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To whom it may concern:

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**Notice regarding the Revision of Restricted Stock Compensation Plan and Performance Share Units Compensation Plan for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) in conjunction with the Transition to a Company with an Audit & Supervisory Committee**

Teijin Limited (hereinafter, the “Company”) plans to transition from a “Company with an Audit & Supervisory Board” to a “Company with an Audit & Supervisory Committee” subject to approval at the Company’s 159th Ordinary General Meeting of Shareholders scheduled for June 25, 2025 (hereinafter, the “Ordinary General Meeting of Shareholders”).

At the Board of Directors meeting held today, the Company resolved to abolish the current Restricted Stock Compensation Plan and Performance Share Units Compensation Plan (hereinafter, collectively the “Current Plans”) for Directors who concurrently serve as Teijin Group Corporate Officers (hereinafter, the “Eligible Directors”) and introduce new Restricted Stock Compensation Plan and Performance Share Units Compensation Plan (hereinafter, collectively the “New Plans”) as new stock compensation plans, in conjunction with the transition to a Company with an Audit & Supervisory Committee.

The Company hereby announces that, in line with the above-mentioned revision, it will submit a proposal related to the New Plans to the Ordinary General Meeting of Shareholders as described below.

1. Introduction of the New Plans

(1) Purpose of Introducing the New Plans

The objective of the Current Plans is to align with the viewpoint of corporate governance and stakeholders and further strengthen corporate value creation from medium- to long-term perspectives (sustainability, ESG), as well as to increase the motivation to contribute to increasing the Company’s stock value by adopting an approach to take into account the funds for tax payable upon the time of release of transfer restrictions and enhancing the operability of the stock compensation plans. In conjunction with the transition to a Company with an Audit & Supervisory Committee, the Company has decided to abolish the Current Plans and introduce the New Plans applicable to Eligible Directors for the purpose of establishing the Company’s executive compensation system as a global company, considering the Company’s internal Directors subject to overseas compensation systems (i.e., internal Directors of the Company who have also concluded employment contracts, etc. with Teijin Group companies outside Japan and are originally from those companies) (hereinafter, “Eligible Directors subject to overseas system”), in addition to the objective of the Current Plans.

(2) Preconditions for Introducing the New Plans

In introducing the New Plans, Eligible Directors will be provided with monetary claims for the

issuance or disposal of the Company's ordinary shares based on the New Plans and monetary compensation based on share units. Therefore, it is conditional upon obtaining approval from shareholders at the Ordinary General Meeting of Shareholders for providing such monetary claims and compensation.

## 2. Overview of the New Plans

The New Plans, similar to the Current Plans, will provide monetary claims for the issuance or disposal of the Company's ordinary shares on the condition that transfer restrictions be released upon retirement. In addition, to eliminate the need to sell the Company's ordinary shares to secure funds for tax payment arising upon the release of transfer restrictions, the Company will provide share units (\*) for the purpose of securing funds for tax payment at the same time as the provision of monetary claims, and pay cash in an amount calculated by multiplying the number of such share units by the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the day the transfer restriction is released (if no transaction is concluded on the said day, the closing price on the nearest preceding transaction date) (hereinafter, the "Share Price at the Time of Disbursement"), in principle at the same time as releasing transfer restrictions on the Company's ordinary shares granted based on the New Plans.

(\*) The Company will pay cash equivalent to the share price per the Company's ordinary share for each unit. The actual amount of cash Eligible Directors will be able to receive will be calculated by multiplying the number of share units provided by the Share Price at the Time of Disbursement in principle.

For Eligible Directors subject to the overseas system, monetary claims for the issuance or disposal of the Company's ordinary shares will be provided subject to transfer restrictions to be released in principle three (3) years after issuing or disposing of the Company's ordinary shares for restricted stock compensation, and without transfer restrictions for performance share units compensation. At the same time as the provision of such monetary claims, share units for securing funds for tax payment will be provided, and the amount calculated by multiplying the number of such share units, in principle, by the Share Price at the Time of Disbursement will be provided, in principle, at the same time as releasing transfer restrictions on the Company's ordinary shares granted based on restricted stock compensation or at the same time as delivering the Company's ordinary shares granted based on performance share units compensation.

In issuing or disposing of the Company's ordinary shares based on the New Plans and providing monetary claims as property contributed in kind along with providing share units and cash based on share units, it is conditional upon concluding restricted stock allotment agreement or performance share units allotment agreement between the Company and each Eligible Director.

Regarding the Current Plans, the Company obtained approval for the upper limit for stock compensation under the Current Plans at the 158th Ordinary General Meeting of Shareholders held on June 20, 2024 as follows: (1) Total maximum amount of monetary claims for the stock portion of restricted stock compensation shall be 35 million yen per fiscal year (total maximum number of the Company's ordinary shares to be issued or disposed of shall be 25,000 shares per fiscal year), total maximum amount of share units shall be 35 million yen per fiscal year, and total maximum amount of cash to be paid based on such share units shall be 35 million yen per fiscal year. (2) Total maximum amount of monetary claims for the stock portion of performance share units compensation shall be 150 million yen per fiscal year (total maximum number of the Company's ordinary shares to be issued or disposed of shall be 100,000 shares per fiscal year), total maximum amount of share units shall be 150 million yen per fiscal year, and total maximum amount of cash to be paid based on such share units shall be 150 million yen per fiscal year.

Based on the New Plans, the upper limit for stock compensation will be as follows: (1) Total maximum amount of monetary claims for the stock portion of restricted stock compensation shall be 35 million yen per fiscal year (total maximum number of the Company's ordinary shares to be issued or disposed of shall

be 25,000 shares per fiscal year), total maximum amount of share units shall be 35 million yen per fiscal year, and total maximum amount of cash to be paid based on such share units shall be 300 million yen per fiscal year. (2) Total maximum amount of monetary claims for the stock portion of performance share units compensation shall be 340 million yen per fiscal year (total maximum number of the Company's ordinary shares to be issued or disposed of shall be 290,000 shares per fiscal year), total maximum amount of share units shall be 340 million yen per fiscal year, and total maximum amount of cash to be paid based on such share units shall be 1.2 billion yen per fiscal year.

In addition to the stock compensation, with regard to monetary compensation, the Company will submit proposals regarding the determination of compensation amounts for Directors (excluding Directors who are Audit & Supervisory Committee Members) and for Directors who are Audit & Supervisory Committee Members to the Ordinary General Meeting of Shareholders in conjunction with the transition from a "Company with an Audit & Supervisory Board" to a "Company with an Audit & Supervisory Committee."

[Reference]

If shareholders approve the introduction of the New Plans, the Company will also provide monetary claims for the issuance or disposal of the Company's ordinary shares, share units and cash to be paid based on such share units to Teijin Group Corporate Officers who are not Directors, in addition to Eligible Directors, under stock compensation plans similar to the New Plans by resolution of the Company's Board of Directors.

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