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Notice of Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Toyota Boshoku Corporation (the “Company”) hereby announces that its Board of Directors, at a meeting held on June 11, 2025, has decided to dispose of its treasury stock (the “Disposal of Treasury Stock”) as follows.

1. Outline of the Disposal

(1)	Disposal date	July 9, 2025
(2)	Class and number of shares to be disposed	17,766 shares of common stock of the Company
(3)	Disposal price	1,958.5 yen per share
(4)	Total value of shares to be disposal	34,794,712 yen
(5)	Allottees and numbers thereof, number of shares to be allotted	5 Members of the Board of Directors (excluding outside members of the Board of Directors) : 17,766 shares
(6)	Others	The disposal of Treasury Stock is not subject to the submission of a securities notification due to the fulfillment of special requirements for the grant of restricted stock compensation.

2. Purpose and reasons for disposal

At the Board of Directors meeting held on May 29, 2020, the Company has resolved to introduce a stock-based compensation plan (hereinafter referred to as the “Plan”) as a new compensation system for the Company’s Directors other than outside directors (hereinafter referred to as “Eligible Directors”) with the aim of providing medium- to long-term incentives to Eligible Directors and sharing shareholder value. In addition, at the 95th Ordinary General Meeting of Shareholders held on June 17, 2020, the Company has received approval to pay monetary claims of up to 100 million yen per year to Eligible Directors as monetary compensation (hereinafter referred to as "Restricted Stock Compensation") for the acquisition of Restricted Stocks, and that the transfer restriction period of Restricted Stocks shall be a period from the payment date of the common shares of the Company allotted under the Restricted Stocks Allotment Agreement to be concluded between the Company and Eligible Directors to the point immediately after their retirement from the position of Director of the Company. The outline of the Plan is as follows.

【Outline of the Plan】

The Eligible Directors will pay in all of the monetary claims provided by the Company under this Plan as assets contributed in kind, and will receive the issuance or disposition of the Company's common stock. In addition, the total number of shares

of common stock issued or disposed of by the Company to Eligible Directors under the Plan shall be up to 100,000 shares of the Company's common stock per year, and the amount to be paid per share shall be determined by the Board of Directors to the extent that the amount is not particularly advantageous to the Eligible Directors who subscribe for the common stock and to be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution (or, if no transaction has been conducted on the same day, the closing price on the most recent trading day preceding the transaction).

In addition, when issuing or disposing of the Company's common stock under this system, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement, which includes: ①Eligible Directors of the Company are prohibited from transferring to a third party, the creation of a security interest, or any other disposition of the Company's common stock that has been allocated under the restricted stock allotment agreement; and ②Upon the occurrence of certain events, the Company shall acquire the relevant common stock, free of charge.

In consideration of the purpose of this system, the Company's business performance, the scope of responsibilities of each Eligible Directors, and various other circumstances, the Company have decided to grant a total monetary compensation claim of 34,794,712 yen (hereinafter referred to as the "Monetary Compensation Claim") and 17,766 shares of common stock.

Under the Disposal of Treasury Stock, the five Eligible Directors to whom the allotment is scheduled will pay all of the Monetary Claims against the Company as assets contributed in kind, and will receive disposal of the Company's common stock (hereinafter referred to as the "Allotted Shares"). A summary of the restricted stock allotment agreement (hereinafter referred to as the "Allotment Agreement") to be concluded between the Company and the Eligible Directors in this treasury stock disposal is set out in 3. below.

3. Overview of Allotment Agreement

(1) Transfer restriction period

From July 9, 2025(date of disposition) to immediately after retirement from the position of Director of the Company.

(2) Conditions for canceling transfer restrictions

The transfer restrictions on all of the Allotted Shares will be lifted at the expiration of the transfer restriction period, provided that the Eligible Directors remain in the position of directors of the company during the period from the month including the date of disposition until immediately prior to the conclusion of the first Ordinary General Meeting of Shareholders thereafter (hereinafter referred to as the "Service Provision Period").

(3) Treatment of cancellation of transfer restrictions in the event that the Eligible Director resigns or retires due to expiration of term of office, retirement age, or other justifiable reason during the transfer restriction period

①Timing of canceling transfer restriction

If an Eligible Director resigns or retires from any position as a director of the Company due to expiration of term of office, retirement age, or other justifiable reason, the transfer restrictions shall be lifted immediately upon such resignation.

②Number of shares subject to cancellation of transfer restrictions

The number of Allotted Shares shall be calculated by multiplying the number of Allotted Shares held at the time of resignation specified in ① by the number obtained by dividing the term of office (in months) of the Eligible Director during the Transfer Restriction Period by 12 (if that number exceeds one, it will be rounded down to one). (Any fractional shares of less than one unit of stock resulting from the calculation shall be rounded down)

(4) Free acquisition by the Company

The Company will automatically acquire the Allotted Shares for which the transfer restrictions are not lifted at the

expiration of the transfer restriction period or at the time the transfer restrictions are lifted as specified in (3) above, free of charge.

(5) Handling in organizational reorganization, etc.

In case where, during the transfer restriction period, a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly owned subsidiary, or other matters regarding organizational restructuring, etc., is approved by a general meeting of shareholders of the Company (however, in cases where such organizational restructuring, etc., does not require approval from a general meeting of shareholders of the Company, by the Board of Directors of the Company), the Company shall lift the transfer restrictions as of the time immediately before the business day prior to the effective date of said organizational restructuring, etc., for the number of the Allotted Shares calculated by multiplying the number of the Allotted Shares held at such time by the number obtained (if such number exceeds 1, the number shall be rounded down to 1) by dividing the number of months between the month when the transfer restriction period started and the month to which the date of such approval belongs by 12 (however, if any fraction less than one share arises as a result of the above calculation, the fractional share shall be discarded).

Furthermore, immediately after the transfer restrictions are lifted, the Company will automatically acquire all of the Allotted Shares for which the restrictions have not been lifted, free of charge.

(6) Stock management

During the transfer restriction period, the Allotted shares will be managed in a dedicated account opened by the Eligible Directors at Nomura Securities Co., Ltd., so that they cannot be transferred, set up a security interest, or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of transfer restrictions, etc. related to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of accounts for the Allotted Shares held by each Eligible Director. In addition, the Eligible Directors shall agree to the details of the management of the relevant account.

4. Basis for calculating the payment amount and its specific details

This disposal of Treasury Stock to the scheduled allottee will be carried out using the monetary claims provided as Restricted Stock Compensation for the Company's 101st fiscal year under this system as capital assets. Regarding the disposal price, in order to eliminate arbitrariness, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 10, 2025 (the business day before the date of the Board of Directors' resolution) was determined as 1,958.5 yen. This is the market share price immediately before the date of the Board of Directors' resolution, and the Company believes that this is a reasonable price and does not constitute a particularly advantageous price.