August 21, 2026

Notice Regarding the Introduction of a Performance-Linked Restricted Stock Compensation Plan

The Monogatari Corporation (the "Company") hereby announces that its Board of Directors resolved at a meeting held on August 21, 2026 to revise its compensation plan for Directors and introduce a new performance-linked restricted stock compensation plan (the "Plan"), and to submit a proposal regarding the Plan to the 57th Ordinary General Meeting of Shareholders scheduled to be held on September 25, 2026 (the "General Meeting of Shareholders").

1. Purpose and Conditions for Introducing the Plan

(1) Purpose of introducing the Plan

The Plan is being introduced for the purpose of allocating performance-linked restricted stock to the Company's Directors (excluding Outside Directors; hereinafter the "Eligible Directors") in order to provide them with an incentive to achieve performance targets set by the Company, to further boost shared value with shareholders, and to retain outstanding talent.

(2) Conditions for introducing the Plan

Given that, under the Plan, monetary compensation claims will be provided to the Eligible Directors as compensation for the purpose of granting performance-linked restricted stock, the introduction of the Plan is subject to the approval of shareholders at the General Meeting of Shareholders regarding the payment of such compensation.

The maximum compensation limits for the Company's Directors are (i) Up to 300 million yen per year for monetary compensation as approved at the 44th Ordinary General Meeting of Shareholders held on September 25, 2013 (of which up to 50 million yen is for Outside Directors as approved at the 52nd Ordinary General Meeting of Shareholders held on September 28, 2021) (ii) Up to 90 million yen per year for restricted stock compensation (non-monetary compensation) for the Company's Directors (excluding Outside Directors), separate from the monetary compensation in (i) above, with the total number of common shares issued or disposed of under this plan limited to 15,000 shares per year, as approved at the 51st Ordinary General Meeting of Shareholders held on September 24, 2020; and (iii) Up to 15 million yen per year for restricted stock compensation (non-monetary compensation) for the Company's Directors (excluding Outside Directors) linked to the achievement of ESG-related numerical targets, separate from (i) and (ii) above, with the total number of common shares issued or disposed of under this plan limited to 5,000 shares per year as approved at the 56th Ordinary General Meeting of Shareholders held on September 26, 2025. At the General Meeting of Shareholders, we plan to newly introduce the Plan and set a compensation framework for the Eligible Directors under the Plan, separate from the current compensation frameworks for Directors outlined in (i) through (iii) above, subject to the approval of our shareholders.

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2. Overview of the Plan

The Eligible Directors will pay in all of the monetary compensation claims provided by the Company under the Plan as property contributed in kind, and will receive the issuance or disposal of the Company's common shares.

Under the Plan, the total amount of compensation to be paid to the Eligible Directors for allocating restricted stock shall be separate from the compensation limits in (i) through (iii) above, and shall not exceed 1,000 million yen per year. The total number of the Company's common shares to be issued or disposed of under the Plan shall not exceed 160,000 shares per year (however, if a stock split of the Company's common shares (including a gratis allocation of the Company's common shares) or a reverse stock split takes place on or after the date of approval of this proposal, or if any other event occurs that requires an adjustment to the total number of the Company's common shares to be issued or disposed of as restricted stock, the total number shall be adjusted within a reasonable range).

The specific timing and allocation of payments to each Eligible Director will be determined by the Board of Directors following deliberations based on a report by the Nomination and Compensation Committee. The paid-in amount per share of the Company's common shares to be issued or disposed of under the Plan 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 the resolution of the Board of Directors (or the closing price on the most recent trading day if no trading takes place on that day), within a range that does not provide a particular advantage to the Eligible Directors.

In addition, for the issuance or disposal of the Company's common shares under the Plan, the Company and the Eligible Directors shall enter into a restricted stock allocation agreement (the "Allocation Agreement") which includes the following provisions (*).

(1) The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Company's common shares allocated under the Allocation Agreement (the "Allocated Shares") during a period determined in advance by the Company's Board of Directors (the "Transfer Restriction Period") (the "Transfer Restriction").

(2) If an Eligible Director resigns from the position of Director of the Company or any other position determined in advance by the Company's Board of Directors prior to the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allocated Shares without compensation, unless there is a justifiable reason for such resignation, such as the expiration of the term of office.

(3) The Company shall lift the transfer restrictions on all of the Allocated Shares upon the expiration of the Transfer Restriction Period, based on the condition that the Eligible Director has continuously held the position of Director of the Company or any other position determined in advance by the Company's Board of Directors during the Transfer Restriction Period, and has achieved the numerical performance targets predetermined by the Company. However, if the Eligible Director resigns from the position specified in (2) above prior to the expiration of the Transfer Restriction Period due to the expiration of the term of office or any other justifiable reason as specified in (2) above, a provision may be made to reasonably adjust the number of Allocated Shares for which the transfer restrictions are to be lifted and the timing of lifting the transfer restrictions, as necessary. Furthermore, the Company shall automatically acquire without compensation the Allocated Shares on which the transfer restrictions have not been lifted immediately after the transfer restrictions are lifted in accordance with the above provisions.

(4) Notwithstanding the provisions in (1) above, if a merger agreement under which the Company becomes a dissolving company, a share exchange agreement or share transfer plan under which

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the Company becomes a wholly-owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or by the Company's Board of Directors if approval at a General Meeting of Shareholders is not required for such organizational restructuring, etc.) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors, lift the Transfer Restriction prior to the effective date of such organizational restructuring, etc. with respect to a number of Allocated Shares reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc. Furthermore, in the cases specified above, the Company shall automatically acquire without compensation the Allocated Shares for which the Transfer Restriction has not been lifted immediately after the Transfer Restriction is lifted.

(5) Other matters regarding the Allocation Agreement shall be determined by the Company's Board of Directors.

* The Company is planning to allocate restricted stock under the Plan in October 2026, subject to the approval of the introduction of the Plan at the General Meeting of Shareholders. For this allocation, the Transfer Restriction Period will be from the allocation date to September 30, 2030, and the transfer restrictions will be lifted if the performance targets for consolidated net sales for the fiscal years ending June 30, 2028 through June 30, 2030 are achieved.

3. Application to Executive Officers of the Company

The Company is also planning to allocate restricted stock similar to that under the Plan to its Executive Officers, subject to the approval of the introduction of the Plan at the General Meeting of Shareholders. For Executive Officers of the Company who are non-residents, the Company is also planning to allocate monetary compensation (phantom stock) under conditions equivalent or similar to the restricted stock compensation under the Plan.