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To whom it may concern:

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Introduction of a Trust-Type Employee Shareholding Incentive Plan (E-Ship®)

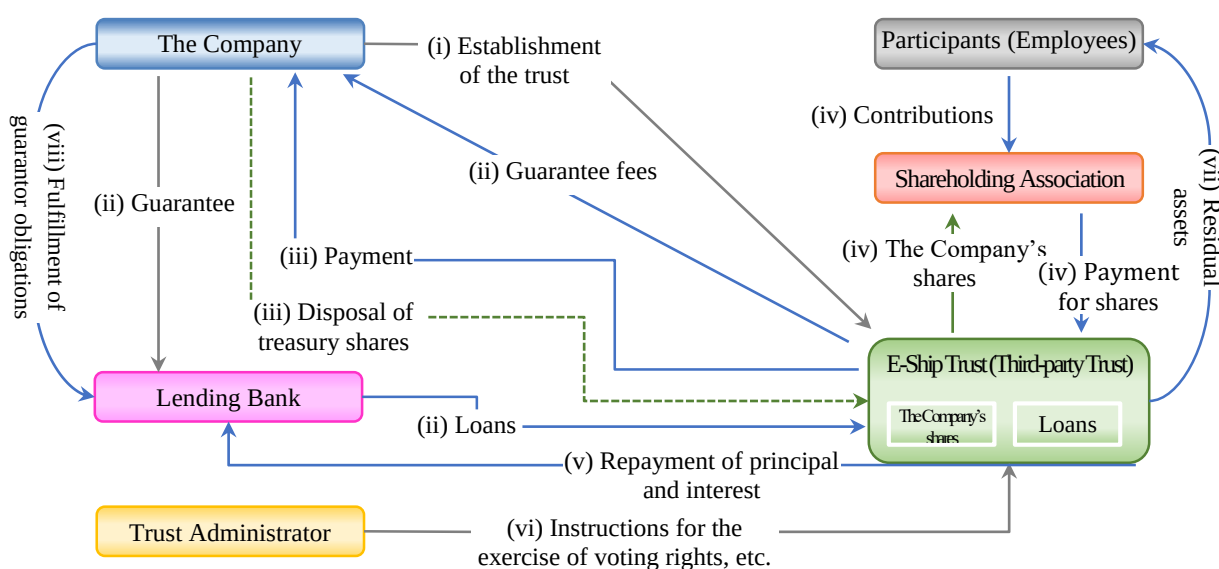
NIHON TRIM CO., LTD. (the “Company”) hereby announces that at the Board of Directors meeting held today, a resolution was passed to introduce a Trust-Type Employee Shareholding Incentive Plan (E-Ship®) (hereinafter the “plan”), as a part of human capital management and for the purpose of giving an incentive to the employees of the Company and the Company’s subsidiaries to enhance corporate value over the medium to long term, improving their benefits, and encouraging steady development of the Company by elevating their work motivation through capital participation as shareholders, as follows. The introduction of the plan will further cultivate a sense of belonging and contribute to the steady growth of the Company through employees’ capital participation as shareholders.

1. Overview of the Plan

The plan is an incentive plan for all employees participating in the Nihon Trim Employee Shareholding Association (hereinafter the “Shareholding Association”). Under the plan, the Company will establish a Nihon Trim Employee Shareholding Association Dedicated Trust Account (the “E-Ship Trust”) with a trust bank. The E-Ship Trust will acquire, in advance, a number of the Company’s common shares equivalent to the number of common shares that the Shareholding Association is expected to acquire over the next 10 years through a third-party allotment from the Company, using loans from financial institutions as funds. Subsequently, the E-Ship Trust will continuously sell the Company’s shares to the Shareholding Association. If any gains on the sale of shares have accumulated in the E-Ship Trust at the termination of the trust, then these gains will be distributed as residual assets to employees who meet the requirements for eligible beneficiaries. Furthermore, as the Company will become the guarantor of the loans taken by E-Ship Trust to acquire the Company’s common shares, if any losses on the sale of shares have accumulated in the E-Ship Trust owing to a decline in the price of the Company’s shares, and there are any outstanding loans payable equivalent to these losses in the E-Ship Trust at the termination of the trust, the Company will repay these remaining loans payable.

In conjunction with the introduction of the plan, the Company, at the same time, has resolved a one-time disposal of 189,700 shares (equivalent to approximately 701 million yen) of the 558,956 shares of treasury stock it currently holds (as of September 30, 2024) to the E-Ship Trust. For details, please refer to “Notice Regarding Disposal of Treasury Shares through a Third-Party Allotment in Conjunction with the Introduction of a Trust-Type Employee Shareholding Incentive Plan (E-Ship®),” dated today.

2. Structure of the Plan



- (i) The Company establishes an E-Ship Trust (Third-party Trust) whose beneficiaries are participants in the Shareholding Association who meet the beneficiary eligibility requirements.
- (ii) The E-Ship Trust takes out loans for funds necessary to acquire the Company's shares from the lending bank, and the Company becomes the guarantor for the said loans. The Company receives guarantee fees from E-Ship Trust as consideration for the guarantee.
- (iii) The E-Ship Trust acquires the Company's shares that are expected to be acquired by the Shareholding Association from the Company during the trust term.
- (iv) The E-Ship Trust continuously sells the Company's shares acquired in (iii) to the Shareholding Association throughout the trust term at market value according to a prescribed plan (terms, conditions, and method).
- (v) The E-Ship Trust repays the principal and interest of the loans with the proceeds from the sale of the Company's shares to the Shareholding Association and the dividends from the Company's shares it holds.
- (vi) The E-Ship Trust exercises its voting rights with respect to the Company's shares it holds as instructed by the trust administrator selected for the beneficiaries.
- (vii) If any residual assets remain in the E-Ship Trust at the end of the trust term, they are distributed to those who meet the beneficiary eligibility requirements.
- (viii) If any outstanding loans remain in the E-Ship Trust at the end of the trust term, the Company shall repay them, based on its obligations as guarantor described in (ii).

3. Overview of the E-Ship Trust

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| (1) Name: | Nihon Trim Employee Shareholding Association Dedicated Trust |
| (2) Trustor: | The Company |
| (3) Trustee: | The Nomura Trust & Banking Co., Ltd. |
| (4) Beneficiaries: | Those who meet the beneficiary eligibility requirements (certain prescribed procedures must be completed after occurrence of the events determining the beneficial interests) |
| (5) Date of concluded trust agreement: | December 20, 2024 |
| (6) Trust term: | December 20, 2024 to December 27, 2034 |
| (7) Purpose of the trust: | Stable and continuous supply of shares to the Shareholding Association and distribution of trust assets to those who meet the beneficiary eligibility requirements |
| (8) Beneficiary eligibility requirements: | All those who are surviving members and participants in the Shareholding Association on the start date of the beneficiary determination procedures (the date on which the trust term ends and the trust assets are converted into cash; the date on which all shares of |

the Company held as trust assets are sold to the Shareholding Association, etc.) (including persons, who, from the date of the concluded trust agreement to the start date of the beneficiary determination procedures, have resigned from the Shareholding Association for justifiable reasons as recognized by the Company).

(Reference)

E-Ship[®] is a registered trademark of Nomura Securities Co., Ltd.

E-Ship[®] (an abbreviation for Employee Shareholding Incentive Plan) is an incentive plan for employees developed by Nomura Securities Co., Ltd. and The Nomura Trust & Banking Co., Ltd. by applying the structure of an employee shareholding association with reference to an Employee Stock Ownership Plan (ESOP), which has been adopted widely throughout the United States.