



May 21, 2025

To Whom It May Concern:

Company Name: Nissui Corporation

Representative: Teru Tanaka, Representative Director, President
& CEO

(Code: 1332 Tokyo Stock Exchange Prime Market)

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Notice Regarding Revisions to the Performance-Linked Stock Compensation System

Nissui Corporation (the “Company”) hereby announces that, at the meeting of the Board of Directors held today, it resolved to revise a portion of its performance-linked stock compensation system by converting it to the “Board Benefit Trust-Restricted Stock (BBT-RS)” (hereinafter, the “System”), under which shares of the Company to be delivered to Directors (excluding those residing overseas and Outside Directors) and Executive Officers (excluding those residing overseas and those concurrently serving as Directors) (collectively, “Directors, etc.”) will be subject to transfer restrictions until their retirement, and to submit a proposal regarding this System at the 110th Ordinary General Shareholders’ Meeting to be held on June 26, 2025 (the “General Shareholders’ Meeting”).

Details

1. Background and Objectives

The Company resolved to introduce a performance-linked stock compensation system “Board Benefit Trust (BBT)” (hereinafter, the “BBT System”) at the Board of Directors meeting held on May 21, 2018, and announced this decision in the “Notice Regarding the Introduction of a Performance-Linked Stock Compensation System” dated the same day. Subsequently, the BBT System was approved at the 103rd Ordinary General Shareholders’ Meeting held on June 27, 2018, and a partial amendment to the BBT System was approved at the 106th Ordinary General Shareholders’ Meeting held on June 25, 2021 (the amended BBT System is hereinafter referred to as the “Current BBT System”), which has remained in effect to the present day.

The Company has introduced the performance-linked stock compensation system with the intention of enhancing Directors’ motivation to achieve the Mid-Term Management Plan, and increasing their awareness of contributing to the improvement of medium- to long-term performance and enhancement of corporate value by sharing not only the benefits of stock price increases but also the risks of stock price decreases with shareholders.

Recently, we have been considering various incentive plans that could contribute to enhancing corporate value through strengthened governance. As a result, the Board of Directors has resolved to change the current compensation structure to the System, which can strengthen governance by imposing transfer restrictions on shares delivered to Directors, etc., until their retirement, in order to make the most of the benefits of both the Current BBT System and the restricted stock compensation system, subject to the approval of shareholders regarding executive compensation at the General Shareholders' Meeting. Accordingly, the Company will submit a proposal regarding the System to the General Shareholders' Meeting. The level of points that can be granted to Directors, etc., will remain the same before and after the revision.

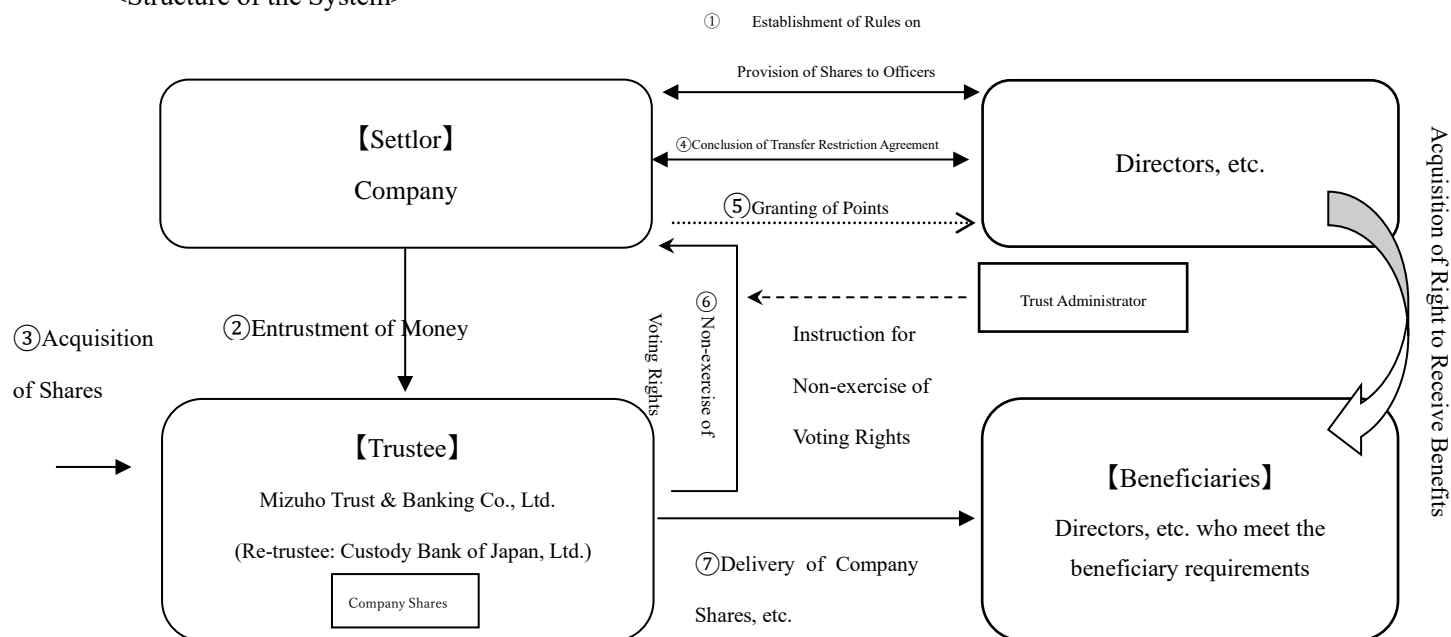
2. Contents of the System After Revision

The contents of the Current BBT System will be partially changed as follows to create the System (for the contents of the Current BBT System, please refer to the Third Proposal "Revision of Performance-Linked Stock Compensation Plan for Directors" in the Notice of Convocation of the 106th Ordinary General Shareholders' Meeting dated June 4, 2021).

(1) Overview of the System

The System is a performance-linked stock compensation system under which the trust (hereinafter, the trust established under the BBT System is referred to as the "Trust") acquires shares of the Company using money contributed by the Company as the source of funds, and delivers shares of the Company and cash equivalent to the market value of the Company's shares (hereinafter, "Company Shares, etc.") to Directors, etc., through the Trust in accordance with the Rules on Provision of Shares to Officers established by the Company. The timing for delivering the Company's shares to Directors, etc. will be at a certain time after the end of each Target Period (as defined in (3) below) or at the time of retirement, and the timing for receiving cash equivalent to the market value of the Company's shares will be, in principle, upon the retirement of Directors, etc., whereas under the Current BBT System, it was after the end of each Target Period. When Directors, etc., receive delivery of the Company's shares during their term of office, they shall enter into a Transfer Restriction Agreement with the Company as described in Section 3 below prior to the delivery. As a result, shares of the Company delivered to Directors, etc., during their term of office will, in principle, be restricted from disposal by transfer, etc., until their retirement.

<Structure of the System>



- (1) The Company will establish the “Rules on Provision of Shares to Officers” within the framework approved at the General Shareholders’ Meeting, following a resolution on executive compensation related to the System.
- (2) The Company will entrust money to the Trust within the scope approved by the resolution of the General Shareholders’ Meeting in (1).
- (3) The Trust will acquire the Company’s shares through the market or by accepting the disposal of the Company’s treasury shares, using the money additionally contributed in (2) as the source of funds.
- (4) Directors, etc. will enter into a transfer restriction agreement with the Company that includes provisions that, in principle, shares of the Company received during their term of office will be restricted from disposal by transfer, etc. until their retirement as Directors, etc., as well as certain provisions regarding acquisition by the Company without consideration.
- (5) The Company will grant points to Directors, etc. based on the Rules on Provision of Shares to Officers.
- (6) The Trust will not exercise voting rights associated with the Company’s shares in the Trust account in accordance with the instructions of the trust administrator who is independent from the Company.
- (7) The Trust will deliver the Company’s shares to Directors, etc. who meet the beneficiary requirements stipulated in the Rules on Provision of Shares to Officers (hereinafter, “Beneficiaries”) in accordance with the number of points granted to such Beneficiaries, at a certain time after the end of each Target Period (as defined in (3) below) or at the time of retirement. However, if Directors, etc. meet the requirements stipulated in the Rules on Provision of Shares to Officers, a certain portion of the points will be paid in cash equivalent to the market value of the Company’s shares at the time of retirement.

(2) Eligible Persons under the System

Directors (excluding those residing overseas and Outside Directors) and Executive Officers (excluding

those residing overseas and those concurrently serving as Directors).

(3) Trust Amount

The Company targets a period (minimum of 2 fiscal years and maximum of 4 fiscal years) determined separately by the Board of Directors that corresponds to the Mid-Term Management Plan (hereinafter, this period is referred to as the “Initial Target Period”). The Initial Target Period, and each period that begins after the Initial Target Period and is determined in advance by the Board of Directors from time to time (in principle, linked to the period of the Mid-Term Business Plan, with a minimum of 2 fiscal years and maximum of 4 fiscal years), are hereinafter individually referred to as a “Target Period.” The System applies to these Target Periods and subsequent Target Periods. The Company’s shares and money remaining in the Trust, which were acquired by the Trust using funds contributed by the Company based on the BBT System and the Current BBT System, will be used as the source for benefits under the System after the system revision is approved at the General Shareholders’ Meeting.

In order for the System to function as an appropriate incentive toward enhancing the Company’s medium- to long-term corporate value, the Company will not set an upper limit on the amount of money to be contributed to the Trust, taking into consideration the impact of stock price fluctuations on the number of shares to be acquired by the Trust.

Subject to the approval at the General Shareholders’ Meeting, the Company will, in principle, make additional contributions to the Trust for each Target Period until the termination of the System, providing funds deemed necessary for the Trust to acquire in advance the number of shares reasonably expected to be required for delivering shares to Directors, etc. based on the System. The upper limit of points to be granted to Directors, etc. under the System is 592,500 points per fiscal year (of which 337,500 points are for Directors) as specified in (5) below. For example, if the Board of Directors determines the Initial Target Period to be 4 fiscal years in the future, the Trust will be provided with funds reasonably expected to be necessary to acquire up to 2,370,000 shares (of which 1,350,000 shares are for Directors). For reference, based on the closing price of 866.7 yen on April 30, 2025, the necessary funds would be approximately 2,054 million yen (of which approximately 1,170 million yen is for Directors).

However, when making such additional contributions, if there are any remaining Company shares (excluding shares corresponding to points granted to Directors, etc. for the previous Target Periods for which delivery has not yet been completed) and money (hereinafter, “Remaining Shares, etc.”) in the Trust, the Remaining Shares, etc. shall be used as the source for benefits under the System for subsequent Target Periods, and the amount of additional contributions shall be calculated taking into account the Remaining Shares, etc. When the Company decides to make monetary contributions to the Trust, it will disclose this appropriately and in a timely manner.

(4) Method of Acquiring the Company’s Shares and Number of Shares to be Acquired

The acquisition of the Company’s shares by the Trust will be carried out either through the market or by accepting the disposal of the Company’s treasury shares, using the funds contributed as described in (3) above as the source.

As the upper limit of points to be granted to Directors, etc., is 592,500 points per fiscal year (of which 337,500 points are for Directors) as specified in (5) below, for example, if the Board of Directors determines the

Initial Target Period to be 4 fiscal years in the future, the Trust will acquire up to 2,370,000 shares (of which 1,350,000 shares are for Directors) without delay after the additional contribution. Details regarding the acquisition of the Company's shares by the Trust will be disclosed appropriately and in a timely manner.

(5) Upper Limit of the Number of Company Shares, etc. to be Delivered to Directors, etc.

Directors, etc., will be tentatively granted a number of points determined according to their position in accordance with the Rules on Provision of Shares to Officers for each fiscal year. The points tentatively granted to Directors, etc. for each fiscal year will be adjusted by multiplying them by a coefficient based on the degree of achievement of performance targets after the end of each Target Period.

The upper limit of points that the Company can grant to Directors, etc., for each Target Period (after adjustment based on the performance achievement at the end of each Target Period) is 592,500 points per fiscal year (of which 337,500 points are for Directors). Therefore, the upper limit is the number obtained by multiplying 592,500 points (of which 337,500 points are for Directors) by the number of fiscal years in the Target Period. For example, for the Initial Target Period, if the Board of Directors determines the Initial Target Period to be 4 fiscal years in the future, the upper limit would be 2,370,000 points (of which 1,350,000 points are for Directors).

Points granted and adjusted for Directors, etc. will be converted at a rate of 1 point = 1 share of the Company's common stock when delivering Company Shares, etc. as described in (6) below. (However, if a stock split, allotment of share without contribution, or stock consolidation, etc. of the Company's shares occurs after the approval of shareholders at the General Shareholders' Meeting, the upper limit of points, the number of points already granted and adjusted, or the conversion ratio shall be reasonably adjusted according to the ratio of such event.)

The number of points for Directors, etc. that will be the basis for the delivery of Company Shares, etc. as described in (6) below shall, in principle, be the number of points granted and adjusted according to the degree of performance achievement for each Target Period (hereinafter, points calculated in this way are referred to as "Confirmed Points").

(6) Delivery of Company Shares, etc.

Through the prescribed beneficiary determination procedures, the Trust will deliver to Directors, etc. who have satisfied the beneficiary requirements, after the end of each Target Period, a number of the Company's shares corresponding to the "Confirmed Points" as described in (5) above. However, if the requirements stipulated in the Rules on Provision of Shares to Officers are met, a certain portion will be provided in the form of a monetary amount equivalent to the market value of the Company's shares at the time of retirement, in principle, instead of the Company's shares. The Trust may sell the Company's shares to provide such monetary benefits.

When Directors, etc., receive delivery of the Company's shares during their term of office, they shall, prior to such delivery, enter into a Transfer Restriction Agreement with the Company as described in Section 3 below. (Directors, etc. shall receive delivery of the Company's shares on the condition that they conclude this Transfer Restriction Agreement.) As a result, shares of the Company delivered to Directors, etc. during their term of office will, in principle, be restricted from disposal by transfer, etc. until their retirement.

Furthermore, even if Directors, etc. have been granted points, they shall not acquire the right to receive

any benefits if they are subject to a resolution of dismissal by the General Shareholders' Meeting or the Board of Directors, or if they resign for personal reasons and are determined to have committed a violation after deliberation by the Nomination and Compensation Committee and judgment by the Board of Directors.

(7) Exercise of Voting Rights

Voting rights associated with the Company's shares in the Trust account will uniformly not be exercised, in accordance with the instructions of the trust administrator. This approach is intended to ensure neutrality in the Company's management regarding the exercise of voting rights associated with the Company's shares in the Trust account.

(8) Treatment of Dividends

Dividends related to the Company's shares in the Trust account will be received by the Trust and used for the acquisition of the Company's shares and trust fees for the trustee of the Trust. If the Trust is terminated, any undistributed dividends remaining in the Trust will be donated to public interest organizations that have no conflict of interest with the Company.

(9) Treatment upon Termination of the Trust

The Trust will terminate upon the occurrence of events such as delisting of the Company's shares or abolishment of the Officer Stock Benefit Regulations.

Regarding the residual assets of the Trust upon termination, all shares of the Company will be acquired by the Company without consideration and cancelled by resolution of the Board of Directors. Regarding money among the residual assets of the Trust upon termination, the amount excluding money to be donated to public interest organizations as described in (8) above will be delivered to the Company.

3. Overview of the Transfer Restriction Agreement for Shares of the Company Delivered to Directors, etc.

When Directors, etc. receive delivery of the Company's shares during their term of office, they shall, prior to such delivery, enter into a Transfer Restriction Agreement (hereinafter, the "Transfer Restriction Agreement") with the Company, which shall include, in summary, the following terms. (Directors, etc. shall receive delivery of the Company's shares on the condition that they conclude this Transfer Restriction Agreement.) However, in cases where Directors, etc. have already retired at the time of share delivery, etc., the Company's shares may be delivered without entering into the Transfer Restriction Agreement.

(i) Content of transfer restrictions

Directors, etc. may not transfer, establish security interests, or otherwise dispose of the Company's shares received from the date of receipt until the date of retirement from all positions as Directors, etc. of the Company (however, if a Director, etc. assumes the position of Audit & Supervisory Board Member after stepping down as Director, the retirement date shall be the date they retire from the position of Audit & Supervisory Board Member; hereinafter referred to as the "Retirement Date").

(ii) Acquisition without consideration by the Company

In the event of certain violations or failure to satisfy the conditions for lifting transfer restrictions as described in

(iii) below, the Company shall acquire such shares without consideration.

(iii) Lifting of transfer restrictions

The transfer restrictions shall be lifted at the time when Directors, etc., retire from all positions as officers of the Company due to justifiable reasons or death.

(iv) Treatment in the case of organizational restructuring, etc.

If matters related to a merger agreement in which the Company becomes a disappearing company or other organizational restructuring, etc. are approved at the Company's General Shareholders' Meeting, etc. during the transfer restriction period, the transfer restrictions shall be lifted, by resolution of the Company's Board of Directors, as of the time immediately prior to the business day preceding the effective date of such organizational restructuring, etc.

In order to ensure that the Company's shares subject to transfer restrictions under the Transfer Restriction Agreement cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period, these shares will be managed in a dedicated account opened by eligible Directors, etc., at a securities company designated by the Company during the transfer restriction period.

In addition to the above, the contents of the Transfer Restriction Agreement shall include methods for declarations of intent and notification, methods for revising the Transfer Restriction Agreement, and other matters determined by the Board of Directors.

4. Main Changes from the Current BBT System to the System

The main changes from the current system to the System are as follows:

| Item | Before Change | After Change |
|--------------------------|--|--|
| Timing of share delivery | A certain time after the end of each Target Period | A certain time after the end of each Target Period or upon retirement |
| Transfer restrictions | None | Yes (until the date of retirement from all positions as Directors, etc. (however, if a Director, etc., continues to serve as an Audit & Supervisory Board Member after retiring as a Director, etc., until the date of retirement from such position)) |

【Overview of the Trust】

- (i) Name: Board Benefit Trust (BBT-RS)
- (ii) Settlor: The Company
- (iii) Trustee: Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
- (iv) Beneficiaries: Directors, etc. who meet the beneficiary requirements stipulated in the Officer Stock Benefit Regulations
- (v) Trust administrator: A third party with no conflict of interest with the Company will be selected
- (vi) Type of trust: Trust other than a monetary trust (third-party benefit trust)

- (vii) Date of trust agreement: August 20, 2018
- (viii) Date of entrustment of money: August 20, 2018
- (ix) Trust period: From August 20, 2018 until the termination of the Trust (No specific termination date is set, and the Trust will continue as long as the System continues.)

End