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May 23, 2025

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Name of representative:	Takeshi Kawai, President and COO
Securities Code :	5334
Markets:	TSE Prime Market, NSE Premier Market
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Notice Concerning Continuation and Partial Revision of Performance-Linked
Stock Remuneration System for Directors, etc.

Niterra Co., Ltd. (the “Company”) hereby announces that the Company has resolved to submit a proposal concerning continuation and partial revision of a performance-linked stock remuneration system (the “System”) for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and the Company’s Corporate Officers (excluding Employment-type Corporate Officers; hereinafter, together with Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), “Directors, etc.”) to the 125th Ordinary General Meeting of Shareholders, which will be held on June 25, 2025, pursuant to the resolution of the meeting of the Board of Directors held on May 23, 2025, as described below.

1. Outline of Continuation and Partial Revision of the System

- (1) The Company will partially revise and continue the System, which was introduced to clarify the link between the remuneration of Directors, etc. and the value of the Company’s share, and to incentivize them to contribute to the improvement of the Company’s medium- to long-term performance and to increasing corporate value, so as to have them share interests with shareholders. *
- (2) The continuation and partial revision of this system is subject to the approval of the proposal regarding the continuation and partial revision of the System at the General Meeting of Shareholders, which will be held on June 25, 2025.
- (3) The System adopts a structure called a Board Incentive Plan Trust (“BIP Trust”). Similar to the performance-linked stock remuneration (Performance Share) system and the restricted stock remuneration (Restricted Stock) system in Europe and the United States, a BIP Trust is a system in which Directors etc. are granted shares of the Company and paid cash equivalent to the market value of the shares of the Company after conversion into cash (hereinafter referred to as “Granting, etc.” of “Company Shares, etc.”) according to the position and the degree of achievement of performance targets, etc. set forth in the medium-management plan, etc.

* In order to ensure the rationality and transparency of the procedures, the Board of Directors has determined to submit a proposal concerning the continuation and partial revision of the System to the General Meeting of Shareholders after deliberation of Compensation Committee, an advisory body for the Board of Directors, in which a majority of its members are independent outside officers.

2. Content of the System Following Revision, etc.

(1) Summary of revision

The purpose of this revision is to continue the existing performance-linked stock remuneration system with the following revisions: (i) revision of the upper limits of cash contributions and number of shares granted in order to increase the percentage of performance-linked stock remuneration for Directors, etc., and (ii) revision of the performance indicators used for evaluation of the degree of achievement of targets, etc. in order to promote efforts aimed at achieving the targets of the performance indicators established in the medium-term management plan and human capital management efforts aimed at achieving sustainable growth for the Group, and to provide further incentive to increase stock price.

(2) Outline of the System

The System is a performance-linked stock remuneration system in which shares of the Company are acquired through a trust using cash contributed by the Company, and Directors, etc. of the Company are granted, etc. the Company's shares, etc. through the trust according to the position and the degree of achievement of performance targets, etc., based on the share granting regulations established by the Company.

1) Persons to whom the Granting, etc. of the Company's shares, etc. in this proposal is applicable	- Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) - Corporate Officers of the Company (excluding Employment-type Corporate Officers)
2) Applicable period of the System	The applicable period will be five (5) fiscal years from the fiscal year ending on March 31, 2026 to the fiscal year ending on March 31, 2030
3) Upper limit of cash contributed by the Company, upper limit of the Company Shares acquired by Directors, etc. and impact that the shares referred to in this proposal on the total number of issued shares	
Upper limit of cash contributed by the Company (as stated in (3) below)	Applicable to five (5) fiscal years; total of 3.4 billion yen
Upper limit of the number of the Company's shares, etc. acquired by Directors, etc. and method of acquisition of shares of the Company (as stated in (3) and (4) below)	The upper limit of the number of shares will be 800,000 shares in total over five (5) fiscal years, and the proportion to the total number of issued shares (as of March 31, 2025, excluding treasury stock), is approximately 0.40%. As shares of the Company are to be acquired from the stock market, dilution will not occur.

4) Contents of conditions for achievement of performance targets (as stated in (4) below)	<p>Medium-term performance indicators</p> <p>Vary in the range of 0% to 200% according to the degree of achievement of targets set for each performance indicator in the new medium-term management plan. Performance indicators used for evaluation of the degree of achievement of targets will be consolidated revenue and profit attributable to owners of the parent. However, Corporate Officers who do not serve concurrently as Directors will be evaluated based on performance targets, etc. established for each of the divisions of which they are in charge.</p> <p>Shareholder value indicators</p> <p>Vary in the range from 0% to 200% according to the performance indicator used for evaluation of shareholder value. The performance indicator used for evaluation of shareholder value will be relative total shareholder return (hereinafter, “TSR”), which is calculated by comparing the Company’s TSR during the applicable period to that of peer group companies.</p> <p>Non-financial indicators</p> <p>Vary in the range from 0% to 200% according to the degree of achievement of non-financial targets during the period of the new medium-term management plan. The performance indicator used for evaluation of the degree of achievement of targets will be employee engagement.</p>
5) Timing of Granting, etc. of the Company’s shares, etc. to Directors, etc. (as stated in (5) below)	Upon the completion of the applicable period

(3) Upper limit of cash contributed by the Company

The System will be applicable to the five (5) fiscal years from the fiscal year ending on March 31, 2026 to the fiscal year ending on March 31, 2030 (hereinafter referred to as the “Applicable Period”) corresponding to the period covered by the new medium-term management plan.

For the five (5) fiscal years, which is the Applicable Period, the Company will contribute cash with the upper limit of 3.4 billion yen in total as trust funds, and set a trust (hereinafter referred to as the “Trust”) with a trust term corresponding to the Applicable Period, with Directors, etc. who satisfy the beneficiary requirements as beneficiaries. The Trust, in accordance with the instructions of the trust administrator, will acquire shares of the Company from the stock market, using the trust funds. The upper limit of the trust funds is calculated by adding trust fees and trust expenses to the fund for acquiring shares, taking into account the current level of remuneration for Directors, etc.

During the Applicable Period, the Company will award points to Directors, etc. (as stated in (4) below) every year, and Granting, etc. of the Company’s shares, etc. corresponding to the number of points awarded will be made through the Trust at the predetermined point in time (as stated in (5) below).

At the expiration of the trust term of the Trust, subject to approval by the General Meeting of Shareholders, by modifying the trust term and making additional contributions to the Trust in lieu of setting a new Trust, the Trust may be continued.

If additional contributions are to be made, if there are Company shares (excluding shares that are equivalent to the points awarded to Directors, etc. and that have not yet been granted, etc.; hereinafter referred to as “remaining shares”) and cash (together with the remaining shares, hereinafter referred to as “remaining shares, etc.”) remaining in the trust assets at the time of continuation, the total amount of the value of the remaining shares, etc. and the additional contributions to the Trust to be made by the Company shall be within 3.4 billion yen.

(4) Calculation method and upper limit of the Company’s shares, etc. to be granted to Directors, etc.

Directors, etc. in office during the Applicable Period (including those persons who newly became Directors, etc. after the commencement date of the Applicable Period) will be awarded points (hereinafter referred to as “Awarded Points”) as the premise for the Granting, etc. of the Company’s shares, etc. on June 1 of every year during the trust term (the first time in this Applicable Period will be June 1, 2026).

The number of Awarded Points will be determined according to the positions of Directors, etc. and the degree of achievement of performance targets*. Granting, etc. of the Company’s shares, etc. will be made, in principle, after the end of the Applicable Period according to the cumulative Awarded Points (hereinafter referred to as the “Number of Cumulative Points”). One share of the Company will be granted per point. However, in the event that shares of the Company undergo a share split, reverse share split, etc. during the trust term and the total number of shares of the Company will increase or decrease, the number of shares of the Company to be granted per point will be adjusted according to the split ratio, reverse split ratio, etc. of shares of the Company.

*The degree of achievement of performance targets, etc. will be set based on medium-term performance indicators, shareholder value indicators, and non-financial indicators.

1) Medium-term performance indicators

Vary in the range of 0% to 200% according to the degree of achievement of the targets set for each performance indicator in the new medium-term management plan. Performance indicators used for evaluation of the degree of achievement of targets will be consolidated revenue and profit attributable to owners of the parent. However, Corporate Officers who do not serve concurrently as Directors will be evaluated based on performance targets, etc. established for each of the divisions of which they are in charge.

2) Shareholder value indicators

Vary in the range from 0% to 200% according to the performance indicator used for evaluation of shareholder value. The performance indicator used for evaluation of shareholder value will be relative TSR, which is calculated by comparing the Company’s TSR during the Applicable Period to that of peer group companies.

3) Non-financial indicators

Vary in the range from 0% to 200% according to the degree of achievement of non-financial targets during the period of the new medium-term management plan. The performance indicator used for evaluation of the degree of achievement of targets will be employee engagement.

(Reference)

- Peer group companies are companies in similar industries selected in advance by the Company and defined in the share granting regulations.

- Relative TSR is calculated based on the following formula.

Relative TSR = the Company's TSR during the Applicable Period

÷ average TSR of peer group companies selected by the Company

- Employee engagement is measured by the employee engagement survey that the Company conducts to its employees.

The upper limit of the total number of shares of the Company granted, etc. to Directors, etc. according to the number of awarded points is 800,000 shares in the five (5) years of the Applicable Period. This upper limit of the number of granted shares is determined based on the most recent stock price, etc. in consideration of the upper limit of trust funds stated in (3) above.

(5) Method and timing of Granting, etc. of the Company's shares, etc. to Directors, etc.

Directors, etc. who satisfy the beneficiary requirements (in principle, they must have served as Directors, etc. during the Applicable Period and have been awarded points based on the share granting regulations, and they must not have committed any serious misconduct, violations of laws and regulations, etc. during their term in office) will be granted, in approximately July (July 2030) immediately after the end of the Applicable Period in principle, shares of the Company corresponding to the Number of Cumulative Points calculated based on (4) above, by undertaking the required procedures for beneficiary determination, such as submitting certain documents to the Company pursuant to the trust agreement and reaching the benefit determination date stipulated separately in the share granting regulations.

Directors, etc. will be granted the number of shares of the Company corresponding to 50% of the Number of Cumulative Points (shares of less than one trading unit will be rounded up), and concerning the remaining points, the Directors, etc. will be paid cash equivalent to the market value of the shares of the Company corresponding to the remaining points after conversion into cash in the Trust.

If a Director, etc. who satisfies the beneficiary requirements retires during a trust term due to expiry of his/her term of office or for reasons other than expiry of term (except when the retirement is due to personal circumstances or dismissal based on justifiable grounds for dismissal), the Director, etc. will implement the necessary procedures and, without delay, he/she will be granted, etc. shares of the Company corresponding to 50% of the Number of Cumulative Points at retirement (shares of less than one trading unit will be rounded up), and, concerning the remaining points, he/she will receive payment of cash equivalent to the market value of the shares of the Company corresponding to the remaining points after conversion into cash in the Trust.

In addition, if a Director, etc. passes away during a trust term, the heir to the Director, etc. will receive payment of cash equivalent to the market value of the shares of the Company that correspond to the Number of Cumulative Points at that point in time after conversion into cash in the Trust.

(6) Malus and clawback system

If a Director, etc. commits serious misconduct, violates laws or regulations, etc. during his/her term of office, or if the Board of Directors resolves to make post-closing adjustments to financial statements due to significant accounting errors or fraud, the said Director, etc. will forfeit the right to Granting, etc. of the Company's shares, etc. Further, if, after having already received the Granting, etc. of the Company's shares, etc., it is revealed that a Director, etc. has committed serious misconduct or violated laws or regulations, etc. during his/her term of office, or if the Board of Directors resolves to make post-closing adjustments to financial statements due to significant accounting errors or fraud, the Company may demand that the said Director, etc. return a sum of money calculated using the method stipulated in the share granting regulations.

(7) Voting rights for shares of the Company in the Trust

Concerning the shares of the Company in the Trust, in order to secure objectivity in management, voting rights will not be exercised during the trust term.

(8) Other contents of the System

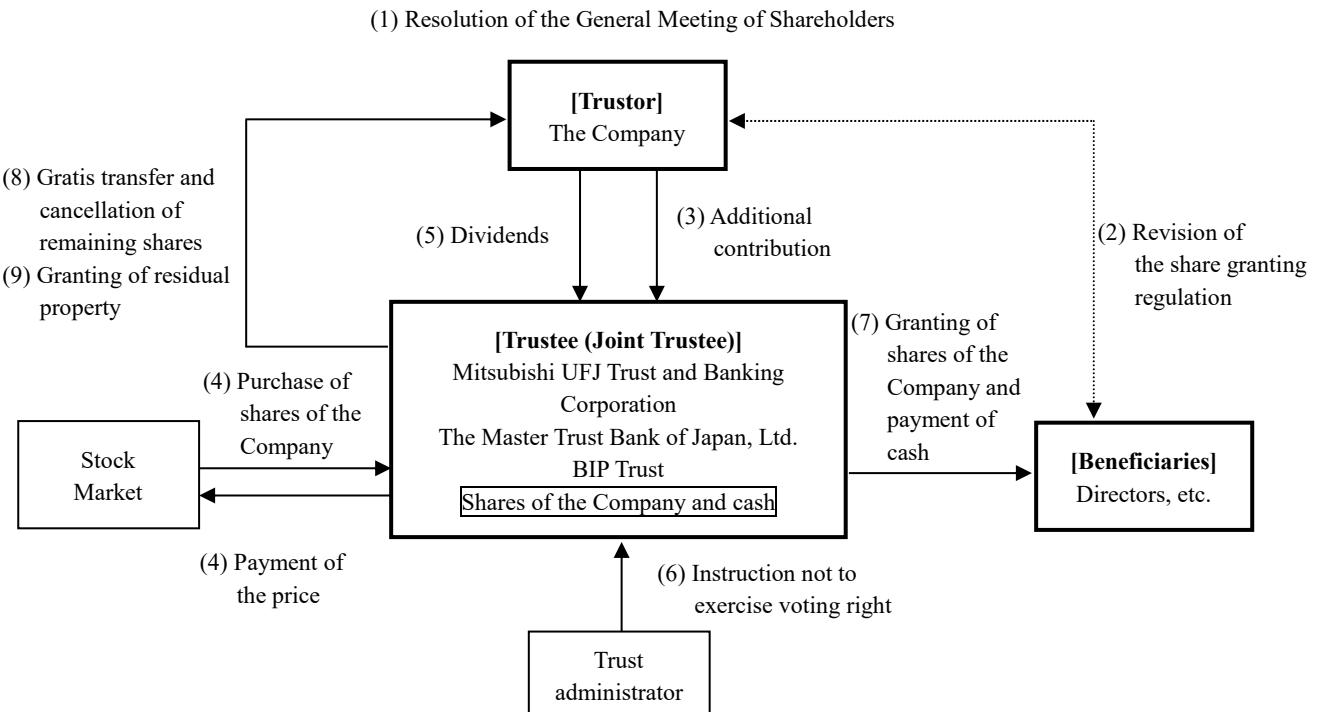
Concerning other contents regarding the System, the Company requests that the determination be left to the discretion of the Board of Directors each time the Trust is set, the trust agreement is modified or additional contribution to the Trust is made.

(Reference)

1. Content of Trust Agreement

(1) Type of Trust	Monetary trust other than a specified solely-administered monetary trust (Third-party benefit trust)
(2) Purpose of Trust	To grant incentives to Directors, etc.
(3) Trustor	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Person(s) who meets requirements for Beneficiaries among Directors, etc.
(6) Trust administrator	A third party who has no conflict of interest with the Company (Certified public accountant)
(7) Date of Trust Agreement	August 3, 2017
(8) Trust Term	From August 3, 2017 to August 31, 2030 (planned)
(9) Start of the System	August 3, 2017
(10) Exercise of voting rights	No voting rights will be exercised.
(11) Type of shares to be acquired	Ordinary shares of the Company
(12) Upper limit of cash contributed by the Company	3,400 million yen (planned) (including trust fees and trust expenses)
(13) Timing of share acquisition	Unspecified (to be disclosed upon resolution)
(14) Method of share acquisition	To be acquired from the stock market
(15) Rights holder	The Company
(16) Residual Properties	The Company, as the rights holder, may receive residual properties within the scope of allowances for trust expenses, which are calculated by deducting funds to acquire shares from trust funds.

2. Structure of the BIP Trust



- (1) The Company will obtain an approval for proposal regarding the continuation and partial revision of the System by resolution of the General Meeting of Shareholders.
- (2) The Company will, at the Board of Directors Meeting, revise the share granting regulation concerning executive compensation in relation to revision of the System.
- (3) The Company will make additional contribution to the extent approved by the resolution of the General Meeting of Shareholders in (1) above and continue the Trust wherein the Directors, etc. who meet the beneficiary requirements are beneficiaries.
- (4) The Trust will acquire shares of the Company from the stock market by using money entrusted in (3) above in accordance with the instructions of the trust administrator. The number of shares acquired by the Trust shall be within the limitation as approved and resolved by the General Meeting of Shareholders in (1) above.
- (5) The Company will pay dividends for shares of the Company in the Trust in the same manner as for other shares of the Company.
- (6) Voting rights for the shares of the Company in the Trust will not be exercised during the trust term.
- (7) During the trust term, in accordance with the Company's share granting regulation, Directors, etc. will receive a certain number of points and then be granted shares of the Company corresponding to a certain percentage of the number of such points. As for shares of the Company corresponding to the remaining points, Directors, etc. will receive cash equivalent to the market value of such shares after conversion into cash in the Trust in accordance with the trust agreement.
- (8) If there are remaining shares at the expiry of the trust term due to non-achievement of performance targets or any other reason, subject to approval by the General Meeting of Shareholders, the Company

may continue to use the Trust for the System by changing the trust agreement and contributing additional cash to the Trust, or after gratis transfer of the residual shares from the Trust to the Company, the Company will cancel such shares by a resolution of the Board of Directors.

(9) Residual property after distribution to Directors, etc. upon termination of the Trust will belong to the Company within the limit of allowances for trust expenses, which are calculated as the trust funds less share acquisition funds. The portion exceeding the allowances for trust expenses will be donated to organizations that have no vested interest with the Company and Directors, etc.

Note: If no shares of the Company remain in the Trust because of Granting etc. of the Company shares etc. to the Directors, etc. who meet the beneficiary requirements, the Trust will be discontinued before the expiry of the trust term.