



May 8, 2026

For immediate release

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Notice of Introduction of a Post-Delivery Performance-Linked Share-Based Remuneration Plan

Nitta Corporation (the “Company”) hereby announces that the Board of Directors, at a meeting held on May 8, 2026, reviewed the remuneration system for its Officers and resolved to introduce a post-delivery performance-linked share-based remuneration plan (the “Plan”). The Company has decided to submit a proposal related to the Plan to the 97th Ordinary General Meeting of Shareholders (the “Meeting”) scheduled to be held on June 25, 2026.

1. Overview of the Plan and conditions for its introduction

(1) Overview of the Plan

The Plan is a post-delivery performance-linked share-based remuneration plan to be introduced for the purpose of further incentivizing the Company’s Directors (excluding Outside Directors; the “Eligible Directors”), including those to be appointed in the future, to sustainably enhance our corporate value while promoting further value sharing with shareholders.

The Plan is a performance-linked remuneration system aimed at increasing motivation to achieve performance targets set forth in the Medium- to Long-Term Business Plan and other goals, as well as strengthening commitment to improving the Company’s corporate value over the medium to long term by varying the number of shares granted in accordance with the level of goal achievement. Under the Plan, the Board of Directors of the Company will pre-establish numerical targets for performance indicators (initially expected to be operating income to net sales ratio and relative TSR (Total Shareholder Return) against TOPIX (including dividends) during a period determined by the Board of Directors (the “Evaluation Period”). The initial Evaluation Period will be the two fiscal years from April 1, 2026 to March 31, 2028, which is a period through the completion of the SHIFT2030 Medium- to Long-Term Business Plan Phase 2. Based on the factors such as achievement level of the established numerical targets, the Company will issue new shares of its common stock (restricted stock) or dispose of its treasury shares to Eligible Directors (collectively, the “Delivery” of shares). Accordingly, at the time of the introduction of the Plan, neither the Delivery of the Company’s common stock (restricted stock) nor the number of shares to be delivered to each Eligible Director is fixed.

(2) Conditions for its introduction

Under the Plan, the Company will deliver shares of its common stock (restricted stock) to Eligible Directors as remuneration. Therefore, the introduction of the Plan is subject to obtaining shareholder approval at the Meeting for the provision of such remuneration. Eligible Directors will receive the Company's common stock (restricted stock) either through: (i) the gratuitous Delivery of shares without the need for any contribution of money or other assets in exchange for shares for subscription, as consideration for the execution of Director's duties (the "Gratuitous Delivery Method"); or (ii) the Delivery of shares by contributing the entire amount of monetary remuneration claims provided by the Company as properties contributed in kind (the "Contribution-in-Kind Method").

At the 91st Ordinary General Meeting of Shareholders held on June 25, 2020, it was approved that the maximum amount of monetary remuneration for the Company's Directors shall be up to 300 million yen per year (including 30 million yen for Outside Directors). Additionally, separate from the monetary remuneration, at the 90th Ordinary General Meeting of Shareholders held on June 21, 2019, it was approved that restricted share-based remuneration shall be limited to 100 million yen per year, with a maximum of 50,000 shares granted annually (Outside Directors are not eligible for the grant). At the Meeting, the Company plans to seek shareholder approval for the new introduction of the Plan and the establishment of a remuneration limit related to the Plan for Eligible Directors, separate from the existing remuneration limits for monetary remuneration and restricted share-based remuneration for Directors.

2. Delivery of restricted stock under the Plan

Under the Plan, Eligible Directors shall receive Delivery of shares of the Company's common stock (restricted stock) through either the Gratuitous Delivery Method or the Contribution-in-Kind Method.

On that basis, combining both the Gratuitous Delivery Method and the Contribution-in-Kind Method, the total number of shares of the Company's common stock to be delivered under the Plan shall be up to 30,000 shares per year (*1), and the total amount of the Company's common stock to be delivered (or the total amount of monetary remuneration claims to be provided in the case of the Contribution-in-Kind Method) under the Plan shall be up to 150 million yen per year (*2). (The Company may provide its common stock and monetary remuneration claims under the Plan in a lump sum covering a period of up to three years.)

*1 In the event of unavoidable circumstances that require an adjustment to the number of shares, such as a stock split or consolidation of the Company's common stock, the Company may reasonably adjust the number of shares to be issued or disposed of.

*2 In the case of the Gratuitous Delivery Method, while no monetary payment is required for the grant of restricted stock, the amount of remuneration per share for each Eligible Director will be calculated based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution related to the grant of restricted stock (if no transaction is completed on that day, the closing price on the most recent preceding transaction day shall be used). In the case of the Contribution-in-Kind Method, the amount to be paid per share of the Company's common stock to be issued or disposed of under the Plan will be determined

by the Board of Directors within a range that is not unduly favorable to Eligible Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution (if no transaction is completed on that day, the closing price on the most recent preceding transaction day shall be used).

Furthermore, in order to realize the sharing of shareholder value, which is one of the objectives of introducing the Plan, over the medium to long term, the Company's common stock to be delivered under the Plan will be subject to transfer restrictions. The transfer restriction period shall be from the delivery date of the restricted stock to the date on which said Eligible Director ceases to hold a position as a Director of the Company or any other position determined by the Company's Board of Directors. The specific timing and allocation of the grant to each Eligible Director will be determined by the Board of Directors.

For issuing or disposing of the Company's common stock under the Plan, the Company and each of the Eligible Directors will conclude a restricted stock allotment agreement (the "Allotment Agreement"), which shall include the following matters:

- i) Eligible Directors shall not transfer, create security interests in, or otherwise dispose of the share of the Company's common stock allotted under the Allotment Agreement for a predetermined period.
- ii) The Company shall acquire the said common stock without consideration in the event that certain circumstances arise.

3. Application to Executive Officers of the Company

Subject to the approval of the introduction of the Plan at the Meeting, the Company plans to introduce a post-delivery performance-linked share-based remuneration plan, similar to the Plan, also for its Executive Officers.