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June 18, 2025

To whom it may concern:

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Notice of Disposal of Treasury Shares as Restricted Stock Compensation

TSUGAMI CORPORATION (the “Company”) hereby announces that a meeting of the Board of Directors held on June 18, 2025 passed a resolution regarding disposal of the Company’s treasury shares for restricted stock compensation (the “Disposal of Treasury Shares”). Details are as follows.

1. Outline of the disposal

(1) Payment date	July 11, 2025
(2) Type and number of shares to be disposed of	Common stock of the Company 63,400 shares
(3) Disposal value	1,857 yen per share
(4) Total disposal amount	117,733,800 yen
(5) Allottee	Director of the Company (※) 4 17,400 shares Executive Officer of the Company 18 46,000 shares ※ Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors
(6) Other	The Company has submitted an extraordinary report on this Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason of the disposal

At the 118th Annual Shareholders Meeting held on June 16, 2021, the Company’s proposed implementation of a stock compensation plan (the “Plan”) was approved. The Plan is to allocate restricted stock to Directors of the Company (excluding Audit and Supervisory Committee Members and Outside Directors; the “Eligible Directors”) to allow them to share in more of the benefits and risks of changes in the stock price with the shareholders and to increase their motivation to contribute more to increasing the price of the Company’s stock and its corporate value. The Plan includes the following: (1) The total annual amount of monetary compensation claims to be granted as compensation, etc. related to restricted stock allotted to the Eligible Directors shall not exceed ¥80 million; (2) The total number of restricted stock allotted to the Eligible Directors in each fiscal year shall not exceed 150,000; and (3) The restricted stock shall not be transferred from the day they are delivered until the Eligible Directors resign or retire from all positions as Director, Executive Officer and equivalent employee of the Company.

Today, following the resolution of the Company's Board of Directors and the decision by 3 Representative Directors of the Company, the Company has decided to pay a total of ¥117,733,800 in monetary compensation claims as restricted stock compensation for the fiscal year from the 122nd Annual Shareholders Meeting to the 123rd Annual Shareholders Meeting to be held in June 2026 to 4 Eligible Directors and 18 Executive Officers who are the planned recipients of the disposal (collectively the "Eligible Individual(s)"). The Eligible Individuals will receive 63,400 shares of the Company's common stock as specific restricted stock by paying in all the monetary compensation claims by way of in-kind contribution. The amount of monetary compensation claims for each of the Eligible Individuals is determined by comprehensively taking into consideration various factors including the degree of contribution of each of the Eligible Individuals within the Company.

This amount of monetary compensation claims will be provided to the Eligible Individuals subject to conditions including the one that each Eligible Individual executes an agreement with the Company for the allocation of restricted stock that contains the following provisions ("Allocation Agreement").

3. Overview of Allocation Agreement

(1) Transfer restriction period

The transfer restriction period is from July 11, 2025 until the day when the Eligible Individual resigns or retires from all positions as Director, Executive Officer and equivalent employee of the Company.

During the restricted period of transfer specified above ("Transfer Restriction Period"), the Eligible Individual shall not transfer, pledge, offer as security of transfer, donate before death, bequeath or otherwise dispose of the restricted stock allotted to such Eligible Individual ("Allotted Shares") to a third party ("Restriction on Transfer").

(2) Acquisition of restricted stock without considerations

If the Eligible Individual resigns or retires from all positions as Director, Executive Officer and equivalent employee of the Company during the Transfer Restriction Period from the start date of the Transfer Restriction Period until the day before the first Annual Shareholders Meeting of the Company to be held after such start date, the Company may automatically acquire the Allotted Shares without compensation at the time of retirement, unless such acquisition is denied for reasons that the Board of Directors acknowledges to be justifiable.

In addition, if there are any Allotted Shares of stock at the time of expiration of the Transfer Restriction Period (the "Expiration of the Period") for which the restriction on transfer is not released pursuant to the provision of causes for release specified in the following (3) Release of restrictions on transfer, the Company will automatically acquire such Allotted Shares without considerations immediately after the Expiration of the Period.

(3) Release of restrictions on transfer

The Company will lift the transfer restrictions on all of the Allotted Shares held by the Eligible Individuals at the time, upon the Expiration of the Period, provided that the Eligible Individual has remained in the position of Director, Executive Officer, or equivalent employee of the Company from the beginning of the Transfer Restriction Period until the Company's first annual shareholders meeting in the period.

However, if the Eligible Individual resigns or retires from all positions as Director, Executive Officer, and equivalent employee of the Company in the period between the start of the Transfer Restriction Period until the day before the Company's first annual shareholders meeting in that period for reasons that the Board of Directors acknowledges as justifiable, the Company will lift the transfer restrictions on Allotted Shares immediately after their retirement. The number of Allotted Shares on which the transfer restrictions will be lifted will be calculated by multiplying the number of Allotted Shares held by the Eligible Individuals at the time of retirement by the number of months from July 2025 to the month when they resign or retire from all positions as a Director, Executive Officer, and equivalent employee of the Company divided by 12 (the resulting number of Allotted Shares will be rounded down to the nearest integer).

(4)Provisions regarding the management of shares

The Eligible Individuals shall complete the procedure to open an account at SMBC Nikko Securities Inc. to register or record the Allotted Shares in such manner as designated by the Company, and shall store and maintain the Allotted Shares in such account during a period until the restrictions on transfer is released.

(5)Handling in the event of organizational restructuring, etc.

If, during the Transfer Restriction Period, matters 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. are approved at a Shareholders Meeting of the Company (or at a meeting of the Board of Directors in cases where approval at the Company's Shareholders Meeting is not required in relation to the reorganization, etc.) (limited to when the effective date of such reorganization, etc. precedes the expiration of the Transfer Restriction Period; "In the Event of the Approval of Reorganization, etc."), and if the Eligible Individual resigns or retires from all positions as Director, Executive Officer, and equivalent employee of the Company in line with such reorganization, etc., the Company will lift the transfer restrictions on the Allotted Shares immediately before the business day before the effective date of such reorganization, etc. by resolution of the Board of Directors, The number of Allotted Shares on which the transfer restrictions will be lifted is calculated by multiplying the number of Allotted Shares held by the Eligible Individuals on the date of approval of the reorganization, etc. by the number of months from July 2025 to the month in which the approval date falls divided by 12 (if the resulting number exceeds 1, it shall be 1, and any fraction less than 1 share resulting from the calculation shall be rounded down.)

In the Event of the Approval of Organizational Restructuring, etc., the Company will automatically acquire all the number of Allotted Shares without consideration on the business day before the effective date of such organization restructure, etc. for which the restriction on transfer is not released on the same day.

4.Calculation basis of payment amounts and relevant details

Disposal price in the Disposal of Treasury Shares shall be ¥1,857 which is the closing price of the Company's common stock at Tokyo Stock Exchange on the business day (June 17, 2025) before the date of resolution in the Board of Directors meeting to exclude any arbitrariness. This is the market price immediately before the date of resolution in the Board of Directors meeting, which the Company believes is reasonable and is not deemed an advantageous price.