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Notice Regarding the Introduction of a Stock-Based Compensation Plan for Directors

At the Board of Directors meeting held on November 21, 2025, the Company resolved to introduce a stock-based compensation plan (hereinafter referred to as the "Plan") for directors (excluding audit & supervisory committee member, outside directors and non-residents of Japan; the same applies hereinafter) in the form of Company shares.

Accordingly, the Company will submit a proposal regarding the introduction of the Plan to the 35th Ordinary General Meeting of Shareholders scheduled to be held on December 18, 2025 (hereinafter referred to as "the General Meeting of Shareholders"), as outlined below.

(Details)

1. Introduction of the Plan

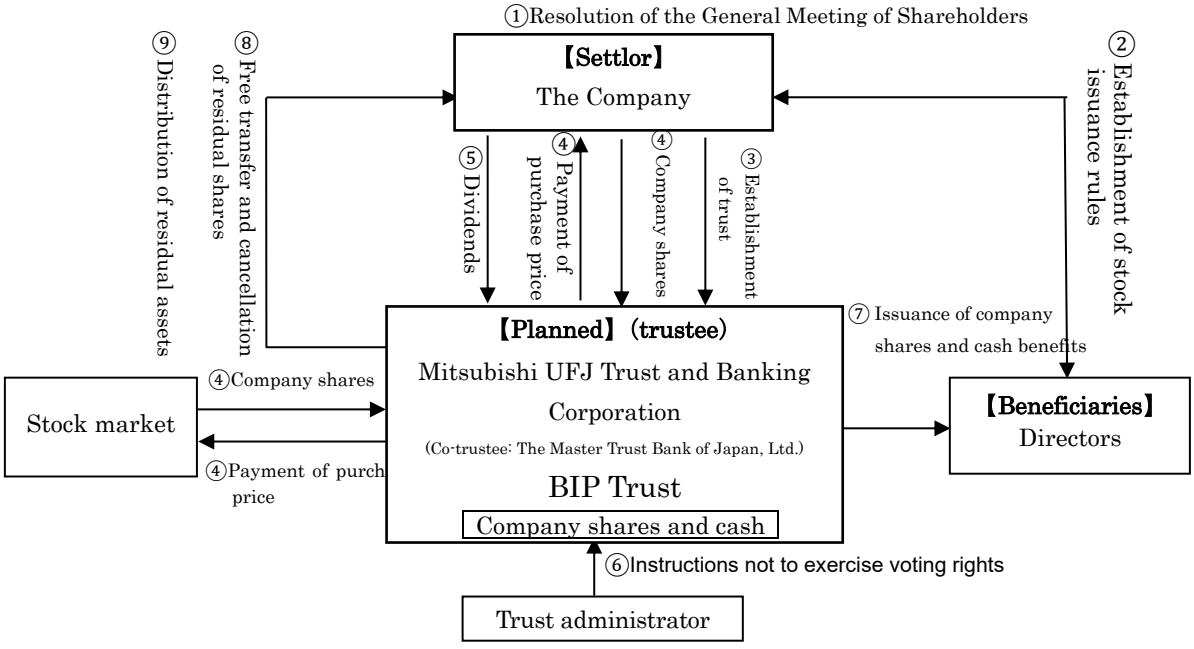
(1) The Company is introducing the Plan to clarify the link between director compensation and stock value, and to increase directors' motivation to improve medium to long-term performance by sharing the rewards and risks of stock price fluctuations with shareholders.

(2) The introduction of the Plan is subject to approval of the proposal regarding the introduction of the Plan at the General Meeting of Shareholders.

(3) The Plan employs a mechanism known as the Executive Compensation Board Incentive Plan (BIP) Trust (the "BIP Trust"). This is a plan under which Company shares and cash equivalent to the disposal value of the Company shares (the "Company Shares, etc.") are issued or paid (hereinafter referred to as "Issued, etc.") to Directors in accordance with their position and responsibilities.

(4) To ensure fairness and transparency in procedures related to executive compensation, the Company has established a Compensation Committee, a majority of whose members are Outside Directors, as an advisory body to the Board of Directors. The introduction of the Plan has undergone deliberation by the Compensation Committee.

2. Structure of the Plan



① At the General Meeting of Shareholders, the Company will obtain approval for the introduction of the Plan with respect to executive compensation.
② The Company's Board of Directors will establish stock issuance rules related to the details of the Plan.
③ Within the scope approved at the General Meeting of Shareholders in (1), the Company will contribute funds to serve as the source of compensation for Directors, and will establish a BIP Trust designating as beneficiaries those Directors who meet the beneficiary requirements.
④ In accordance with the instructions of the trust administrator, the BIP Trust will acquire Company shares from the stock market or from the Company (disposal of treasury stock) using the funds contributed in (3). The number of shares acquired by the BIP Trust for Issuance, etc. to Directors will be within the range approved at the General Meeting of Shareholders in (1).
⑤ Dividends on Company shares held in the BIP Trust will be paid in the same way as for other Company shares.
⑥ Voting rights will not be exercised for Company shares held in the BIP Trust throughout the trust period.
⑦ During the trust period, directors will be granted a certain number of points each year according to their position and responsibilities in each fiscal year, and these points accumulate over time. Directors who meet certain beneficiary requirements will be issued Company shares equivalent to a certain percentage of the granted points upon their retirement, and Company shares equivalent to the remaining points will be converted into cash within the BIP Trust in accordance with the provisions of the trust agreement, and they will receive money equivalent to the disposal value.
⑧ If any residual shares arise at the expiration of the trust period, the BIP Trust will either be continued as the Plan or a similar incentive plan by amending the trust agreement and making additional contributions, or the BIP Trust will transfer the residual shares to the Company free of charge and cancel them by resolution of the Board of Directors.
⑨ Any residual assets remaining after distribution to beneficiaries at the end of the BIP Trust will belong to the Company within the total amount of the trust expense reserve (i.e., the balance of trust funds after deducting share acquisition costs, hereinafter referred to as "Trust Reserve Funds") Any portion exceeding the Trust Reserve Funds will be donated to organizations with no conflict of interest with the Company and its directors.

(Note) The Company may make additional monetary contributions to the BIP Trust within the scope approved at this General Meeting of Shareholders as funds for the acquisition of the Company's shares to be issued to Directors.

3. Detail of the Plan

(1) Overview of the Plan

The Plan is a share-based compensation scheme under which the Company contributes money equivalent to the amount of compensation for Directors, and a trust acquires shares of the Company using this money as funds. Then, through said trust the Company delivers or pays to Directors, depending on the position held and other factors, the shares of the Company and an amount of money equivalent to the converted value of such shares of the Company.

(2) Trust period

The initial trust period shall be for approximately five years from February 2026 (planned) to February 2031 (planned). However, the trust period may be extended as described in (3) below upon expiration of the trust period.

(3) Trust Amount and Method of Acquisition of the Company's Shares by the BIP Trust

The period covered by the Plan shall be five consecutive fiscal years (hereinafter, the "Subject Period"). The initial Subject Period shall be from the fiscal year ending September 30, 2026 to the fiscal year ending September 30, 2030.

After setting the maximum amount of the trust money to be contributed by the Company over the Subject Period at 900 million yen, the Company will contribute said trust money and establish a trust with the Directors as its beneficiaries and a trust period of five years (hereinafter, the "Trust"). The Trust will, in accordance with the instructions of the trust administrator, use the trust money as funds to acquire shares of the Company from the stock market or from the Company (disposal of treasury stock). During the Subject Period, the Company will grant points (as described in (4) below) to Directors. Upon resigning as Director, the Company will deliver, etc. through the Trust, the Company's Shares, etc. equivalent to the number of such points granted.

Upon expiration of the trust period, the Company may continue the Trust by making amendments to the trust agreement and making additional contributions to the Trust. In such case, the trust period shall be extended for five years. The Company will designate the five fiscal years corresponding to the extended period as the new Subject Period, and for each Subject Period, will make additional contributions within the maximum amount of trust money which was approved by resolution of this General Meeting of Shareholders, and will continue to grant points and deliver, etc. the Company's Shares, etc. to Directors during the extended trust period. However, in making such additional contributions, if there are any shares of the Company (excluding the shares of the Company equivalent to the points granted to Directors that are yet to be delivered, etc.) and money remaining in the trust assets (hereinafter, "Residual Shares, etc.") at the last day of the trust period prior to extension, the sum of the amount of Residual Shares, etc. and the additional trust money to be contributed by the Company shall be within the amount approved by resolution of this General Meeting of Shareholders. The trust period may be extended more than once, and may subsequently be re-extended in the same manner.

Furthermore, if the Company does not amend the trust agreement and make additional contributions to the Trust upon expiration of the trust period (or, if the trust period has been extended as described above, upon expiration of the extended trust period), the Company will not newly grant points to Directors thereafter. However, the Company may extend the trust period of the Trust for a certain duration until the delivery, etc. of the Company's Shares, etc. to Directors who may meet the beneficiary requirements is completed.

(4) Company's Shares, etc. to be delivered, etc. to Directors

The number of the Company's Shares, etc. to be delivered, etc. to Directors shall be determined based on the points granted according to the position held and other factors during a certain period each year, and the Company's Shares, etc. will be delivered, etc. upon resigning as Director based on the accumulated point value (hereinafter, "Number of Accumulated Points").

Each point shall be exchanged for one share of the Company's common stock. In the event the shares of the Company undergo a share split or share consolidation, or similar events during the trust period, the number of shares of the Company for each point and the maximum number of Company's Shares, etc. to be delivered, etc. by the Trust will be adjusted according to the share split ratio, share consolidation ratio, etc.

The maximum number of points for each Subject Period to be granted to Directors during the trust period of the Trust shall be 865,000 points. The maximum number of the Company's Shares, etc. that Directors are entitled for delivery, etc. from the Trust during the trust period (hereinafter, the "Maximum Number of Shares for Delivery") shall be 865,000 shares, which is equivalent to said maximum number of points.

The Company believes that the Maximum Number of Shares for Delivery is appropriate in light of the maximum trust money described in (3) above, and the current compensation levels for Directors of the Company, the trends and future outlook for the number of Directors, and the Company's stock price levels, etc. which are established with reference to historical prices and trends of the Company's shares.

(5) Timing of delivery, etc. of the Company's Shares, etc. to Directors

Directors who meet the beneficiary requirements shall receive from the Trust upon resigning as Director, the delivery, etc. of the Company's Shares, etc. in the number equivalent to the Number of Accumulated Points calculated in accordance with (4). At such time, such Director, subject to completing the predetermined beneficiary determination procedure, will receive the delivery, etc. of shares of the Company equivalent to a certain proportion of the Number of Accumulated Points (where shares less than one unit shall be rounded up). The shares of the Company equivalent to the remaining points shall be converted into cash in the Trust, and said Director will receive the monetary equivalent.

If a Director dies, all of the shares of the Company equivalent to the Number of Accumulated Points, to be calculated at the time of his/her death, will be converted into cash in the Trust, and the heir of said Director will receive the monetary equivalent from the Trust. If a Director becomes a non-resident, all of the shares of the Company equivalent to the Number of Accumulated Points up to that point in time will be converted into cash in the Trust, and the Director will receive the monetary equivalent from the Trust.

(6) Voting rights associated with the shares of the Company held in the Trust

To ensure neutrality of corporate management, the voting rights associated with the shares of the Company held in the Trust shall not be exercised during the trust period.

(7) Handling of dividends of the shares of the Company held in the Trust

Dividends paid for shares of the Company held in the Trust will be received by the Trust and allocated to the trust fees and trust expenses of the Trust.

(8) Handling of Residual Shares and Dividends upon Expiration of the Trust Period

If residual shares arise at the expiration of the trust period, they will be subject to distribution to directors if the BIP Trust continues as the Plan or a similar incentive plan. If the BIP Trust is terminated upon expiration of the trust period, the BIP Trust will transfer the residual shares to the Company free of charge, and the Company will cancel them by resolution of the Board of Directors.

Furthermore, any residual dividends on the Company's shares held within the BIP Trust at the expiration of the trust period will be used as funds for the acquisition of shares if the BIP Trust continues to be used. However, if the BIP Trust is terminated upon expiration of the trust period, the portion of the trust money that exceeds the trust expense reserve (i.e., the balance of trust funds after deducting share acquisition costs) will be donated to organizations with no conflict of interest with the Company or its directors.