



December 19, 2025

Timely disclosure

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Notice Concerning Disposal of Treasury Shares for Restricted Share Remuneration

TOYO Corporation (the "Company") announces its board of directors resolved, at a board meeting on December 19, 2025, to conduct a disposal of treasury shares for restricted share remuneration (the "Disposal of Treasury Shares"), as outlined below.

1. Summary of Disposal

(1) Disposal Date	January 15, 2026
(2) Class and Number of Shares to be Disposed	Common shares of the Company: 29,900 shares
(3) Disposal Price	¥1,712 per share
(4) Total Disposal Price	¥51,188,800
(5) Proposed Allottee	29,900 shares will be allotted to 8 Directors (including Outside Directors) of the Company
(6) Other matters	The disposal of treasury stock constitutes a public offering of securities exempt from the requirement to file a notice of public offering and sale as stipulated in Article 2-12, Paragraph 1 of the Enforcement Order of the Financial Instruments and Exchange Act. Therefore, the Company has not submitted a securities registration statement.

2. Purpose and Reason of Disposal

The Company resolved, at a meeting of its Board of Directors held on November 2, 2021, to introduce a restricted share remuneration plan (the "Plan") in order to provide an incentive for the Members of the Board of the Company excluding outside directors and the Company's employees ("Eligible Recipients") to sustainably increase the Company's corporate value and in order to further promote shared values between shareholders and Eligible Recipients. The Plan was approved at the Company's 69th Ordinary General Shareholders' Meeting held on December 23, 2021.

Furthermore, at the Board of Directors meeting held on November 25, 2024, the Company resolved to apply the Plan to Outside Directors to further strengthen governance as well as further raise awareness of sustainable increases in corporate value. This was approved at the Company's 72nd Ordinary General Shareholders' Meeting held on December 20, 2024.

An overview of the Plan and other relevant details are shown below.

(Overview of the Plan)

The Plan grants monetary compensation receivables in principle in each fiscal year to Eligible Recipients for granting of shares with transfer restrictions. These monetary compensation receivables are paid in as contributions in kind, whereupon the Company will grant them the allocation shares either by issuance or disposal. Under the Plan, the total amount of monetary compensation receivables granted to the Board of Directors (including Outside Directors) shall be no more than 200 million yen (up to 20 million yen for Outside Directors). The total number of shares to be issued or shares disposed of under the Plan shall be no more than 100,000 per year to Board Members (with up to 10,000 per year to Outside Directors). The paid-in amount per share will be based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date when the Board of Directors resolved to conduct the issuance or disposal (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

Furthermore, with regards to the issuance or disposal of the Company's common shares granted under the Plan, the Company shall enter restricted share allocation agreement with Eligible Recipients. This agreement shall include the provisions described in "3. Overview of the restricted share allocation agreement" below.

3. Overview of the restricted share allocation agreement

The Company shall enter into an individual Allotment Agreement (the "Allotment Agreement") with each Eligible Recipient. The main details for the agreements are outlined below:

(1) Transfer restriction period:

The restriction period shall be from the date of disposal (January 15, 2026, hereinafter the "Disposal Date") continuing until the recipient resigns or retires from the Company.

However, if the date of such resignation or retirement occurs prior to the date three months after the end of the fiscal year in which the allocation of the allotted shares was determined, the end date of the transfer restriction period may be adjusted within a reasonable range.

(2) Conditions for releasing transfer restriction:

On the condition that the Eligible Recipient maintains the position as a director or employee of the Company, continuously during the transfer restriction period, the Company shall release transfer restrictions for all of the allotted shares (the "Shares") under the Allotment Agreement upon the expiration of the transfer restriction period.

(3) Take-back without cost by the Company

1) The Company shall take back all Shares without cost if it is determined that an Eligible Recipient will resign or retire from all positions as a director or employee of the Company due to reasons other than death, expiration of term, mandatory retirement, or other legitimate reasons.

2) Other reasons for take-back without cost will be determined in accordance with provisions of the Allotment Agreement based on resolutions by the Board of Directors.

(4) Treatment in the event of death or resignation mid-term

Notwithstanding the provisions of item (2) above, if an Eligible Recipient resigns or retires from all positions as director or as an employee of the Company during the period from the day after the General Meeting of Shareholders prior to the Disposal Date through to the day of the next General Meeting of Shareholders, or during the employment term stipulated in a separate employment agreement, due to death or other legitimate reasons: The transfer restrictions will be lifted for the number of shares calculated by multiplying the total number of Shares by a fraction. This fraction shall be the number of months from the next month from the General Meeting of Shareholders prior to the Disposal Date or the month start of the employment period (as defined in the employment agreement) to the month of resignation or retirement, divided by 12. Any share fractions below one share will be rounded up. After the transfer restrictions are lifted, the company will automatically acquire any remaining Shares still subject to transfer restrictions at no cost.

(5) Treatment during reorganization, etc.

Notwithstanding the provisions of items (1) and (2) above, if during the transfer restriction period, matters relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which Toyo Corporation becomes a wholly owned subsidiary, or other reorganization are approved at the Company's General Meeting of Shareholders (or in the case where the approval at the General Meeting of Shareholders is not required, in relation to the reorganization in question, a meeting of its Board of Directors), based on the resolution of the Board of Directors, the transfer restrictions will be lifted for the number of Shares calculated by multiplying the total number of Shares by the number of months after the Company's General Meeting of Shareholders prior to the Disposal Date to the month of approval (including the approval month) divided by 12, with the maximum value capped at 1. Any share fractions below one share will be rounded up. After the transfer restrictions are lifted, the company will automatically acquire any remaining Shares still subject to transfer restrictions at no cost.

(6) Management of Shares

To ensure the Shares cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period, the allotted shares shall be managed in a dedicated account at Nomura Securities Co., Ltd., opened by Eligible Recipients. The Company and Eligible Recipients have executed an agreement regarding the control of the dedicated accounts of Eligible Recipients, with Nomura Securities Co., Ltd., in order to secure the effectiveness of the transfer restriction pertaining to the Shares.

4. Basis of Calculation and Specific Details for the Payment Amount

To eliminate arbitrariness in the disposal price, the amount paid for the Disposal of Treasury Shares to Eligible Recipients is set at 1,712 yen, which corresponds to the closing price for the company's common shares on the Prime Section of the Tokyo Stock Exchange on December 18, 2025 (the business day prior to the day of resolution at the meeting of the Board of Directors). As this is the market price on the day prior to the day of resolution of the Board of Directors, we believe it is reasonable and does not represent a particularly favorable price.

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