

*August 18, 2025*

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## **Notice Regarding Introduction of a Restricted Stock Compensation Plan Linked to the Achievement of ESG-Related Numerical Targets**

At the Board of Directors meeting held on August 18, 2025, the Company resolved to revise the compensation system for directors and to newly introduce a restricted stock compensation plan (hereinafter, the “Plan”) linked to the level of achievement of ESG-related numerical targets.

The Company also resolved to submit a proposal related to this Plan to the 56th Annual General Meeting of Shareholders (hereinafter, the “AGM”) scheduled to be held on September 26, 2025. Details are as follows.

### **1. Purpose and Conditions for the Introduction of the Plan**

#### **(1) Purpose of Introduction**

This Plan is designed to provide directors of the Company (excluding Outside Directors; hereinafter referred to as the “Eligible Directors”), including those to be appointed in the future, with incentives to achieve numerical targets related to ESG as set by the Company, and to further promote value sharing with our shareholders.

#### **(2) Conditions for Introduction**

Under this Plan, monetary claims for the purpose of granting restricted shares will be provided to Eligible Directors as compensation. Therefore, the introduction of the Plan is subject to the approval of shareholders at the AGM for the granting of such compensation.

The maximum amount of remuneration for the Company’s directors is currently as follows:

- (i) For monetary compensation — up to 300 million yen per year (of which remuneration for Outside Directors is limited to 50 million yen per year, as approved at the 52nd AGM held on September 28, 2021) as approved at the 44th AGM held on September 25, 2013; and
- (ii) For restricted stock compensation (non-monetary) to directors of the Company (excluding Outside Directors) — up to 90 million yen per year, separate from the monetary compensation in (i) above, with the total number of shares of the Company’s common stock to be issued or disposed of under this system limited to 15,000 shares per year, as approved at the 51st AGM held on September 24, 2020. At the upcoming AGM, the Company plans to newly introduce this Plan and seek shareholder approval to establish a separate remuneration limit for Eligible Directors under the Plan, independent of the existing remuneration limits in (i) and (ii) above for current directors.

### **2. Outline of the Plan**

Eligible Directors will pay all of the monetary compensation provided by the Company based on this system as properties contributed in kind, and common shares of the Company will be issued or disposed of.

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Under this Plan, the total annual amount of compensation to be granted to Eligible Directors for the purpose of allotting restricted shares will be set at a maximum of 15 million yen, separate from the remuneration limits in (i) and (ii) above. The total number of shares of the Company's common stock to be issued or disposed of under this Plan will be limited to 5,000 shares per year (provided, however, that if circumstances arise requiring an adjustment in the number of shares, such as a stock split or reverse stock split of the Company's common stock, the number of shares to be issued or disposed of may be reasonably adjusted).

To ensure the sharing of shareholder value over the medium to long term, the restricted transfer period will be a period determined by the Board of Directors within three years from the date of allotment of the restricted shares. Furthermore, to provide Eligible Directors with incentives to achieve numerical ESG targets, the number of shares for which transfer restrictions will be lifted will be determined based on the level of achievement of the ESG numerical targets set by the Company at the end of the restricted transfer period. The exact date of payment and allocation to each eligible director will be determined at a meeting of the board of directors.

In addition, the paid-in amount per common share of the Company to be issued or disposed of in accordance with this Plan will be determined by the board of directors within a range that is not advantageous to eligible directors, with reference to the closing price of common shares of the Company at Tokyo Stock Exchange on the business day before the date of meeting of the board of directors (if shares are not traded on that date, the closing price on the preceding trading day).

When issuing or disposing of common shares of the Company in accordance with this system, the Company and Eligible Directors will sign a contract for allocation of shares with restriction on transfer (hereinafter referred to as "the Allocation Contract"), which includes the following provisions\*:

- ① Eligible directors will not transfer or pledge common shares of the Company allocated to them in accordance with the Allocation Contract or dispose of said shares for a predetermined period.
- ② If there is a reasonable reason, the Company will acquire said common shares free of charge.
- ③ The Company will lift the transfer restrictions on the restricted shares on the condition that the Eligible Directors remain in office as Directors of the Company or in other positions as determined by the Board of Directors during the restricted transfer period, and that they achieve the numerical ESG-related numerical targets predetermined by the Company.

\* Subject to the approval of the introduction of this Plan at the AGM, the Company plans to grant restricted shares under the Plan in October 2025. For this grant, the restricted transfer period will run from the date of allotment until the conclusion of the Annual General Meeting of Shareholders scheduled to be held in September 2028. The number of shares for which the transfer restrictions will be lifted will be determined based on the level of achievement at the end of the restricted transfer period with respect to the Company's numerical targets for employee turnover rate and the ratio of female managers.

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3. Application to Executive Officers

Subject to shareholder approval of the introduction of this Plan at the AGM, the Company also plans to grant restricted shares under the same terms of this Plan to its Executive Officers.