



May 14, 2026

Listed company : AMADA CO., LTD.
Representative : Takaaki Yamanashi
Representative Director, President
(Securities code: 6113, TSE Prime Market)
Inquiries : Kazuhiko Miwa
Director, Senior Corporate Officer,
Executive Supervisor of Corporate Finance
Div.
Telephone : +81-463-96-1111 (representative)

Notice Concerning Continuation and Partial Amendment of the Performance-Linked Stock Compensation Plan in Connection with Transition to a Company with an Audit & Supervisory Committee

AMADA CO., LTD. (the “Company”) plans to transition to a Company with an Audit & Supervisory Committee, subject to the approval of the 88th Ordinary General Meeting of Shareholders to be held on June 26, 2026 (hereinafter referred to as the “General Meeting of Shareholders”), as announced in the “Notice Concerning Transition to a Company with an Audit & Supervisory Committee” published on February 12, 2026.

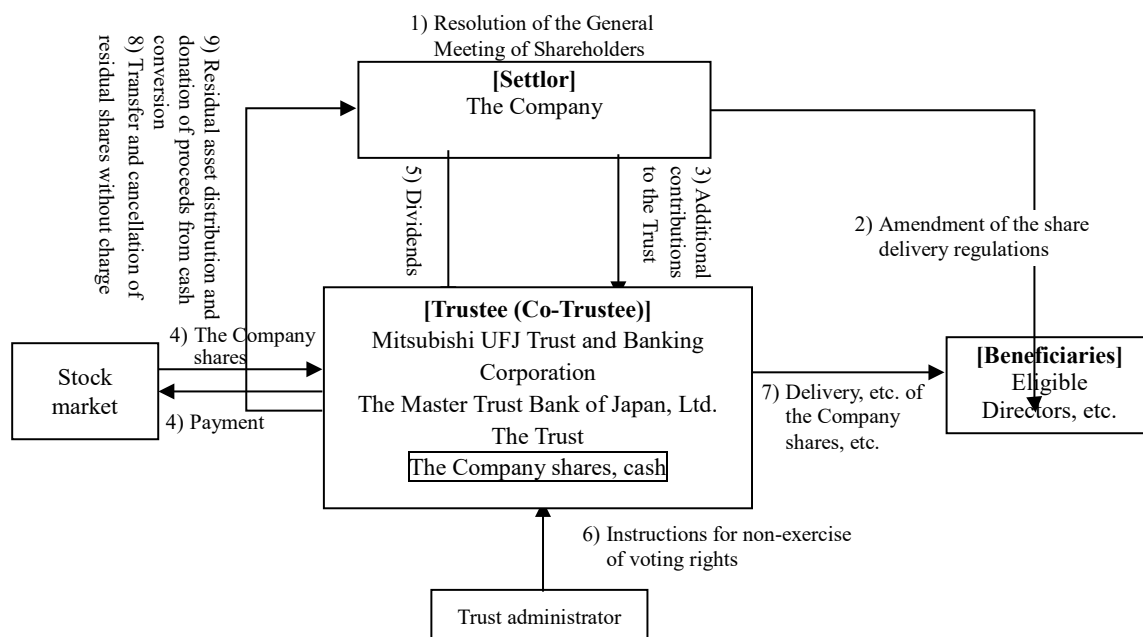
Accordingly, the Company hereby announces that it has resolved, at a meeting of the Board of Directors held today, to submit to the General Meeting of Shareholders a proposal to continue and partially amend the performance-linked stock compensation plan (hereinafter referred to as the “Plan”) introduced in fiscal 2024 for the Company’s Directors (excluding External Directors). The amended Plan will cover the Company’s Directors and Corporate Officers (excluding Directors who are Audit & Supervisory Committee Members, External Directors, and non-residents of Japan; hereinafter collectively referred to as “Eligible Directors, etc.”). The details are described below.

1. Continuation of the Plan

- (1) To realize the growth strategy under the Medium-term Business Plan announced on May 14, 2026, the Company will continue the Plan with partial amendments. The Plan covers Directors (excluding Directors who are Audit & Supervisory Committee Members, External Directors, and non-residents of Japan), as well as Corporate Officers who do not concurrently serve as Directors (excluding non-residents of Japan). The amendments raise the proportion of stock compensation in the compensation of Eligible Directors, etc. and set their compensation at a market-competitive level. The objectives are to strengthen the motivation of Eligible Directors, etc. to contribute to improving the Company’s medium- to long-term corporate value, promote ownership of the Company’s shares, and further align their interests with those of shareholders.
- (2) The continuation and partial amendments of the Plan are subject to the approval at the General Meeting of Shareholders.
- (3) The Plan uses a structure known as the Board Incentive Plan (BIP) Trust (hereinafter referred to as the “BIP Trust”). The BIP Trust is an incentive plan for officers/executives that is modeled after the US Performance Share system and Restricted Stock system. The Company shares and an amount of cash equivalent to the conversion value of the Company shares (hereinafter referred to as the “Company shares, etc.”) that are acquired through the BIP Trust are delivered or paid (hereinafter referred to as the “Delivery, etc.”) based on the degree of achievement of performance targets and other factors.
- (4) When the trust period of the BIP Trust (hereinafter referred to as the “Trust”) established for the Plan expires, the Company plans to continue the Plan by establishing a new Trust or by amending and making additional contributions to the existing Trust whose trust period has expired.

2. Outline of the Plan

<Structure of the Trust>



- 1) The Company will seek approval at the General Meeting of Shareholders to continue and partially amend the Plan.
- 2) The Company will amend the share delivery regulations governing the Plan at a meeting of the Board of Directors.
- 3) The Company will contribute cash to the Trust, within the scope approved at the General Meeting of Shareholders in 1), and extend the trust period of the Trust, designating Eligible Directors, etc. who meet the beneficiary requirements as beneficiaries.
- 4) The Trust purchases the Company shares from the stock market using cash contributed in 3) as the source of funds as instructed by the trust administrator. The number of shares acquired by the Trust will remain within the scope approved at the General Meeting of Shareholders in 1).
- 5) Dividends on the Company shares held within the Trust will be paid in the same manner as dividends on other Company shares.
- 6) Voting rights on the Company shares held within the Trust will not be exercised throughout the trust period.
- 7) During the trust period, beneficiaries will receive a certain number of points in accordance with the share delivery regulations, based on the degree to which the Company's performance indicators for each fiscal year of the Medium-term Business Plan are achieved. After the target period ends, beneficiaries will receive the Company shares corresponding to a fixed percentage of the accumulated points. The Company shares equivalent to the remaining points are converted into cash within the Trust in accordance with the trust agreement, and beneficiaries will receive money equivalent to the proceeds from cash conversion.
- 8) Any residual shares in the Trust at the expiration of the trust period due to unmet performance targets or other reasons will, if the Trust continues to be used for the Plan or a similar stock compensation plan after the expiration of the trust period, be applied toward the Delivery, etc. to Eligible Directors, etc. Any residual assets other than such residual shares will be applied as funds for share acquisition.
- 9) If the Trust is terminated at the expiration of the trust period, any residual shares after the Delivery, etc. to Eligible Directors, etc. are converted into cash within the Trust. After the conversion, any amount exceeding the cumulative trust contributions less the cumulative cost of share acquisitions (hereinafter referred to as the "Trust Reserve Amount") will be donated to an organization with no interest relationship with the Company or Eligible Directors, etc.

- * If, during the trust period, there arises the possibility that the number of shares held in the Trust will fall short of the number corresponding to the cumulative points allocated to each Eligible Director, etc. (as defined in (5) below), or that the cash held in the trust property will be insufficient to cover trust fees and trust expenses, additional funds may be contributed to the Trust, within the maximum trust contribution limit set out in (7) below.

(1) Outline of the Plan

As a general rule, the Plan covers the fiscal years included in the Company's Medium-term Business Plan (hereinafter referred to as the "target period") and provides the Delivery, etc. of the Company shares, etc. to Eligible Directors, etc. through the Trust. The initial target period following the Plan amendment covers the five (5) fiscal years from the fiscal year ending March 31, 2027 through the fiscal year ending March 31, 2031. The Company shares are acquired through the Trust using the compensation amount of Eligible Directors, etc. contributed to the Trust by the Company as the source of funds.

(2) Resolution of the General Meeting of Shareholders regarding the partial amendment of the Plan

The Company will ask the General Meeting of Shareholders to resolve the maximum amount of funds to be contributed to the Trust as compensation for Eligible Directors, etc., the maximum total number of points to be granted to Eligible Directors, etc. (as defined in (5) below), and other necessary matters.

If the Trust is continued as described in (4) a. below, the Company's Board of Directors will resolve, within the scope approved at the General Meeting of Shareholders, to amend the trust agreement and make additional contributions to the Trust upon expiration of the trust period.

(3) Those eligible for the Plan (beneficiary requirements)

Eligible Directors, etc. may receive the Delivery, etc. of the Company shares, etc. from the Trust, subject to satisfying the beneficiary requirements set out below and completing the designated beneficiary-determining procedures, in a number corresponding to their share delivery points (as defined in (5) below).

- 1) Eligible Directors, etc. must have served as such during the target period from the plan commencement date (including those who newly became Eligible Directors, etc. on or after the plan commencement date).
- 2) Other requirements deemed necessary to achieve the purpose of the performance-linked stock compensation plan, as set out in the trust agreement or share delivery regulations.

(4) The trust period

a. Initial trust period following the Plan amendment

For a period of approximately five years from August 12, 2026 (scheduled) to August 31, 2031 (scheduled)

b. Continuation of the Trust

Upon expiry of a trust period, the Company may continue the Trust by amending the trust agreement and contributing additional trust fund. In that case, as a general rule, the fiscal years covered by the Company's Medium-term Business Plan then in effect will become the new target period. The trust period of the Trust will be extended to cover that new target period, and the Company will make additional contributions within the maximum trust contribution amount approved at the General Meeting of Shareholders for each extended trust period. The Company will continue granting points to Eligible Directors, etc. and the Delivery, etc. of the Company shares, etc. during the extended trust period. However, in the case of making such an additional contribution, if there are the Company shares (excluding the Company shares equivalent to points granted to Eligible Directors, etc. for which the Delivery, etc. has not been completed) and cash remaining in the trust property (hereinafter referred to as the "Remaining Shares and Cash") as of the last day of the trust period prior to the extension, the total amount of the Remaining Shares and Cash and the money to be additionally contributed by the

Company shall be within the maximum trust contribution amount approved at the General Meeting of Shareholders. Such extension of the trust period is not limited to a one-time occurrence, and the Trust may be subsequently extended in the same manner thereafter.

- (5) Method of calculating the number of the Company shares, etc. for the Delivery, etc. to Eligible Directors, etc. and the maximum number thereof

The number of the Company shares, etc. and its amount for the Delivery, etc. to Eligible Directors, etc. under the Plan are determined based on the number of points granted at a certain point of time of each fiscal year in accordance with the positions of Eligible Directors, etc. and degree of achievement of performance targets, etc.

The maximum number of points to be granted to Eligible Directors, etc. shall be 400,000 points per fiscal year. The degree of achievement of performance targets shall be evaluated based on the management indicators and shareholder value indicators, etc. set forth in the Medium-term Business Plan of the Company, and shall be decided between 0% and 200% depending on the degree of achievement of the target for the management indicators and shareholder value indicators ([1. revenue, 2. operating profit, and 3. ROE] for the initial target period following the Plan amendment), etc. for each fiscal year during the target period of the relevant Medium-term Business Plan. After that, one (1) share of the Company will be delivered for one (1) point (fraction less than one (1) point shall be omitted).

However, if an Eligible Director, etc. retires during the trust period, the number of shares for the Delivery, etc. will be calculated in accordance with the accumulated points as of the time. If the Delivery, etc. of the Company shares, etc. from the Trust becomes impracticable, the Company may substitute a share price-linked cash payment calculated using the same method as the Plan, in place of shares.

If the Company conducts a stock split, stock consolidation, etc. of the Company shares during the trust period, the maximum numbers of points and shares to be granted will be adjusted in accordance with the split ratio, consolidation ratio, etc.

- (6) The method and timing of the Delivery, etc. of the Company shares, etc. to Eligible Directors, etc.

Eligible Directors, etc. who have satisfied the beneficiary requirements, in principle, after the end of the target period (for the initial target period following the Plan amendment, this is expected to be around July 2031, five (5) fiscal years after the fiscal year ending March 31, 2027), shall receive the delivery of the Company shares corresponding to a certain proportion of accumulated points from the Trust by following the designated beneficiary-determining procedures, while the Company shares equivalent to the remaining points are converted into cash within the Trust, and the Eligible Directors, etc. shall receive money equivalent to the proceeds from cash conversion from the Trust.

Eligible Directors, etc. who retired during the target period shall receive the Delivery, etc. of the Company shares, etc. from the Trust calculated in accordance with the accumulated points up to that point, immediately after the retirement.

- (7) The maximum amount of the total trust contributions made to the Trust and the maximum number of points granted to Eligible Directors, etc. under the Trust

The total trust contributions made to the Trust during the trust period, and the total number of points granted to Eligible Directors, etc. under the Trust, are subject to the following limits, conditional on approval by resolution at the General Meeting of Shareholders.

The maximum amount of the total trust contributions made to the Trust

400 million yen per fiscal year

(For the initial target period following the Plan amendment, 2,000 million yen for five (5) fiscal years)

The maximum number of points granted to Eligible Directors, etc.

400,000 points per fiscal year

(For the initial target period following the Plan amendment, 2,000,000 points for five (5) fiscal years)

The maximum amount of the total trust contribution made to the Trust is calculated by taking into account the current compensation levels of Eligible Directors, etc. and adding trust fees and trust expenses.

(8) Method of acquisition of the Company shares through the Trust

The Company plans to acquire its shares through the Trust from the stock market during the initial target period following the Plan amendment, within the share acquisition funds and number of shares set out in (7) above.

(9) Clawback provisions, etc.

If an Eligible Director, etc. is found to have committed serious wrongdoing or violated laws and regulations, the Company may forfeit the points granted to the Eligible Director, etc. (malus) or demand the return of the amount of money equivalent to the Company shares, etc. delivered to the Eligible Director, etc. (clawback).

(10) Exercise of voting rights for the Company shares in the Trust

Voting rights for the Company shares held in the Trust (that is, the Company shares before the Delivery, etc. to Eligible Directors, etc.) shall not be exercised during the trust period to ensure the neutrality of the management.

(11) Treatment of dividends on the Company shares held in the Trust

Dividends on the Company shares held in the Trust shall be received by the Trust and applied toward trust fees and trust expenses of the Trust.

(12) Treatment at the expiration of the trust period

If the Trust continues to be used for the Plan or a similar stock compensation plan after the expiration of the trust period, any residual shares will be applied toward the Delivery, etc. to Eligible Directors, etc. under the stock compensation plan, and any residual money will be applied as funds for share acquisition.

If the Trust is terminated at the expiration of the trust period, any residual shares are converted into cash within the Trust. After the conversion, any amount exceeding the Trust Reserve Amount will be donated to an organization with no interest relationship with the Company or Eligible Directors, etc.

(Reference)

[Trust agreement terms]

- | | |
|--------------------------|---|
| 1) Type of trust: | Monetary trust other than a specifically and individually managed monetary trust (trust for the benefit of a third party) |
| 2) Purpose of the trust: | Granting incentives to Eligible Directors, etc. |
| 3) Settlor: | The Company |
| 4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation
(Co-Trustee: The Master Trust Bank of Japan, Ltd.) |
| 5) Beneficiaries: | Directors who meet the beneficiary requirements |
| 6) Trust administrator: | Independent third-party professional having no interest |

- | | |
|---|--|
| | relationship with the Company |
| 7) Trust agreement date: | August 9, 2024 (scheduled to be amended on August 12, 2026) |
| 8) Trust period: | August 9, 2024 to August 31, 2031 (scheduled) |
| 9) Plan commencement date: | August 9, 2024 |
| 10) Exercise of voting rights: | Voting rights shall not be exercised |
| 11) Class of shares to be acquired: | Common share of the Company |
| 12) Maximum amount of trust contribution: | 2,000 million yen (including trust fees and trust expenses) |
| 13) Timing to acquire shares: | August 17, 2026 (scheduled) to August 31, 2026 (scheduled) |
| 14) Method to acquire shares: | Acquired from the stock market |
| 15) Reversionary beneficiary: | The Company |
| 16) Residual assets: | The residual assets that the Company, as the reversionary beneficiary, may receive are limited to the trust expense reserve, calculated as the trust contributions less the share acquisition funds. |