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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
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May 23, 2025

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Notice Regarding the Introduction of Restricted Stock Compensation Plan

Meisei Industrial Co., Ltd. (herein after the“Company”) hereby announces that its Board of Directors, held on May 23, 2025, has reviewed the executive compensation plan, and resolved to introduce the restricted stock compensation plan (hereinafter "the Plan") and to submit a proposal related to the Plan to the 83th Annual General Meeting of Shareholders scheduled for June 26, 2025 (hereinafter “the General Meeting of Shareholders”).

1.Purpose of Introduction of the Plan

The Plan is intended to provide the Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and External Directors. hereinafter referred to as "Eligible Directors".) with incentives to sustainably increase the Company’s corporate value as well as to further promote shared value with its shareholders.

In introducing the Plan, monetary claims will be paid to the Eligible Directors as compensation for granting restricted shares, and the Plan will be subject to the approval of shareholders for the payment of such compensation at the General Meeting of Shareholders. At the 73 th Annual General Meeting of Shareholders held on June 25, 2015, it was approved that the amount of compensation for directors of the company (Excluding Directors who are Audit and Supervisory Committee Members.) shall be no more than 330 million yen per year (However, it does not include salaries for employees of directors who concurrently serve as employees.). In addition, at the 76 th Annual General Meeting of Shareholders held on June 28, 2018, it was approved that the maximum amount of money to be contributed by the company as funds for the acquisition of the company shares during the initial trust period for the share compensation plan using a trust for Directors of the company (Excluding Directors who are Audit and Supervisory Committee Members and External Directors.) shall be 156 million yen, and the maximum number of shares to be delivered per fiscal year shall be 104,000 shares. However, at the General Meeting of Shareholders, it is planned to request the approval of shareholders for the introduction of the Plan and the establishment of the compensation plan for Eligible Directors separately from the above compensation plan.

2.Outline of the Plan

The total amount of monetary claims to be paid to Eligible Directors under the Plan shall be no more than 50 million yen per year (However, it does not include salaries for employees of directors who concurrently serve as employees.), and the total number of new shares of common stock to be issued or disposed of by the company shall be no more than 30,000 shares per year (However, if a stock split (Includes gratis allotment of the company's common stock.) or consolidation of shares of the company's common stock is carried out on or after the date of resolution of the General Meeting of Shareholders as the effective date, the total number of shares will be adjusted to a reasonable extent as necessary in accordance with the split ratio, consolidation ratio, etc., after the effective date.).

Eligible Directors shall pay all of the monetary claims paid by the company under the Plan as property contributed in kind, and shall receive the issuance or disposition of the company's common stock. The amount to be paid in per share shall be determined by the Board of Directors, based on the closing price of the company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of resolution of each Board of Directors meeting (In the case where a transaction has not been completed on the same day, the closing price on the latest trading day preceding the transaction), within an amount not particularly favorable to Eligible Directors who subscribe for such common stock. The specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors after consultation with the Nomination and Remuneration Committee.

In addition, the issuance or disposition of the company's common shares (Hereinafter referred to as the "Shares".) under the Plan is subject to the conclusion of a restricted share allocation agreement between the company and the Eligible Directors, which includes the following provisions: (1) the transfer of the Shares to third parties, the establishment of security interests and all other dispositions shall be prohibited for a certain period of time (Hereinafter referred to as the "Transfer Restriction Period".), and (2) the company shall acquire the Shares without compensation in the event of certain circumstances. In order to prevent the transfer, establishment of security interests and other dispositions of the Shares during the transfer restriction period, the Shares will be managed in a dedicated account opened by the Eligible Directors at an account management institution.