

April 24, 2025  
KOITO MANUFACTURING CO., LTD.

## **KOITO Revises Directors' Remuneration Plan**

Introducing a stock-based remuneration plan linked to both company's stock price and ESG indicators to strengthen corporate governance and maximize corporate value with the perspective of shareholders

KOITO MANUFACTURING CO., LTD. ("KOITO", Head Office: Shinagawa-ku, Tokyo; President, Michiaki Kato) has resolved to introduce a stock-based remuneration plan linked to TSR (Total Shareholder Return) and ESG (Environment, Social and Governance) indicators for Directors (excluding Outside Directors) in order to continuously enhance corporate value and improve management transparency.

Through the stock remuneration plan for Directors and the Employee Stock Ownership Plan revised in November 2024, KOITO is committed to raising the stock price and enhancing corporate value with our executives and employees sharing the same perspective as our shareholders. This system will be introduced upon approval of the related proposal at the Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2025. For details, please refer to the "Announcement Regarding Introduction of a Restricted Stock Remuneration Plan" released today.

KOITO will continue to strive for sustainable growth and enhance its corporate value through the realization of the "KOITO VISION - Lighting the Way for Our Sustainable Future " and the achievement of the 1st Medium-Term Management Plan.

### **【Outline of Stock Remuneration Plan】**

- By introducing stock-based remuneration plan using the TSR as an index, the Directors can share the benefits and risks of stock price movement with shareholders, and be further motivated towards contributing to corporate value enhancement more than ever before.
- To promote efforts toward the KOITO Group's sustainable growth, the Stock Remuneration Plan will leverage ESG indicators (CO<sub>2</sub> emissions reduction, ratio of female managers, employee engagement, etc.) by linking stock-based remuneration to their achievement.

### **【Image of the Remuneration Plan for Directors (at 100% Target Achievement)】**

