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Name of representative:	Takahiro Maeda, President and COO (Stock code: 7821; Tokyo Stock Exchange)
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Notice Concerning Introduction of Restricted Stock Remuneration Plan with Performance Conditions

MAEDAKOSEN CO., LTD. (the “Company”) hereby announces that it resolved at a meeting of its Board of Directors held today to revise the remuneration system for officers in accordance with the provisions of Article 370 of the Companies Act and Article 25, paragraph (2) of the Company’s Articles of Incorporation to introduce a restricted stock remuneration plan with performance conditions (the “Plan”), and to submit a proposal for the Plan at the 53rd Ordinary General Meeting of Shareholders to be held on September 25, 2025. The details are as follows.

1. Reasons for introducing the Plan

The Company has introduced the Plan with the aim of allocating restricted stock with performance conditions to the Company’s Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members; hereinafter referred to as the “Eligible Directors”). The Plan aims to incentivize Eligible Directors to achieve the performance targets set in the Company’s medium-term management plan and to enhance corporate value through improved medium- to long-term performance, while also promoting greater value sharing with the shareholders.

2. Outline of the Plan

(1) Amount of remuneration for Directors and number of shares to be delivered

Under the Plan, monetary remuneration claims will be granted to the Eligible Directors for the allotment of restricted stock with performance conditions, and the Eligible Directors will receive common stock of the Company issued or disposed of by the Company by contributing such monetary remuneration claims in kind.

With regard to the amount of remuneration for Directors of the Company, it was approved at the 34th Ordinary General Meeting of Shareholders held on December 18, 2006, that the monetary remuneration shall be not more than ¥500 million per year (excluding employee salaries of Directors who concurrently serve as employees). In addition, at the 46th Ordinary General Meeting of Shareholders held on December 19, 2018, it was approved that restricted stock shall be granted to the Company’s Directors (excluding outside Directors) in an amount not exceeding ¥200 million per year, separately from the above monetary remuneration. The Company plans to request approval to grant, separately from the aforementioned, an annual amount not exceeding ¥200 million for the purpose of delivering restricted stock with performance conditions. The specific period for granting such money to individual Eligible Directors and the specific apportionment shall be determined by the Board of Directors.

In addition, the total number of common stock of the Company to be issued or disposed of under the Plan shall not exceed 40,000 shares per year. However, if the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common stock with an effective date on or after the day on which this proposal is approved and adopted, the relevant total number shall be reasonably adjusted as necessary in accordance with the share split or reverse share split ratio, etc. after such effective date.

The amount to be paid in per such share shall be the closing price of the Company's common stock at the Tokyo Stock Exchange on its business day preceding the day when the relevant resolution is made by the Board of Directors (or, if the stock's trading is not closed, the closing price on the day when such trading is closed immediately before).

(2) Contract on the allotment of restricted stock with performance conditions

When issuing or disposing of the Company's common stock under the Plan, a contract on the allotment of restricted stock with performance conditions shall be concluded between the Company and the Eligible Directors. The details of the Allotment Agreement are as follows.

(i) An Eligible Director shall not transfer, create a security interest in, or otherwise dispose of the shares received through the allotment for a certain consecutive period.

(ii) Under certain circumstances, the Company may acquire those shares without consideration.

The Company's common stock received by the Eligible Directors through allotment are planned to be managed for the duration of the restriction period under dedicated accounts that Eligible Directors will open to ensure that the restricted stock may not be transferred, have a security interest created in them or otherwise disposed of during the restriction period.

(For reference)

The Company also plans to issue restricted stock with performance conditions to the Company's employees with the same conditions as above by resolution of the Company's Board of Directors after the conclusion of the Ordinary General Meeting of Shareholders.

End