May 14, 2025

News Release

TS TECH Co., Ltd.
Masanari Yasuda, Representative Director, President
(Stock code: 7313, Tokyo Stock Exchange Prime Market)
Contact: Mahoro Kurata, General Manager,
Corporate Communication Department
Tel. +81-48-462-1121

TS Tech to Dispose of Treasury Stock through Third-party Allotment in Connection with the Introduction of an Employee Incentive Plan

In its meeting held on May 14, 2025, as outlined below, the board of directors of TS TECH Co., Ltd. ("Company" hereinafter) resolved to dispose of treasury stock ("Disposal of Treasury Stock" hereinafter) in accordance with its introduction of an incentive plan for employees.

Details

1. Overview of disposal

(1)	Date of disposal	June 3, 2025
(2)	Class and number of shares marked for disposal	419,400 shares of Company common stock
(3)	Disposal price	1,659.0 yen/share
(4)	Total disposal amount	695,784,600 yen
(5)	Planned recipient of disposal	Sumitomo Mitsui Trust Bank, Ltd. (trust account) (Custodian trustee: Custody Bank of Japan, Ltd. [trust account])
(6)	Other matters	This Disposal of Treasury Stock is conditional on the efficacy of a measure set forth in keeping with the requirements of the Financial Instruments and Exchange Act.

2. Purpose of and reasons for disposal

In its meeting held today, the Company's board of directors resolved to introduce an incentive plan ("System" hereinafter) for Company managing employees ("employees" hereinafter) to issue shares of Company stock to employees with the goals of strengthening employee awareness of and engagement with management and incentivizing medium- to long-term growth in corporate value. The goals include improving Company business results and in its stock price by aligning employee perspectives on their duties with investor goals.

For a summary of the System, see "TS Tech to Introduce Employee Incentive Plan," issued today.

This Disposal of Treasury Stock will be undertaken with Sumitomo Mitsui Trust Bank, Ltd. (trust account) (custodian trustee: Custody Bank of Japan, Ltd. [trust account]), the trustee of the trust established by the Company to administer the System ("Trust" hereinafter).

The number of shares marked for disposal will correspond to the number of shares expected to be issued to employees, accounting for matters such as trends in the composition of employees during the trust period, based on employee stock issuance rules ("stock issuance rules" hereinafter) established by the Company in introducing the System. The resulting dilution of shares would be 0.31% of the total number of 136,000,000 shares issued and outstanding as of March 31, 2025, and 0.35% of the total number of 1,192,009 voting rights

extant as of March 31, 2025 (both percentages are rounded to two decimal places).

The Company believes the System will strengthen corporate value over the medium to long term. It has determined that the number of shares marked for disposal and the scale of dilution through this Disposal of Treasury Stock are reasonable and would have negligible effects on the market value of the shares.

(Reference) Overview of trust agreement

Trustor	Company
Trustee	Sumitomo Mitsui Trust Bank, Ltd. (Custodian trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Employees meeting beneficiary criteria
Trust administrator	Plans call for the appointment of a third party independent of the Company and the Company's officers
Exercise of voting rights	The trustee shall exercise voting rights throughout the trust period based on instructions issued by the trust administrator.
Type of trust	Money deposited other than money in trust (beneficiary trust)
Effective date of trust agreement	June 3, 2025
Trust period	June 3, 2025 – end of June 2028 (planned)
Purpose of trust	To issue shares of Company stock to beneficiaries based on stock issuance rules

3. Calculating the value of the disposal amount and specific details thereof

To prevent the arbitrary determination of the value of the disposal amount, said amount shall be the closing price of Company common stock on the Tokyo Stock Exchange Prime Market on May 13, 2025 (the trading day preceding the date of the board of directors resolution) of 1,659.0 yen. The market price of a share of Company stock on the trading day preceding the date of the board of directors resolution has been selected for its objective nature as the most recent market price prior to the date of the board of directors resolution. Examples of deviations (rounded to two decimal places) from this amount have been 4.21% from the average closing price (rounded down to the nearest whole yen) of Company common stock on the Tokyo Stock Exchange Prime Market of 1,592.0 yen over one month (April 14 – May 13, 2025), -0.30% from the average closing price (rounded down to the nearest whole yen) of Company common stock on the Tokyo Stock Exchange Prime Market of 1,664.0 yen over three months (February 14 – May 13, 2025), and -2.12% from the average closing price (rounded down to the nearest whole yen) of Company common stock on the Tokyo Stock Exchange Prime Market of 1,695.0 yen over six months (November 14, 2024 – May 13, 2025).

In light of these considerations, the value of the disposal amount of this Disposal of Treasury Stock is considered reasonable and one offering no undue advantages to the disposal recipients specified in the plans.

In addition, the Company Audit and Supervisory Committee (consisting of four members, including three Outside Directors) has expressed its opinion that the above disposal amount is lawful, based on reasonable grounds with regard to calculations, and not unduly advantageous to intended recipients.

4. Matters related to procedures under the Corporate Code of Conduct

Since this Disposal of Treasury Stock ① involves a dilution of less than 25% and ② involves no change in controlling shareholders, it does not require the opinion of an independent third party or the confirmation of the intent of shareholders under Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.