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 Partial Amendment of the Stock Compensation Scheme for Executive Officers

Tsubaki Nakashima Co., Ltd. ("the Company") hereby announces that, at the Compensation Committee held on March 19, 2025, a resolution was passed to partially amend the stock compensation scheme (the "Scheme") introduced in the fiscal year ending December 2018 for the Company's executive officers, as outlined below.

1. Overview and Partial Revision of the Scheme

(1) Since the fiscal year ending December 2018, the Company has implemented the Scheme as an incentive to enhance medium- to long-term company performance and corporate value.

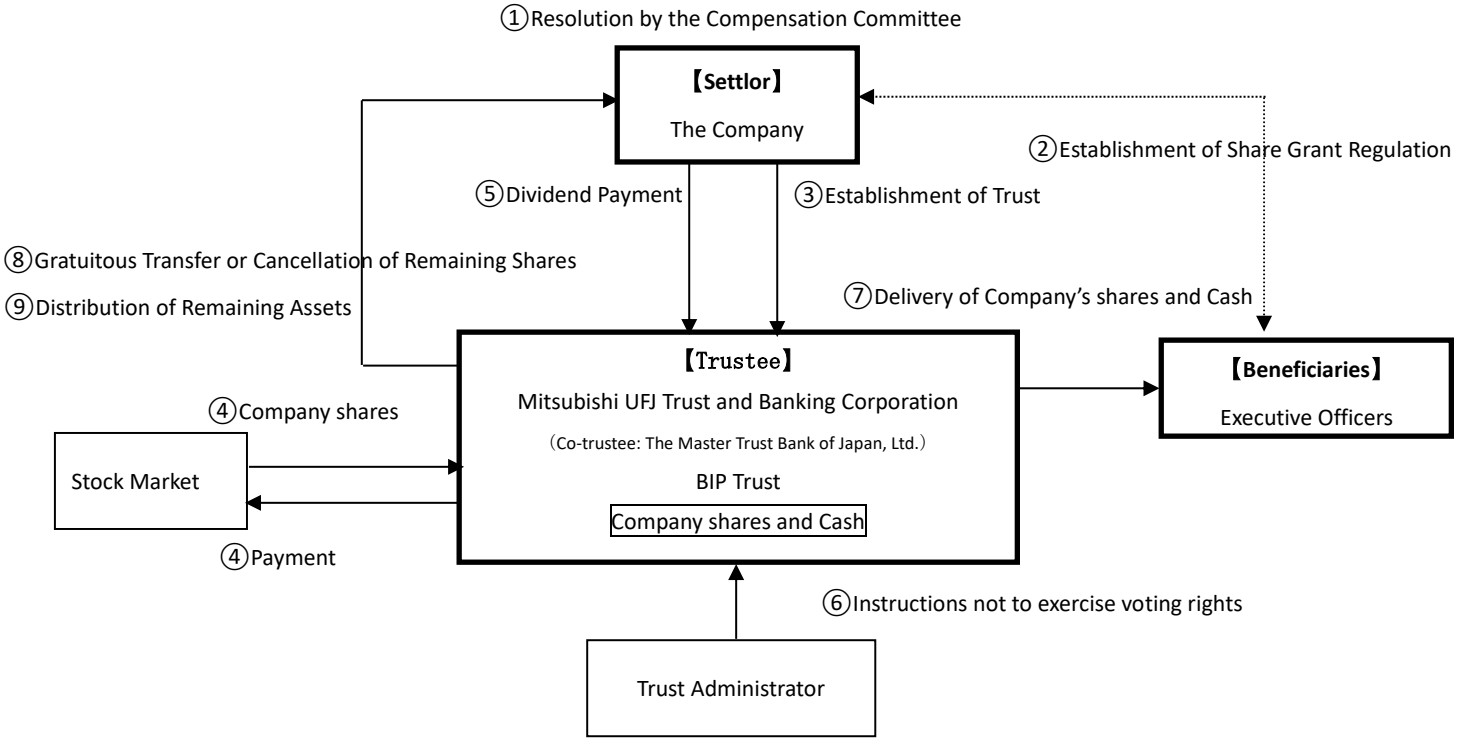
(2) The Scheme is structured as a mechanism referred to as the Board Incentive Plan Trust ("BIP Trust").

(3) 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 further enhance incentives for sustainable corporate value growth, the Company will amend the structure of executive compensation, the proportion of performance-linked compensation, and the positioning of each compensation component, effective from April 2025, in alignment with their responsibilities.

As part of this amendment, the stock compensation scheme will be revised to cover non-resident executives in Japan. Furthermore, the structure of the Scheme will shift from a system that grants shares and cash equivalent to the value of Company Shares ("Company Shares, etc.") based on the executive officer's position and achievement of performance targets in the mid-term business plan, to a system that strengthens the linkage with mid- to long-term stock value. This change reinforces the role of the stock compensation scheme as a mechanism for aligning interests with shareholders.

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 Compensation Committee regarding the introduction of this Scheme.

② The Company shall establish share grant regulations related to the Scheme through the Compensation Committee.

③ The Company shall contribute funds within the scope approved by the Compensation Committee in ① and establish a BIP Trust ("the Trust") for the benefit of executive officers 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 Company shares held in the Trust in the same manner as for other Company shares.

⑥ The voting rights of Company shares held in the Trust shall not be exercised throughout the trust period.

⑦ During the trust period, points shall be granted to executive officers based on their position, in accordance with the share grant regulations. If the executive officer meets the beneficiary requirements, the 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 extended through an amendment to the trust agreement or by making an additional trust contribution to maintain a stock compensation scheme of the same type. If the Trust is not continued, the residual shares shall be transferred to the Company without compensation and canceled by resolution of the Board of Directors.

⑨ Upon termination of the Trust, any remaining assets shall be transferred to the Company within 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.

range of the trust funds after deducting stock acquisition costs.

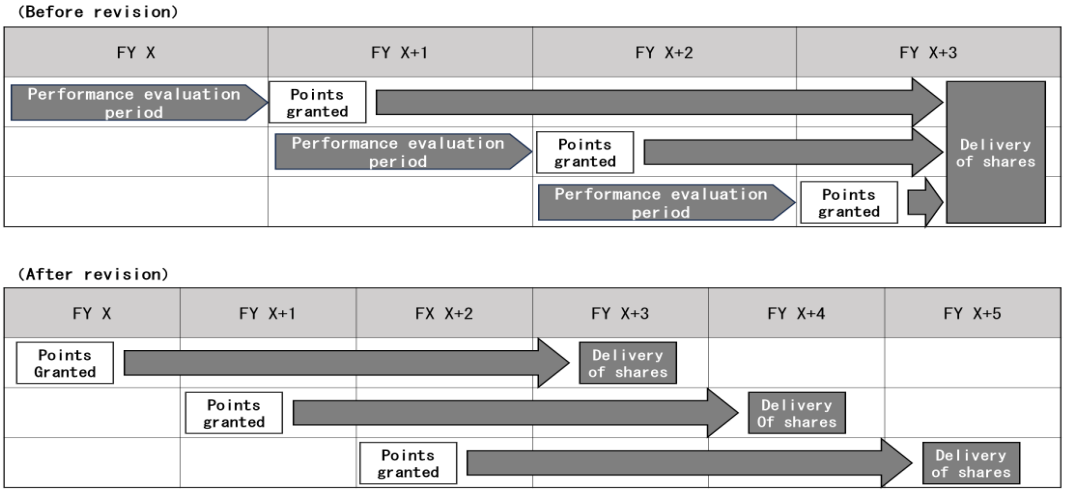
(Note: During the trust period, if the number of shares in the Trust is insufficient to meet the required distribution to executive officers, or if the cash in the Trust is insufficient to cover trust fees and expenses, additional funds may be contributed to the Trust.)

3. Scheme Details (After revisions)

(1) Scheme Overview

This is a stock compensation scheme in which executive officers are granted position-based points each fiscal year according to their position, and in principle, three years after the points are granted, the executive officers are granted Company shares, etc. equivalent to the points granted.

【Reference】Comparison of the Scheme Before and After Revision



(2) Eligibility for the Trust (beneficiary requirements)

Provided that the Executive Officers satisfy the beneficiary requirements below, they will be granted the Company Shares, etc. in the number corresponding to the number of points (defined in (4) below) from the Trust after completing the prescribed beneficiary determination procedures.

① Must hold office as an executive officer during the applicable period

② Must not have voluntarily resigned, been dismissed for cause, or committed certain illegal acts during their term of office

③ Must meet other requirements deemed necessary to fulfill the purpose of the stock compensation scheme

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.

(3) Trust Period

① Trust Period

The Trust has been extended in May 2024, with a trust period set from June 1, 2024, to May 31, 2028.

The pre-revision scheme will remain in place for the fiscal year ending December 31, 2024.

② Continuation of the Trust

At the end of the trust period, the Compensation Committee will review and determine whether to continue the Trust as a stock compensation scheme based on the management policies and mid-term business plan, at that time.

(4) Number of Company Shares, etc., to be Granted

The number of Company Shares, etc., granted to executive officers shall, in principle, be determined based on the number of points awarded according to the following calculation formula.

Each point corresponds to one share of the Company's stock. However, if the number of shares in the Trust increases or decreases due to stock splits, stock grants without compensation, or stock consolidations, the Company shall adjust the number of Company Shares, etc., granted per point in proportion to the increase or decrease.

（Point Allocation）

On April 1 of each year during the applicable period, points (hereinafter referred to as "Position-Based Points") shall be granted to executive officers who hold office as of the date of allocation, in accordance with their position for the relevant fiscal year.

（Calculation Formula）

Position-Based Points (※1) = Standard Stock Compensation Amount for Each Position ÷ Calculation Stock Price (※2)

(※1) If an executive officer leaves the system due to resignation or other reasons during the applicable period, the number of points awarded shall be adjusted based on the length of service and other relevant factors.

(※2) The calculated stock price shall be determined as the average closing price of the Company's shares on the Tokyo Stock Exchange for the three months immediately preceding the month of the annual Compensation Committee meeting in March. .

(5) Trust Contributions and Number of Company shares to be Granted to Executive Officers

The total amount of trust funds contributed by the Company to the Trust within the applicable period (※3) and the total number of Company shares, etc., granted to executive officers from the Trust shall be as follows:

(※3) This amount includes the stock acquisition funds of the Trust, as well as trust fees and expenses within the applicable period.

Total amount of trust funds contributed by the Company (Four Fiscal Years)	370 million yen (planned)
Maximum Number of Company shares to be Granted (for Four Fiscal Years)	713,700 shares (planned)

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.

(6) Acquisition of Company shares by the Trust

The Trust shall acquire Company shares from the stock market within the scope of the allocated trust funds and the maximum number of Company shares, etc., as escribed in (5) above.

(7) Exercise of Voting Rights for Company shares within the Trust

To ensure neutrality in management, voting rights for Company shares held within the Trust shall not be exercised.

(8) Granting Method and Timing of Company Shares, etc.

Eligible executive officers who meet the beneficiary requirements shall, in principle, receive 50% of the accumulated points in the form of Company shares (with fractional shares rounded up), while the remaining 50% shall be converted into cash and paid out.

If an executive officer passes away before fulfilling the beneficiary requirements, the equivalent cash value of Company Shares, etc., shall be provided to their heirs.

If an executive officer becomes a non-resident of an eligible country during the trust period, the equivalent cash value of Company Shares, etc., shall be provided.

(9) Treatment of Dividends on Company Shares within the Trust

Dividends received on Company shares within the Trust shall be used for trust fees and expenses. Any residual amount at the termination of the Trust shall be donated to a non-affiliated organization.

If the Trust is continued, the remaining funds will be used for stock acquisition.

(10) Handling of Residual Shares at the End of the Trust Period

If any residual shares arise at the expiration of the trust period, the Trust may be continued as a stock compensation plan of the same type as the Scheme by amending the trust agreement and making additional contributions. If the Trust is to be terminated due to the expiration of the trust period, the Trust will transfer the remaining shares related to the Company free of charge, and the Company plans to abolish the Trust by resolution of the Board of Directors.

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.

（Reference）

【Trust agreement contents】

①	Eligible Persons	Executive Officers
②	Trust Type	An individually-operated designated trust of cash other than 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	May 22, 2018
⑨	Trust term	May 22, 2018 – May 31, 2028
⑩	Exercise of Voting Rights	Not exercised
⑪	Type of Shares Acquired	Common shares of the Company
⑫	Additional Trust Contribution Amount	330 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.