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August 8, 2025

Company: TODA CORPORATION
Representative: Seisuke Otani, President and Representative Director
(Securities Code: 1860 TSE Prime Market)
Contact: Yoshiyuki Shiba, General Manager, Planning & IR Div.
(Phone: 03-3535-1357)

Notice Concerning Revision of Performance-linked Stock Compensation Plan for Executive Officers Who Have Employment Contracts with the Company

TODA CORPORATION (the “Company”) hereby announces that, at the Board of Directors Meeting held today, it resolved to continue and partially revise the performance-linked stock compensation plan (the “Plan”) for executive officers who have employment contracts with the Company. The Plan was introduced in FY2016 and was partially revised in FY2019 and FY2022.

1. Continuation of the Plan

- (1) At the Board of Directors meeting held today, the Company resolved to continue the Plan with partial revisions as outlined in Section 2. below, with the aim of further motivating improvements in medium- to long-term business performance and corporate value, and of enhancing awareness of shareholder-focused management through a revised evaluation and compensation framework.
- (2) The Plan employs a framework referred to as the Employee Stock Ownership Plan (ESOP) Trust (the “ESOP Trust”), a stock-based compensation plan linked to the Company’s medium- to long-term business performance. The ESOP Trust is an incentive plan for employees, modeled after ESOP system in the United States.

2. Partial Revision of the Plan

Concerning the Plan, for which the trust period is set to expire on September 30, 2025, the Company will continue the Plan by revising the trust contract and making additional contributions to the trust to extend the trust period by 3 years. As a result, the Plan’s eligible period will be 3 fiscal years from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028. The following changes will be made to the conventional Plan for its continuation.

The Plan is a stock compensation plan in which shares of the Company are acquired through a trust using funds contributed by the Company. Through the trust, the Company’s shares and any cash equivalent to the proceeds from the sale of such shares are granted and delivered to eligible recipients.

For details, please refer to the Japanese announcement dated May 13, 2016, titled “Notice of Introduction of the Performance-linked Share Allocation System for the Company’s Directors and Executive Officers”, the Japanese announcement dated August 9, 2019 titled

“Notice of Continuation and Partial Revision of the Performance-linked Share-based Compensation System for Executive Officers Who Have Employment Contracts with the Company”, and the announcement dated August 10, 2022 titled “Notice of Continuation and Partial Revision of the Performance-linked Share-based Compensation System for Executive Officers Who Have Employment Contracts with the Company.”

Partially Revised Items to the Plan

Item	Before Revision	After Revision
Criteria for the achievement of business targets	The variation ranges from 0% to 165.0% based on the achievement level of company-wide performance evaluation (consolidated net sales, consolidated operating income, ROE) and ESG evaluation (CO ₂ emissions, total frequency rate) against target values.	The variation ranges from 0% to 165.0% based on the achievement level of company-wide performance evaluation (consolidated net sales, consolidated operating income, ROE) and ESG evaluation (CO ₂ emissions) against target values.

(Reference)

Details of Trust Contract

(1) Type of trust	Nonmonetary trust using a designated and single method of investment (third-party-benefit trust)
(2) Purpose of trust	Provision of incentives to the executive officers who have employment contracts with the Company
(3) Settlor	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Eligible beneficiaries among ESOP Trust participants who meet the beneficiary requirements
(6) Trust administrator	A third party who has no conflicts of interest with the Company (certified public accountant)
(7) Trust contract date	August 29, 2016
(8) Trust period	From August 29, 2016 to September 30, 2025 (The trust period will be extended to September 30, 2028, by revising the trust contract in August 2025)
(9) Date of commencement of the Plan	September 1, 2016
(10) Exercise of voting rights	No exercise with voting rights
(11) Type of shares acquired	The Company's common stock
(12) Total acquisition cost of shares	112,665,000 yen
(13) Holder of vested rights	The Company
(14) Residual assets	The residual assets that the Company, as the vested rights holder, may receive shall be within the scope of the trust expense reserve, after deducting the funds used for stock acquisition from the trust funds.

End