

[Translation]

May 28, 2025

To whom it may concern:

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Notice of Partial Revision of Performance-Based Stock Compensation Plan

Oiles Corporation (the “Company”), having obtained approval at the 67th Ordinary General Meeting of Shareholders held on June 28, 2018 (hereinafter referred to as “Original Resolution”), introduced a performance-based stock compensation plan (hereinafter referred to as “the Plan”), the Board Benefit Trust (BBT), for Directors (excluding outside Directors) and Operating Officers. Also, at the 73rd Ordinary General Meeting of Shareholders held on June 27, 2024, the Company obtained approval to abolish the maximum amount of compensation under the Plan laid out in the Original Resolution, and to introduce anew the maximum amount of compensation under the Plan for Directors who are not Audit and Supervisory Committee Members (excluding outside Directors) and Operating Officers (hereinafter referred to collectively as “Director(s), etc.” in this Proposal) upon the transition of the Company to a company with an Audit and Supervisory Committee, which is where we stand today.

The Company hereby announces that, at the Board of Directors meeting held on May 28, 2025, it resolved to submit a proposal to increase the compensation under the Plan for Directors, etc. at the 74th Annual General Meeting of Shareholders to be held on June 27, 2025 (hereinafter referred to as the “Shareholders Meeting”).

1. Partial Revision of the Plan

The Company introduced this Plan with the aim of enhancing awareness among Directors, etc. of contributing to the improvement of medium- to long-term performance and the enhancement of corporate value by clarifying the linkage between their compensation and the Company’s performance and stock value.

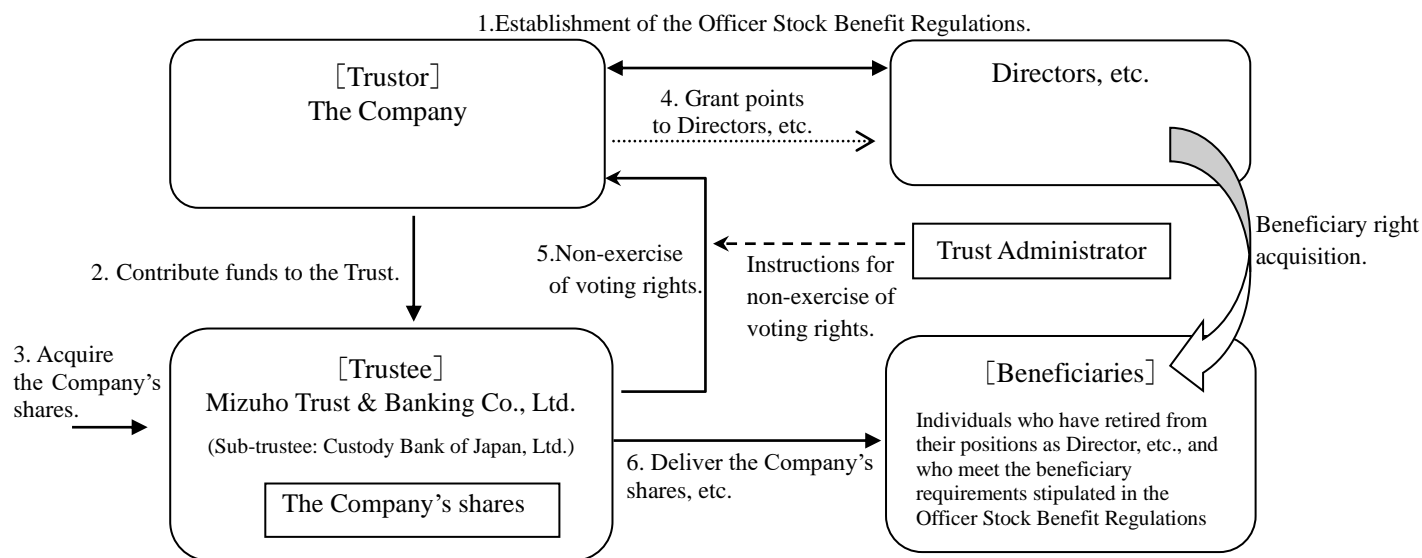
At this time, in order to further strengthen the linkage between the compensation of Directors, etc. and the Company’s performance and stock value, the Company has decided to submit a proposal at the upcoming Shareholders Meeting to increase the upper limit of the number of points granted per fiscal year under the Plan from 39,520 points (of which 21,840 points are allocated to Directors) to 52,130 points (of which 34,450 points are allocated to Directors), with the aim of increasing the proportion of non-monetary compensation (i.e., the Plan) in the overall compensation structure for Directors (excluding Outside Directors) who are not Audit and Supervisory Committee Members.

2. Outlin of the Plan (The main parts from the current Plan that are subject to revisions are underlined.)

(1) Outline of the Plan

The Plan is a performance-based stock compensation plan in which the Company’s shares are acquired through a trust (the trust established under the Plan hereinafter referred to as “the Trust”) funded by money contributed by the Company, and in which the Company’s shares and cash equivalent to the amount of the Company’s shares converted to market value (hereinafter “the Company’s Shares, etc.”) are delivered to Directors, etc. through the Trust, in accordance with the Officer Stock Benefit Regulations stipulated by the Company. In principle, Directors, etc. will receive the Company’s Shares, etc. at the time of their retirement from their position as Directors, etc.

<Structure of the Plan>



1. The Company shall, upon obtaining approval for the executive compensation related to this Plan at the Shareholders Meeting, establish the Officer Stock Benefit Regulations within the framework approved at the Shareholders Meeting.
2. The Company shall contribute funds to the Trust within the scope approved by the resolution of the Shareholders Meeting mentioned in item 1.
3. The Trust shall acquire the Company's shares using the funds contributed in item 2, either through the trading market or by accepting the disposal of treasury shares by the Company.
4. The Company shall grant points to Directors, etc. in accordance with the Officer Stock Benefit Regulations.
5. The Trust shall not exercise voting rights pertaining to the Company's shares held in the Trust account, in accordance with the instructions of a trust administrator who is independent from the Company.
6. The Trust shall deliver the Company's shares to individuals who have retired from their positions as Directors, etc., and who meet the beneficiary requirements stipulated in the Officer Stock Benefit Regulations (hereinafter referred to as "Beneficiaries"), in accordance with the number of points granted to each Beneficiary. However, if the Beneficiary meets certain conditions stipulated in the Officer Stock Benefit Regulations, a portion of the points may be paid in cash equivalent to the market value of the Company's shares.

(2) Persons eligible for the Plan

Directors who are not Audit and Supervisory Committee Members (excluding outside Directors) and Operating Officers

(3) Trust term

The term shall be from August 2018 until the termination of the Trust. No specific date of termination shall be set for the term of the Trust, and the Trust shall continue as long as the Plan continues. The Plan will be terminated when the Company's shares are delisted, or when the Officer Stock Benefit Regulations are abolished, etc.

(4) Amount held in the Trust

The Company introduced the Plan for the three (3) fiscal years from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021 (hereinafter, that three-year period is referred to as the “Initial Applicable Period,” and the Initial Applicable Period and each three-year period following the Initial Applicable Period are respectively referred to as the “Applicable Period”) and each of the subsequent Applicable Periods, and with the aim of delivering the Company’s Shares, etc. to Directors, etc., the Company contributed approximately 276 million yen of cash during said Initial Applicable Period in order to allow the Trust to acquire the Company’s shares, and on August 27, 2018, the Trust acquired 119,000 shares. In addition, in order to enable the Trust to acquire shares forecasted as being necessary for future payments in view of the Plan’s continuation, the Company contributed approximately 206 million yen of cash, with the Trust acquiring 96,600 shares on May 26, 2025.

Also, upon the transition of the Company to a company with an Audit and Supervisory Committee, the Trust was, at the 73rd Ordinary General Meeting of Shareholders held on June 27, 2024, allowed to continue to exist as a trust whose beneficiaries are Directors, etc., who meet the requirements for being beneficiaries.

Until the termination of the Plan, the Company shall, in principle, reasonably estimate the number of shares necessary to make deliveries to Directors, etc. under the Plan for each Applicable Period, and shall contribute additional funds deemed necessary for the Trust to acquire the shares upfront. However, when contributing such additional funds, if there are Company shares (excluding Company shares that are equivalent to the number of points granted to Directors, etc. for the immediately preceding Applicable Period, and for which provision to Directors, etc. have not yet been completed) and cash remaining (hereinafter referred to as “Remaining Shares, etc.”) in the trust assets, the Remaining Shares, etc. shall be used to fund the provision of shares or to fund the acquisition of shares under this Plan in subsequent Applicable Periods, and therefore the amount to be contributed additionally shall be calculated after taking the Remaining Shares, etc. into account.

If the Company decides to contribute additional funds, it will be disclosed in a timely and appropriate manner.

(5) Method of acquisition for the Company’s shares

The Trust shall acquire the Company’s shares through the stock market or by taking over the treasury shares the Company has disposed of, using the funds contributed as in (4) above, with no new shares being issued.

Details of the acquisition of the Company’s shares by the Trust will be disclosed in a timely and appropriate manner.

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

For each fiscal year, Directors, etc. are granted a certain number of points based on the Officer Stock Benefit Regulations, which are determined by taking into consideration their positions, level of achievement regarding business performance, etc. The total number of points granted to Directors, etc. per fiscal year is capped at 52,130 points (of which 34,450 points are for Directors). This has been determined by comprehensively considering the current level of compensation for executives, directional shifts in the number of Directors, etc., and future prospects, etc., and we consider this to be reasonable.

In addition, regarding points awarded to Directors, etc., each point is converted into one share of the Company’s common shares at the time of provision of the Company’s Shares, etc., as in (7) below (However, in the event that a stock split, gratis allotment of shares, or reverse stock split of the Company’s shares is carried out after the approval resolution by the shareholders at the Shareholders Meeting, a reasonable adjustment will be made to the maximum number of points, the number of points already granted, or the conversion ratio, in accordance with the relevant ratio or other factors.).

In principle, the number of points granted to a Director, etc. that serves as the basis for the provision of the Company’s Shares, etc. as in (7) below shall be the number of points granted to that Director, etc. by

the time of his/her retirement (hereinafter, the points calculated in this manner is referred to as “the Confirmed Number of Points”).

(7) Delivery of the Company’s shares, etc.

When a Director, etc. retires, and meets the requirements for being a beneficiary as stipulated in the Officer Stock Benefit Regulations, that Director, etc. will, in principle, by completing the prescribed procedures for determining beneficiaries, receive the number of Company shares corresponding to the Confirmed Number of Points determined in accordance with (6) above from the Trust upon his/her retirement. However, if he/she meets the requirements stipulated in the Officer Stock Benefit Regulations, he/she may receive a certain percentage of the Company’s shares to be delivered as cash that is equivalent to the market value of the Company’s shares.

The Trust may sell the Company’s shares in order to make cash payments.

Even if a Director, etc. has been granted points, if he/she has been dismissed, or if he/she has violated the duty of due care or duty of loyalty while in office, he/she will not be entitled to receive payments.

(8) Exercise of voting rights

Voting rights pertaining to the Company’s shares held in the Trust account will not be exercised in any manner, pursuant to the instructions of the trust administrator. By adopting this method, we aim to ensure the neutrality of the exercise of voting rights pertaining to the Company’s shares held in the Trust account on the Company’s management.

(9) Handling of dividends

Dividends pertaining to the Company’s shares in the Trust account will be received by the Trust, and will be used to acquire the Company’s shares and to pay the trust fees to the trustees related to the Trust. In the event that the Trust is terminated, the dividends, etc. remaining in the Trust will be distributed on a pro rata basis to the Directors, etc. in office at that time according to the number of points held by each, in accordance with the provisions of the Officer Stock Benefit Regulations.

(10) Handling at the time of termination of the Trust

The Trust will be terminated in such cases as when the Company’s shares are delisted, when the Officer Stock Benefit Regulations are abolished, etc.

Of the assets remaining in the Trust at the time of the Trust’s termination, all of the Company’s shares will be acquired by the Company gratis, and will be canceled by resolution of the Board of Directors. Of the assets remaining in the Trust at the time of the Trust’s termination, cash remaining after excluding the money paid out to Directors, etc. in accordance with (9) above will be delivered to the Company.

[Overview of the Trust]

1. Name: Board Benefit Trust (BBT)
2. Trustor: The Company
3. Trustee: Mizuho Trust & Banking Co., Ltd.
(Sub-trustee: Custody Bank of Japan, Ltd.)
4. Beneficiaries: Individuals who have retired from their positions as Director, etc., and who meet the beneficiary requirements stipulated in the Officer Stock Benefit Regulations
5. Trust Administrator: A third party with no vested interest in the Company
6. Type of Trust: Trust of money other than monetary trust (third-party benefit trust)
7. Date of Trust Agreement: August 27, 2018
8. Date of Trust Establishment: August 27, 2018
9. Trust Period: From August 27, 2018, until the termination of the trust
(No specific end date is set; the trust will continue as long as the Plan remains in effect.)