



June 19, 2026

To whom it may concern

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Notice Concerning the Introduction of a Performance-Linked Restricted Stock Remuneration Plan for Executive Officers

EXEDY Corporation (the "Company") announces that it has reviewed its executive compensation plan and resolved, at the Remuneration Committee meeting held on June 19, 2026, to introduce a Performance-Linked Restricted Stock Remuneration Plan (hereinafter, the "Plan"). The Company hereby announces as follows:

1. Purpose of Introducing the Plan

In response to the approval of the proposal to amend the Articles of Incorporation to change the corporate governance structure of the Company to a Company with Nominating Committee, etc. at the 76th Annual General Meeting of Shareholders held today, the Company has reviewed its executive compensation plan and decided to introduce this new plan in place of the existing restricted stock compensation plan, with the aim of more clearly linking executive compensation to the Company's performance and the value of its shares, and of providing incentives to enhance corporate value sustainably through improved medium- to long-term performance.

Under this plan, the Company will provide, as compensation, monetary claims for the purpose of allotting the Company's common shares (hereinafter referred to as the "Shares") to the executive officers after the transition to a Company with Nominating Committee, etc. (including executive officers who also serve as directors of the Company; hereinafter referred to as the "Eligible Executive Officers").

2. Outline of the Plan

The new compensation plan to be introduced this time is a Performance-Linked Restricted Stock Remuneration Plan under which the Shares are granted in accordance with the degree of achievement of performance targets, such as consolidated ROE, that are determined in advance by the Company's Remuneration Committee.

Under this plan, the Eligible Executive Officers will contribute all monetary claims provided by the Company as in-kind contributions, and will receive the Shares.

As a general rule, under this plan, performance targets for a specified performance evaluation period are determined in advance by the Remuneration Committee, and these shares will be

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delivered after the end of the performance evaluation period according to the degree of achievement of those performance targets.

The specific timing and details of delivery to each Eligible Executive Officer under this plan will be determined by the Remuneration Committee. In addition, the payment amount per share under this plan shall be determined by the Company's Board of Directors resolution to issue such shares (hereinafter referred to as the "Issuance Resolution"), within a range that does not constitute a particularly advantageous amount for the Executive Officer who is to subscribe for the ordinary shares, based on the closing price of the shares on the Tokyo Stock Exchange on the business day immediately preceding the date of Issuance Resolution (or, if no trade is executed on that day, the closing price on the most recent prior trading day).

In addition, under this plan, in certain cases, such as when, during the period eligible with respect to the service period of the Eligible Executive Officers (hereinafter referred to as the "Eligible Period"), the Eligible Executive Officers retire for just cause (excluding cases where the Eligible Executive Officers assume or are reappointed to either the position of executive officer or director of the Company upon retirement, and cases where the Eligible Executive Officers retire due to death), when approval is obtained with respect to certain organizational restructurings, when the Eligible Executive Officers retire due to death after the start of the Eligible Period, or when the Eligible Executive Officers are a non-resident of Japan at the time the decision to grant is made, cash will be paid to the Eligible Executive Officers (or to the person who succeeds to such rights in accordance with procedures separately prescribed) in lieu of the delivery of the shares under this plan.

The issuance or disposal of these shares shall be conditioned on the execution, between the Company and the relevant Executive Officer, of a restricted stock allotment agreement that includes, among other things, (i) a prohibition, for a certain period (hereinafter referred to as the "Transfer Restriction Period"), on any transfer to a third party of the shares, the creation of any security interest in them, or any other disposition whatsoever, and (ii) the Company's acquisition of the shares without consideration upon the occurrence of certain events; provided, however, that this shall not apply if, at the time the relevant Executive Officer receives the issuance or disposition of the shares and the monetary claims as in-kind contribution property therefor, he or she does not hold any position as an executive officer, director, or any other position specified by the Company's Remuneration Committee.

These shares will be managed during the transfer restriction period in a dedicated account opened by the applicable executive officer with Nomura Securities Co., Ltd., so that they cannot be transferred, pledged as collateral, or otherwise disposed of during that period.