

June 11, 2024

To Our Shareholders:

Company name: TOA CORPORATION
Representative: Takeshi Hayakawa, President and Representative Director
(Securities code: 1885;
TSE Prime Market and SSE)
Contact: Masayoshi Nakao, General Manager, Administration Dept.,
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**Supplementary Explanation on the Proposal for
the 134th Ordinary General Meeting of Shareholders
(Our View on a Negative Vote Recommendation of Proxy Advisory Firm ISS)**

TOA CORPORATION (hereinafter the “Company”) has learned that Institutional Shareholder Services Inc. (hereinafter “ISS”), a proxy advisory firm, is recommending voting against the election of Mr. Satoshi Tamai, candidate No. 2 of Proposal No. 4, “Election of Two (2) Substitute Directors Who are Audit & Supervisory Committee Members” (hereinafter the “Proposal”), at the Company’s 134th Ordinary General Meeting of Shareholders to be held on June 27, 2024.

Therefore, the Company hereby supplements its view regarding the Proposal as follows.

1. Details of ISS’s negative vote recommendation

ISS recommends voting against the election of Mr. Satoshi Tamai, candidate No. 2 of the Proposal, claiming that he is lacking in independence on the ground of his experience working for the Company’s Accounting Auditor, Ernst & Young ShinNihon LLC.

2. The Company’s view

Mr. Tamai joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC) in October 1991 and retired from ShinNihon & Co. (currently Ernst & Young ShinNihon LLC) in June 2017. Approximately seven years have elapsed since the retirement.

In the corporate governance report submitted to the Tokyo Stock Exchange, the Company sets a cooling-off period of five years as an independence criterion applicable to candidates who have previously belonged to an accounting firm, based on which the Company has decided that there is no problem with Mr. Tamai’s independence.

If Mr. Tamai assumes the office of Director who is an Audit & Supervisory Committee Member, the Company intends to notify the Tokyo Stock Exchange of his appointment as Independent Officer, since he meets the requirements of independent officer prescribed by the said exchange.

(Reference) Reason for nominating Mr. Tamai as a candidate for substitute Director who is an Audit & Supervisory Committee Member and expected roles

Mr. Satoshi Tamai has abundant experience and profound insight as a certified public accountant. The Company thus believes that he has the ability to enhance the audit and supervision of the execution of duties by Directors who are Audit & Supervisory Committee Members at the Company. Accordingly, the Company hereby proposes his appointment as a Substitute Director who is an Audit & Supervisory Committee Member.

If his appointment is approved and he assumes the office of Director who is an Audit & Supervisory Committee Member, the Company expects him to appropriately make decisions on important managerial issues, and to perform his duties of supervising business execution for the Company.

We asks our shareholders’ kind perusal of this supplementary explanation and understanding of the Proposal.