

(Translation)

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News Release

Company name: HAGIWARA ELECTRIC HOLDINGS CO., LTD.
Representative: President and Representative Director
Moritaka Kimura
(Securities code: 7467; TSE Prime Market, NSE Premier Market)
Inquiries: Senior Vice President Masayuki Hasegawa
(Tel: +81-52-931-3553)

Notice Concerning Revision of the Executive Remuneration System

HAGIWARA ELECTRIC HOLDINGS CO., LTD. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to revise the remuneration system for Directors (excluding directors who are Audit & Supervisory Committee Members and outside Directors) and Executive Officers.

1. Purpose for the Revision of the Executive Remuneration System

The group of the Company is actively promoting the medium-term management plan “Make New Value 2026” with the aim of the medium- to long-term corporate value enhancement.

The purpose of the revision is to further enhance the motivation of Directors and Executive Officers to contribute to corporate value enhancement by setting basic remuneration levels based on the roles, and by strengthening the linkage with the medium-term management plan regarding the evaluation indicators related to performance-based remuneration.

2. Details of the Revision

- Raise the ratio of variable remuneration to total remuneration and the range of variation.
- Set the basic remuneration level in accordance with the importance of the role.
- Determine the evaluation indicators of performance-based remuneration by considering the achievement rate relative to the baseline for consolidated net sales, consolidated profit and consolidated ROE for each fiscal year, as well as the evaluation points of non-financial targets linked to business execution areas.
 - For the representative director, set non-financial indicators (engagement counts, etc.) linked to human capital management.

[Composition of the executive remuneration]

	Fiscal year 2024	From fiscal year 2025
1. Basic remuneration	<ul style="list-style-type: none"> Fixed monthly remuneration determined by position. 	<ul style="list-style-type: none"> Fixed monthly remuneration based on the roles and responsibilities. For directors, director's allowance and representative director's allowance in addition to the above.
2. Performance-based remuneration	<ul style="list-style-type: none"> Based on the performance of employee bonuses paid using ordinary profit as an indicator, and reflect individual evaluations. 	<ul style="list-style-type: none"> Achievement rate for the target of consolidated net sales. Achievement rate for the target of consolidated profit. Achievement rate for the target of consolidated ROE. Evaluation of non-financial indicators linked to business execution areas.
3. Restricted stock remuneration	<ul style="list-style-type: none"> Monetary remuneration of a certain percentage of basic remuneration (Directors only). 	No change

3. Operation period

Remuneration calculated based on the evaluation indicators for fiscal year 2025 will be reflected from the executive remuneration paid in fiscal year 2026.