



STANDARD
TOKYO

July 19, 2024

Company name: TENOX CORPORATION
President and Representative Director: Sunao Wakao
Securities code: 1905 (Standard market of Tokyo Stock Exchange)
Contact information: Takashi Horikiri, Director and General Manager of Management
(TEL 03-3455-7758)

Notice of Disposal of Treasury Stock as Restricted Stock Compensation

The Board of Directors of TENOX CORPORATION approved the disposal of treasury stock as restricted stock compensation at today's board meeting as described below.

1. Outline of the disposal

(1) Payment date	August 6, 2024
(2) Class and number of shares to be disposed of	19,808 shares of common stock of the Company
(3) Disposal price	1,235 Japanese yen per share
(4) Total value of shares to be disposed of	24,462,880 Japanese yen
(5) Planned share recipients and number of shares	5 Directors of the Company (*): 14,237 shares 4 Executive officers of the Company: 5,571 shares * Excluding both director and independent directors those who are Audit & Supervisory Committee members.

2. Purpose and reasons for the disposal

The Company received the approval at the 51th Ordinary General Meeting of Shareholders held on June 29, 2021 to introduce a stock compensation plan (hereafter "the plan") under which restricted stocks will be issued to directors of the Company ("Eligible Directors," which excludes both director and independent directors who are Audit & Supervisory Committee members) so as to ensure Eligible Directors to share the benefits and risks of changes in stock price with general shareholders and to make them have further motivation for contribution with a greater incentive than before so that the stock price as well as long-term corporate value to be increased. The approvals were also given at the Shareholders Meeting as follows, for up to 30 million Japanese yen per year in total monetary compensation claims to be paid to Eligible Directors, related to restricted stock under the plan; an annual cap of allotment of total restricted stock to Eligible Directors to be up to 30,000; and a transfer restriction period to be lasting from the date of allotment to the date on which Eligible Directors resign or retire from each position as a director or an executive officer of the Company.

Today, the Company's Board of Directors resolved to grant monetary compensation claims totaling 24,462,880 Japanese yen to the Company's 5 Eligible Directors and 4 Executive officers (collectively "Grantees") who are to be granted restricted stock. These claims shall be granted to the Eligible Directors as restricted stock compensation for the period from the date of the Company's 54th Ordinary General Meeting of Shareholders to the date of the Company's 55th Ordinary General Meeting of Shareholders scheduled for June 2025 and shall be granted to the Company's Executive officers as restricted stock compensation for the Company's 55th financial period (April 1, 2024 - March 31, 2025). The Grantees will make in-kind contributions of all the monetary compensation claims and, in turn, the Company will allot 19,808 shares of common stock to them as restricted stock. The amount of monetary compensation claims paid to each Grantee shall be determined by taking totally into account each Grantee's contributions to the Company. The monetary compensation claims shall be paid on the condition that Grantees meet certain requirements, such as entering into a restricted stock grant agreement ("Grant Agreement") with the Company that includes the general content stipulated below.

3. Summary of Grant Agreement

(1) Transfer restriction period

The period from August 6, 2024 until the date on which Grantees retire or resign from each position as a director or executive officer of the Company. During the aforesaid transfer restriction period ("the Transfer Restriction Period"), Grantees shall not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or otherwise dispose ("Transfer Restrictions") of the restricted stock allotted to them ("the Allotted Stock).

(2) Gratis acquisition of restricted stock

If Grantees resign or retire from both position from each position as a director or an executive officer of the Company, during the period starting on the day the Transfer Restriction Period begins and ending on the day prior to day of the first Ordinary General Meeting of Shareholders of the Company thereafter (or the last date of the Company's first fiscal year following the start date of the Transfer Restriction Period, if the Grantee is an executive officer of the Company), the Company will be entitled to recover the Allotted Stock without compensation at the end of the day of the resignation or retirement, unless there are extenuating circumstances that the Company's Board of Directors deem reasonable.

If there is Allotted Stock for which Transfer Restrictions have not been lifted, pursuant to the reasons for lifting, described in (3) below, upon the end of the last day of the Transfer Restriction Period ("Expiration"), the Company shall be entitled to recover those shares without compensation immediately after Expiration.

(3) Lifting of the Transfer Restrictions

The Company shall, upon Expiration, lift Transfer Restrictions for all the Allotted Stock held by Grantees during the period, provided that the Grantees hold either position of director or executive officer of the Company continuously from the date the Transfer Restriction Period starts to the date of the first Ordinary General Meeting of Shareholders thereafter (or the last date of the Company's first fiscal year following the start date of the Transfer Restriction Period if the Grantee is an executive officer of the Company). However, if, for reasons deemed justifiable by the Board of Directors, the Grantee resigns or retires from both position as a director and an executive officer of the Company at any time from the date the Transfer Restriction Period starts to the day before the date of the first Ordinary General

Meeting of Shareholders thereafter (or the last date of the Company's first fiscal year following the start date of the Transfer Restriction Period, if the Grantee is an executive officer of the Company), the Company shall lift the Transfer Restrictions for all or part of the Allotted Stock at the end of the day of such resignation or retirement. The number of the Allotted Stocks for which the Transfer Restrictions to be lifted shall be calculated by dividing by 12 the number of months from July 2024 (or April 2024 if the Grantee is an executive officer) to the month that includes the date when the Grantee resigns or retires from both position as a director and an executive officer of the Company and then multiplying the result by the number of Allotted Stock held by the Grantee at the time of resignation or retirement. (However, if the calculation results in a fraction of less than one share, it shall be rounded down to the nearest integer.)

(4) Provisions for management of shares

The Grantees shall, in a manner designated by the Company, open an account in which to book or record the Allotted Stock to the financial services provider specified in advance by the Company. The Allotted Stock shall be retained and maintained in that account until the Transfer Restrictions are lifted.

(5) Treatment in case of organizational restructuring, etc.

If, during the Transfer Restriction Period, any matter relating to 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 is approved at a General Meeting of Shareholders of the Company (or, if an approval at a General Meeting of Shareholders of the Company is not required regarding the above mentioned organizational restructuring, etc., then the approval of the Board of Directors of the Company), pursuant to the resolution of the Board of Directors of the Company, the Transfer Restrictions on the Allotted Stock of a number obtained by dividing by 12 the number of months passed from July 2024 up to and inclusive of the month in which said approval was given (however when the resulting number is more than 1, the number shall be set at 1), and then multiplying this value by the number of Allotted Shares held by the relevant Eligible Officer as of the date of said approval (any fractions less than 1 resulting from the calculation shall be rounded down), shall be removed immediately prior to the business day preceding the effective date of such organizational restructuring, etc.

In such case, pursuant to the provisions mentioned above, all Allotted Stocks on which Transfer Restrictions has not been removed as of the business day immediately preceding the effective date of the organizational restructuring, etc. shall be acquired as a matter of course by the Company at no cost on said date.

4. Basis of calculation of the amount to be paid in for shares

To avoid arbitrary pricing, the disposal price for the disposal of treasury shares shall be set at 1,235 Japanese yen, which is the closing price of a share of the Company's common stock on the Tokyo Stock Exchange on July 18, 2024, the business day immediately before the Board of Directors approved the resolution. This is the market share price immediately prior to the date of the resolution, and the Company believes that it is reasonable and a not particularly advantageous price.