[Translation]

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Notice Regarding Introduction of Non-Performance-Linked Restricted Share-based Remuneration System for Outside Directors of the Company

TBS HOLDINGS, INC. (hereinafter the “Company”) hereby announces that at the Board of Directors meeting held today, the Company resolved to submit a proposal for the introduction of the non-performance-linked restricted share-based remuneration system (hereinafter the “System”) for Outside Directors of the Company to the 98th Ordinary General Meeting of Shareholders to be held on June 27, 2025 (hereinafter “this General Meeting of Shareholders”).

1. Purpose of the introduction of the System

The Company is making efforts to enhance the Group's medium- to long-term corporate value, as announced in the long-term management vision “TBS Group VISION 2030” published in May 2021 and the “TBS Group Medium-term Business Plan 2026” published in May 2024. The Company has decided to partially revise its remuneration system for Directors in order to further clarify the link between Directors’ remuneration and the Company’s corporate value, with the aim of further raising awareness of contribution to the enhancement of medium- to long-term corporate value and more deeply sharing values with our stakeholders. The introduction of the System for Outside Directors of the Company (hereinafter "Eligible Directors") is part of the said revision of the remuneration system for Directors.
The System is a non-performance-linked restricted share-based remuneration system, and the remuneration amount under the System shall account for 20% of the total remuneration amount for Outside Directors after the introduction of the System. (For the partial revision of the remuneration system for the Company's Directors (excluding Outside Directors), please refer to "Notice Regarding Introduction of Share-based Remuneration System for Directors (RS Trust)" released today.)

The introduction of the System shall be subject to approval at this General Meeting of Shareholders. Specifically, because the Eligible Directors will be paid monetary receivables as their remuneration to grant them restricted shares due to the introduction of the System, the Company plans to submit a proposal for the payment of such remuneration to this General Meeting of Shareholders. The upper limit of remuneration under the System shall be set within the maximum amount of the monetary remuneration for Directors approved at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014 (¥900 million or less per year (including ¥60 million or less for Outside Directors (revised to ¥80 million per year at the 96th Ordinary General Meeting of Shareholders held on June 29, 2023)), excluding salaries paid to directors who also serve as employees).

2. Overview of the System

The total amount of monetary receivables to be paid to the Eligible Directors under the System shall be ¥16 million or less per year, and the total number of shares of common stock to be newly issued or disposed of by the Company shall be 8,000 shares or less per year (however, if a stock split (including

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gratis allotment of common stock of the Company) or reverse stock split of common stock of the Company is conducted with the effective date on or after the date of resolution of this General Meeting of Shareholders, the said total number of shares shall be adjusted to the extent reasonable as necessary in accordance with the split ratio, reverse stock split ratio, or other factors on or after the said effective date).

The Eligible Directors shall pay in all of the monetary receivables paid to them by the Company under the System as property contributed in kind, and receive, in return, common stock of the Company issued or disposed of by the Company. The amount to be paid in per share shall be determined by the Board of Directors on the basis of the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if no transaction has been closed on that day, the closing price on the most recent transaction day shall apply) to the extent that the amount is not particularly favorable to the Eligible Directors who will receive the said common stock. The specific timing of payment and allocation of shares to each Eligible Director shall be determined by the Board of Directors.

The issuance or disposal of common stock of the Company (hereinafter the "Shares") under the System shall be subject to the conclusion of a restricted shares allotment contract between the Company and the Eligible Directors, which provides that (1) it shall be prohibited that the Shares are transferred to a third party, made subject to the creation of security interests, or otherwise disposed of during a certain period of time (hereinafter the "Transfer Restriction Period"), (2) in the event of certain events, the Company shall acquire the Shares without consideration, etc. The Shares will be managed under dedicated accounts that the Eligible Directors open with Nomura Securities Co., Ltd., to ensure that the Shares cannot be transferred, made subject to the creation of security interests, or otherwise disposed of during the Transfer Restriction Period.

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