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August 10, 2022

Company: TODA CORPORATION

Representative: Seisuke Otani, President and Representative Director

(Securities Code: 1860 TSE Prime Market)

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Notice of Disposal of Treasury Stock through Third-party Allotment

TODA CORPORATION (the “Company”) announces that it resolved at its Board of Directors meeting held today to dispose of its treasury stock through a third-party allotment (hereinafter “the Treasury Stock Disposal”), as described below.

1. Outline of the disposal

(1) Date of disposal	September 1, 2022
(2) Class and number of shares to be disposed	1,897,800 shares of common stock
(3) Disposal value	681 yen per share
(4) Total disposal value	1,292,401,800 yen
(5) Party to which the treasury stock is scheduled to be disposed	The Master Trust Bank of Japan, Ltd. (Board Incentive Plan (BIP) trust account): 1,865,600 shares The Master Trust Bank of Japan, Ltd. (Employee Stock Ownership Plan (ESOP) trust account): 32,200 shares
(6) Other matters	The Treasury Stock Disposal shall be conducted subject to the registration statement submitted under the Financial Instruments and Exchange Act coming into effect.

2. Purpose and reason for the disposal

The Company resolved to partially revise and continue the directors’ compensation Board Incentive Plan (BIP) trust (hereinafter “the BIP trust”), a performance-linked share-based compensation system, and the Employee Stock Ownership Plan (ESOP) trust (hereinafter “the

ESOP trust” and together with the BIP trust, collectively referred to as “the Trusts”), aimed at improving medium- to long-term business performance, increasing corporate value, and increasing management’s awareness of putting the shareholders first, as well as promoting initiatives to establish a sustainable society including the conservation of the environment. For an overview of the Trusts, please refer to the “Notice of Continuation and Partial Revision of the Performance-linked Share-based Compensation System for Executive Officers Who Have Employment Contracts with the Company,” announced today and the “Notice of Continuation and Partial Revision of the Performance-linked Share-based Compensation System for the Company’s Directors and Executive Officers,” announced on May 13, 2022.

In continuing the Trusts, the Treasury Stock Disposal shall be carried out in the form of a disposal of treasury stock through a third-party allotment to The Master Trust Bank of Japan, Ltd., which is the joint trustee of the Trusts under each of the trust agreements to be concluded by the Company with Mitsubishi UFJ Trust and Banking Corporation.

The number of shares to be disposed of shall be, in accordance with the Share Delivery Rules, the number of shares expected to be delivered to the target beneficiaries for the target trust period, the three fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025, and the scale of its dilution shall be 0.59% (rounded off to two decimal places) of the total number of outstanding shares of 322,656,796 shares as at March 31, 2022, which, in terms of voting rights, corresponds to 0.61% (rounded off to two decimal places) of the total number of voting rights at 3,087,647 as at March 31, 2022.

<Overview of the trust agreement>

(1) Name of the system	Board Incentive Plan (BIP) Trust	Employee Stock Ownership Plan (ESOP) Trust
(2) Type of the trust	Nonmonetary trust using a designated and single method of investment (third-party-benefit trust)	
(3) Purpose of the trust	Provision of incentives to the directors of the Company and the executive officers who conclude an entrustment contract with the Company	Provision of incentives to the 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	Those who are subject to the BIP trust and satisfy the requirement as a beneficiary	Those who are subject to the ESOP trust and satisfy the requirement as a beneficiary
(7) Trust administrator	A third party who has no conflicts of interest with the Company (Certified Public Accountant)	
(8) Trust contract date	August 29, 2016 (To be changed in conjunction with the extension of	

	the trust period in August 2022)
(9) Trust period prior to the change	From August 29, 2016, to September 30, 2022
(10) Trust period after the change	From August 29, 2016, to September 30, 2025
(11) Exercise of voting rights	Not exercised

3. Basis of calculation of the disposal value and the specific details

By taking into account recent stock price movements, and in order to eliminate any arbitrariness in determining the value, the disposal value, in accordance with the Guidelines Concerning Treatment of Capital Increase by Allotment to a Third Party of the Japan Securities Dealers Association (JSDA), shall be 681 yen, the closing price of the shares of the Company on the Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) on the business day immediately preceding the date of resolution at the Board of Directors regarding the Treasury Stock Disposal (August 9, 2022).

The closing price of the shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution at the Board of Directors was adopted, as it fairly represented the Company’s corporate value on the stock market and was determined to be highly objective and reasonable as the basis of calculation.

Furthermore, the above stock price is an amount calculated by multiplying 706 yen (rounded down to a whole yen), namely the average of the closing prices of the shares of the Company on the Tokyo Stock Exchange in the one-month period immediately preceding the date of the aforementioned resolution (from July 10, 2022 to August 9, 2022), by 96.46% (deviation: 3.54%), and an amount calculated by multiplying 702 yen (rounded down to a whole yen), namely the average of the closing prices of the shares of the Company on the Tokyo Stock Exchange in the three-month period immediately preceding the date of the aforementioned resolution (from May 10, 2022 to August 9, 2022), by 97.01% (deviation: 2.99%), as well as an amount calculated by multiplying 725 yen (rounded down to a whole yen), namely the average of the closing prices of the shares of the Company on the Tokyo Stock Exchange in the six-month period immediately preceding the date of the aforementioned resolution (from February 10, 2022 to August 9, 2022), by 93.93% (deviation: 6.07%), and consequently, the Company determined that the disposal value was not particularly favorable for any concerned party.

Additionally, the five Audit & Supervisory Board Members of the Company (including four Outside Audit & Supervisory Board Members) have voiced the opinion that the disposal value was not particularly favorable for any concerned party.

4. Procedures under the Code of Corporate Conduct

In light of the fact that the dilution rate of the shares is less than 25% without involving any change to the controlling shareholders, the procedures of obtaining an opinion from an independent third party and confirming the intentions of the shareholders, in accordance with

Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, are not required.

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