



May 14, 2025

To Shareholders

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| Company name: | MITSUBA Corporation |
| Name of representative: | Sadami Hino, Representative Director, President |
| Securities code: | 7280 Prime Market of Tokyo Stock Exchange |
| Inquiry: | Yasutaka Iio, Operating Officer and General Manager of Human Resources Dept. |
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Notice Concerning Introduction of Restricted Stock Compensation Plan

We would like to announce that at the Board of Directors meeting held today, we have reviewed our executive compensation system and resolved to introduce a restricted stock compensation system (the "System") for our Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as the "Eligible Directors"), and will submit a proposal regarding the System to the 80th Ordinary General Meeting of Shareholders to be held on June 26, 2025 (the "General Meeting of Shareholders").

Description

1. Purpose of introducing this system

The Scheme is a remuneration scheme in which restricted stock is allocated to Eligible Directors with the aim of providing them with an incentive to sustainably increase the Company's corporate value and to further promote shared value between the Eligible Directors and shareholders.

2. Overview of the System

(1) Allocation of restricted stocks and payment

The granting of restricted stock under this system will be made by either (i) issuing or disposing of the Company's common stock as remuneration, etc. to Directors without the need for monetary payments or in-kind contributions, or (ii) providing monetary remuneration claims to Eligible Directors and having them contribute such claims in kind, which will result in the issuance or disposal of the Company's common stock.

At the 71st Ordinary General Meeting of Shareholders held on June 24, 2016, the amount of remuneration, etc. for our directors was approved to be up to 600 million yen per year (excluding directors who are audit and supervisory committee members). However, under the System, we plan to request shareholders' approval to set the total amount of remuneration, etc. in the form of restricted stock for Eligible Directors at up to 100 million yen per year, separate from the aforementioned remuneration limit.

(2) Type and total number of restricted stocks to be issued or disposed of to the Eligible Directors

The restricted stocks issued or disposed of under the System will be the Company's common stock, and the total number of common stocks issued within one year from the date of the Ordinary General Meeting of Shareholders for each fiscal year will be up to 200,000 shares. However, if the Company undergoes a stock split (including a free allotment of common stock of the Company) or a consolidation of common stock with an effective date that is after the

date of the resolution of this General Meeting of Shareholders, adjustments may be made as necessary within a reasonable range after the effective date.

In the case of method ① above, no monetary payment will be required for the common shares issued or disposed of to the Eligible Directors under the System, but the amount of remuneration to be paid to the Eligible Directors will be calculated per share based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors' resolution to decide the subscription details of the common shares (if no transactions are concluded on that day, the closing price on the most recent trading day preceding that date).

In addition, in the case of method ② above, the payment amount per share of common stock to be issued or disposed of to the Eligible Directors under the System will be determined by the Board of Directors within a range that is not particularly favorable to the Eligible Directors, based on the closing price of the common stock on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution to decide the subscription details of the common stock (if no transaction is completed on that day, the closing price on the most recent trading day preceding that).

3. Conclusion of the Restricted share allocation agreement

When issuing or disposing of common stock under the System, the Company and the Eligible Directors will enter into a restricted stock allocation agreement that includes the following details:

- 1) Eligible Directors are prohibited from transferring, pledging, making gifts during their lifetime, or otherwise disposing of the common stock issued or disposed of under the Plan for a certain period of time.
- 2) If certain events occur, the Company will acquire all or part of the common shares free of charge.
- 3) The contents of the conditions for lifting the transfer restrictions set in advance by the Company's Board of Directors.

4. Conditions for Introduction of the System

Because the Plan involves allocating restricted stock to Eligible Directors as compensation to them, the introduction of the Plan is subject to approval by shareholders at this General Meeting of Shareholders.

5. Allocation to Officers of the Company

Subject to the condition that the introduction of the Plan is approved at the General Meeting of Shareholders, the Company plans to allot restricted stock similar to the above-mentioned restricted stock to its officers.