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February 12, 2025

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(Securities Code: 1860 TSE Prime Market)  
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## **Notice Concerning Disposal of Own Shares as Post-Delivery Type Stock Grant Program for Domestic Group Employee Shareholding Association**

TODA CORPORATION (the “Company”) announced the introduction of post-delivery type stock grant program for domestic Group employee shareholding association (the “Program”) on February 29, 2024. At the Board of Directors Meeting held today, the Company resolved to disposal of own shares (the “Disposal of Own Shares” or the “Disposal”) by allotting them to the TODA CORPORATION Group Employee Shareholding Association (the “Shareholding Association”) as described below.

### 1. Outline of the Disposal

(1) Disposal date	March 27, 2025
(2) Type and number of shares to be disposed of	25,700 shares of the Company’s common stock
(3) Disposal price	929.5 yen per share
(4) Total value of shares to be disposed of	23,888,150 yen
(5) Disposal method (scheduled allottee)	Third-party allotment (The Shareholding Association: 25,700 shares)
(6) Other	The Disposal of Own Shares is conditioned on the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.

### 2. Purpose and reasons for the Disposal

At the Board of Directors Meeting held on February 29, 2024, the Company resolved to introduce the

Program for the Company's domestic Group employees who are the Shareholding Association participants and have agreed to the Program (the "Eligible Employees"). The Program is intended to provide employees with an opportunity to acquire shares of the Company's common stock through the Shareholding Association, thereby sharing shareholder value over the medium- to long-term, contributing to medium- to long-term improvements in the Company's business performance and corporate value, and providing incentives to motivate employees to continue working for the Group.

The Disposal of Own Shares is based on the resolution of the Board of Directors Meeting held today, following the expiration of the Program period from May 1, 2024, to December 31, 2024.

Under the Program, on the condition that the Eligible Employees made continuous contributions to the Shareholding Association and did not make any withdrawals during the eligible period, a predetermined number of the Company's common stock, as specified by the Company, shall be allocated to them as their respective shares in the Shareholding Association.

Outline of the Program is as follows:

#### **【Outline of the Program】**

##### **(1) Overview of the Program**

Under the Program, the domestic Group company shall grant points to the Eligible Employees after the end of the eligible period as predetermined by the domestic Group company. After the points are granted, the domestic Group company shall provide a monetary claim to the Eligible Employees as a special stock incentive for the grant of shares of the Company's common stock (the "Special Stock Incentive"), and the Eligible Employees shall contribute the Special Stock Incentive to the Shareholding Association.

##### **(2) Number of Own Shares to be disposed of based on the Program**

In the Disposal of Own Shares, the Company shall allocate a total of 25,700 shares to 257 Eligible Employees as of today, calculated based on the number of shares granted per person (100 shares) as resolved at the Board of Directors Meeting held on February 29, 2024. The Eligible Employees shall dispose of the Special Stock Incentive to the Shareholding Association in exchange for contributing them in kind. The scale of dilution due to the Disposal of Own Shares, assuming the maximum value, is 0.01% of the total number of issued shares (rounded to the third decimal places; hereinafter the same in the calculation of percentages) as of September 30, 2024, which is 322,656,796 shares, and 0.01% of the total number of voting rights as of September 30, 2024, which is 3,020,034 voting rights.

##### **(3) Method and timing of delivery of the Company's common stock**

After the end of the eligible period, the domestic Group company shall make a Board of Directors resolution to grant the Special Stock Incentive to the Eligible Employees based on the points. The Eligible Employees shall then contribute the Special Stock Incentive to the Shareholding Association.

Subsequently, the Company shall make a Board of Directors resolution to allocate shares in the Shareholding Association to the Eligible Employees.

The payment amount per share of the Company's common stock issued or disposed of under the Program shall be determined by the Board of Directors Meeting based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors Meeting's resolution (or the closing price on the most recent trading day if no transactions were made on that day), ensuring that it is not particularly advantageous to the recipients.

3. Basis for calculation and specific details of disposal price

The Disposal of Own Shares is intended to implement the Program. To eliminate any arbitrariness in the disposal price, it shall be set at 929.5 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on February 10, 2025 (the business day before the Board of Directors' resolution date). This represents the market price immediately before the Board of Directors' resolution date, and the Company believes it is reasonable and a not particularly advantageous price. The deviation rate (rounded to the third decimal places) of the closing price of the Company's common stock on the Tokyo Stock Exchange on February 10, 2025, which is 929.5 yen, from the average closing price of the Company's common stock on the Tokyo Stock Exchange is as follows.

Period	Average closing price (Rounded down to the second decimal places)	Deviation rate
1 month (from January 10, 2025 to February 10, 2025)	916.4 yen	1.42%
3 months (from November 11, 2024 to February 10, 2025)	939.8 yen	-1.10%
6 months (from August 9, 2024 to February 10, 2025)	950.9 yen	-2.25%

All 3 Audit & Supervisory Board Members (including 2 outside Audit & Supervisory Board Members) have expressed their opinion that in light of the fact that the purpose of the Disposal of Own Shares is to introduce the Program and that the disposal price, being the closing price on the business day before the Board of Directors' resolution date, is not particularly advantageous and is lawful.

4. Matters related to procedures under the code of corporate conduct

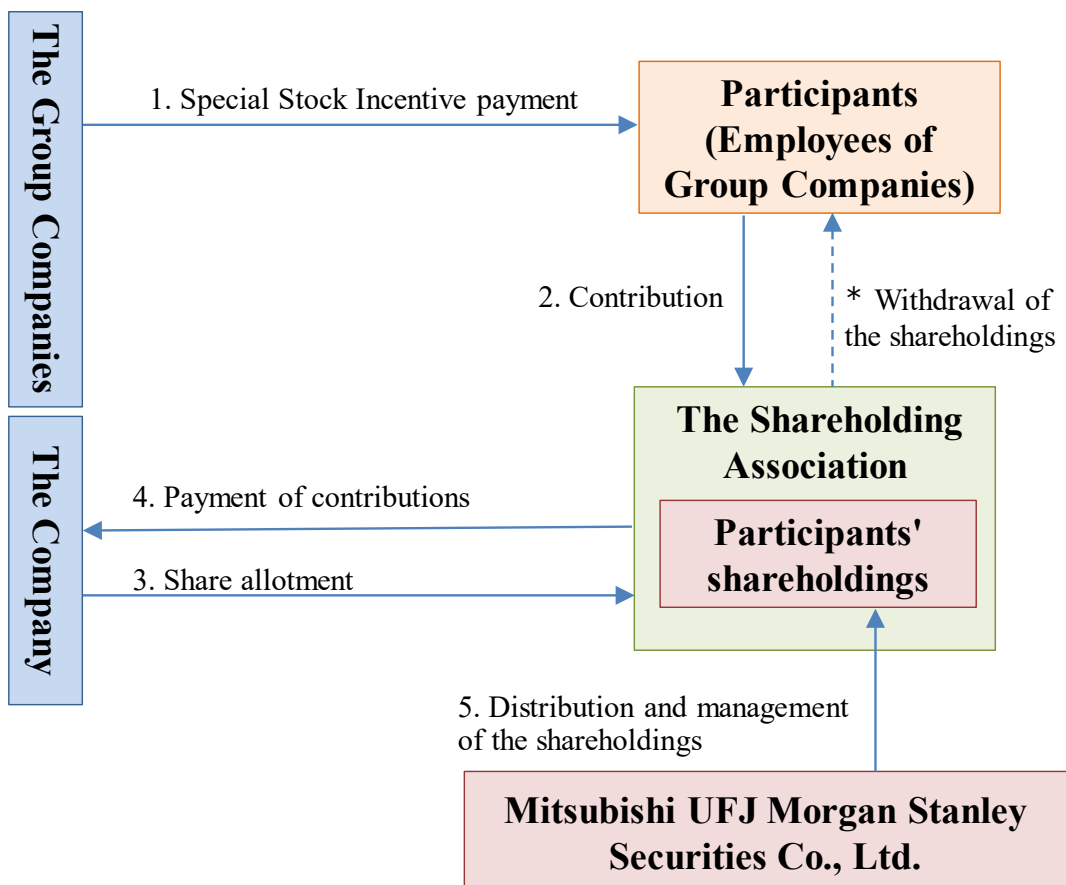
The Disposal of Own Shares does not require obtaining the opinion of an independent third party and confirming the intention of shareholders as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (i) the dilution rate is less than 25%, and (ii) it does not involve the change of the controlling shareholder.

(Reference)

**【Structure of the Program】**

1. The domestic Group company provides each participant with a Special Stock Incentive payment (in March after the end of the eligible period).
2. Each participant contributes the Special Stock Incentive paid to the Shareholding Association (in March after the end of the eligible period).
3. The Company allots the Company's common stock to the Shareholding Association.
4. The Shareholding Association aggregates the Special Stock Incentive contributions made by the participants and pays them to the Company.
5. The allocated Company's common stock shall be distributed and managed as participants' shareholdings within the Shareholding Association through Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., the administrative agent of the Shareholding Association.

\* The participants may withdraw their shareholdings at their own discretion.



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