

May 28, 2025

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Amendment to post-vesting performance-linked and fixed stock remuneration plans
(Proposal for resolution at annual general meeting of shareholders)

PHC Holdings Corporation (hereinafter referred to as the “Company”) announces that its Board of Directors today resolved to propose the agenda (hereinafter referred to as the “Agenda”) regarding the amendment to a performance-linked stock remuneration plan where shares are delivered after vesting (Performance Share Units) (hereinafter referred to as the “PSU Plan”) for Directors of the Company (excluding External Directors) and a stock remuneration plan where shares are delivered after vesting (Restricted Stock Units) (hereinafter referred to as the “RSU Plan”; the RSU Plan and the PSU Plan are collectively referred to as the “Plans”) for Independent External Directors of the Company at the 12th Annual General Meeting of Shareholders of the Company to be held this year (hereinafter referred to as the “General Meeting of Shareholders”).

1. Details of amendments to the Plans

(1) Status of resolution of the Plans

The Company introduced the Plans based on a resolution at the 11th Annual General Meeting of Shareholders held on June 26, 2024. Under the PSU Plan, the total number of common shares of the Company issued or disposed of to the Directors of the Company (excluding External Directors) and the total amount of monetary compensation claims to be granted shall be 66,000 shares or less per year and 165 million yen or less per year, respectively (however, up to 198,000 shares and up to 495 million yen for years of a certain period established by the Board of Directors may be paid in a lump sum). Under the RSU Plan, the total number of common shares of the Company issued or disposed of to the Independent External Directors and the total amount of monetary compensation claims to be granted shall be 22,000 shares or less per year and 53 million yen or less per year, respectively.

(2) Details and reasons for amendments

① PSU Plan

The Company will grant part of the remuneration, previously provided to the Directors of the Company (excluding External Directors) under the PSU Plan, now based on the RSU Plan. In addition, considering the possibility of continuously granting units annually under the PSU Plan, the impact of stock price fluctuations, the increase in the amount of monetary compensation claims to be granted to eligible Directors and the number of eligible Directors, with the aim of providing incentives to motivate the sustainable improvement of corporate value and promoting further value sharing between Directors and shareholders, the Company will amend the total number of common shares of the Company issued or disposed of and the total amount of monetary compensation claims granted under the PSU Plan to the eligible Directors. Specifically, for a certain period established by the Board of Directors (hereinafter referred to as the “Performance Period”; if the Agenda is approved as originally proposed at the General Meeting of Shareholders, the initial Performance Period is a three-year period from the fiscal year ending March 2026 to the fiscal year ending March 2028), the total number of common shares of the Company which may be issued or disposed of to the eligible Directors and the total amount of monetary compensation claims to be granted

shall be up to 229,000 shares per year and up to 573 million yen per year, respectively, if the remuneration equivalent to the total consideration for the execution of their duties is paid in a lump sum. Furthermore, if the Agenda is approved as originally proposed at the General Meeting of Shareholders, the Company plans to continually establish new Performance Periods on an annual basis and grant Performance Share Units to the eligible Directors accordingly.

② RSU Plan

The Company will grant part of the remuneration, previously provided to the Directors (excluding External Directors) of the Company under the PSU Plan, now based on the RSU Plan. Therefore, the Company will change the eligible Directors of the RSU Plan from all Independent External Directors to all (i) Independent External Directors and (ii) Directors excluding External Directors. Considering the possibility of continuously granting units annually to the eligible Directors under the RSU Plan, the fluctuations in the amount of monetary compensation claims due to changes in the exchange rate for the monetary compensation claims to be granted to the eligible Directors, and the impact of stock price fluctuations, with the aim of providing incentives to motivate the sustainable improvement of corporate value and promoting further value sharing between Directors and shareholders, the Company will amend the total number of common shares of the Company which may be issued or disposed of and the total amount of monetary compensation claims granted under the RSU Plan to the eligible Directors to 187,000 shares or less per year and 468 million yen or less per year, respectively (for External Directors: 72,000 shares or less per year and 180 million yen or less per year, respectively). However, the number of shares and the amount of monetary compensation claims above represent the maximum number of shares and the maximum amount to be delivered within a single fiscal year, in the case that units granted continuously every fiscal year to eligible Directors vest in the same fiscal year.

2. Outline of the amended Plans

(1) Contents of the Plans

① PSU Plan

The PSU Plan is a stock remuneration plan under which the Board of Directors establishes numerical targets for the Performance Period in advance, and the eligible Directors are provided with the number of common shares of the Company calculated in accordance with the degree of achievement of said numerical targets.

Accordingly, under the PSU Plan, the eligible Directors will be delivered common shares of the Company in accordance with the degree of achievement of numerical targets, and at the time of the amendment of the PSU Plan, whether or not such common shares will be delivered to the eligible Directors and the number of shares to be delivered have not been determined.

② RSU Plan

The RSU Plan is a stock remuneration plan under which the Company provides the eligible Directors in advance with the units in a number corresponding to the period stipulated by the Board of Directors (in principle, the number corresponding to three years), and the units vest each year on a pro-rata basis until the expiration of such period (in principle, the number calculated by one-third for every one year) subject to continuous service by such Directors. The Company then delivers common shares of the Company to such Directors in accordance with the vested units. Accordingly, under the RSU Plan, the eligible Directors will be delivered common shares of the Company subject to continuous service by such Directors, and at the time of the amendment of the RSU Plan, whether or not such shares will be delivered to the eligible Directors and the number of shares to be delivered has not been determined.

(2) Structure of the Plans

① PSU Plan

(i) The Company establishes the base amount applicable to each eligible Director according to the importance of its roles and other factors. The Board of Directors determines the number of units to be granted to each eligible Director

based on such amount and grants such units to each eligible Director.

(ii) The Company determines the number of common shares of the Company to be delivered to each eligible Director based on the number of granted units, in accordance with the percentage of achievement of numerical targets determined by the Board of Directors for the Performance Period (Note) and the length of service.

(Note) As for the evaluation method in the initial Performance Period, the Company compares (a) the growth rate of Total Shareholder Return at the end of March 2025 and the end of March 2028 of the Company and (b) the growth rate of Total Shareholder Return at the end of March 2025 and the end of March 2028 of companies of Tokyo Stock Price Index (TOPIX) and calculates the number of shares to be delivered within the range of 0% to 200% of the granted units. Specifically, the number of shares to be delivered will be calculated as 200% if (a) is equal to or greater than 125% of (b), 100% if (a) is equal to (b), and 0% if (a) is equal to or less than 75% of (b). The maximum number of shares to be delivered and the maximum amount of monetary compensation claims set forth in (4) below are based on the scenario where shares are delivered when (a) is equal to or greater than 125% of (b) (200% of the granted units).

(iii) In accordance with the number of common shares of the Company to be delivered to each of the eligible Director as determined in (ii) above, by means of either (a) issuing or disposing of common shares of the Company without any payment of money or contribution in kind or (b) the Company granting the eligible Directors a claim for monetary compensation to be provided for contribution in kind and each eligible Director contributes the monetary compensation, the Company allots common shares of the Company to each eligible Director.

In the case of the method described in (a) above, when the common shares are issued or disposed of by the Company, payment of money is not required. However, the Director's remuneration will be calculated by multiplying the number of shares issued or disposed of by the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day prior to the resolution date of the Board of Directors pertaining to the issuance or disposition of common shares of the Company (in the event that the transaction is not closed on the same day, the closing price on the immediately preceding trading day; hereinafter referred to as the "Closing Price on the day prior to the Resolution Date"). In the case of the method described in (b) above, the amount of the monetary compensation claim to be granted to the eligible Directors shall be calculated by multiplying the number of shares determined and delivered by the Closing Price on the day prior to the Resolution Date.

② RSU Plan

(i) The Company establishes the base amount applicable to each eligible Director according to the importance of its roles and other factors. The Board of Directors determines the number of units to be granted to each eligible Director based on such amount and grants such units to each eligible Director.

(ii) In principle, the number of units granted (for three years) shall be vested by one-third each year, subject to the continuous service of the eligible Directors. The Company decides to deliver common shares of the Company (one share per unit) in proportion to the number of vested units.

(iii) In accordance with the number of common shares of the Company to be delivered to each of the eligible Director as determined in (ii) above, by means of either (a) issuing or disposing of common shares of the Company without any payment of money or contribution in kind or (b) the Company granting the eligible Directors a claim for monetary compensation to be provided for contribution in kind and each eligible Director contributes the monetary compensation, the Company allots common shares of the Company to each eligible Director.

In the case of the method described in (a) above, when the common shares are issued or disposed of by the Company, payment of money is not required. However, the Director's remuneration will be calculated by multiplying the number of shares issued or disposed of by the Closing Price on the day prior to the Resolution Date. In the case of the method described in (b) above, the amount of the monetary compensation claim to be granted to the eligible Directors shall be calculated by multiplying the number of shares determined and delivered by the Closing Price on the day prior to the Resolution Date.

(3) Eligible Directors

① PSU Plan

Directors other than External Directors. Currently, the number of Directors (excluding External Directors) is two, but if the agenda regarding the election of directors is approved as originally proposed at the General Meeting of Shareholders, the number of eligible Directors will be three.

② RSU Plan

All (i) Independent External Directors and (ii) Directors excluding External Directors. Currently, the number of Independent External Directors is three, however, if the agenda regarding the election of directors is approved as originally proposed at the General Meeting of Shareholders, the number of eligible Directors will be six (including three External Directors).

(4) The maximum number of shares to be delivered and the maximum amount of monetary compensation claims

For the PSU Plan, the total number of common shares of the Company issued or disposed of to the eligible Directors under the PSU Plan and the total amount of monetary compensation claims to be granted shall be 229,000 shares or less per year and 573 million yen or less per year, respectively. However, the number of shares and the amount of monetary compensation claims are assumed to be paid in a lump sum to the eligible Directors as consideration for the execution of their duties over the Performance Period.

For the RSU Plan, the total number of common shares of the Company issued or disposed of to the eligible Directors under the RSU Plan and the total amount of monetary compensation claims to be granted shall be 187,000 shares or less per year and 468 million yen or less per year, respectively (for External Directors: 72,000 shares or less per year and 180 million yen or less per year, respectively). However, the number of shares and the amount of monetary compensation claims represent the maximum number of shares and the maximum amount to be delivered within a single fiscal year, in the case that units granted continuously every fiscal year to eligible Directors vest in the same fiscal year.

As for the number of shares above, after the date of the resolution of the Agenda, in the event of a share split of common shares of the Company (including the gratuitous allotment of shares of common shares of the Company) or a share consolidation, or in the event of any other similar event that an adjustment is required to the total number of shares of common shares of the Company to be allotted, the maximum number of shares of common shares of the Company to be delivered to the eligible Directors may be reasonably adjusted.

(5) Handling upon early retirement

The vesting of the units shall, in principle, be subject to the condition that the eligible Directors are Directors, Corporate Officers, Employees, etc. of the Company or the Company's subsidiary at the time of the vesting of the units. However, even in the case where the eligible Directors have lost their position prior to the vesting of the units, in the event they lost their position due to a reason predetermined by the Board of Directors, a reasonably adjusted number of shares may be delivered or, in lieu of such delivery, an amount of cash reasonably calculated by the Board of Directors as equivalent to such shares may be delivered (provided, however, that the annual amount of such cash shall not exceed 573 million yen together with the total amount of common shares issued or disposed of under the PSU Plan, and 468 million yen together with the total amount of common shares issued or disposed of under the RSU Plan (for External Directors: 180 million yen or less per year)), as necessary, at a time reasonably set by the Board of Directors.

(6) Extinguishment of units, Etc.

In the event that an eligible Director is liable for any misconduct stipulated by the Board of Directors or falls under any of the circumstances stipulated by the Board of Directors, such Director shall lose all or part of the unvested units. Further, if it is later found that any such circumstance or any conduct that caused any such circumstance had existed prior to the vesting of the vested units and the Board of Directors deems necessary, the eligible Director shall return all or part of the common shares of the Company delivered upon the vesting of such units or the cash equivalent to the

value of such shares, in each case, without any compensation.

(7) Handling of units upon reorganization

If a proposal relating to a merger agreement under which the Company is to be dissolved, a share exchange agreement or a share transfer plan under which the Company is to become a wholly-owned subsidiary, or any other organizational restructuring has been approved at a general meeting of shareholders (or, if such organizational restructuring does not require approval at a general meeting of shareholders, at a meeting of the Board of Directors) prior to the delivery of common shares of the Company under the Plans, the Company shall be entitled to deliver the number of shares reasonably adjusted at a time set by the Board of Directors, or in lieu of such delivery, to pay the amount of cash reasonably calculated by the Board of Directors as equivalent to the such shares (provided, however, that the annual amount of such cash shall not exceed 573 million yen together with the total amount of common shares issued or disposed of under the PSU Plan, and 468 million yen together with the total amount of common shares issued or disposed of under the RSU Plan (for External Directors: 180 million yen or less per year)).