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June 13, 2025

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Listing:	Prime Market, Tokyo Stock Exchange
Stock code:	3088
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Announcement on the Extension of the Share-Based (ESOP) Trust

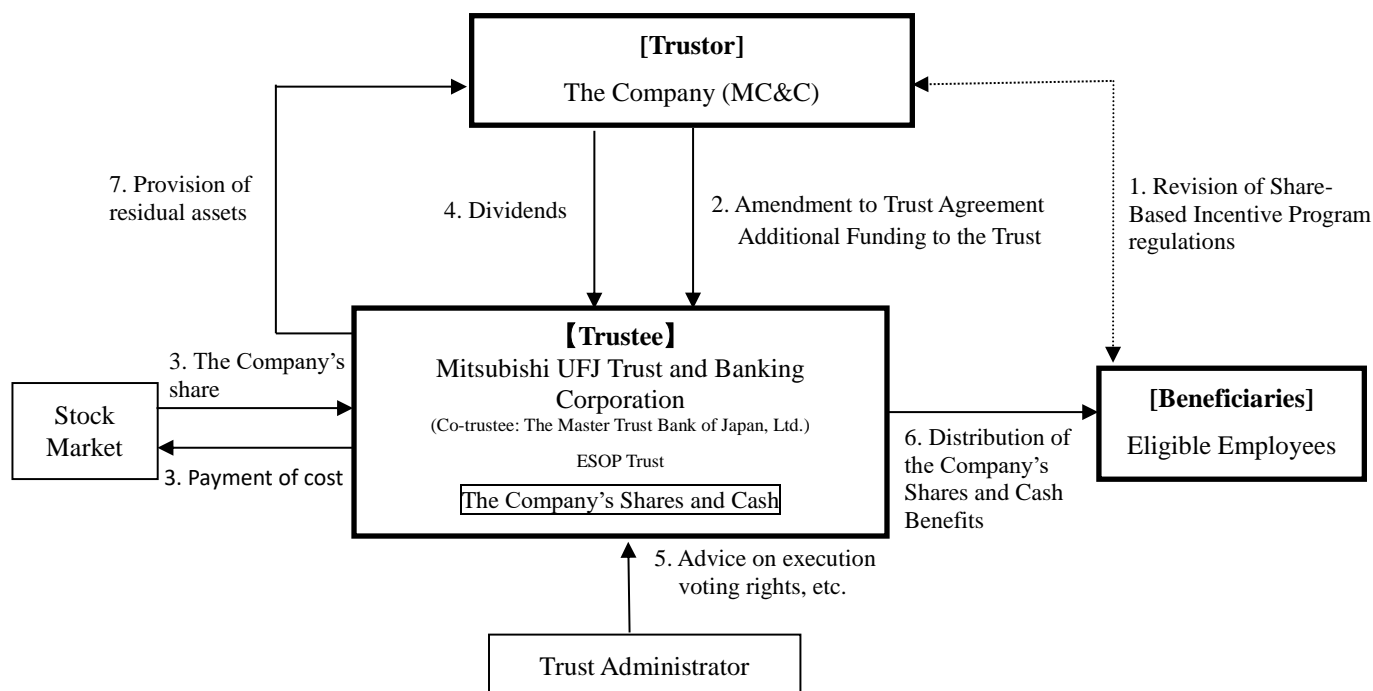
MatsukiyoCocokara & Co. is pleased to announce that, at its Board of Directors meeting held on June 13, 2025, the Company resolved to continue the share-based incentive program (hereinafter referred to as “the Program”) originally introduced in 2016 for employees of the Company and its group companies (hereinafter collectively referred to as “employees”). Further details are provided below.

Details

1. Overview of the Program

- (1) MatsukiyoCocokara & Co. has resolved to continue the share-based incentive program introduced in FY2016 for employees of the Company and its group companies who meet certain eligibility requirements. The Program is intended to strengthen employees’ motivation to contribute to the Company’s medium- to long-term business performance and the enhancement of corporate value.
- (2) The Program adopts a structure known as the “Share-Based ESOP (Employee Stock Ownership Plan) Trust” (hereinafter referred to as “ESOP Trust”). This incentive plan designed for employees, is modeled on the ESOP system in the United States. Under the Program, shares of the Company acquired by the ESOP Trust, as well as monetary equivalents from the sale of such shares, are in principle, granted to eligible employees upon retirement, based on factors such as their position and the Company’s performance.
- (3) Through the Program, employees can benefit financially from increases in the Company’s share price. This is expected to encourage alignment between employee actions and shareholder value, while further enhancing their motivation to contribute.

2. Structure of the ESOP Trust System



1. The Company shall revise the Share-Based Incentive Program regulations in conjunction with the continuation of the Program.
2. Based on a mutual agreement to amend the trust agreement, the Company shall extend the period of the existing ESOP Trust (hereinafter referred to as “the Trust”) and make an additional monetary contribution to fund the Trust.
3. Acting under the direction of the trustee, the Trust shall use the funds contributed under item 2 to purchase shares of the Company on the stock market within a specified acquisition period.
4. Dividends on the Company shares held within the Trust shall be distributed in the same manner as for other Company shares and shall be allocated to cover expenses necessary for the operation of the Program.
5. Throughout the duration of the Trust, the trustee shall provide instructions on the exercise of shareholder rights, including voting rights. The Trust shall act in accordance with these instructions in its capacity as a shareholder.
6. During the trust period, employees will be granted a certain number of points based on factors such as their position and the Company's performance. Upon retirement, employees who meet the designated eligibility requirement will receive Company shares equivalent to a fixed proportion of their accumulated points. The remaining points will be converted into the corresponding number of shares, which will then be sold within the Trust in accordance with the trust agreement, and the resulting cash equivalent will be paid to the employee at the time of retirement.
7. Upon liquidation of the Trust, any remaining assets, after distributions to beneficiaries, shall revert to the Company within the scope of the trust expense reserve, defined as the portion of trust funds remaining after deducting the amount used for share acquisition.

(Note) Should the number of shares held in the Trust fall short due to reasons such as an increase in the number of eligible employees, the Company may allocate additional funds to the Trust to acquire further Company shares as needed.

[Reference] Outline of the Trust Agreement

① Type of Trust	Cash trust other than individually-operated cash trust (third-party benefit trust)
② Purpose of the Trust	To provide incentives to employees
③ Trustor	The Company (MatsukiyoCocokara & Co.)
④ Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
⑤ Beneficiaries	Employees who meet the eligible designated beneficiary requirements
⑥ Trust Administrator	An independent professional (Certified Public Accountant) with no conflict of interest with the Company
⑦ Date of Trust Agreement	August 22, 2016 (Amendment scheduled for June 18, 2025)
⑧ Trust Period	August 22, 2016 – August 31, 2025 (Scheduled to be extended until August 31, 2028, with the amended agreement dated June 18, 2025)
⑨ Exercise of Voting Rights	The trustee will exercise voting rights for the Company shares in accordance with instructions from the trust administrator, which reflect the voting preferences of the prospective beneficiaries.
⑩ Additional Contribution Amount	800 million yen (planned)
⑪ Timing of Share Acquisition	June 20, 2025 – July 11, 2025 (planned) *Excluding the five business days prior to the end of a fiscal period (including quarter-ends) through the fiscal period end date
⑫ Methods of Share Acquisition	To be acquired from the stock market
⑬ Residual Asset Holder	The Company (MatsukiyoCocokara & Co.)
⑭ Residual Assets	The Company, as the residual asset holder, shall be entitled to receive residual assets within the limit of trust expense reserve, defined as the portion of trust funds remaining after deducting the amount used for share acquisition.