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April 25, 2023

Company: TODA CORPORATION

Representative: Seisuke Otani, President and Representative Director

(Securities Code: 1860 TSE Prime Market)

Contact: Kaname Miwa, Corporate Officer, General Manager, Financial & IR Div.

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Notice Regarding the Receipt of a Shareholder's Proposal

TODA CORPORATION (the "Company") hereby announces that a shareholder's proposal (the "Shareholder's Proposal") dated April 18, 2023 was received from the Company's shareholder, LONGCHAMP SICAV (Dalton Investments Inc as a proxy) with respect to the 100th Ordinary General Meeting of Shareholders to be held on June 29, 2023.

The Board of Directors of the Company's opinion on the Shareholder's Proposal will be disclosed as soon as it is determined after careful consideration and deliberation.

Details of the Shareholder's Proposal

※The relevant descriptions of the submitted Shareholder's Proposal are set forth in the original text.

1. Proposed Agenda

1. Acquisition of Treasury Stock

2. Outline of the Agenda and Reason for the Proposal

1. Acquisition of Treasury Stock

(1) Outline of the Agenda

Pursuant to Article 156, Paragraph 1 of the Companies Act, the Company shall acquire up to 30,822,000 shares of its common stock at a total acquisition price of 21,575,400,000 yen by means of cash payment within one year from the conclusion of the Ordinary General Meeting of Shareholders.

(2) Reason for the Proposal

The Board of Directors of the Company resolved on April 28, 2017 to repurchase up to 3,000,000 shares, representing 0.98% of the total number of shares issued and outstanding (excluding treasury stock), for the period from June 29, 2017 to March 31, 2018, for a total maximum acquisition cost of 2.5 billion yen, and at the 99th Ordinary General Meeting of Shareholders held on June 8, 2022, the Company set a target of 2.5% or more in the ratio of dividends to net assets as well as 40% or more in the total return ratio. While the Company's implementation of measures to increase shareholder returns and improve

capital efficiency is appreciated, the stock price remains less than P/B ratio 1, lower than the book value of net assets, which means that the stock price is valued by the stock market lower than the liquidation value. Therefore, in order to improve the situation where P/B ratio below 1 and implement management that is conscious of stock price, and to further increase shareholder returns and improve capital efficiency, we believe that the required cash level should be presented in a form that is easy for investors to understand, and that measures should be adopted to continuously purchase treasury stock in an amount considered to exceed this level. As stated in the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” released by Tokyo Stock Exchange, Inc. on March 31, 2023, the reason for the continuous underperformance of P/B ratio is thought to be that the Company “has not achieved profitability that exceeds its cost of capital”, or that “the balance sheet does not effectively contribute to value creation” due to cross-shareholdings policy and real estate assets. In order to further increase shareholder returns and improve capital efficiency, we believe that the Company should adopt a policy of repurchasing approximately 10% of the total number of shares issued and outstanding (excluding treasury stock) as treasury stock.

END