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November 27, 2026

To whom it may concern:

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Name of representative: Katsumi Saito, President
(Securities code No. 7282; Tokyo Prime Market and Nagoya Premier Market)
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# Notice Concerning Disposal of Treasury Shares to the Employee Shareholding Association (Restricted Stock for Employees)

As announced in the "Notice Concerning Introduction of Restricted Stock (RS) Plan for Employees as Investment in Human Capital" dated October 29, 2026, Toyoda Gosei Co., Ltd. (the "Company") has decided to introduce a plan to grant restricted stock to its employees (the "Plan").

To grant restricted stock for fiscal year 2027 under the Plan, the Board of Directors, at its meeting held today, resolved to dispose of treasury shares as restricted stock (the "Disposal of Treasury Shares") to the Company's Employee Shareholding Association (the "ESA") as the prospective allottee. Details of the disposal are provided below.

1. Overview of the Disposal

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|---|---|---|
| (1) | Date of disposal | July 1, 2027 |
| (2) | Class and number of shares to be disposed of | 2,122,500 shares of the Company's common stock (Note) |
| (3) | Disposal price | ¥987.6 per share |
| (4) | Total disposal amount | ¥2,096,181,000 (Note) |
| (5) | Disposal method (prospective allottee) | By way of third-party allotment (the ESA: 2,122,500 shares) |
| (6) | Other matters | The Company has filed an Extraordinary Report pursuant to the Financial Instruments and Exchange Act with respect to the Disposal of Treasury Shares. |

(Note) The "number of shares to be disposed of" and the "total disposal amount" have been calculated assuming that 300 shares of the Company's common stock will be granted as restricted stock to each of the 7,075 employees of the Company (the maximum number of employees potentially eligible for the Plan). The actual number of shares to be disposed of and the total disposal amount will be determined based on the number of employees of the Company who agree to the terms of the Plan (the "Eligible Employees") (up to 7,075 employees) after the Company completes a campaign to encourage non-members to join the ESA and confirms existing members' consent to the Plan.

2. Purpose and Reason for the Disposal

As announced in the "Notice Concerning Introduction of Restricted Stock (RS) Plan for Employees as Investment in Human Capital" dated October 29, 2026, the Company will grant restricted stock to employees who are members of the ESA as part of its efforts to strengthen investment in human capital for sustainable growth. In line with this announcement, the Company today decided on the specific details of the Disposal of Treasury Shares and related matters. Through the Plan, the Company aims to encourage each employee to take ownership of enhancing corporate value and to proactively take on challenges. The Company also seeks to create a "virtuous cycle" that leads to further value creation and investment in future growth by appropriately sharing with employees the added value created through its business activities.

An overview of the Plan and related matters is provided below.

[Overview of the Plan and Related Matters]

Under the Plan, the Company will provide the Eligible Employees with monetary claims as special incentives (the "Special Incentives") to enable each Eligible Employee to receive 300 shares of restricted stock. The Eligible Employees will then contribute the Special Incentives to the ESA. The ESA will, in turn, contribute the Special Incentives received from the Eligible Employees to the Company in kind. In exchange, the ESA will receive the Company's common stock as restricted stock, either through the issuance of new shares or the disposal of treasury shares.

When the Company issues new shares of its common stock or disposes of treasury shares under the Plan, the Board of Directors will determine the payment amount per share. The amount will be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the relevant Board of Directors' resolution. If no trades are executed on that business day, the closing price on the most recent preceding day on which trading occurred will be used. The payment amount will be determined within a range that is not particularly favorable to the ESA (and, by extension, the Eligible Employees).

The Company and the ESA will enter into a restricted stock allotment agreement in connection with the issuance of new shares of the Company's common stock or the disposal of treasury shares under the Plan. The agreement will include, among others, the following provisions:

(i) For a specified period, the ESA will be prohibited from transferring the allotted shares to third parties, creating security interests over such shares or otherwise disposing of them (the "Transfer Restrictions").

(ii) The Company will acquire the allotted shares without consideration if certain events occur. The Special Incentives will be provided to the Eligible Employees only if the Company and the ESA enter into the restricted stock allotment agreement.

The Eligible Employees will hold membership interests in the allotted shares in proportion to the monetary claims they contribute to the ESA (the "Restricted Stock Interests" or "RS Interests"). Under the ESA's rules, detailed operating regulations and other related rules (the "Association Rules, etc.") (Note), the Eligible Employees will be restricted from withdrawing these interests until the Transfer Restrictions are lifted.

(Note) At a meeting of its board of directors to be held promptly after the Board of Directors' resolution on the Disposal of Treasury Shares, the ESA plans to adopt a resolution to amend the ESA Rules, etc. to accommodate the Plan before receiving the allotment of treasury shares. Following that resolution, the amendments are expected to take effect two weeks after notice is sent to the ESA's members in accordance with the ESA Rules, etc., provided that fewer than one-third of its members raise objections.

Under the Disposal of Treasury Shares, the Company will dispose of shares of its common stock (the "Allotted Shares") to the ESA in exchange for the entire amount of the Special Incentives that the ESA receives from the Eligible Employees and contributes in kind to the Company. An overview of the restricted stock allotment agreement to be entered into between the Company and the ESA in connection with the Disposal of Treasury Shares (the "Allotment Agreement") is provided in "3. Overview of the Allotment Agreement" below. As stated in the note to Section 1 above, the number of shares to be disposed of will be determined at a later date. However, if all 7,075 employees of the Company who are potentially eligible for the Plan join the ESA and agree to the Plan, the Company expects to dispose of 2,122,500 shares in the Disposal of Treasury Shares. Based on this number of shares, the extent of dilution resulting from the Disposal of Treasury Shares will be 0.36% of the total number of issued shares (588,070,735 shares) as of September 30, 2026 (rounded to two decimal places; the same applies to all subsequent percentage calculations), and 0.36% of the total number of voting rights (5,853,315 voting rights) as of the same date.

(Note) As stated in the "Notice regarding Stock Split and Partial Amendment to the Articles of Incorporation" dated April 28, 2026, the Company conducted a five-for-one stock split of its common stock, effective October 1, 2026. The total number of issued shares and the total number of voting rights as of September 30, 2026, shown above, have been adjusted on a five-for-one basis to reflect the stock split.

The Company also considers the number of shares to be disposed of and the extent of dilution resulting from the Disposal of Treasury Shares to be reasonable and believes that, even taking into account the extent of such dilution, the impact on the market will be minimal.

The Disposal of Treasury Shares is subject to the conditions that the amendments to the ESA Rules, etc. take effect no later than the day before the date of disposal and that the Company and the ESA enter into the Allotment Agreement during the application period.

3. Overview of Allotment Agreement

(1) Transfer restriction period
From July 1, 2027 to June 30, 2032

(2) Condition for lifting of the Restriction
On the condition that an Eligible Employee has been a member of the ESA on a continuing basis during the transfer restriction period, the Restriction shall be lifted as of the expiration of the transfer restriction period for the total number of the Allotted Shares according to the Restricted Stock Equity Interest held by the Eligible Employee who satisfies such condition.

(3) Treatment upon terminating membership of the ESA
In cases where an Eligible Employee terminates membership (refers to cases where the employee loses membership qualification or applies for termination of membership, and includes termination of membership due to death) from the ESA during the transfer restriction period upon reaching retirement age or any other justifiable cause, the Transfer Restrictions shall be lifted at a point in time designated by the Company no later than the date of receipt of the application for termination of membership (hereinafter, "Date of Application for Termination of Membership." In the case of termination due to loss of membership or death of an Eligible Employee, the date on which the Company becomes aware of such loss of membership or death of the Eligible Employee.) for all of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employee.

(4) Treatment upon becoming a non-resident
In cases where the Company or its affiliates determine that an Eligible Employee will fall under the category of a non-resident during the transfer restriction period due to overseas transfer or any other cause, effective the date on which such determination is made (the "Determination Date for Overseas Transfer"), the Restriction shall be lifted for the total number of the Allotted Shares according to the Restricted Stock Equity Interest held by such Eligible Employee on the Determination Date for Overseas Transfer
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(5) Acquisition without payment of any contribution by the Company
If an Eligible Employee has committed any act in violation of laws and regulations or falls under any of certain events set forth in the Allotment Agreement during the Restriction Period, the Company shall naturally acquire without consideration all of the Allotted Shares in the number corresponding to the Restricted Stock Interest held by the Eligible Employee at the time of such event. The Company shall acquire the Allotted Shares without compensation for which the Transfer Restrictions are not lifted at the time of the expiration of the transfer restriction period or at the time of the lifting of the Transfer Restrictions prescribed in (3) or (4) above.

(6) Management of stocks
During the transfer restriction period, the Allotted Shares shall be administered in a dedicated account opened at Nomura Securities Co., Ltd. by the ESA to ensure that the ESA neither transfers, nor creates any security interest on, nor otherwise disposes of the Allotted Shares during such period. In addition, the ESA shall register and administer, pursuant to the provisions of the ESA Rules, the Restricted Stock Equity Interest to be held by the Eligible Employees in relation to the Allotted Shares separately from the member equity interest held by the Eligible Employees in relation to the shares acquired by the ESA not based on the Plan (the "Ordinary Equity Interest").

(7) Treatment upon reorganization, etc.
In cases where, during the transfer restriction period, approval is obtained for 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 reorganization, etc., based on the resolution of the Board of Directors, at a general meeting of shareholders of the Company (however, in cases where the reorganization, etc., in question does not require approval from a general meeting of shareholders of the Company, the Board of Directors of the Company), the Restriction shall be lifted for the total number of the Allotted Shares according to the Restricted Stock Equity Interest held by the Eligible Employees among the Allotted Shares held by the ESA as of the date of the approval in question immediately before the business day preceding the effective date of the reorganization, etc.

4. Basis for Calculating the Disposal Price and Details

The Disposal of Treasury Shares to the ESA, the prospective allottee, will be carried out using the Special Incentives as property contributed in kind. The Eligible Employees will receive these Special Incentives for the grant of restricted stock and contribute them to the ESA. To eliminate arbitrariness in determining the disposal price, the price has been set at ¥987.6 per share, the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange (TSE) on November 26, 2026 (the business day immediately preceding the date of the Board of Directors' resolution). This is the market price immediately prior to the Board of Directors' resolution. Even after taking into account the percentage deviations from the average closing prices of the Company's shares on the TSE Prime Market over the respective one-month, three-month and six-month periods, the Company considers the disposal price to be reasonable and not particularly favorable.

The percentage deviations of the disposal price from the average closing prices of the Company's common stock on the TSE Prime Market (rounded to two decimal places) are as follows.

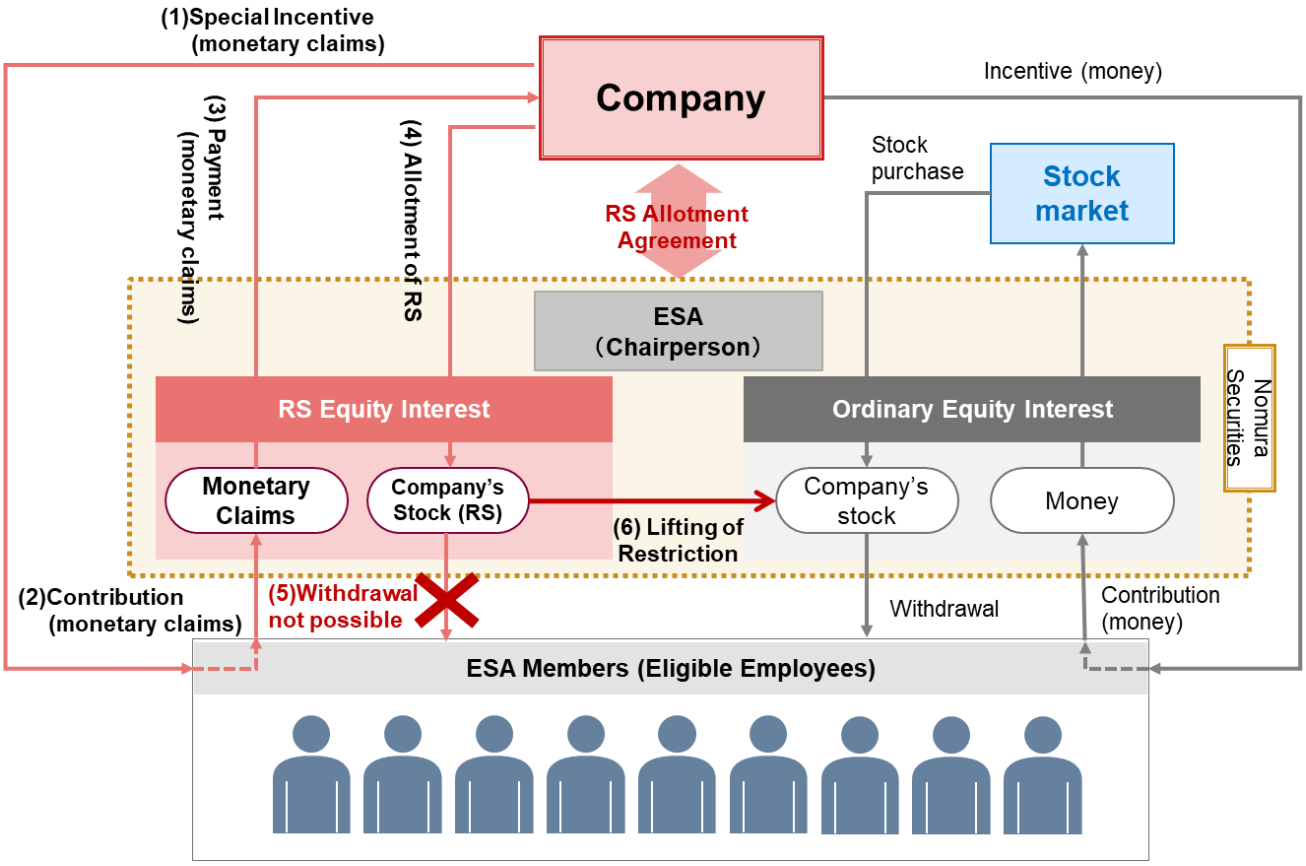
| Period | Average closing price (rounded down to the nearest yen) | Percentage deviation |
|---|---|---|
| 1 month (October 27, 2026 to November 26, 2026) | ¥1,021 | -3.27% |
| 3 months (August 27, 2026 to November 26, 2026) | ¥1,038 | -4.86% |
| 6 months (May 27, 2026 to November 26, 2026) | ¥1,023 | -3.46% |

5. Procedures under the Code of Corporate Conduct

The Company is not required to obtain an opinion from an independent third party or confirm the intent of shareholders under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) there is no change in the controlling shareholder as a result of the Disposal of Treasury Shares.

(For Reference)
[Mechanism of the Plan]

i) The Company provides the Eligible Employees who agree to the terms of the Plan with monetary claims as special incentives for the grant of restricted stock.
ii) The Eligible Employees who agree to the terms of the Plan contribute the monetary claims described in i) above to the ESA.
iii) The ESA pools the monetary claims contributed in ii) above and pays them to the Company.
iv) The Company grants the Allotted Shares to the ESA as restricted stock ("RS" in the diagram below).
v) The Allotted Shares are deposited through Nomura Securities Co., Ltd. into a dedicated account opened by the ESA. Withdrawals are restricted during the transfer restriction period.
vi) Once the Transfer Restrictions are lifted, the Allotted Shares are either transferred into ordinary membership interests or transferred to securities accounts in the names of the Eligible Employees.




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