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May 9, 2025

Notice Regarding the Continuation and Partial Revision of the Performance-Based Stock Compensation System

Hirata Corporation has decided to submit a proposal regarding the continuation of the performance-based stock compensation system using a trust, which has been implemented for our directors (hereinafter referred to as "Directors," excluding those who are Audit Committee members and outside Directors; the same applies hereinafter), with changes to its content, at the Board of Directors meeting scheduled for May 9, 2025. This proposal (hereinafter referred to as the "Proposal") will be presented at the 74th Annual General Meeting of Shareholders scheduled for June 26, 2025 (hereinafter referred to as the "Shareholders' Meeting"). We hereby announce the details as follows.

1. Regarding Changes to the System

The compensation for Directors consists of "Base Compensation," "Bonuses," and "Stock Compensation." Among these, the "Stock Compensation" was approved as a performance-based stock compensation system using a trust (hereinafter referred to as the "System") at the 72nd Annual General Meeting of Shareholders held on June 23, 2023 (the resolution for such approval is hereinafter referred to as the "Previous Resolution").

In the Previous Resolution, the number of points granted to Directors under this System (the basis for calculating the number of shares of our company to be granted to Directors) was linked to the "achievement of performance targets." However, this Proposal seeks approval to also link the number of such points to the "achievement of ESG indicators."

Furthermore, if the Shareholders' Meeting approves the partial changes to this System, we also plan to continue with similar changes to the stock compensation system implemented for executive officers who have entered into a delegation contract with the company.

2. Overview of the System After Changes

The System is a stock compensation system whereby a trust (already established and hereinafter referred to as the "Trust") is set up with monetary contributions from our company, and the number of shares of our company equivalent to the number of points granted to each Director is delivered

to each Director through the Trust. The timing of when Directors receive the shares of our company is generally at the time of their resignation.

The overview of the System after changes is as follows:

1	Eligible Participants	Directors of our company (excluding those who are Audit Committee members and outside Directors).
2	Target Period	From the fiscal year ending on March 31, 2026, to the fiscal year ending on March 31, 2028.
3	The upper limit of the monetary contributions made by our company for the acquisition of shares necessary for granting to the eligible participants mentioned in 1 during the target period (three fiscal years) described in 2	A total of 307 million yen
4	Method of Share Acquisition	Through the disposal of treasury shares or by acquiring shares from the market (including off-exchange transactions).
5	The Upper Limit of Total Points Granted to the Eligible Participants mentioned in 1	81,000 points per fiscal year.
6	Point Granting Criteria	Points will be granted based on position as well as the achievement of performance targets and ESG indicators.
7	The Timing of Share Delivery to Eligible Participants mentioned in 1	Generally at the time of resignation.

* In the previous resolution, a total of 27,000 points was approved; however, a share split has been conducted at a ratio of 3 shares for each share, effective April 1, 2025. Therefore, the upper limit of the total points has also been adjusted in accordance with this split ratio.

End