



May 23, 2025

Company name: Okamura Corporation
Representative: Masayuki Nakamura
Representative Director,
President and Chief Executive Officer
(Securities code: 7994, Prime Market of Tokyo Stock Exchange)
Inquiries: Yoshikazu Sato
Senior Managing Executive Officer,
Senior General Manager,
Corporate Strategies Division and HR Division,
CHRO
Telephone: +81-(0)3-6731-7200

Notice of Revision of the Amount of Compensation for Directors and Auditors and Introduction of a Restricted Stock Compensation Plan

Okamura Corporation (hereinafter the “Company”) hereby announces that it has resolved at the Board of Directors meeting held today to review the compensation system for Directors and Auditors, revise the amount of compensation for Directors and Auditors, and introduce a new restricted stock compensation plan (hereinafter the “Plan”). Accordingly, the Company has decided to submit proposals related to this at the 90th Annual General Meeting of Shareholders (hereinafter the “General Meeting of Shareholders”) to be held on June 25, 2025. The details are described below.

1. Revision of the Amount of Compensation for Directors

At the 71st Annual General Meeting of Shareholders held on June 29, 2006, the shareholders’ approval was given for annual compensation for Directors of the Company of up to 500 million yen (excluding the amount pertaining to employee salaries for Directors who are concurrently employees).

The Company has decided to revise the compensation system for Directors and Audit & Supervisory Board Members with the aim of further raising the awareness of its Board Members about the need to sustainably improve the Company’s corporate performance and corporate value. In addition, taking into consideration the fact that the responsibilities of Directors are expected to increase further in the future due to changes in economic conditions and the business environment, the Company plans to seek shareholders’ approval to revise the compensation system for Directors and Audit & Supervisory Board Members to up to 1 billion yen a year (including 150 million yen for Outside Directors) (excluding the amount pertaining to employee salaries for Directors who are concurrently employees).

2. Introduction of the Plan

1) Purpose of introducing the Plan, etc.

The Plan targets the Company’s Directors excluding Outside Directors (hereinafter “Eligible Directors”), with the aims of providing incentives for Eligible Directors to contribute to the sustainable enhancement of the Company’s corporate value and further promote value sharing with the Company’s shareholders.

When introducing the Plan, Eligible Directors shall be provided with monetary claims as compensation for the allotment of shares with restrictions on transfer, therefore the payment of such compensation is subject to shareholders' approval at the General Meeting of Shareholders. At the General Meeting of Shareholders, the Company plans to seek shareholders' approval to newly introduce the Plan and to set a compensation framework for Eligible Directors under the Plan that is separate from the compensation framework described in 1. above.

2) Outline of the Plan

The total amount of monetary claims to be awarded to Eligible Directors under the Plan shall be up to 100 million yen a year (excluding the amount pertaining to employee salaries for Directors who are concurrently employees). The total number of shares of the Company's common stock newly issued or disposed of shall be up to 100,000 a year. Provided, however, that in the event of a stock split (including a gratis allotment) or a reverse stock split of the Company's common stock with an effective date that is on or after the date of the resolution of the General Meeting of Shareholders, said total number may be adjusted on or after the effective date as necessary within a reasonable range in accordance with the split ratio or reverse stock split ratio, etc.

Eligible Directors shall tender all the Monetary Compensation Receivables awarded under the Plan as a contribution in kind to have shares of the Company's common stock issued thereto or disposed of therefor. The amount to be paid per share shall be determined by the Board of 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 each resolution of the Board of Directors (if no trading is reported on that day, the closing price on the most recent trading day preceding that day), within a range that is not particularly advantageous to the Eligible Directors who will receive such common stock. The specific timing of payment and allocation to each Eligible Director shall be determined by the Compensation Committee, which is composed of Independent Outside Directors and Representative Directors delegated by the Board of Directors, based on a resolution of the Board of Directors.

In addition, the issuance or disposal of shares of the Company's common stock (hereinafter the "Shares") under the Plan shall be subject to the conclusion of an agreement pertaining to the allotment of shares with restrictions on transfer between the Company and the Eligible Directors, which shall include the following: (i) it is prohibited for Eligible Directors to transfer to a third party, create a security interest in or otherwise dispose of the Shares for a certain period of time (hereinafter the "Transfer Restriction Period"), and (ii) in the events of certain circumstances, the Company shall acquire the Allotted Shares rightfully without any compensation therefor. To ensure that Eligible Directors do not transfer, create a security interest in or otherwise dispose of the Shares during the Transfer Restriction Period, the Shares shall be managed in a dedicated account opened by the Eligible Directors at Nomura Securities Co., Ltd. for the duration of the Transfer Restriction Period.

In addition, if the proposal regarding the Plan is approved at the General Meeting of Shareholders, the Company plans to introduce a similar restricted stock compensation plan for Executive Officers who do not concurrently serve as Directors of the Company.

3. Revision of the Amount of Compensation for Auditors

At the 71st Annual General Meeting of Shareholders held on June 29, 2006, the shareholders' approval was given for annual compensation for Auditors of the Company of up to 80 million yen.

As the responsibilities and roles expected of Auditors have increased in recent years, the Company plans to seek shareholders' approval to revise the maximum amount of compensation to be paid to Auditors to 150 million yen per year, with the aim of achieving a level of compensation that is commensurate with roles and responsibilities.