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May 13, 2025

Company name: Okamoto Industries, Inc.  
Name of representative: Kunihiko Okamoto, Representative  
Director and President  
(Securities code: 5122; Prime  
Market)  
Inquiries: Yuji Tanaka, Managing Director  
Member of the Board  
(Telephone: +81-3-3817-4121)

## **Notice Regarding the Introduction of a Restricted Stock Compensation Plan for Managerial Employees**

At the meeting of the Board of Directors held today, Okamoto Industries, Inc. (hereafter: the Company) resolved to introduce a restricted stock compensation plan (hereinafter: “the Plan”) for our managerial employees (hereinafter: “Eligible Managers”). Details are as follows.

### **1. Purpose of introducing the Plan**

The Company has already introduced a restricted stock compensation plan for directors (excluding outside directors and directors who are members of the Audit & Supervisory Committee) and executive officers, and this plan expands the scope of those eligible for the plan.

This plan is being introduced to provide incentives to eligible managers to promote the sustainable improvement of our corporate value and to further enhance value sharing with our shareholders.

### **2. Outline of the plan**

This plan is designed to allocate Restricted Stock to eligible managers each fiscal year, in principle, based on a resolution of the Company’s Board of Directors. The Company grants monetary compensation claims to the eligible managers, who then contribute the full amount of such claims in kind to the Company. In exchange, the Company issues or disposes of its common shares, which are to be held by the recipients.

The issue price of the restricted shares will be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day prior to the date of each resolution of the Board of Directors deciding on the offering. If no trading occurred on that day, the closing price of the most recent trading day before that shall apply. The price will not be set at a level that is particularly favorable to the eligible managers.

Furthermore, in connection with the issuance or disposal of the Company’s common shares under this plan, the Company will enter into a Restricted Stock Allocation Agreement (hereinafter : “this allocation agreement”) with each eligible managers. Under this allocated agreement, the allocated common shares of the Company shall not be transferred, pledged, provided as collateral, gifted during the holder’s lifetime, bequeathed, or otherwise disposed of to third parties during a predetermined restriction period. In certain specified circumstances, the Company shall acquire the allocated shares without compensation.

Details such as the specific timing and amount of the restricted stock grants under this plan will be announced as they are determined.