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August 8, 2025

Company: TODA CORPORATION
Representative: Seisuke Otani, President and Representative Director
(Securities Code: 1860 TSE Prime Market)
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(Phone: 03-3535-1357)

Notice Concerning Disposal of Own Shares as Stock Compensation

TODA CORPORATION (the “Company”) hereby announces that, at the Board of Directors Meeting held today, it resolved to dispose of its own shares (the “Disposal of Own Shares”), as described below.

1. Outline of the Disposal

(1) Disposal date	August 28, 2025
(2) Type and number of shares of disposal	1,278,000 shares of the Company’s common stock
(3) Disposal price	1,050 yen per share
(4) Total value of disposal	1,341,900,000 yen
(5) Allottees	The Master Trust Bank of Japan, Ltd. (Executive Compensation BIP Trust Account): 1,170,700 shares The Master Trust Bank of Japan, Ltd. (Executive Compensation ESOP Trust Account): 107,300 shares
(6) Others	The Company has submitted the Extraordinary Report concerning the Disposal of Own Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the Disposal

The Company has resolved to continue and partially revise its performance-linked stock compensation plans, namely the Executive Compensation BIP Trust (the “BIP Trust”) and the Stock Granting Employee Stock Ownership Plan Trust (the “ESOP Trust”; collectively with the BIP Trust, the “Trusts”), with the objective not only of improving medium- to long-term business performance and enhancing corporate value, and fostering a stronger awareness of shareholder-focused management, but also to promoting initiatives that support the

development of a sustainable society, including environmental conservation efforts. For further details regarding the Trusts, please refer to the announcement titled “Notice Concerning Revision of Performance-linked Stock Compensation Plan for Executive Officers Who Have Employment Contracts with the Company” released today, and the “Notice Concerning Continuation and Partial Revision of Performance-linked Stock Compensation Plan for Directors and Executive Officers” dated May 15, 2025.

The Disposal of Own Shares is conducted in connection with the continuation of the Trusts, under which the Company will transfer its own shares to The Master Trust Bank of Japan, Ltd. (Executive Compensation BIP Trust Account), acting as a co-trustee pursuant to the respective trust contracts for the Trusts entered into between the Company and Mitsubishi UFJ Trust and Banking Corporation.

The number of shares subject to disposal corresponds to the number of shares expected to be delivered to eligible recipients under the Stock Granting Regulations over the three fiscal years ending March 31, 2026 through March 31, 2028, which are covered by the respective Trusts. The estimated scale of dilution is 0.40% of the total number of issued shares as of March 31, 2025 (322,656,796 shares, rounded to the third decimal place), and 0.42% of the total number of voting rights as of March 31, 2025 (3,023,947 rights, also rounded to the third decimal place.)

< Overview of Trust Contracts >

(1) Name of scheme	Executive Compensation BIP Trust	Stock Granting ESOP Trust
(2) Type of trust	Monetary trust other than money trust for specific individual operations (beneficial trust for third parties)	
(3) Purpose of trust	To grant incentives to Directors and Executive Officers who have delegation contracts with the Company	To grant incentives to Executive Officers who have employment contracts with the Company
(4) Settlor	The Company	
(5) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
(6) Beneficiaries	Eligible beneficiaries among BIP Trust participants who meet the beneficiary requirements	Eligible beneficiaries among ESOP Trust participants who meet the beneficiary requirements
(7) Trust administrator	A third party who has no conflict of interest with the Company (certified public accountant)	
(8) Trust contract date	August 29, 2016 (scheduled to be amended in August 2025 for extension of the trust period)	
(9) Trust period before change	From August 29, 2016 to September 30, 2025	
(10) Trust period after change	From August 29, 2016 to September 30, 2028	
(11) Exercise of voting rights	No exercise with voting rights	

3. Basis for Calculation and Specific Details of Disposal Price

In light of recent movements in the Company's stock price and to eliminate arbitrariness in determining the disposal price, the Company has adhered to the "Guidelines on Handling Third-Party Allotment Capital Increases" issued by the Japan Securities Dealers Association. Accordingly, the disposal price has been set at 1,050 yen, which corresponds to the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution concerning the Disposal of Own Shares (August 7, 2025).

The closing price of the Company's shares on the business day immediately preceding the date of the Board of Directors' resolution was adopted, as it is considered to represent the Company's fair value in the stock market, thereby serving as a highly objective and reasonable basis for the calculation.

Furthermore, it was determined that the relevant stock price does not constitute a particularly favorable disposal price, as it was calculated as 968.0 yen (truncated at the second decimal place), which is the average closing price of the Company's common stock on the Tokyo Stock Exchange over the one-month period immediately prior to the date of the Board of Directors' resolution (from July 8, 2025, to August 7, 2025), multiplied by 108.47% (premium rate: 8.47%); calculated as 928.6 yen (truncated at the second decimal place), which is the average closing price over the three-month period immediately prior to the same date (from May 8, 2025, to August 7, 2025), multiplied by 113.07% (premium rate: 13.07%); and calculated as 914.6 yen (truncated at the second decimal place), which is the average closing price over the six-month period immediately prior to the same date (from February 10, 2025, to August 7, 2025), multiplied by 114.80% (premium rate: 14.80%). Based on the above, the disposal price was determined not to constitute a particularly favorable price.

In addition, all four Audit & Supervisory Board Members of the Company (including three Outside Audit & Supervisory Board Members) expressed the opinion that the above disposal price does not fall under the category of a particularly favorable disposal.

4. Procedures under the Corporate Code of Conduct

As the dilution ratio of the shares in this matter is less than 25% and there is no change in the controlling shareholder, it has been determined that procedures such as obtaining opinions from an independent third party and confirming shareholder intent, as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, are not required.

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