary Claims) and 9,311 ordinary shares with the purpose of further boosting motivation of the Directors, etc. based on an overall assessment of the program's purpose, the Company's business conditions, the scope of work responsibilities of the Directors, etc. and various other circumstances.

Regarding the Disposition, under the Program, the five Directors, etc. who are the intended recipients of the allocations shall pay the entire amount of monetary claims to the Company as contributed assets and receive disposition of the Company's ordinary shares (hereinafter, the Allocated Shares). The following Section 3. presents an overview of the restricted stock allocation contract that will be concluded between the Company and the Directors, etc. for the Disposition (hereinafter, the Allocation Contract).

3. Summary of the Allocation Contract

(1) Transfer restriction period

August 7, 2026 to August 6, 2056

(2) Conditions for lifting the transfer restrictions

The transfer restrictions shall be lifted for all subject allocated shares at completion of the transfer restriction period on the condition that the Directors, etc. have continuously served during the transfer restriction period as the Company's or the Company's subsidiary's director, Executive Officer with titles who does not concurrently serve as Director, Audit & Supervisory Board Member, Advisor, Senior Advisor, or other comparable role.

(3) Treatment in the case of retirement or resignation by the Directors, etc. during the transfer restriction period due to completion of the role period or other justified reason

① Timing for removal of the transfer restriction

In the case of the Directors, etc. retiring or resigning from being the Company's or the Company's subsidiary's director, Executive Officer with titles who does not concurrently serve as Director, Audit & Supervisory Board Member, Advisor, Senior Advisor, or other comparable role due to completion of the role period or other justified reason (including retirement or resignation because of death), the transfer restriction shall be removed immediately after the retirement or resignation by the Directors, etc.

② Number of shares covered by removal of the transfer restriction

The number of shares covered by the removal shall be the number determined by multiplying the number resulting from division of the number of months by 12 from the month that includes the allocation resolution day to the month that includes the retirement or resignation date by the Director, etc. (when the number is more than 1, it is adjusted to 1) to the number of subject allocated shares owned at the timing of such retirement or resignation specified in ① (however, when there is a fraction that is less than one as the result of the calculation, it shall be discarded).

(4) Zero-cost acquisition by the Company

The Company shall automatically acquire the Allocated Shares that remain under the transfer restriction for no consideration at the time of completion of the transfer restriction period or the time of removal of the transfer restriction stipulated in (3) above.

(5) Share management

The Allocated Shares shall be managed in a special account opened by the Directors, etc. at Nomura Securities Co., Ltd. during the transfer restriction period to prevent transfer, creation of security interests, or any other disposition during the transfer restriction period. The Company has concluded a contract with Nomura Securities Co., Ltd. related to management of the account for the Allocated Shares owned by the Directors, etc. to ensure the efficacy of the transfer restriction, etc. related to the Allocated Shares. Additionally, the Directors, etc. shall consent to the content of management for the Account.

(6) Treatment in reorganization, etc.

In the case of approval of items by the Company's General Meeting of Shareholders during the transfer restriction period related to a merger contract that eliminates the Company, a stock exchange contract in which the Company becomes a wholly owned subsidiary, a share transfer plan, or other reorganization (however, this shall be the Company's Board of Directors in a case of a subject reorganization, etc. that does not require approval by the Company's General Meeting of Shareholders), the transfer restrictions shall be removed just before on the business day prior to the day on which the reorganization, etc. takes effect based on a Board of Directors' resolution for the number of shares determined by multiplying the number resulting from division of the number of months by 12 from the month that includes the allocation resolution day to the month that includes the Approval Date (when the number is more than 1, it is adjusted to 1) to the number of subject allocated shares owned at such timing (however, when there is a fraction that is less than one as the result of the calculation, it shall be discarded). Furthermore, The Company shall automatically acquire all of the Allocated Shares that remain under the transfer restriction for no consideration just after removal of the transfer restrictions.

4. Basis for calculating the pay-in amount and detailed content

The Disposition for parties slated to receive the allocation shall occur with monetary claims paid as restricted stock awards for the Company's 76th business fiscal year based on the Program as the invested funds. Since the disposition price shall be a price that eliminates arbitrariness, the Company shall use 3,055 yen, the closing price for the Company's ordinary shares in the Tokyo Stock Exchange's Prime Market on July 16, 2026 (the business day prior to the Board of Directors' resolution day). This is the market share price just before the Board of Directors' resolution day and is reasonable and is not a particularly advantageous price.