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May 15, 2025

Company: TODA CORPORATION
Representative: Seisuke Otani, President and Representative Director
(Securities Code: 1860 TSE Prime Market)
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Notice Concerning Revision of Performance-linked Stock Compensation Plan for Directors, etc.

TODA CORPORATION (the “Company”) hereby announces that the Company resolved at the Board of Directors Meeting held today to submit a proposal (the “Proposal”) of continuation and partial revision of the performance-linked stock compensation plan (the “Plan”) for directors and executive officers who have concluded an entrustment contract with the Company (excluding non-residents of Japan, the “Directors, etc.”). The Plan was introduced in FY2016 and was partially revised in FY2019 and FY2022. The Proposal will be submitted to the 102nd Annual General Meeting of Shareholders of the Company, to be held on June 26, 2025 (the “General Meeting”) as outlined below.

1. Continuation of the Plan

- (1) The Company decided at the Board of Directors Meeting held today to continue the Plan with partial revision, as outlined in Paragraph 2 below, to further enhance motivation for medium- to long-term business performance improvement and corporate value growth, while also strengthening a shareholder-oriented management mindset through an improved evaluation and compensation framework.
- (2) Continuation of the Plan is subject to obtaining approval of the Proposal at the General Meeting.
- (3) The Plan employs a framework referred to as the executive compensation Board Incentive Plan (BIP) trust (the “BIP trust”), a stock-based compensation plan linked to the Company’s medium- to long-term business performance. The BIP trust is an incentive plan for directors, modeled after performance-based stock compensation (Performance Share) and restricted stock compensation (Restricted Stock) in the United States and Europe.

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 target period will be 3 fiscal years from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028. Subject to approval of the General Meeting, 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. These shares, along with an amount equivalent to the cash converted from them, are delivered/paid to the target beneficiaries.

For details, please refer to the Japanese announcement dated May 13, 2016, concerning the Notice of Introduction of the Performance-linked Share Allocation System for the Company's Directors and Executive Officers, the Japanese announcement dated May 14, 2019, concerning the Notice of Continuation and Partial Revision of the Performance-linked Share-based Compensation System for the Company's Directors and Executive Officers, and the announcement dated May 13, 2022 concerning the Notice of Continuation and Partial Revision of the Performance-linked Share-based Compensation System for the Company's Directors and Executive Officers.

Partially Revised Items to the Plan

Items	Before Revision	After Revision
Upper limit of funds contributed by the Company	For 3 fiscal years, a total of ¥1,400 million (including ¥15 million allocated to outside directors).	For 3 fiscal years, a total of ¥1,600 million (including ¥15 million allocated to outside directors).
Maximum amount of the shares of the Company, etc. that may be acquired by the Directors, etc.	The maximum total number of points per year is 800,000 points (800,000 shares), including 8,600 points (8,600 shares) allocated to outside directors.	The maximum total number of points per year is 900,000 points (900,000 shares), including 8,600 points (8,600 shares) allocated to outside directors.

Items	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 (CO2 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 (CO2 emissions) against target values.

Note: The Company is currently reviewing the existing stock grant ESOP trust plan for the executive officers with employment contracts. Details will be announced once a decision is made.

(Reference)

Details of the Trust Contract

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|--------------------------------------|---|
| (1) Type of the trust | Nonmonetary trust using a designated and single method of investment (third-party-benefit trust) |
| (2) Purpose of the trust | Provision of incentives to the Directors, etc. |
| (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 BIP 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) Upper limit of the trust funds | ¥1,600 million (including trust fees and expenses) |
| (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