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Listing Code: 5333  
Stock Exchange Listings: Tokyo and Nagoya  
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## Notice Regarding Introduction of Restricted Stock Compensation Plan

NGK INSULATORS, LTD. (hereinafter referred to as the "Company") hereby announces that it had reviewed its remuneration plan for directors and resolved to introduce a Restricted Stock Compensation Plan (hereinafter referred to as the "Plan") at the meeting of the Board of Directors held on April 28, 2022, and decided today to submit a proposal related to the Plan to the 156th Annual Shareholders' Meeting (hereinafter referred to as the "said Shareholders' Meeting") scheduled to be held on June 27, 2022.

### 1. Purpose of introduction of the Plan, etc.

#### (1) Purpose of introduction of the Plan

The purpose of the Plan is to further increase the sensitivity of the Company's directors excluding outside directors (hereinafter referred to as "eligible directors") to stock prices, to further share the benefits and risks associated with stock price fluctuations with shareholders, and to increase their motivation to increase the Company's corporate value over the medium to long term.

#### (2) Conditions for introduction of the Plan

Since the Plan will pay monetary claims to eligible directors as remuneration for the granting of restricted shares, the Plan is subject to the approval of shareholders at the said Shareholders' Meeting for the payment of such remuneration.

The amount of remuneration and so forth for the Company's directors was approved at the 141th Annual Shareholders' Meeting held on June 28, 2007 and at the 151th Annual Shareholders' Meeting held on June 29, 2017 to be 800 million yen or less per year (including 60 million yen or less for outside directors). In addition, at the 141th Annual Shareholders' Meeting and the 155th Annual Shareholders' Meeting held on June 28, 2021, the amount of remuneration and so forth associated with stock compensation-type stock options for the Company's eligible directors was approved to be 200 million yen or less per year, which is separate from the amount of the above-mentioned remuneration and so forth for directors. The Company plans to seek approval from shareholders at the said Shareholders' Meeting for newly introducing the Plan in place of the current stock compensation-type stock option plan and setting remuneration for the Company's eligible directors associated with the Plan separately from the amount of above-mentioned remuneration and so forth for directors.

If the Plan is approved, the above-mentioned stock compensation-type stock option plan will be abolished except for those already granted, and no new stock acquisition rights for the stock compensation-type stock options will be issued to eligible directors going forward.

For the introduction of the Plan, the Company has decided to submit a proposal to the said Shareholders' Meeting by resolution of the Board of Directors after having consulted with the Nomination and Compensation Advisory Committee.

### 2. Outline of the Plan

The total amount of monetary claims payable to eligible directors under the Plan shall be 200 million yen or less per year, and the total number of shares of common stock newly issued or disposed of by the Company shall be 50,000 shares or less per year. (However, in the case of a stock split of the Company's common stock [including gratis allotment of the Company's common stock] or a stock consolidation coming into force on or after the date of resolution at the said Shareholders' Meeting, or in the case of any other event

requiring adjustment to the total number of the Company's common stock issued or abolished as restricted shares, the total number shall be adjusted to a reasonable extent as necessary.) The specific payment timing and allocation to each eligible director shall be determined by the Board of Directors that takes place after consultation with the Nomination and Compensation Advisory Committee.

Eligible directors shall make a contribution in kind of all monetary claims provided by the Company based on the resolution of the Company's Board of Directors in accordance with the Plan for the issuance or disposal of the Company's common shares. The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors' resolution (or the closing price on the most recent trading day if there was no transaction on the above-mentioned day) to the extent that the amount is not particularly favorable to the eligible directors who will subscribe to the said common shares.

In addition, the issuance or disposal of the Company's common shares under the Plan (hereinafter referred to as the "said shares") shall be subject to the execution of a Restricted Stock Allotment Agreement between the Company and eligible directors, which includes the following: (1) transfer to a third party, creation of any security interest, or any other disposal associated with the said shares shall be prohibited for a certain period (hereinafter referred to as "transfer restriction period"); and (2) in the case of certain events, the Company shall acquire the said shares without consideration. During the transfer restriction period, the said shares shall be managed in a dedicated account opened by eligible directors at securities company to prevent transfer, creation of any security interest, or any other disposals associated with the said shares during the transfer restriction period.

(Reference)

Upon the conclusion of the 156th Annual Shareholders' Meeting, the Company will abolish the current stock compensation-type stock option plan and instead allocate restricted shares the same as the above-mentioned restricted shares to corporate officers who do not concurrently serve as directors of the Company (excluding corporate officers who are not temporary overseas residents).