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May 13, 2026

To whom it may concern,

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Notice Concerning Continuation of Restricted Stock Compensation Plan

Shimojima Co., Ltd. (the “Company”), as disclosed in the “Notice Concerning Introduction of Restricted Stock Compensation Plan” dated May 11, 2021, has implemented a restricted stock compensation plan for Directors of the Company (including Outside Directors) and Corporate Auditors. As separately disclosed in the “Notice Concerning Transition to a Company with an Audit and Supervisory Committee” dated March 23, 2026, the Company has decided to transition to a company with an Audit and Supervisory Committee subject to approval at the 65th Ordinary General Meeting of Shareholders to be held on June 25, 2026 (hereinafter referred to as the “General Meeting of Shareholders”). Accordingly, the Company has decided to resubmit a proposal as follows at the General Meeting of Shareholders regarding a restricted stock compensation plan (hereinafter referred to as the “Plan”) for Directors (including Outside Directors and Directors who are Audit and Supervisory Committee Members) after the transition to a company with an Audit and Supervisory Committee as follows.

Incidentally, changes to the Plan are subject to approval of the amendment of the Articles of Incorporation regarding the transition from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee at the General Meeting of Shareholders.

1. Purpose of the Plan

The Company intends the Plan for Directors of the Company (including Outside Directors and

Directors who are Audit and Supervisory Committee Members; hereinafter referred to as the “Eligible Directors”) to share the benefits and risks of stock price fluctuations with shareholders and to motivate them more than before to contribute to increases in stock prices and to maintain and enhance its corporate value.

2. Outline of the Plan

Since the Plan provides the Eligible Directors with monetary compensation claims as compensation for the grant of restricted stock, the Plan is subject to the approval of the shareholders at the General Meeting of Shareholders.

As for the amount of compensation for the Eligible Directors, the 33rd Ordinary General Meeting of Shareholders dated June 30, 1994, has resolved that the total annual compensation for Directors (not including salaries as employees) shall be 500 million yen or less and the total annual compensation for Audit & Supervisory Board Members shall be 100 million yen or less, at which is valid to date.

In line with the transition to a company with an Audit and Supervisory Committee, the Company will resubmit to the General Meeting of Shareholders a proposal both on the maximum amount of compensation for Directors (including Directors who are Audit and Supervisory Committee Members) and on granting of compensation to the Eligible Directors according to the Plan within the aforementioned compensation limit.

Under this Plan, the Eligible Directors are to receive issuance or disposition of common shares of the Company after paying in kind the monetary compensation claims provided by the Company.

The total amount of monetary compensation claims to be provided for the Eligible Directors under the Plan shall be 100 million yen or less per year for Directors (excluding those who are Audit and Supervisory Committee Members) (of which 7 million yen per year is for Outside Directors) and 20 million yen or less per year for Directors who are Audit and Supervisory Committee Members, and part of the cash compensation for them (up to 20%) shall be converted to shares within the limit mentioned above. The total number of common shares of the Company to be issued or disposed of per year under the Plan shall be not more than 80 thousand for Directors (excluding those who are Audit and Supervisory Committee Members) (5,600 of which are for Outside Directors) and not more than 16 thousand for Directors who are Audit and Supervisory Committee Members (the Company may make reasonable adjustments to the number if it is necessary on account of compelling circumstances, such as a stock split or reverse stock split of common shares of the Company).

The Board of Directors will determine specific timing and allocation of payment to each Eligible Director, etc. after receiving advice and recommendations from the voluntary Nomination and Compensation Committee, a majority of whose members are Independent Outside Directors.

For the purpose of sharing interests with shareholders over the medium to long term, the Company shall not allow the Eligible Director to transfer, create a security interest, or otherwise dispose of the common shares to a third party after the issuance or disposal of the common shares under the Plan until (i) the date when the Eligible Director loses his/her position as a director of the Company or (ii) the date when the Company submits its annual securities report pertaining to the business year to which the issuance date of the common shares belongs (or its semiannual securities report pertaining to the business year if the issuance date falls within six months after the commencement of the business year) whichever day is later (hereinafter referred to as the “Transfer Restriction Period”).

The Board of Directors shall determine the amount to be paid per share in exchange for the issuance or disposal of the common shares of the Company under the Plan, based on the closing price at the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (if no transaction has been closed on the same day, the closing price of the most recent transaction day), within the limit that it is not particularly advantageous to the Eligible Directors.

Additionally, the Company and the Eligible Directors shall enter into a Restricted Stock Allotment Agreement (hereinafter referred to as the “Allotment Agreement”) upon issuance or disposal of the common shares of the Company under the Plan, which shall include the following matters:

(i) During the Transfer Restriction Period, the Eligible Directors shall not transfer, create a security interest, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement.

(ii) The Company shall acquire such common shares free of charge in the event of certain circumstances.

Since the Plan is to be introduced within the approved compensation limit, the Company shall propose that the Plan allows each Eligible Director to choose whether he/she will (i) receive common shares of the Company as compensation after paying in kind the monetary compensation claims provided, or (ii) receive monetary compensation by simply exercising those monetary compensation claims.

(Reference)

As announced in the “Notice Concerning the Introduction of Restricted Stock Compensation Plan for Executive Officers” dated March 23, 2026, the Company plans to grant restricted stock to Executive Officers who do not concurrently serve as Directors, under similar conditions as the Eligible Directors.