



May 16, 2024

RYODEN CORPORATION

(Code: No. 8084, TSE Prime Market)

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## Notice of the Introduction of a Restricted Stock Compensation System

At its meeting held today, the Board of Directors of RYODEN CORPORATION (hereinafter, the “Company”) reviewed the executive compensation system and resolved to introduce a restricted stock compensation system (hereinafter referred to as “this System”), and to submit related proposals at the 84th Regular General Meeting of Shareholders scheduled for June 25, 2024 (hereinafter referred to as “this Shareholders’ Meeting”) as follows:

### 1. Purpose and conditions for the introduction of this System

#### (1) Purpose of introduction

This System is introduced to provide an incentive for the sustainable enhancement of the Company’s corporate value to directors, including those to be appointed in the future (excluding external directors and directors who are Audit & Supervisory Board members\*, hereinafter referred to as “Target Directors”), and to further share value with the Company’s shareholders.

\* The Company, at its Board of Directors meeting held on February 28, 2024, has resolved to transition to a company with an Audit & Supervisory Board, subject to approval at this Shareholders’ Meeting. For details, please refer to the “Announcement on Transition to a Company with an Audit & Supervisory Board” dated February 28, 2024.

#### (2) Conditions for introduction

This System involves providing Target Directors with monetary compensation claims for the grant of restricted shares. Therefore, the introduction of this System is contingent upon the approval of such compensation by the shareholders at this Shareholders’ Meeting. The compensation limit for the Company’s directors was approved at the 70th Regular General Meeting of Shareholders held on June 29, 2010, the maximum amount of compensation, including bonus to be within 400 million yen per year (including up to 30 million yen per year for external directors) (excluding salaries for directors who are also employees). In addition, separate from monetary compensation, at the 73rd Regular General Meeting of Shareholders held on June 27, 2013, it was approved to allocate stock compensation-type stock options within an annual limit of 100 million yen to directors (excluding external directors), and at the 78th Regular General Meeting of Shareholders held on June 28, 2018, and has been operating stock options for stock-linked compensation to the present. And partial changes to the

exercise conditions of the stock acquisition rights were approved. At this Shareholders' Meeting, it is planned to introduce this System as a new compensation framework separate from the current monetary compensation framework for Target Directors, and to seek shareholder approval for the compensation framework related to this System.

Moreover, regarding the stock compensation-type stock option system for the Company's directors (excluding external directors), this System shall be abolished contingent upon the approval of the related proposal at this Shareholders' Meeting, and no further grants of stock acquisition rights based on the existing stock compensation-type stock option system shall be made in the future.

## 2. Overview of this System

Target Directors shall pay in the entire amount of the monetary compensation claims provided to them under this System as contributed assets, and shall receive the issuance or disposal of the Company's ordinary shares.

Under this System, the total amount of compensation provided for the grant of restricted shares to Target Directors shall be within 100 million yen per year, separate from the current director compensation framework, and the total number of the Company's ordinary shares issued or disposed of under this System shall be within 38,000 shares per year (should there be a need to adjust the number of shares due to unavoidable reasons such as a stock split or reverse stock split of the Company's ordinary shares, the number of shares issued or disposed of can be reasonably adjusted).

To achieve the goal of sharing shareholder value over the medium to long term, which is one of the objectives of this System, the restriction period for the restricted shares shall last from the grant date of the restricted shares until the day the Target Director ceases to hold their directorship or any other position as determined by the Company's Board of Directors. The specific timing and distribution of payments to each Target Director shall be decided by the Board of Directors based on the report of the Nomination and Compensation Committee..

Moreover, the payment amount per share of the Company's ordinary shares issued or disposed of under this System shall be based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the last business day before the day of the Board of Directors' resolution (or the most recent trading day's closing price if no transactions occurred on that day) and shall be determined by the Board of Directors within a range that is not particularly advantageous to the Target Directors.

In connection with the issuance or disposal of the Company's ordinary shares under this System, a Restricted Shares Allocation Agreement (hereinafter referred to as "this Allocation Agreement") shall be concluded between the Company and the Target Directors, which shall include the following provisions:

- (i) The Target Directors shall not transfer, pledge, or otherwise dispose of the ordinary shares allocated to them under this Allocation Agreement during a predetermined period.
- (ii) In certain circumstances, the Company may acquire these ordinary shares at no cost.

## 3. Grant to the Company's executive officers

Subject to the approval of this System at this Shareholders' Meeting, we also plan to grant restricted shares similar to those in this System to the Company's executive officers.