



May 18, 2026

To whom it may concern:

Company Name	NICHIAS Corporation
Representative	Katsumi Kametsu, President and Chief Executive Officer
Securities Code	5393 (Tokyo Stock Exchange Prime Market)
Contact	Tsukasa Yamamoto, Representative Director & Senior Managing Executive Officer
Phone Number	(Public Relations Section) +81-3-4413-1194
(URL)	( <a href="https://www.nichias.co.jp/en/">https://www.nichias.co.jp/en/</a> )

## Notice Concerning a Revision of the Officer Remuneration System

NICHIAS Corporation (the “Company”) has resolved, at the meeting of its Board of Directors held on May 18, 2026, to revise the officer remuneration system for Directors, as described below. The purpose of this revision is to promote the medium- and long-term enhancement of the Company’s corporate value and the further alignment of values with shareholders.

Accordingly, the Company hereby announces that a proposal for “Revision of Remuneration for Directors” will be submitted to the 210th Ordinary General Meeting of Shareholders scheduled for June 26, 2026 (“this General Meeting of Shareholders”).

### 1. Change in the amount of remuneration for Directors

An amount of remuneration for Directors of the Company not exceeding 32 million yen per month (excluding salaries received in the capacity of an employee) was approved by the 181st Ordinary General Meeting of Shareholders held on June 27, 1997. This remuneration limit remains in force.

The Company has revised the officer remuneration system in light of the increasing roles and responsibilities undertaken by Directors amid changes in the business environment and the Company’s efforts to strengthen the corporate governance system, as well as to more clearly provide incentives for the sustainable enhancement of corporate value. Accordingly, the Company intends to seek shareholders’ approval to change Directors’ remuneration from a monthly amount to an annual amount and to set an annual remuneration limit of 500 million yen (including up to 60 million yen for Outside Directors). As in the past, the amount of remuneration for Directors will not include salaries received in the capacity of an employee, for Directors who concurrently serve as employees.

Within the scope of this remuneration amount, the Company plans to introduce a new performance-linked remuneration plan, providing cash payments based on the results for each fiscal year, in addition to fixed remuneration.

### 2. Purpose of the revision of the officer remuneration system

Under the NICHIAS philosophy, to “contribute to the Earth’s bright future through our ‘Insulation and Protection’ technologies,” the Company has formulated the Medium-Term Management Plan “Shikumi 130” (FY2022 to FY2026), aiming to be “a company that is a good place to work and full of smiles.” The Company is currently striving to address challenges to achieve its goals for FY2026, which marks the 130th anniversary of its founding.

The Company has decided to partially revise the officer remuneration system to promote the steady execution of this Medium-Term Management Plan and clarify its incentives for the sustainable enhancement of corporate value.

This revision will enable the Company to further clarify the linkage between management strategy and officer remuneration. Under sound and highly transparent governance, it will work toward achieving the goals of the Medium-Term Management Plan and the sustainable enhancement of corporate value.

### **3. Overview of the revision of the officer remuneration system**

The Company has revised the overall remuneration system as follows to link officer remuneration more strongly to performance.

#### **(1) Change in the level of remuneration**

The level of remuneration will be set comprehensively, with reference to objective survey results from external organizations, so that it functions to motivate Officers to achieve the goals of the Medium-Term Management Plan, as well as ensuring the recruitment and retention of outstanding personnel.

#### **(2) Change in the composition of remuneration**

In addition to basic remuneration and stock-based remuneration, the Company will introduce performance-linked remuneration (monetary remuneration) as a new incentive for executive performance in each fiscal year.

The Company has designed the system with a guideline ratio for basic remuneration, performance-linked remuneration (standard amount), and stock-based remuneration of 60:20:20, to appropriately reflect contributions to business performance and corporate value in remuneration.

However, remuneration for Outside Directors will consist of basic remuneration only, in view of their position as independent from business execution.

##### **1) Basic remuneration**

Basic remuneration is paid as monetary remuneration based on position and length of service.

##### **2) Introduction of performance-linked remuneration**

Performance-linked remuneration will be calculated by multiplying the performance-linking coefficient (which varies from 0% to 200% according to the achievement level of single-year performance indicators, specifically consolidated operating income, consolidated operating income ratio, and the ESG indicators emphasized in the Medium-Term Management Plan) by the standard amount according to position and length of service. It will be paid in cash after the end of each fiscal year.

##### **3) Stock-based remuneration**

The Company introduced restricted stock in 2023 to provide incentives to the Company's Directors, including Directors to be appointed in the future (but excluding Outside Directors), to achieve the sustainable improvement of corporate value and the further alignment of values with shareholders.

The Company believes that securing incentive functions that contribute to the sustainable enhancement of corporate value is an important issue in the remuneration system for Directors, and it reviews the structure of the system and the appropriateness of performance indicators on an ongoing basis. At the same time, it will also consider its approach to stock-based remuneration from a medium- to long-term perspective.