

August 8, 2025

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Name of representative: Kazuhito Kojima,
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(Securities code: 1969; Tokyo Market)
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Notice Concerning Additional Acquisition of Shares by Stock Granting Trust (BIP trust)

Takasago Thermal Engineering Co.,Ltd. (“the Company”) introduced a stock-based compensation system (“the Plan”), the Board Incentive Plan Trust (“the BIP Trust”) in 2018 for its Directors (excluding Directors who are Audit & Supervisory Committee members, Outside Directors, and non-residents of Japan), Executive Officers and Deputy Executive Officers who have signed an engagement contract with the Company (excluding non-residents of Japan) (the Company's Directors, Executive Officers, and Deputy Executive Officers collectively referred to as “Directors, etc.” hereafter), Directors (excluding Outside Directors, non-residents of Japan, collectively referred to as “Subsidiary’s Directors” hereafter) of three consolidated subsidiaries (TMES Corporation, NIPPON PMAC Co.,Ltd., and Hucoss Co., Ltd., collectively referred to as “Subsidiaries” hereafter).

The Company hereby announces it has resolved that, at the Board of Directors meeting held on August 8th 2025, to contribute additional funds for share acquisition by the BIP Trust, and to partially revise the scheme of “the Plan” for three subsidiaries by expanding eligible persons and revision of the performance-linked range.

1. Reason for Additional Acquisition of Shares

The Plan is an incentive plan for eligible Directors, etc. and Subsidiary’s Directors that the Company’s share or an amount of money equivalent to the value of the Company’s share (collectively referred to as “Company shares”) will be delivered and provided in accordance with their positions and the achievement level of business performance targets. The plan has been introduced in order to enhance interconnectedness between medium to long term business management plan and remunerations.

The Company establishes medium term management plan 2026 “Step for the future, Four years to embark for the future” for the period from FY2023 to FY2026, which aims for realization of ideal state described in the Company’s Long-term Vision for 2040 “Create our PLANET, Create our FUTURE”. The plan has been implemented with some revisions along Board of Directors meeting at May 14th 2024 and Annual General Meeting of Shareholders at June 19th 2024, as a motivation to increase corporate value by incorporating remunerations and business performances, actions towards achievement of medium term management plan target. Accordingly, now the Company decided to expand eligible persons and to revise performance linked range in subsidiaries so that the plan will be a motivation for subsidiaries more to increase corporate value as a whole group of the Company.

Now additional funds contribution to the BIP trust for additional share acquisition is required as the number of shares acquired by the BIP trust upto the last acquisition based on Board resolution adopted at August 6th 2024 is not sufficient enough to cover the total number of shares to be delivered and provided to Directors, etc. and Subsidiary’s Directors after this revision of the plan.

For further details regarding the Plan and the BIP trust, please refer to releases “Notice Concerning Abolishment of the Stock Compensation-type Stock Options System and Introduction of a Stock Compensation Plan” dated May 11th 2018, “Notice Concerning the Continuation and Partial Revision of the Share-based Compensation Plan” dated May 14th 2021, “the Agenda Item No.7 from Notice of the 143rd Annual General Meeting of Shareholders” and “Notice Concerning the Continuation and Partial Revision of the Share-based Compensation Plan” dated May 14th 2024.

2. Revision of the plan at Subsidiaries (Changes at the limit of contribution money and number of shares)

The amount of money contributed by subsidiaries were limited at 90 millions Japanese yen at each 3 financial years. And the total number of shares to be delivered and provided to Subsidiary's Directors were limited at 18,900 at a financial year. The limit of monetary contribution by subsidiaries is increased to 100 millions Japanese yen at a financial year. And the total number of shares are increased to 26,100 at a financial year. Those changes are adopted as an agenda at the shareholders meeting of each subsidiary.

3. Overview of the BIP Trust

(1)	Type of Trust	Monetary trust other than a specified solely-administered monetary trust (third party benefit trust)
(2)	Purpose of trust	Granting of incentives for eligible Directors, etc. and Subsidiary's Directors
(3)	Trustor	The Company
(4)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5)	Beneficiaries	Eligible Directors, etc. and Subsidiary's Director who satisfy the beneficiary requirements
(6)	Trust administrator	A third party who has no interest in the Company and Subsidiaries (certified public accountant)
(7)	Date of trust agreement	August 9 th 2018
(8)	Trust period	From August 9 th 2018 to August 31 st 2027
(9)	Commencement date of the plan	October 1 st 2018
(10)	Exercise of voting rights	No voting rights will be exercised
(11)	Type of shares to be acquired	Common stock of the Company
(12)	Amount of additional trust money	104,000,000 Japanese yen (planned) (The remaining funds in the BIP trust will be spent for trust fees and expenses.)
(13)	Timing of share acquisition	From August 19 th 2025 (planned) to September 1 st 2025 (planned)
(14)	Method of share acquisition	To be acquired from stock market
(15)	Rights holder	The Company
(16)	Residual asset	The residual assets that the Company, as the rights holder, may receive will be within the extent of reserves for trust expenses, which are calculated by deducting funds to acquire shares from the trust money.

(Note) The planned date and timing may be changed to another appropriate date and timing in accordance with applicable laws and regulations, etc.

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