

February 9, 2022

## Notice Regarding Restricted Stock Compensation Plan

Company Name : THK CO., LTD.  
Head Office : Tokyo, Japan (Tel: +81-3-5730-3911)  
Code number : 6481  
Representative : Akihiro Teramachi, President and CEO  
Contact : Kenji Nakane, Executive Officer, General Manager of Finance  
and Accounting Department

THK CO., LTD. ("THK") hereby announces that the Board of Directors, in their meeting held today, has approved details of the restricted stock compensation plan (the "Plan") that THK resolved to introduce as a new compensation plan for directors at the Board of Directors meeting held on November 11, 2021. The proposal regarding this Plan will be submitted to the 52th general shareholders meeting to be held in March 2022 (the "General Shareholders Meeting").

### 1, Purpose of introducing the Plan

The Plan is introduced in order to provide an incentive for THK's directors, excluding directors who are Audit & Supervisory Committee members and outside directors (hereinafter the "Eligible Director(s)") to continuously improve THK's corporate value, and to promote further shared value with shareholders.

### 2, Conditions for the introduction of the Plan

Since the Plan involves monetary compensation claims for granting restricted stocks to the Eligible Directors, its introduction is subject to the approval of shareholders on the provision of this compensation.

### 3, Outline of the Plan

Under the Plan, THK will pay Eligible Directors a monetary compensation claim that shall be allocated as a contributed asset and thereby allotting THK's common stock by means of a new issuance or disposal of treasury stock.

At the 46th general shareholders meeting held on June 18, 2016, the total fixed compensation amount for directors of THK (excluding directors who are Audit & Supervisory Committee members) was approved to be within ¥100 million per month (including ¥10 million per month for outside directors and excluding the portion of employee's salary for directors who concurrently serve as employees). In introducing the Plan, the limit of the total compensation amount for directors will be changed from per-month basis to annual basis without changing the total amount per annum, that is, ¥1,200 million (including ¥120 million per year for outside directors and excluding the portion of employee's salary for directors who concurrently serve as employees). The total of fixed compensation and monetary compensation claims shall not exceed the limit of ¥1,200 million under the Plan. The specific timing and allocation of the compensation to each Eligible Director shall be decided by the Company's Board of Directors.

The amount of monetary compensation claims to be paid for granting restricted stock shall be approved by the Board of Directors based on the closing price of THK'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. Under the Plan, the total number of shares of common stock to be allotted to the Eligible Directors shall be up to 270,000 per annum. In cases where there is a stock split (including a gratis allotment) or a reverse stock split of THK's common stock on or after the date of the resolution made at the General Shareholders Meeting that requires an adjustment in the total number of shares of THK's common stock through the issuance or disposition of restricted stock, the total number may be adjusted to a reasonable extent.

With respect to the issuance or disposition of shares of THK's common stock, THK and the Eligible Directors shall conclude an agreement on the allotment of restricted stock (the Allotment Agreement") that includes the following conditions:

(1) Eligible Directors shall not transfer, pledge, or dispose of THK's common stock allotted (the "Shares") during the period predetermined by the Board of Directors, which commences on the date of allotment under the Allotment Agreement and ends on the date of their retirement (the "Transfer Restriction Period").

(2) Under certain cases, THK shall acquire all of the Shares without consideration.

To ensure that the Shares shall not be transferred, pledged, or disposed of during the Transfer Restriction Period, the Shares shall be administered in a dedicated account at Nomura Securities Co., Ltd., to be opened by the Eligible Directors during the Transfer Restriction Period.

(For reference)

If this proposal is approved as proposed at the General Shareholders Meeting, THK will introduce a similar restricted stock compensation plan for THK's executive officers.