March 21, 2025

Tsubaki Nakashima Co., Ltd.
Itaru Matsuyama
Representative Executive Officer CEO
(Code: 6464, Prime, Tokyo Stock Exchange)
Contact for inquiries: Ikunori Morita
Phone: +81 (0)6-6224-0193

Notice Regarding the Introduction of Stock Grant Scheme for Senior Employees

Tsubaki Nakashima Co., Ltd. ("the Company") hereby announces that, at the Board of Directors meeting held on March 19, 2025, a resolution was passed to introduce a stock grant scheme (the "Scheme") for senior employees, as outlined below.

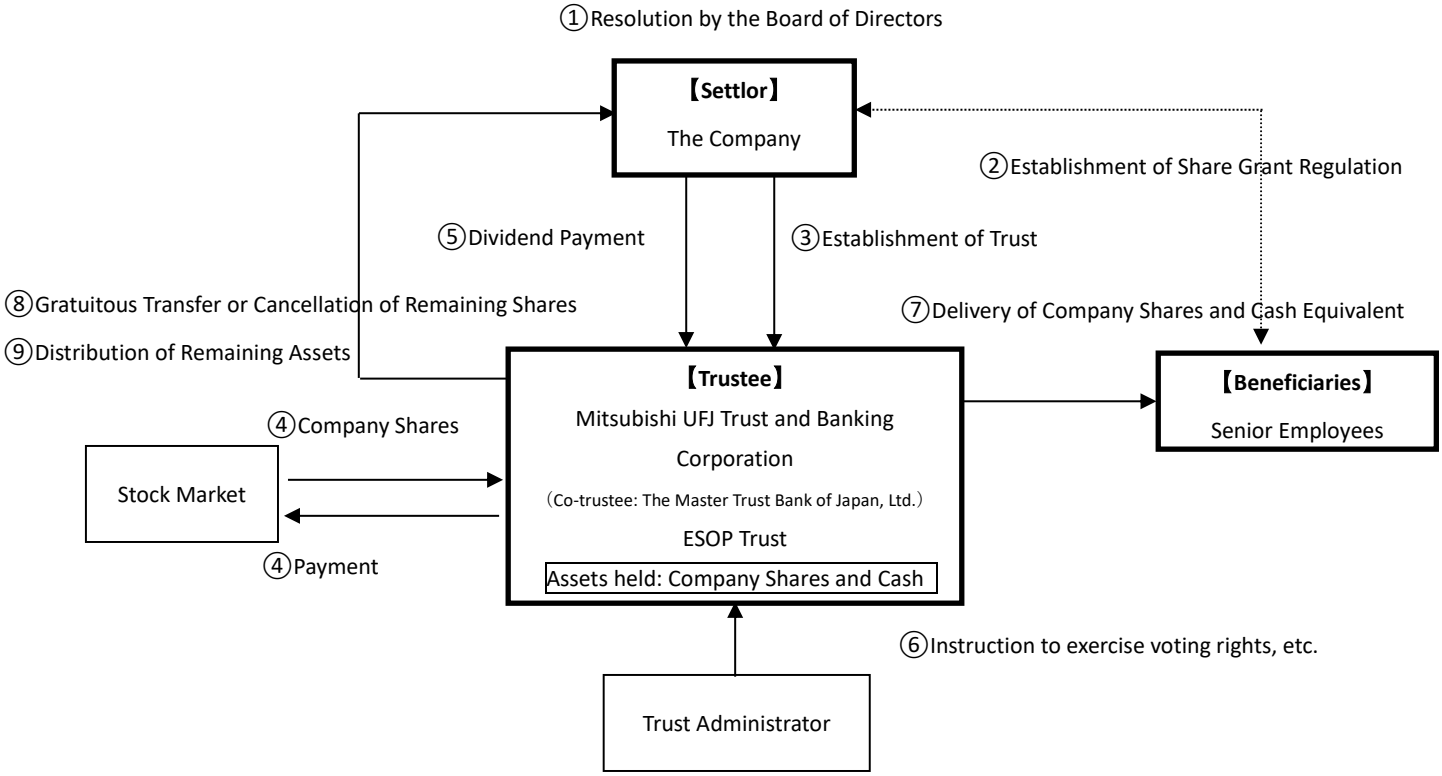
1. Introduction of the Scheme

(1) The Company has decided to introduce a stock grant scheme targeting senior employees (BU Presidents and Global Function Heads) to improve the Company's competitiveness in securing and retaining talented management personnel in light of changes in the global management environment and compensation levels, and to provide incentives for improving medium- to long-term company performance and corporate value.

(2) The Scheme is structured as an Employee Stock Ownership Plan Trust ("ESOP Trust"). The ESOP Trust is an employee incentive scheme based on the U.S. ESOP system, under which senior employees will receive Company Shares, etc., based on their position, either in the form of shares or cash equivalents.

Disclaimer: This English translation is provided solely for reference purposes. In the event of any discrepancies between the original Japanese version and the English translation, the Japanese version shall prevail.

2. Structure of the Scheme



① The Company shall obtain a resolution from the Board of Directors regarding the introduction of this System.

② The Company shall establish share grant regulations related to the Scheme through the Board of Directors.

③ The Company shall contribute funds to the trustee and establish an Employee Stock Ownership Plan Trust ("ESOP Trust" or "the Trust") for the benefit of senior employees who meet the beneficiary requirements.

④ The Trust, under the instruction of the trust administrator, shall use the contributed funds in (3) to acquire Company shares from the stock market.

⑤ Dividends shall be paid on the Company shares held in the Trust in the same manner as for other Company shares.

⑥ The voting rights and other shareholder rights of the Company shares held in the Trust shall be exercised based on the instructions of the trust administrator, and the ESOP Trust shall act accordingly as a shareholder.

⑦ During the trust period, points shall be granted to senior employees based on their position in accordance with the share grant regulations. If a senior employee meets the beneficiary requirements, Company Shares, etc., corresponding to the granted points shall be delivered from the Trust.

⑧ If there are any remaining shares at the end of the trust period, the Trust may be continued by amending the trust agreement or making an additional trust contribution to maintain a stock grant system of the same type. If the Trust is not continued, the residual shares shall be transferred to the

Disclaimer: This English translation is provided solely for reference purposes. In the event of any discrepancies between the original Japanese version and the English translation, the Japanese version shall prevail.

Company without compensation and canceled by the resolution of the Board of Directors.

⑨ Upon termination of the Trust, any remaining assets shall be transferred to the Company within the range of the trust funds after deducting stock acquisition costs.

(Note: During the trust period, if the number of shares in the Trust is insufficient to meet the required distribution to senior employees, or if the cash in the Trust is insufficient to cover trust fees and expenses, additional funds may be contributed to the Trust.)

（Reference）

【Trust agreement contents】

①	Eligible Persons	Senior Employees
②	Trust Type	Non-individual cash trust other than a specified sole-operation cash trust (Third-party benefit trust)
③	Trust Purpose	Granting incentives to eligible persons
④	Settlor	The Company
⑤	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
⑥	Beneficiaries	Eligible persons who meet the beneficiary requirements
⑦	Trust Administrator	An independent third party with no interest in the Company (Certified Public Accountant)
⑧	Trust Agreement Date	March 25, 2025
⑨	Trust term	March 25, 2025 – May 31, 2028 (planned)
⑩	Exercise of Voting Rights	The trustee shall exercise the voting rights of the Company shares in accordance with the instructions from the trust administrator, reflecting the voting intentions of the prospective beneficiaries.
⑪	Type of Shares Acquired	Common shares of the Company
⑫	Initial Trust Contribution Amount	460 million yen (including trust fees and expenses) (planned)
⑬	Stock Acquisition Period	April 1, 2025 (planned) – May 16, 2025 (planned)
⑭	Stock Acquisition Method	Acquisition from the stock market
⑮	Holder of Vested Rights	The Company
⑯	Residual Assets	The residual assets that the Company, as the vested rights holder, may receive shall be within the scope of the trust fund, after deducting stock acquisition costs and reserving trust fees and other necessary expenses.

Note: The above schedule is subject to change at appropriate times in light of applicable laws and regulations.

Disclaimer: This English translation is provided solely for reference purposes. In the event of any discrepancies between the original Japanese version and the English translation, the Japanese version shall prevail.