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To all whom it may concern

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### **Notice Concerning Partial Revision of Performance-Based Stock Compensation Plan for Directors**

TOMY Company, Ltd. (hereinafter “TOMY”) hereby provides notification that, at the Board of Directors meeting held today, it resolved to submit a proposal (hereinafter, “the Proposal”) regarding changes to the trust-type performance-based stock compensation plan (hereinafter, “the Plan”) for TOMY’s directors to the 74th Ordinary General Meeting of Shareholders (hereinafter referred to as “the General Meeting of Shareholders”), which is scheduled to be held on June 26, 2025.

#### **1. Changes to the Plan**

TOMY submitted a proposal for the introduction of the Plan at the 70th Ordinary General Meeting of Shareholders held on June 23, 2021 and the proposal was approved (hereinafter, “the Resolution by the 70th Ordinary General Meeting of Shareholders”). The aim of the proposal was to further clarify the link between director compensation and TOMY’s performance and stock value, and to raise awareness that directors can contribute to improving medium- to long-term performance and increased corporate value by sharing the profits and risks of fluctuations in stock price with shareholders.

TOMY has previously operated the Plan based on the resolution by the 70th Ordinary General Meeting of Shareholders. However, as a review of the Plan in conjunction with the rise in stock price, TOMY proposes revision of the content approved at the 70th Ordinary General Meeting of Shareholders.

Specifically, TOMY will revise, as set forth below, the maximum amount of funds it may contribute to acquire its shares for delivery to eligible participants under the Plan during the target period (from the fiscal year ending March 31, 2025, through the fiscal year ending March 31, 2027), as outlined in Section 2 (3) below, taking into account stock price trends and other relevant factors.

Before revision:

Total amount of 600 million yen (if the target period is extended further, the amount for the target period of the extension shall be the number of fiscal years in the target period multiplied by 200 million yen)

After revision:

Total amount of 200 million yen for the fiscal year ending March 31, 2025

A total amount of 800 million yen for the period from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2027 (if the target period is extended further, the amount for the target period of the extension shall be the number of fiscal years in the target period multiplied by 340 million yen)

## 2. Overview of the Plan

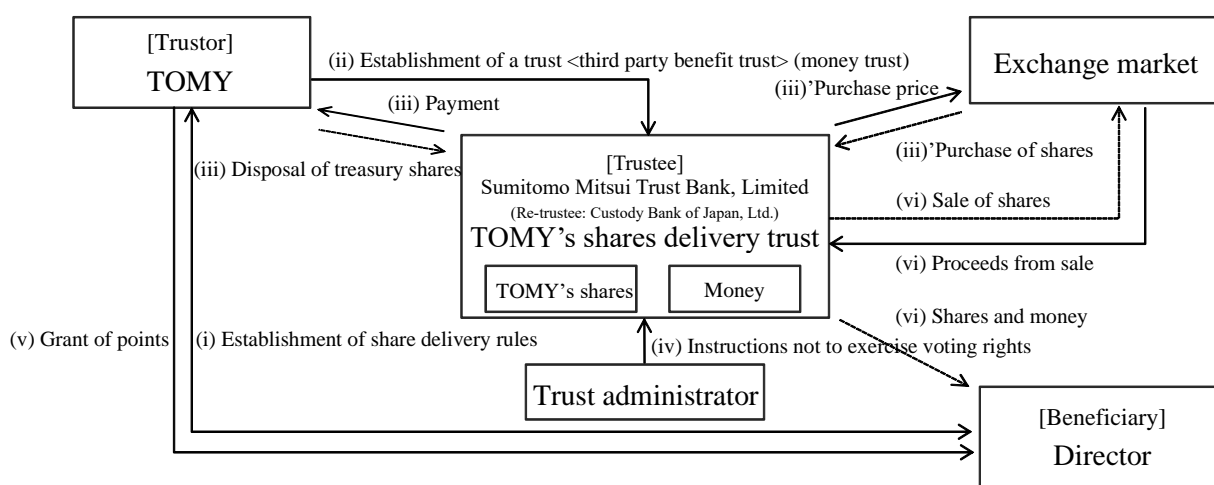
An outline of the Plan after revision is as follows.

### (1) Framework of the Plan

The Plan is a stock compensation plan under which TOMY's shares are acquired through a trust established by TOMY through monetary contribution (hereinafter, the "Trust") acquires shares of TOMY, and the number of TOMY's shares corresponding to the number of points granted to each director by TOMY shall be delivered to each director through the Trust.

In principle, the directors shall receive the delivery of TOMY's shares at a specified time every year during the trust period, but as described in (7) below, the delivered shares shall be subject to transfer restrictions for three years (however, in case of retirement before the said period, the transfer restriction will be lifted upon retirement).

#### <Overview of the framework of the Plan>



- ① The Board of Directors of TOMY has established the share delivery rules for directors.
- ② When TOMY has already established a trust to deliver shares (third party benefit trust) with directors who acquire the beneficial interest as beneficiaries as in (vi) below (the Trust), TOMY makes additional monetary contributions to the trustee equivalent to the funds required for share acquisition (provided, however, the amount of the funds for acquiring shares to be delivered to TOMY's directors shall be within the amount approved by the General Meeting of Shareholders).
- ③ The Trustee will utilize, as the source of funds, the money held in the Trust (including both the additional contributions made by TOMY as outlined in (ii) above and any residual funds remaining in the Trust prior to such additional contributions) to acquire, in a lump sum, a substantial number of TOMY's shares expected to be delivered in the future. (These shares may be acquired either through the disposal of treasury shares or by purchasing them on the exchange market (including off-hours trading)).

- ④ TOMY will appoint a trust administrator (shall be a person who is independent from TOMY and its officers) who protects the interests of the beneficiaries subject to the share delivery rules throughout the trust period and supervises the trustee. With regard to TOMY's shares held in the Trust, the trust administrator will instruct the trustee not to exercise its voting rights, and the trustee shall not exercise its voting rights throughout the trust period based on the said instruction.
- ⑤ Based on the share delivery rules, TOMY will grant points to the directors.
- ⑥ Directors who meet the share delivery rules, and the requirements specified in the trust agreement on the Trust shall acquire beneficial interests in the Trust and, as beneficiaries, receive the delivery of TOMY's shares from the trustee according to the points granted as the beneficiaries of the Trust. If the case falls under any of certain events predetermined in the share delivery rules and the trust agreement, a portion of TOMY's shares to be delivered may be sold in the exchange market and then money may be delivered.

Of the residual properties of the Trust at the termination of the Trust, all of TOMY's shares will be acquired free of charge by TOMY and cancelled by resolution of the Board of Directors.

Sumitomo Mitsui Trust Bank, Limited, which is the trustee under the Plan, will entrust (re-trust) the administration of the trust property to Custody Bank of Japan, Ltd.

## (2) Monetary contribution to the Trust

TOMY shall make additional contributions to the Trust to fund the acquisition of the number of TOMY's shares reasonably expected to be required for delivery to directors, as outlined in (6) below. The Trust will use, as the source of funds, the money it holds (including both the residual funds from before the additional contribution and the additional funds newly entrusted by TOMY as described above) to acquire TOMY's shares.

Sumitomo Mitsui Trust Bank, Limited, which is the trustee under the Plan, will entrust (re-trust) the administration of the trust property to Custody Bank of Japan, Ltd.

## (3) Target period

Pursuant to a resolution by the Board of Directors on May 14, 2024, TOMY has extended the "target period" defined in the resolution adopted at the 70th Ordinary General Meeting of Shareholders, covering the three fiscal years from the fiscal year ended March 31, 2025, to the fiscal year ending March 31, 2027 (hereinafter, the three fiscal years of this extension are referred to as the "target period"; furthermore, the target period may be extended further as described in (4) below)

## (4) Maximum amount of trust fund to be contributed to the Trust as funds for acquiring shares

By resolution of the Board of Directors on May 14, 2024, TOMY has extended the trust period of the Trust to three years and the "target period" in the resolution of the 70th Ordinary General Meeting of Shareholders to three fiscal years. During the target period (the "target period" as defined in (3) above), TOMY will make additional trust contributions of up to a total of 1,000 million yen (200 million yen for the fiscal year ended March 31, 2025, and 800 million yen for the period from the fiscal year ending March 31, 2026 to March 31, 2027) to fund the acquisition of TOMY's shares to be delivered to directors under the Plan. The Trust will acquire TOMY's shares from the money entrusted as the source of funds (including both additional contributions and any remaining funds from prior to such contribution as stated above) by way of disposing of TOMY's treasury shares or acquiring shares from the exchange market (including off-hours trading).

Note: The money actually trusted by TOMY to the Trust will be the total amount of the aforementioned funds for acquiring TOMY's shares and the estimated amount of necessary expenses such as trust fees and trust administrator fees. In addition, if a subsidiary of TOMY implemented a stock compensation plan similar to the Plan makes partial revisions to such system, TOMY will also entrust the funds for acquiring TOMY's shares necessary to deliver them to the said company's directors under the Plan.

In addition, based on the decision of TOMY's Board of Directors, the Plan may continue by extending the trust period by specifying a period of up to five fiscal years, and the trust period of the Trust may be extended accordingly (including substantial extension of the trust period by transferring trust property of the Trust to a trust established by TOMY with the same purpose as the Trust; the same applies hereinafter). In such a case, TOMY will additionally contribute money to the Trust in an amount not exceeding the amount obtained by multiplying ¥340 million by the number of fiscal years under the trust period of such extended portion. The contribution will be applied to funds for acquiring additional TOMY's shares necessary for the delivery to the directors under the Plan. TOMY will continue to grant points and deliver TOMY's shares as described in (6) below.

(5) Method of acquiring TOMY's shares by the Trust

The Trust plans to acquire TOMY's shares through disposing of treasury shares by TOMY or acquiring shares from the exchange market. However, details of the acquisition method will be determined and disclosed following a resolution at the General Meeting of Shareholders.

If the number of TOMY's shares held in the Trust falls short of the number of shares corresponding to the number of points to be granted to the directors during the trust period due to reasons such as an increase in the number of directors, additional money may be entrusted to the Trust to have TOMY's shares additionally acquired within the upper limit of the trust fund described in (4) above.

(6) Calculation method and upper limit of TOMY's shares to be delivered to directors

(i) Method of granting points to the directors, etc.

Based on the share delivery rules prescribed by TOMY's Board of Directors, TOMY will grant each director the number of points specified according to his/her position, etc. based on the performance-based indicators that are adjusted within the range of 0 to 200% according to the actual value of the performance-based indicators\* on the point granting date during the trust period prescribed in the share delivery rules.

(\*) The performance-based indicator for the current target period (for three fiscal years from the fiscal year ended March 31, 2025, to the fiscal year ending March 31, 2027) will be consolidated return on equity, aligned with the targets set forth in the Medium-Term Management Plan.

However, the total number of points granted by TOMY to the directors will not exceed 100,000 points per fiscal year.

(ii) Delivery of TOMY's shares according to the number of points granted

The directors will receive the delivery of TOMY's shares in accordance with the procedures described in (iii) below, according to the number of points granted in (i) above.

One point shall be equal to one share of TOMY. If, however, in the event of a stock split or share consolidation, etc. for TOMY's shares, the number of TOMY's shares per point shall be adjusted according to the split/consolidation ratio, etc.

(iii) Delivery of TOMY's shares to the directors

In principle, each director will acquire the beneficiary rights of the Trust through prescribed procedures at a specific time of each year during the trust period, and he/she will receive the delivery of TOMY's shares as described (ii) above from the Trust as a beneficiary of the Trust.

However, a certain proportion of TOMY's shares may be delivered as money in lieu of TOMY's shares after they are sold and converted in the Trust to have TOMY withhold funds for the payment of withholding income tax, etc. In addition, if TOMY's shares held in the Trust are converted into money, such as when they are tendered and settled in a tender offer, money may be delivered in lieu of TOMY's shares.

(7) Transfer restriction period

In order to share the benefits and risks of changes in share price with shareholders over the medium to long term, TOMY's shares that have been delivered to the directors under the Plan shall be subject to transfer restrictions for three years from the time of delivery (prohibition of transfer, creation of pledge, and other dispositions) in accordance with the share delivery rules prescribed by TOMY's Board of Directors (however, in case of retirement before the said period, the transfer restrictions will be lifted upon retirement).

(8) Exercise of voting rights

Voting rights pertaining to TOMY's shares held in the Trust will not be exercised uniformly based on the instructions from the trust administrator who is independent from TOMY and its officers. Such a method is intended to ensure neutrality in TOMY's management in regard to the exercise of voting rights on TOMY's shares held in the Trust.

(9) Handling of dividends

Dividends related to TOMY's shares held in the Trust will be received by the Trust and will be allocated to the acquisition costs of TOMY's shares, the trust fees pertaining to the Trust for the trustee, and other related expenses.

(10) Handling of TOMY's shares and monies at the time of termination of the Trust

Of the residual properties of the Trust at the termination of the Trust, all of TOMY's shares will be acquired free of charge by TOMY and cancelled by resolution of the Board of Directors.

Reference: Outline of trust agreement pertaining to the Trust

Trustor	TOMY
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trustee: Custody Bank of Japan, Ltd.)
Beneficiary	TOMY's directors (excluding non-executive directors) (in addition, TOMY's subsidiaries may also become beneficiaries)
Trust administrator	Will select a third party independent from TOMY and its officers

Exercise of voting rights	No exercise of voting rights pertaining to shares held in the Trust throughout the trust period
Type of trusts	Money held in trust other than money trust (third party benefit trust)
Date of trust agreement	August 20, 2021
Trust period (after extension)	August 20, 2021 to August 31, 2027 (planned)
Date of additional monetary contribution to the Trust	August 2025 (planned)
Purpose of trust	To deliver TOMY's shares to beneficiaries in accordance with the share delivery rules