



May 19, 2025

To whom it may concern

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Notice of Partial Revision of Shared-Based Compensation Plan for Eligible Directors

The Company hereby announces that at the Board of Directors meeting held today, it resolved to submit a proposal to the 82nd Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2025 (hereinafter referred to as the "General Meeting"), regarding a partial revision to the share-based compensation plan introduced in FY2020 for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as the "Eligible Directors"). The plan (hereinafter referred to as the "Plan") involves a trust agreement with Resona Bank, Limited (hereinafter referred to as the "Trust Agreement"), and the trust established under this agreement is referred to as the "Trust."

1. Partial Revision of the Plan

The Company introduced the Plan in FY2020 with the aim of further clarifying the link between the compensation of the Eligible Directors and the Company's performance and share value, thereby enhancing their awareness of contributing to the improvement of medium- to long-term business performance and the increase of corporate value by having them share not only in the benefits of share price increases but also in the risks of share price declines alongside shareholders.

In order to further enhance the motivation to contribute toward the realization of the new medium-term management plan starting in FY2025, the Company has decided to continue the Plan with partial revisions to its content. For details regarding the previous content of the Plan, please refer to the announcement titled "Abolition of the Retirement Benefit System for Officers and Introduction of a New Share-Based Compensation Plan" released on May 18, 2020.

(Main Revisions) For details of the revised Plan, please refer to “2. Amount and Details of Compensation, etc. Under the Plan.”

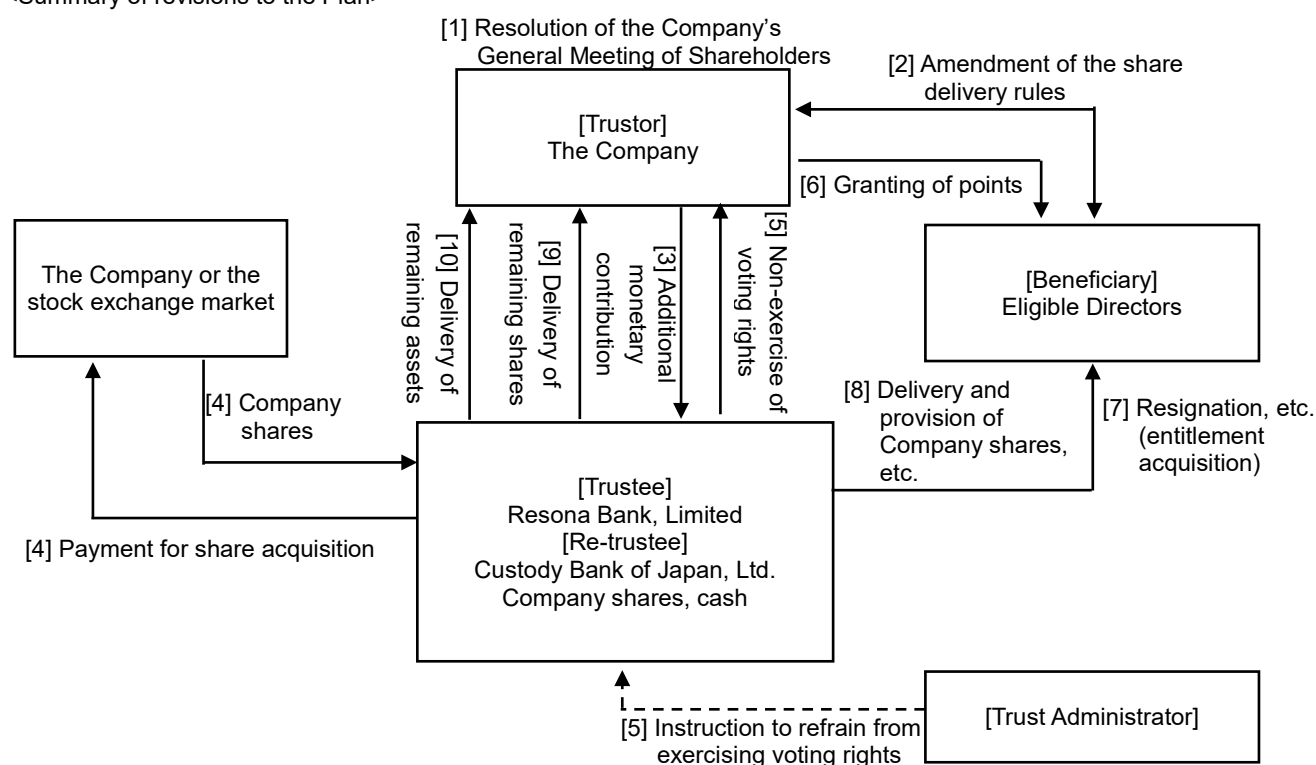
Item	Before revision	After revision
Maximum amount of money to be contributed by the Company	180 million yen per Applicable Period (5 fiscal years)	250 million yen per Applicable Period (5 fiscal years)
Calculation method and maximum number of Company shares to be allocated for delivery to Eligible Directors	Base points by position = $\frac{\text{Amount}}{\text{equivalent to 8\% or 10\% of the standard annual executive compensation} \div \text{share price (average acquisition unit price of the Company's shares)}}$	Base points by position = $\frac{\text{Amount}}{\text{equivalent to 10\% of the standard annual executive compensation} \div \text{share price (average acquisition unit price of the Company's shares)}}$

2. Amount and Details of Compensation, etc. Under the Plan

(1) Outline of the Plan after the revision

Under the Plan, a trust established through monetary contributions by the Company (a share delivery trust for officers, hereinafter referred to as the “Trust”) acquires shares of the Company in accordance with share delivery rules predetermined by the Company. The Trust then delivers and provides to each Eligible Director, upon resignation or other qualifying events, a number of Company shares and an amount equivalent to the market value of the Company shares (hereinafter referred to as the “Company Shares, etc.”) corresponding to the number of points granted to each Eligible Director. This delivery and provision of Company shares and equivalent cash are collectively referred to as the “delivery of Company Shares, etc.”

<Summary of revisions to the Plan>



[1] The Company will obtain a resolution approving executive compensation at the General Meeting of Shareholders regarding the revision of the Plan.

[2] The Company will amend the share delivery rules for Eligible Directors by resolution of the Board of Directors.

[3] The Company will make additional monetary contributions within the scope approved at the General Meeting of Shareholders in [1] above and the Board of Directors.

- [4] The Trust will use the funds contributed in [3] above to acquire Company shares through the Company (disposal of treasury shares) or through the stock exchange market (including off-auction transactions). The number of shares to be acquired shall be within the scope approved at the General Meeting.
- [5] The voting rights pertaining to the Company shares held in the Trust shall not be exercised uniformly throughout the trust period.
- [6] The Company shall grant points to the Eligible Directors based on the share delivery rules.
- [7] Eligible Directors shall acquire the right to receive Company Shares, etc. upon resignation or other qualifying events and become beneficiaries.
- [8] The trustee shall deliver and provide Company Shares, etc. to the beneficiaries.
- [9] If there are remaining shares at the expiration of the trust period, the Company plans either to continue using the Trust as the Plan or a similar share-based compensation plan by amending the trust agreement and making additional contributions to the Trust through a resolution of the Board of Directors, or to have the Trust transfer the remaining shares to the Company without compensation, in which case the Company will cancel the shares by resolution of the Board of Directors or donate them to a public interest corporation or other entity.
- [10] Upon liquidation of the Trust, the reserve for trust expenses, which is the amount remaining after deducting the Share Acquisition Funds from the monetary contributions made by the Company, will revert to the Company. Other remaining assets will be distributed to beneficiaries or donated to public interest corporation, etc.

[Outline of the Trust]

- [1] Name : Share delivery trust for officers (trust of money other than monetary trusts for specific purposes [third-party beneficiary trust])
- [2] Trustor : The Company
- [3] Trustee : Resona Bank, Limited
Resona Bank, Limited will enter into a specified comprehensive trust agreement with Custody Bank of Japan, Ltd., and Custody Bank of Japan, Ltd. will serve as the re-trustee.
- [4] Beneficiary : Eligible Directors who meet the requirements for beneficiaries
- [5] Trust Administrator : Third parties that do not have an interest in the Company
- [6] Date of execution of the Trust Agreement : August 24, 2020
- [7] Date of revisions to the agreement : August 2025 (scheduled)
- [8] Term of Trust : from August 24, 2020 until the Trust is terminated
(No specific termination date is set, and the Trust shall continue as long as the Plan continues.)

(2) Eligibility for the Plan

Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors). Even if a Director qualifies as an Eligible Director under the Plan, the Director may be excluded from the scope of the Plan and granted a different type of compensation, taking into consideration factors such as the Director's shareholding status.

(3) Applicable Period after the revision of the Plan

The period shall consist of the five fiscal years from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2030 (hereinafter referred to as the "Initial Applicable Period"), and each subsequent five-fiscal-year period thereafter (each such period, together with the Initial Applicable Period, referred to as an "Applicable Period").

(4) Term of Trust

The term shall be from August 24, 2020, until the termination of the Trust. (No specific termination date is set; the Trust will continue as long as the Plan remains in effect.) The Trust will be terminated upon the delisting of the Company's shares, the abolition of the share delivery rules, or other such events.

(5) Maximum amount of money to be contributed by the Company

In order to provide Company Shares, etc. to the Eligible Directors under the Plan for the Applicable Period, the Company will contribute to the Trust an amount of money, as funds for the acquisition of Company shares (hereinafter referred to as the "Share Acquisition Funds"), up to a limit calculated by multiplying 50 million yen per fiscal year by the number of fiscal years included in the Applicable Period (250 million yen for the five fiscal years of the Initial Applicable Period) (*Note).

In addition, after the Initial Applicable Period has ended, the Company will make additional contributions to the Trust for each subsequent Applicable Period, up to the amount specified above, for as long as the Plan remains in effect. However, in the case of such additional contributions, if there are remaining shares within the trust property as of the last day of the Applicable Period immediately preceding the Applicable Period for which the additional contribution is to be made (hereinafter referred to as the "Remaining Shares"; excluding shares corresponding to the points granted to the Eligible Directors for previous Applicable Periods, for which the delivery of Company Shares, etc. has not yet been completed—see (7) below for details on points), and if there is remaining cash as well (together referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. and the trust funds to be additionally contributed shall be within the respective upper limits.

The Company may, during any Applicable Period including the Initial Applicable Period, make additional trust contributions as share acquisition funds, provided that the total amount of contributions for the Applicable Period remains within the respective upper limits specified above.

(*Note) The actual amount of money the Company will contribute to the Trust will consist of the Share Acquisition Funds mentioned above, in addition to the estimated amount of necessary expenses such as trust fees and trust administrator fees.

(6) Method of acquisition and maximum number of Company shares to be acquired by the Trust

The acquisition of Company shares by the Trust is planned to be conducted within the upper limit of the Share Acquisition Funds stated in (5) above, either through the disposal of treasury shares by the Company or through transactions on the stock exchange (including off-auction transactions). The specific method of acquisition will be determined and disclosed by the Company after the General Meeting.

For the Initial Applicable Period, the number of shares to be acquired shall be limited to a maximum of 75,000 shares (for the upper limit on the number of shares to be granted, see (7) below). For each Applicable Period following the Initial Applicable Period, the number of shares to be acquired shall likewise be limited to the aforementioned maximum number of shares.

(7) Calculation method and maximum number of Company shares to be allocated for delivery to Eligible Directors

During each year of the Applicable Period specified in (3) above, annual grant points will be awarded to the Eligible Directors as of March 31 of the previous fiscal year (hereinafter referred to as the "Reference Date"), after the Company's performance for that fiscal year has been finalized, by the end of June.

(Point calculation formula)

Annual grant points for Eligible Directors = Base points by position

Cumulative points for Eligible Directors = Cumulative total of annual grant points

[Base points by position]

The base points by position are calculated by dividing the amount equivalent to 10% of the standard annual executive compensation, as determined by the Board of Directors held after the end of each fiscal year, by the average acquisition price of the Company's shares.

Base points by position = Amount equivalent to 10% of the standard annual executive compensation ÷ share price (average acquisition unit price of the Company's shares)

The number of points granted by the Company to the Eligible Directors shall be limited to a maximum of 15,000 points per fiscal year (equivalent to 15,000 shares).

In addition, during the five fiscal years of the Initial Applicable Period, the total number of points granted to the Eligible Directors shall be limited to 75,000 points (equivalent to 75,000 shares).

For the delivery of Company Shares, etc. described in (8) below, one point shall be converted into one share of Company stock. Any fractional shares resulting from this calculation shall be rounded down, and the delivery of Company shares shall be made in units of 100 shares, rounded to the nearest 100 shares.

However, if, after the revision of the Plan is approved at the General Meeting, a stock split, gratis allotment of shares, reverse stock split, or other similar action is conducted with respect to the Company's shares, the Company will make reasonable adjustments based on the split ratio, consolidation ratio, or other relevant factors.

The cumulative points corresponding to the Company Shares, etc. to which the Eligible Directors become entitled shall be the total of the annual grant points awarded during the Applicable Period.

(8) Timing of the delivery and provision of Company Shares, etc. to Eligible Directors

In principle, upon resignation of the Eligible Director from office, Company shares corresponding to the number of cumulative points determined at the time of resignation will be delivered, provided that the individual satisfies the beneficiary requirements listed below and completes the prescribed beneficiary determination procedures.

- 1) Being an Eligible Director of the Company during the Applicable Period
- 2) Not having been dismissed from office or committed certain acts of misconduct while in office
- 3) Fulfilling other requirements deemed necessary to achieve the purpose of the Plan

However, if the requirements specified in the share delivery rules are met, a certain portion may be provided in cash equivalent to the market value of the Company shares instead of delivering the shares, from the perspective of securing funds for tax payment. In addition, in the event of the death of an Eligible Director, the entire amount shall be provided in cash equivalent to the market value of the Company shares, instead of delivering the shares. In some cases, the Trust may sell the Company's shares in order to provide monetary benefits.

(9) Exercise of voting rights for the Company's shares held in the Trust

The voting rights pertaining to the Company shares held as trust property within the Trust shall not be exercised uniformly, in order to ensure the independence of the Trust from the management of the Company.

(10) Handling of dividends on Company shares held in the Trust

Dividends on Company shares held in the Trust will be received by the Trust and used to cover trust expenses, including the acquisition of Company shares and trust fees.

In the event the Trust is terminated, any remaining dividends within the Trust are planned to be distributed to the Eligible Directors under the Plan in proportion to their cumulative points at that time, or donated to a public interest corporation or other entity.

(11) Treatment upon termination of the Trust

The Trust will be terminated upon the occurrence of certain events, such as the abolition of the share delivery rules.

With respect to the remaining assets of the Trust at the time of its termination, all Company shares are planned to be acquired by the Company without compensation and either canceled by resolution of the Board of Directors or donated to a public interest corporation or other entity.

With respect to the remaining cash assets of the Trust at the time of its termination, the Company plans to distribute them to the Eligible Directors then in office in proportion to their respective cumulative points, or to donate them to a public interest corporation or other entity.

(12) Other details of the Plan

Other matters related to the Plan shall be determined by the Board of Directors each time the Trust is established, the trust agreement is amended, or additional contributions are made to the Trust.