May 14, 2025

News Release

TS TECH Co., Ltd.
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(Stock code: 7313, Tokyo Stock Exchange Prime Market)
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TS Tech to Introduce Employee Incentive Plan

In its meeting held on May 14, 2025, as outlined below, the board of directors of TS TECH Co., Ltd. ("Company" hereinafter) resolved to introduce an incentive plan for employees ("Plan" hereinafter).

Details

1. Reasons for introducing the Plan

The Company will introduce the Plan, which involves issuing shares of Company stock to Company managing employees ("employees" hereinafter), with the goals of strengthening employee awareness of and engagement with management and incentivizing medium- to long-term growth in corporate value. The goals include improving Company business results and in its stock price by aligning employee perspectives on their duties with investor goals.

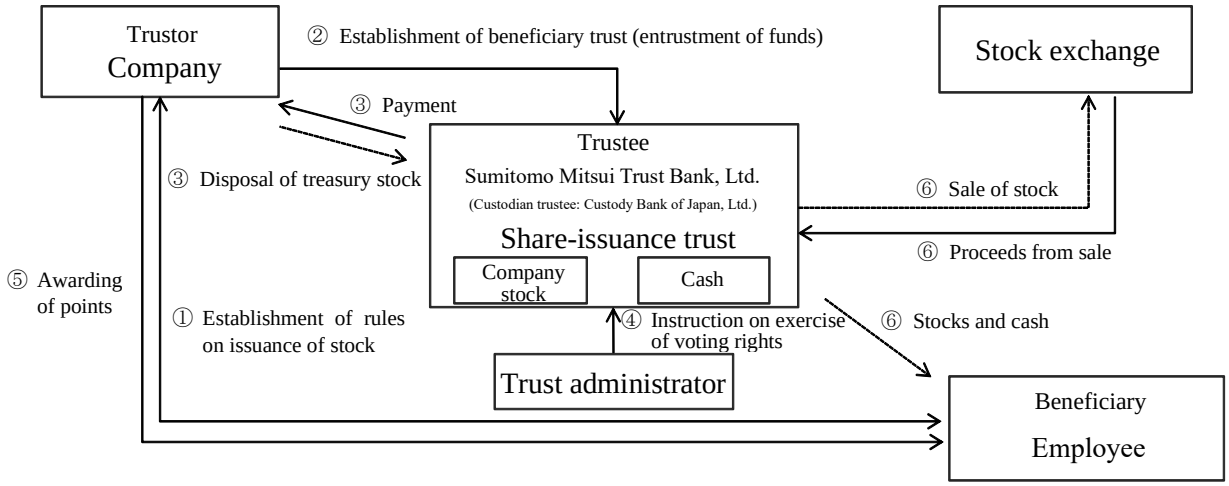
2. Overview of the Plan

The Plan is an incentive plan in which a trust established with funds contributed by the Company ("Trust" hereinafter) will acquire shares of Company common stock ("Company stock" hereinafter), after which shares of Company stock are to be issued to employees through the Trust in numbers corresponding to points awarded by the Company to employees meeting certain requirements. These points will be awarded in accordance with employee position and other considerations, in accordance with employee stock issuance rules ("stock issuance rules" hereinafter) established by the Company's board of directors. The number of shares of Company stock issued to each employee will be determined in accordance with the number of points awarded to the employee.

Since the Company will contribute all funds used by the Trust to acquire Company stock, this will entail no cost to employees.

The Plan is expected to boost employee motivation and encourage employees to approach their duties in a manner reflecting an awareness of the share price.

Overview of the Plan structure



① The Company will establish rules on the issuance of stock to employees.

② The Company will establish a beneficiary trust for the issue of stock (Trust), naming as beneficiaries employees who acquire beneficiary rights as described under ⑥ below. In doing so, the Company will entrust with the trustee funds equal to the funds used to acquire the stock.

③ The trustee will obtain in bulk shares of Company stock equivalent to the number expected to be issued by the method of disposal of treasury stock.

④ The interests of beneficiaries subject to stock issuance rules will be protected throughout the trust period. A trust administrator (independent of the Company and the Company's officers) shall be appointed to oversee the trustee. The trust administrator shall issue instructions to the trustee concerning the exercise of voting rights on shares of Company stock included in the Trust; the trustee throughout the trust period shall exercise voting rights based on such instructions.

⑤ The Company shall award points to employees based on stock issuance rules.

⑥ As beneficiaries of the Trust, employees meeting the requirements stipulated in stock issuance rules and in the trust agreement for the Trust shall receive from the trustee issuance of Company stock in accordance with the points awarded to them. Some Company stock intended to be issued shall be sold on the stock exchange for cash in certain cases, as stipulated in the stock issuance rules and in the trust agreement.

Sumitomo Mitsui Trust Bank, the Plan trustee, shall entrust the trust assets with the Custody Bank of Japan as the custodian trustee.

3. Overview of the Trust

(1) Name	Trust for issuance of stock to employees
(2) Trustor	Company
(3) Trustee	Sumitomo Mitsui Trust Bank, Ltd. (Custodian trustee: Custody Bank of Japan, Ltd.)
(4) Beneficiaries	Employees meeting beneficiary criteria
(5) Trust administrator	Plans call for the appointment of a third party independent of the Company and the Company's officers
(6) Exercise of voting rights	The trustee shall exercise voting rights throughout the trust period based on instructions issued by the trust administrator
(7) Type of trust	Money deposited other than money in trust (beneficiary trust)
(8) Effective date of trust agreement	June 3, 2025
(9) Date of entrustment of funds	June 3, 2025
(10) Ending date of trust	End of June 2028 (planned)

4. Matters related to the acquisition of Company stock by the trustee

(1) Class of shares to be acquired	Common stock
(2) Amount to be entrusted by the Company as funding for stock purchase	695,784,600 yen
(3) Total number of shares to be acquired	419,400 shares
(4) Method of stock acquisition	To be acquired through disposal of treasury stock
(5) Date of acquisition of stock	June 3, 2025 (planned)