



July 7, 2025

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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

TOA ROAD CORPORATION (hereinafter, the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of treasury shares of the Company’s stock (hereinafter, the “Disposal of Treasury Shares” or “disposal”) as follows.

1. Summary of Disposal

(1) Date of disposal	July 28, 2025
(2) Class and total number of shares to be disposed	57,742 shares of common stock of the Company
(3) Price of disposal	¥1,517 per share
(4) Total value of shares to be disposed	¥87,594,614
(5) Allottees and number thereof, number of shares to be disposed	3 Directors of the Company (excluding Outside Directors): 21,357 shares 20 Executive Officers who do not concurrently serve as Directors of the Company: 36,385 shares

2. Purposes and Reasons for Disposal

At the meeting of the Board of the Directors held on May 26, 2020, the Company resolved to introduce a restricted stock compensation plan (hereinafter, the “Plan”) for the Company’s Directors (excluding Outside Directors; hereinafter, the “Eligible Directors”) and Executive Officers who do not concurrently serve as Directors of the Company (hereinafter, the “Eligible Directors, etc.”) with the aim of providing them with an incentive to achieve sustainable enhancement of the Company’s corporate value and further sharing value with shareholders. In addition, as Proposal 4 titled “Payment of Compensation for Granting Shares with Restriction on Transfer to Directors” at the 114th Annual General Meeting of Shareholders held on June 26, 2020, it was approved, among other

matters, that the Company shall provide monetary claims for the Eligible Directors as monetary claims serving as invested assets to grant shares with restriction on transfer under the Plan.

Furthermore, at the 116th Annual General Meeting of Shareholders held on June 29, 2022, under the Plan, it was approved to provide monetary claims not exceeding ¥50 million per annum and to issue or dispose of the shares of the Company's common stock not exceeding 10,000 shares per annum for Eligible Directors as compensation for invested assets to grant shares with restriction on transfer (hereinafter, the "Restricted Stock Compensation"). It was also approved that the transfer restriction period for shares with restriction on transfer shall be amended to commence on the date on which the restricted shares of the Company's common stock are allocated to the Eligible Directors under a restricted stock allotment agreement entered into between the Company and the Eligible Directors, and to terminate at the time immediately following the resignation or retirement from any position predetermined by the Board of Directors of the Company among positions of officers or employees within the Company or its subsidiaries. However, if the time immediately following such resignation or retirement is before the date three months have elapsed since the end of the fiscal year that includes the date on which the allotment of shares of the Company's common stock is to be received, the end of the transfer restriction period may be adjusted within a reasonable range.

Please note that the Company conducted a 2-for-1 stock split of its common stock on April 1, 2023. Additionally, as announced in the "Notice Concerning Stock Split and Partial Amendments to the Articles of Incorporation" disclosed on November 8, 2023, the Company conducted a 5-for-1 stock split of its common stock, effective as of April 1, 2024. From the effective date of the stock split, the total number of shares of the Company's common stock issued or disposed of as restricted stock to Eligible Directors shall not exceed 100,000 shares per annum.

The summary, etc. of the Plan are as follows.

[Summary, etc. of the Plan]

The Eligible Directors, etc. shall pay all monetary claims, which will be provided by the Company under the Plan, as property contributed in kind and shares of the Company's common stock shall be issued or disposed of. The amount to be paid in per share shall be determined by the Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Directors, etc., who will receive shares of the Company's common stock, based on the closing price of its common stock on the Tokyo Stock Exchange on the business day preceding the date of each resolution by the Board of Directors (or, if there are no trades on that day, the closing price on the most recent preceding trading day).

Furthermore, the issuance or disposal of shares of the Company's common stock under the Plan is subject to the conclusion of a restricted stock allotment agreement between the Company and Eligible Directors, etc. The terms of the agreement include: (i) Eligible Directors, etc. shall be prohibited from transferring to third parties, creating security interests on, or otherwise disposing of the shares of the Company's common stock received by allotment for a certain period under the restricted stock allotment agreement; and (ii) in the event of the specified circumstances, the

Company will acquire such shares of its common stock without consideration.

This time, after the consultation with the Nomination and Compensation Committee, the Company has decided to grant the Eligible Directors, etc. monetary claims of ¥87,594,614 in total (hereinafter, the “Monetary Claims”) and 57,742 shares of the Company’s common stock in consideration of the objective of the Plan, the Company’s business situation, the scope of the job responsibilities of each Eligible Director, etc., and various circumstances, with the aim of further boosting the motivation of the Eligible Directors, etc.

Concerning the Disposal of Treasury Shares, the 23 Eligible Directors, etc., who are the scheduled allottees under the Plan, will pay all Monetary Claims against the Company as property contributed in kind and will receive the disposal of shares of the Company’s common stock (hereinafter, the “Allotted Shares”). Regarding the Disposal of Treasury Shares, the summary of the restricted stock allotment agreement to be executed between the Company and the Eligible Directors, etc. (hereinafter, the “Allotment Agreement”) is described in 3. below.

3. Summary of the Allotment Agreement

(1) Transfer restriction period

The period from July 28, 2025 (hereinafter, the “Disposal Date”) until the time immediately following the resignation or retirement from any position of the Company’s Director or Executive Officer who does not concurrently serve as a Director.

(2) Conditions for the lifting of transfer restriction

In the case that an Eligible Director, etc. has continuously held the position of the Company’s Director or Executive Officer who does not concurrently serve as a Director during the period from the commencement date of the performance of duties by the Eligible Director, etc. until the time immediately prior to the conclusion of the first Annual General Meeting of Shareholders held thereafter (hereinafter, the “Service Period”) (however, in the case of Executive Officers who do not concurrently serve as Directors, such period shall be deemed to be the period from the beginning date of the fiscal year in which the Disposal Date falls to the end of such fiscal year; the same shall apply hereinafter), the transfer restrictions will be lifted for all Allotted Shares on the expiration of the transfer restriction period.

(3) Treatment in the event that Eligible Directors, etc. retire or resign for justifiable reasons, such as the expiration of their term of office during the Service Period

(i) Timing of the lifting of transfer restriction

In the event that an Eligible Director, etc. retires or resigns from any position of the Company’s Director or Executive Officer who does not concurrently serve as a Director for justifiable reasons such as the expiration of the person’s term of office (including retirement or resignation due to death), the transfer restriction will be lifted as of the time immediately after the retirement or resignation of the Eligible Director, etc.

(ii) Number of shares subject to the lifting of transfer restriction

The number of shares subject to the lifting of transfer restriction is determined by multiplying the number of Allotted Shares held at the time of the said retirement or resignation stipulated in (i) above by the number derived by dividing the number of months from the month that includes the Disposal Date (provided, however, that the Eligible Director, etc. is an Executive Officer who does not concurrently serve as a Director, the Disposal Date shall be deemed to be the beginning date of the fiscal year in which the Disposal Date falls) to the month that includes the date of retirement or resignation of the Eligible Director, etc. by the number of months (12) pertaining to the Service Period (1 if the calculation results in more than 1) (any fractions of less than one share generated as a result of the calculation shall be rounded down).

(4) Acquisition by the Company without consideration

In the event that an Eligible Director, etc. engages in any unlawful acts or otherwise falls under specified circumstances stipulated in the Allotment Agreement during the transfer restriction period, the Company shall rightfully acquire all of the Allotted Shares held by the person at that time without consideration. Additionally, the Company shall rightfully acquire the Allotted Shares for which the transfer restriction has not been lifted at the expiration of the transfer restriction period or at the lifting of the transfer restriction specified in (3) above, without consideration.

(5) Treatment upon reorganization, etc.

If, during the transfer restriction period, a merger agreement under which the Company becomes a dissolved company, a stock exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other matter concerning a reorganization, etc. is approved at the General Meeting of Shareholders of the Company (or by the Company's Board of Directors if no approval of the General Meeting of Shareholders of the Company is required for the reorganization, etc.), the Company shall, by a resolution of the Board of Directors of the Company, lift the said transfer restriction immediately preceding the business day prior to the effective date of the subject reorganization, etc. with respect to the number of shares determined by multiplying the number of Allotted Shares held at that time by the number derived by dividing the number of months from the month that includes the Disposal Date (provided, however, that the Eligible Directors, etc. are Executive Officers who do not concurrently serve as Directors, the Disposal Date shall be deemed to be the beginning date of the fiscal year in which the Disposal Date falls) to the month that includes the date of approval by the number of months (12) pertaining to the Service Period (1 if the calculation results in more than 1) (any fractions of less than one share generated as a result of the calculation shall be rounded down). Furthermore, the Company shall rightfully acquire all of the Allotted Shares whose transfer restrictions have not been lifted without consideration, at the time immediately following the lifting of the transfer restriction.

(6) Management of shares

The Allotted Shares shall be managed in a dedicated account opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd., so as to prevent their transfer, creation of security interests,

or other disposition during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. in connection with the management of the account for the Allotted Shares held by each Eligible Director, etc., to ensure the effectiveness of the transfer restrictions and other measures concerning the Allotted Shares. Additionally, the Eligible Directors, etc. shall agree to the contents of the management of the said accounts.

4. Basis for Calculating the Amount to Be Paid in and Its Specific Details

The Disposal of Treasury Shares to the scheduled allottees shall be made by contributing the monetary claims received as the Restricted Stock Compensation for the 120th fiscal year of the Company under the Plan as invested assets. To exclude arbitrariness in the disposal price, the price has been set at ¥1,517, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange as of July 4, 2025, the business day immediately preceding the date of the resolution by the Company's Board of Directors. This is the market share price immediately prior to the date of the Board of Directors' resolution, and the Company believes it is reasonable and does not represent a particularly favorable price.