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September 30, 2022

Company: TODA CORPORATION

Representative: Seisuke Otani, President and Representative Director

(Securities Code: 1860 TSE Prime Market)

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## Notice of Capital Increase of Subsidiary (Conversion into Specified Subsidiary) and Establishment of Sub-subsidiary (Specified Subsidiary)

TODA CORPORATION (the “Company”) announces that it resolved at its Board of Directors meeting held on September 30, 2022, to conduct a capital increase of a subsidiary in Brazil (conversion into a specified subsidiary) and establish a sub-subsidiary (specified subsidiary) in Brazil.

### 1. Reason for the Capital Increase and the Establishment of the Sub-subsidiary

The Toda Group is committed to the environment and energy business as a priority management initiative, and accordingly, in 2020, established TODA Investimentos do Brasil Ltda., a consolidated subsidiary, and commenced its onshore wind power generation business. Recently, the Toda Group decided to establish a new operating company for its onshore wind power generation business to further expand its environment and energy business. This will be in the form of an establishment of a new company by a local development company, which has been engaged in this business by cooperating with the Toda Group, after which the new company holding the development rights will be acquired and converted into a sub-subsidiary of the Company.

### 2. Outline of the Subsidiary Subject to the Capital Increase

(1)	Name	TODA Investimentos do Brasil Ltda.
(2)	Head office location	São Paulo, SP, Federative Republic of Brazil
(3)	Representative	Isao Sakai, CEO
(4)	Main business	Investment business
(5)	Date of establishment	January 9, 2020
(6)	Capital prior to the increase	70 million BRL (approx. 1.9 billion yen)
(7)	Amount of increase	240 million BRL (approx. 6.4 billion yen)

(8)	Capital after the increase	310 million BRL (approx. 8.3 billion yen)		
(9)	Capital increase schedule	October 2022 (planned)		
(10)	Relationship with the Company	The Company has a 100% stake in the subsidiary and dispatches its employees to the subsidiary. There is no business relationship between the Company and the subsidiary.		
(11)	Operating results and financial position for the last three years (Unit: BRL in million [Yen in million])			
	Fiscal year	Ended December 31, 2019	Ended December 31, 2020	Ended December 31, 2021
	Net assets	–	65 [1,745]	74 [1,985]
	Total assets	–	68 [1,842]	74 [1,988]
	Net assets per share (BRL [Yen])	–	0.93 [25]	1.06 [28]
	Net sales	–	– [-]	– [-]
	Operating income	–	(4) [(129)]	8 [234]
	Profit (loss) for the year	–	(4) [(127)]	8 [239]
	Profit (loss) for the year per share (BRL [Yen])	–	(0.07) [(2)]	0.13 [3]
	Dividends per share (BRL [Yen])	–	– [-]	– [-]

Note. There are no applicable items for the fiscal year ended December 31, 2019, as it was prior to the establishment of the company.

### 3. Outline of the Sub-subsidiary to be established

- |     |                              |   |
|-----|------------------------------|---|
| (1) | Name                         | TODA Energia 2 Ltda.  |
| (2) | Head office location         | Pedro Avelino, Rio Grande do Norte, Federative Republic of Brazil |
| (3) | Representative               | Isao Sakai, CEO   |
| (4) | Main business                | Onshore wind power generation business                            |
| (5) | Capital                      | 220 million BRL (approx. 5.9 billion yen)                         |
| (6) | Date of establishment        | October 2022 (planned)  |
| (7) | Shareholder and equity ratio | TODA Investimentos do Brasil Ltda. 100%                           |

### 4. Impact on Financial Results

The impact of these changes on the Toda Group's consolidated financial results will be minimal.

(Reference) Outline of the Onshore Wind Power Generation Business in Brazil

	Phase I	Phase II (Current plan)
Operating company	TODA Energia do Brasil Ltda. (Sub-subsidiary of the Company)	TODA Energia 2 Ltda. (Sub-subsidiary of the Company)
Location of head office	Areia Branca, Rio Grande do Norte	Pedro Avelino, Rio Grande do Norte
Output	27.72MW (3.465MW x 8 turbines)	94.40MW (5.9MW x 16 turbines, planned)
Annual output	118 million kWh	400 million kWh (Planned)
Commencement of operations	September 2021	August 2024 (Planned)

Note: The amount of capital and other amounts are converted into yen at the rate of 26.77 yen per 1 BRL (as of August 31, 2022).

End