



March 26, 2025

To whom it may concern:

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(Stock code: 5105, TSE Prime Market)
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Announcement Regarding Disposal of Treasury Stock as Restricted Stock Compensation

TOYO TIRE Corporation (hereinafter, “the Company”) hereby announces that, at the Board of Directors meeting held on March 26, 2025, it resolved to dispose of treasury stock (hereinafter, referred to as “Disposal of Treasury Stock” or the “Disposal”). The details are as follows.

1. Overview of the Disposal

(1)	Disposal date	April 25, 2025
(2)	Class and number of shares to be disposed	22,465 shares of common stock of the Company
(3)	Disposal price	2,705 yen per share
(4)	Total value of shares to be disposed	60,767,825 yen
(5)	Persons eligible for allotment of shares and number thereof, and number of shares for allotment	Directors (excluding Outside Directors): 4 persons, 10,051 shares Corporate Officers who are not concurrently Directors: 9 persons, 12,414 shares
(6)	Other information	We have submitted a Securities Notice as stipulated in the Financial Instruments and Exchange Act with regard to the Disposal of Treasury Stock.

2. Purpose and Reasons for the Disposal

At the Board of Directors meeting held on February 19, 2020, in order to provide medium- to long-term incentives and further align the interests of the Directors excluding Outside Directors (hereinafter, “Eligible Directors”) with those of shareholders, the Company resolved to introduce a new Restricted Stock Compensation Plan (hereinafter, the “Plan”) for Eligible Directors and Corporate Officers not concurrently serving as Directors (hereinafter, collectively referred to as “Eligible Directors and Officers”). Additionally, at the 104th Annual General Meeting of Shareholders held on March 27, 2020, based on the Plan, the Company obtained approval to provide

monetary compensation claims of up to 50 million yen per year to Eligible Directors to be contributed for the acquisition of restricted stock (hereinafter, referred to as “Restricted Stock Compensation”), with the transfer restriction period to be from the date of allotment of shares of common stock of the Company as specified in the allotment agreement to the date of retirement of the Eligible Director. Furthermore, at the 109th Annual General Meeting of Shareholders held on March 26, 2025, the Company’s shareholders approved the revision of the maximum annual amount of monetary compensation claims under the Plan to 250 million yen.

The outline of the Plan is summarized below.

(Outline of the Plan)

Under the Plan, Eligible Directors and Officers shall make an in-kind contribution of all monetary compensation claims to be provided by the Company according to the Plan, and shall, in return, receive shares of the Company’s common stock that shall be issued or disposed. The total number of common shares to be issued or disposed under the Plan will be up to 250,000 shares per year. The amount of contribution per share shall be approved by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (or the closing price on the trading day immediately prior thereto if there is no trading on the relevant business day) to the extent that such amount shall not be particularly advantageous for Eligible Directors and Officers.

With regard to the issuance or disposal of shares of the Company’s common stock by the Plan, the Company and the Eligible Directors and Officers shall conclude an agreement on the allotment of restricted stock (hereinafter, the “Allotment Agreement”) that includes the following conditions:

- (1) Eligible Directors and Officers shall not transfer, pledge, or dispose of the Company’s common stock allotted (hereinafter, the “Shares”) during the period predetermined under the Allotment Agreement.
- (2) In the occurrence of certain events, the Company shall acquire all of the Shares without consideration.

Moreover, issuing or disposing of the Company’s common stock under the Plan shall require the conclusion of a transfer-restricted share allotment agreement between the Company and the Eligible Directors and Officer, which includes content to the effect that (1) for a certain period, the transfer of shares to a third party, the establishment of collateral rights and all other dispositions pertaining to the Allotted Shares shall be prohibited, and (2) in the event of certain events occurring, the Company shall acquire the shares without consideration.

For the Disposal of Treasury Stock, 13 persons of the Eligible Directors and Officers to be allotted shall make in-kind contribution of all monetary compensation claims (hereinafter, the “Monetary Compensation Claims”) to the Company for the allotment of restricted stock, and shall receive shares of the Company’s common stock (hereinafter, “Allotted Shares”) that shall be disposed in accordance with the Plan.

Taking into consideration the purpose of the Plan, the Company’s business conditions, the scope of responsibilities of each Eligible Directors and Officer and other relevant factors, and with the aim of further motivating Eligible Directors and Officers, the total amount of the Monetary Compensation Claims to Eligible Directors and Officers was set at 60,767,825 yen (of which the total amount of the Monetary Compensation Claims to Eligible Directors was 27,187,955 yen), and the total number of Allotted Shares was set at 22,465 shares (of which the total number of Allotted Shares to Eligible Directors was 10,051 shares).

The outline of the restricted stock allotment agreement (hereinafter, the “Allotment Agreement”) to be concluded between the Company and Eligible Directors and Officers in connection with the Disposal of Treasury Stock is as outlined in 3. below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

From April 25, 2025 (hereinafter, the “Disposal Date”) to the time immediately following retirement or

resignation from any of the positions of Director, Corporate Officer not concurrently serving as Director, corporate auditor, employee, advisor, counselor or any other similar position at the Company or its subsidiaries.

(2) Conditions for releasing transfer restriction

The restriction on transfer of all of the Allotted Shares shall be lifted at the expiration of the transfer restriction period on the condition that the Eligible Director or Officer continues to hold any of the positions of Director, Corporate Officer not concurrently serving as Director, corporate auditor, employee, advisor, counselor or any other similar position at the Company or its subsidiaries during the period from the month containing the Disposal Date to the time immediately preceding the conclusion of the Annual General Meeting of Shareholders to be held thereafter (hereinafter, the "Service Period"). However, in the event that an Eligible Director or Officer resigns or retires from any of the positions of Director, Corporate Officer not concurrently serving as Director, corporate auditor, employee, advisor, counselor or any other similar position at the Company or its subsidiaries due to expiration of their term of office, reaching mandatory retirement age, death, or any other cause other than justifiable reasons, the Company will automatically acquire the Shares without consideration.

(3) Treatment in the case that Eligible Directors and Officers resigns or retire from their position due to expiration of their term of office, reaching mandatory retirement age, death, or other justifiable reasons

(a) Time of release of transfer restrictions

If an Eligible Director or Officer resigns or retires from any of the positions of Director, Corporate Officer not concurrently serving as Director, corporate auditor, employee, advisor, counselor or any other similar position at the Company or its subsidiaries due to expiration of their term of office, reaching mandatory retirement age, or other justifiable reasons (excluding death), the restrictions will be lifted immediately after resignation or retirement. In the event of death, the restrictions will be lifted at a time separately determined by the Board of Directors after the death of the Eligible Directors and Officers.

(b) Number of shares subject to release of transfer restrictions

The number of shares subject to release of transfer restrictions shall be calculated by multiplying the number of Allotted Shares held by Eligible Directors and Officers at the time of their resignation or retirement as specified in (a) above by the number obtained by dividing the period of service (in months) for the Service Period by divided by 12, rounding down values less than 1 (if the number of months from the month that includes the Disposal Date to the month that includes the date of approval divided by 12 is larger than 1, it shall be taken as 1).

(4) Acquisition without consideration by the Company

The Company shall, without consideration, automatically acquire the Allotted Shares for which transfer restrictions have not been released at the time when the transfer restriction period expires or immediately after the transfer restriction stipulated in (3) above is lifted.

(5) Management of shares

To ensure that the Allotted Shares shall not be transferred, pledged, or disposed of during the transfer restriction period, the Allotted Shares shall be administered in a dedicated account at Nomura Securities Co., Ltd., to be opened by the Eligible Directors and Officers during the transfer restriction period. The Company has concluded agreements with Nomura Securities Co., Ltd. related to the management of the accounts for the Allotted Shares held by each Eligible Director or Officer to ensure the effectiveness of the transfer restrictions and others regarding the Allotted Shares. The Eligible Directors and Officers shall consent to the management of the accounts.

(6) Treatment of organizational restructuring and others

If, during the transfer restriction period, a merger agreement in which the Company is the dissolved company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, are approved at a general shareholders meeting (if the aforementioned organizational restructuring and other events do not require approval at a general

shareholders meeting, at the Board of Directors instead), the Board of Directors shall resolve to release the transfer restrictions as of the time immediately prior to the business day preceding the effective date of the organizational restructuring and other events for the following number of shares. The number of shares subject to release of transfer restrictions shall be equal to the number of Shares held at the time of approval multiplied by the number of months from the beginning of the transfer restriction period to and including the date of such approval divided by 12, rounding down values less than 1 (if the number of months from the month that includes the Disposal Date to the month that includes the date of approval divided by 12 is larger than 1, it shall be taken as 1). In addition, the Company shall, without consideration, automatically acquire the Allotted Shares for which transfer restrictions have not been released immediately after the transfer restriction is lifted.

4. Basis of calculation and details of paid-in amount

The Disposal of Treasury Stock for Eligible Directors and Officers shall be conducted with Monetary Compensation Claims, which were paid to Eligible Directors and Officers as Restricted Stock Compensation for the 110th fiscal year of the Company in accordance with the Plan, to be treated as in-kind contribution. To eliminate any arbitrariness in the Disposal price, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market as of March 25, 2025 (the business day immediately preceding the date of the resolution of the Board of Directors) of 2,705 yen is used as the Disposal price. This is the market price of the shares immediately before the date of the Board of Directors resolution and is considered to be rational and not particularly advantageous for Eligible Directors and Officers.