



June 26, 2025

Company name: Kurimoto, Ltd.
Representative: Kazutaka Kikumoto
President
Listed on: Tokyo Stock Exchange's Prime Market
(Securities code: 5602)
Inquiries: Hiroshi Ono, Executive Officer, General
Manager of Corporate Planning Division
Telephone: +81-6-6538-7719

Notice Concerning Partial Revision of the Share-based Remuneration Plan

Kurimoto, Ltd. (“the Company”) has introduced a share-based remuneration plan called the Board Benefit Trust-Restricted Stock (BBT-RS) (hereinafter referred to as the “Plan”) for the Company’s Directors (excluding Outside Directors, hereinafter the same unless otherwise noted), as announced in “Notice Concerning Partial Revision of the Share-based Remuneration Plan” on May 14, 2024. The Company hereby announces that at a meeting of its Board of Directors held today, it resolved to expand the scope of eligible recipients under the Plan to include Executive Officers and Fellow of the Company, as described below.

1. Background and purpose of the revision

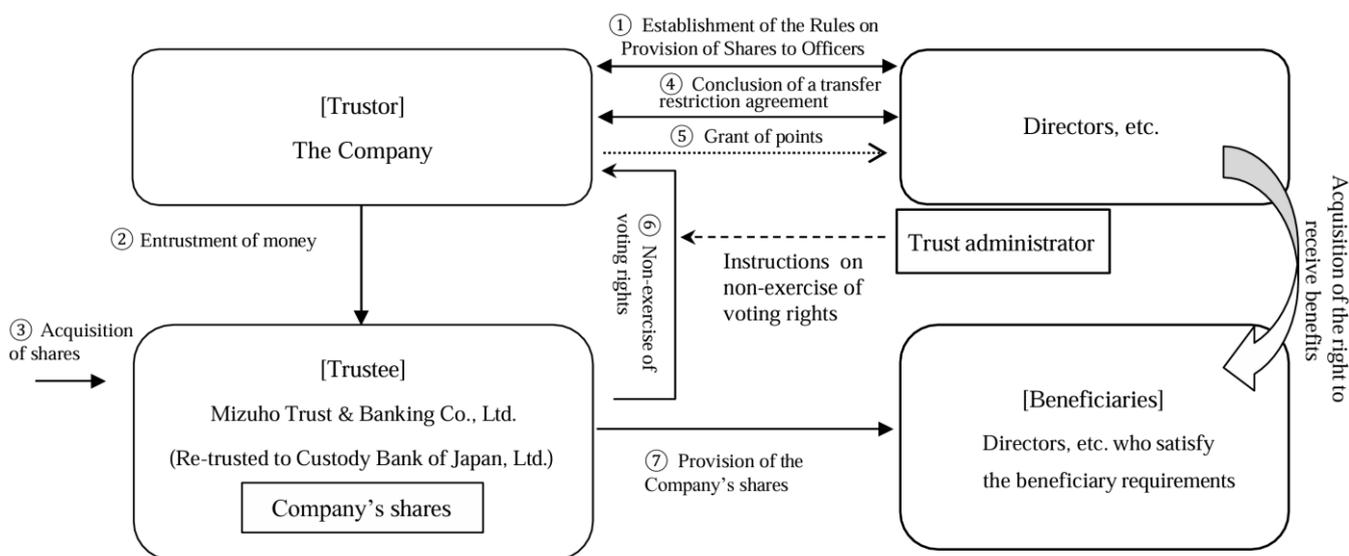
At the 120th Annual General Meeting of Shareholders held on June 29, 2016, the Company received approval for the introduction of a share-based remuneration plan called the Board Benefit Trust (BBT) (hereinafter referred to as the “BBT Plan”). Subsequently, the Company received approval for resetting of limits on remuneration for the BBT Plan at the 125th Annual General Meeting of Shareholders held on June 25, 2021, and received approval for revising this BBT Plan to become the Plan at the 128th Annual General Meeting of Shareholders held on June 26, 2024 (hereinafter referred to as the “Meeting”). The Company has now resolved to expand the scope of eligible recipients under the Plan to include Executive Officers and Fellow of the Company, with the aim of motivating them to contribute to improving performance and enhancing corporate value over the medium to long term by bringing more clarity to the linkage between their remuneration and the Company’s performance and stock value.

2. Outline of the Plan

(1) Outline of the Plan

The Plan is a share-based remuneration plan under which the Company’s shares are acquired through a trust using money contributed by the Company as funds (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and Directors, Executive Officers, and Fellow of the Company (hereinafter collectively referred to as the “Directors, etc.”) are provided with the Company’s shares and cash equivalents of such shares at their market value (hereinafter collectively referred to as the “Company’s Shares, etc.”) through the Trust in accordance with the Rules on Provision of Shares to Officers established by the Company. Directors, etc. shall receive the provision of the Company’s shares at a certain time every year, in principle, and Directors, etc. shall receive cash equivalent to the Company’s shares at their market value at the time of their retirement, in principle. If Directors, etc. receive the provision of the Company’s shares during their terms of office, such Directors, etc. shall enter into a transfer restriction agreement with the Company prior to the provision of the Company’s shares, as described in 3. below. Consequently, the Company’s shares provided to Directors, etc. during their terms of office shall be subject to restriction on disposal by means of transfer, etc. until retirement of such Directors, etc.

<Reference: Structure of the Plan>



- ① The Company will establish the Rules on Provision of Shares to Officers within the framework approved at the Meeting, based on the resolution passed at the Meeting on officer remuneration under the Plan.
- ② The Company will entrust money within the scope approved in the resolution passed at the Meeting in ①.
- ③ The Trust will acquire the Company's shares through the stock market or by subscribing to treasury shares to be disposed of by the Company using money entrusted in ② above as funds.
- ④ Directors, etc. will enter into a transfer restriction agreement with the Company, which includes provisions to the effect that the Company's shares provided to Directors, etc. during their terms of office shall be subject to restriction on disposal by means of transfer, etc. until retirement of such Directors, etc., and other provisions, such as certain provisions regarding gratis acquisition by the Company.
- ⑤ The Company will grant points to Directors, etc. in accordance with the Rules on Provision of Shares to Officers.
- ⑥ The Trust will not exercise voting rights of the Company's shares in the Trust account in compliance with the instructions of the trust administrator who is independent of the Company.
- ⑦ The Trust will provide, at a certain time every year, those Directors, etc. who satisfy the beneficiary requirements prescribed in the Rules on Provision of Shares to Officers (hereinafter referred to as the "Beneficiaries") with the Company's shares according to the number of points granted to the said Beneficiaries. However, if Directors, etc. satisfy the requirements prescribed in the Rules on Provision of Shares to Officers, the Trust will provide such Directors, etc. with monetary provisions equivalent to the market value of the Company's shares with respect to a certain percentage of the points at the time of their retirement.

(2) Persons eligible for the Plan

Directors (Outside Directors and Audit & Supervisory Board Members shall not be eligible for the Plan.), Executive Officers, and Fellow

(3) Trust period

From August 2016 until the termination of the Trust. (A specific date of termination shall not be set for the trust period of the Trust, and the Trust shall continue as long as the Plan continues to exist. The Plan will be terminated

in the event of delisting of the Company's shares, abolition of the Rules on Provision of Shares to Officers, or other such events.)

(4) Trust amount

The Company has established the Trust by contributing funds needed for the Trust to acquire, a certain period of time in advance, the number of shares reasonably estimated to be necessary for the provision of shares in accordance with the BBT Plan and the Plan. The Company contributed 92,950,000 yen to the Trust at the start of the trust period described in (3) above as funds for the acquisition of the Company's shares by the Trust in order to provide the Company's Directors, etc. with the Company's shares for the three fiscal years from the fiscal year ended on March 31, 2016 to the fiscal year ended on March 31, 2018. Subsequently, the Company contributed an additional 55,930,000 yen to the Trust in November 2022. The Trust continues to exist as a trust under the Plan after the revision to the Plan based on the resolution passed at the Meeting.

To allow the Plan to function as an appropriate incentive to enhance the Company's corporate value over the medium to long term, the Company has set no upper limit to the money that it contributes to the trust, considering the impact that stock price fluctuations will have on the number of shares to be acquired by the trust.

As approved at the Meeting, the Company makes the following contributions of money to the Trust as funds for the acquisition of the Company's shares by the Trust in order to provide Directors, etc. with the Company Shares, etc. under the Plan for the three fiscal years from the fiscal year ended on March 31, 2025 to the fiscal year ending on March 31, 2027 (hereinafter, such three-fiscal-year period is referred to as the "Initial Applicable Period," and the Initial Applicable Period and each three-fiscal-year-period that begins after the Initial Applicable Period are respectively referred to as the "Applicable Period"), as well as for each Applicable Period that follows.

During the Initial Applicable Period and even after the expiration of the Initial Applicable Period, the Company shall make reasonable estimations of the number of shares necessary for the provision of shares to Directors, etc. under the Plan and make additional contributions of funds to the Trust that are deemed necessary for the Trust to acquire in advance such shares, for each Applicable Period, in principle, until the termination of the Plan. However, when making such additional contributions, if the Company's shares (excluding a number of the Company's shares that have not yet been provided to Directors, etc. equivalent to points granted to them during each Applicable Period up to that date) and money remain in the Trust (such shares and money are collectively referred to as the "Remaining Shares, etc."), these Remaining Shares, etc. shall be used as funds for provision under the Plan during subsequent Applicable Periods, and the amount of additional contributions shall be calculated in consideration of the Remaining Shares, etc. Should the Company decide to make additional contributions, it shall disclose this in a timely and appropriate manner.

(5) Method of acquiring the Company's shares and number of shares to be acquired by the Trust

The Trust shall acquire the Company's shares through the stock market on which the Company's shares are listed or by way of subscribing to treasury shares to be disposed of by the Company using the money contributed in accordance with (4) above as funds.

As the upper limit of the number of points to be granted to Directors, etc. is 88,000 points per fiscal year, as described in (6) below, the number of the Company's shares to be acquired by the Trust for each Applicable Period shall be up to 88,000 shares. The Company shall disclose the acquisition of the Company's shares by the Trust in a timely and appropriate manner.

(6) Upper limit of the number of the Company's Shares, etc. to be provided to Directors, etc.

The Company shall grant Directors, etc. a specified number of points determined upon considering such factors as the level of performance achieved and positions with respect to each fiscal year based on the Rules on Provision of Shares to Officers. The upper limit of the number of points to be granted to Directors, etc. per fiscal year shall be 88,000 points in total (including 48,000 points for Directors). This was determined after comprehensively considering the current payment level of remuneration for officers, trends and prospects of changes in the number of Directors, etc., and other factors. Therefore, the Company deems it appropriate.

Each point granted to the Directors, etc. shall be converted into one share of the Company's common stock at the time of the provision of the Company's Shares, etc. as described in (7) below (provided, however, in case where

the Company's shares become the subject of a share split, allotment of shares without contribution, or consolidation of shares, etc. after the resolution approving the Plan was passed by shareholders at the Meeting, the upper limit on the number of points and the number of points granted or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.).

The number of points for Directors, etc. used as the basis for the provision of the Company's Shares, etc. described in (7) below shall be the total number of points granted to Directors, etc. by the beneficiary confirmation date described in (7) below), in principle (hereinafter, the points calculated in this manner are referred to as the "Defined Number of Points").

(7) Provision of the Company's Shares, etc.

Directors, etc., who satisfy the beneficiary requirements shall receive, at a certain time every year, from the Trust the provision of the Company's shares according to the Defined Number of Points determined as described in (6) above, in principle, by completing the prescribed procedures to become a beneficiary. However, if Directors, etc. satisfy the requirements prescribed in the Rules on Provision of Shares to Officers, such Directors, etc. shall receive, with respect to a certain percentage, monetary provisions equivalent to the market value of the Company's shares, instead of the provision of the Company's shares, at the time of their retirement, in principle. The Trust may sell the Company's shares to make monetary provisions.

In addition, if Directors, etc. receive the provision of the Company's shares during their terms of office, such Directors, etc. shall enter into a transfer restriction agreement with the Company prior to the provision of the Company's shares, as described in 3. below. Consequently, the Company's shares provided to Directors, etc. during their terms of office will be subject to restriction on disposal by means of transfer, etc. until retirement of such Directors, etc.

Moreover, even a Director, etc. who has been granted points shall not be able to acquire all or part of the rights to receive the provision if the dismissal of the Director, etc. is resolved at a General Meeting of Shareholders, if the Director, etc. retires owing to certain illegal acts committed during his or her term of office, or if the Director, etc. committed an inappropriate act during his or her term of office that caused damage to the Company.

(8) Voting rights

Voting rights of the Company's shares in the Trust account shall not be exercised, without exception, based on the instruction of the trust administrator. This is intended to ensure neutrality to the management of the Company with respect to the exercise of voting rights of the Company's shares in the Trust account.

(9) Handling of dividends

The dividends of the Company's shares within the Trust account shall be received by the Trust and shall be used mainly for the acquisition of the Company's shares or for trust fees to the trustee pertaining to the Trust. Upon any discontinuance of the Trust, dividends, etc. remaining in the Trust shall be distributed to the Directors, etc. in office at that point in time, proportionately according to the number of points they each hold, as prescribed in the Rules on Provision of Shares to Officers.

(10) Treatment upon the termination of the trust

The Trust will terminate in the event of delisting of the Company's shares, abolition of the Rules on Provision of Shares to Officers, or other such events.

With regard to the Company's shares among the residual assets of the Trust at the time of termination of the Trust, the Company plans to acquire all such shares without consideration and cancel them by resolution of the Board of Directors. Of the residual assets of the Trust at the time of termination of the Trust, any remaining amount of money, excluding money to be provided to Directors, etc. in accordance with (9) above, will be provided to the Company.

3. Outline of the transfer restriction agreement concerning the Company's shares to be provided to Directors, etc.

If Directors, etc. receive the provision of the Company's shares during their terms of office, such Directors, etc. shall enter into a transfer restriction agreement including the contents as outlined below (hereinafter referred to as the "Transfer Restriction Agreement") with the Company prior to the provision of the Company's shares. (Directors, etc. shall receive the provision of the Company's shares on the condition that the Transfer Restriction Agreement is concluded.) However, the Company's shares may be provided without the conclusion of the Transfer Restriction Agreement to Directors, etc., who have already retired at the time of provision of such shares.

① Details of transfer restrictions

Directors, etc. may not transfer, pledge as security, or otherwise dispose of the Company's shares provided and received during the period from the date on which they receive the provision of the Company's shares to the date on which they retire from all of their officer positions in the Company.

② Gratis acquisition by the Company

In the event of certain illegal acts, etc. or in the event that the requirements for removal of the transfer restrictions in ③ below are not satisfied, the Company shall acquire the relevant shares without consideration.

③ Removal of transfer restrictions

If a Director, etc. retires from all of his or her officer positions in the Company for justifiable reasons or due to death, the transfer restrictions shall be removed at the time of such retirement.

④ Treatment in the event of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the Company becomes a non-surviving company or any other matter concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders, etc. of the Company, the transfer restrictions shall be removed by resolution of the Board of Directors of the Company immediately before the business day preceding the effective date of such organizational restructuring, etc.

During the transfer restriction period, the Company's shares subject to the transfer restrictions under the Transfer Restriction Agreement will be managed in a dedicated account opened by the eligible Directors, etc. with a securities company designated by the Company so that they will not be transferred, pledged as security, or otherwise disposed of during the transfer restriction period.

In addition to the above, the content of the Transfer Restriction Agreement will include the method of manifestation of intention and notification under the Transfer Restriction Agreement, the method of revision of the Transfer Restriction Agreement, and other matters to be determined by the Board of Directors.

[Overview of the Trust]

- | | |
|---|--|
| ① Name: | Board Benefit Trust-Restricted Stock (BBT-RS) |
| ② Trustor: | The Company |
| ③ Trustee: | Mizuho Trust & Banking Co., Ltd.
(Re-trusted to Custody Bank of Japan, Ltd.) |
| ④ Beneficiaries: | Directors, etc. who satisfy the beneficiary requirements established in the Rules on Provision of Shares to Officers |
| ⑤ Trust administrator: | A third party is appointed that has no interests with the Company |
| ⑥ Type of trust: | Trust of money other than monetary trust (beneficiary trust) |
| ⑦ Date of the trust agreement: | August 22, 2016 |
| ⑧ Date of the entrustment of money (initial): | August 22, 2016 |
| ⑨ Trust period: | From August 22, 2016 until the termination of the trust
(No termination date is designated, and trust will continue as long as the Plan continues.) |