May 28, 2025

Company name: PHC HOLDINGS CORPORATION
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Securities code: 6523 (Tokyo Stock Exchange PRIME Market)
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Notice regarding issuance of new shares based on Performance Share Units (PSUs) and Restricted Stock Units (RSUs)

PHC Holdings Corporation (hereinafter referred to as the "Company") announces that its Board of Directors today resolved to issue new shares (hereinafter referred to as the "Issuance of New Shares"), as detailed below.

1. Outline of the issuance

(1) Payment date	June 16, 2025
(2) Class and number of shares to be issued	304,336 common shares of the Company
(3) Issue price	939 yen per share
(4) Total amount of issuance	285,771,504 yen
(5) Allottees, number of allottees and number of shares to be allotted	＜Allocation of shares based on PSUs＞ 265 shares will be allotted to 2 Employees of the Company and Employees of the Company's subsidiaries (Note 1). ＜Allocation of shares based on RSUs＞ 18,537 shares will be allotted to 3 Independent External Directors of the Company. 9,210 shares will be allotted to 5 Corporate Officers of the Company. 276,324 shares will be allotted to 664 Employees of the Company and Directors and Employees of the Company's subsidiaries (Note 1). (Note 1) Including 5 retirees.
(6) Others	Regarding the Issuance of New Shares, the offering in Japan (138,974 shares) is conditional upon the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act.

2. Purpose and background on the issuance

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 introduced a performance-linked stock remuneration plan for Directors (excluding External Directors), Corporate Officers and Employees of the Company and Directors and Employees of the Company's subsidiaries, under which shares are delivered after vesting (hereinafter referred to as the "PSU Plan").

In addition, in order to achieve global business development and growth in the future, and to secure talented personnel with diversity in terms of nationality and experience, the Company introduced a stock remuneration plan for Independent

External Directors, Corporate Officers and Employees of the Company and Directors and Employees of the Company's subsidiaries (hereinafter referred to as the "Eligible Persons," including those under the PSU plan), under which shares are delivered after vesting (hereinafter referred to as the "RSU Plan"; the RSU Plan and the PSU Plan are collectively referred to as the "Plans"), which is widely adopted globally.
The Issuance of New Shares will be conducted pursuant to a resolution of the Board of Directors meeting held on May 28, 2025, following the vesting of certain Performance Share Units (hereinafter referred to as the "PSUs") and Restricted Stock Units (hereinafter referred to as the "RSUs"; the RSUs and the PSUs are collectively referred to as the "Units) on March 31, 2025, which were granted to the Eligible Persons under the Plans.

3. Outline of the Plans

＜PSU Plan＞

The PSU Plan is a stock remuneration plan under which the Board of Directors establishes numerical targets for a certain period (hereinafter referred to as the "Performance Period"; the initial Performance Period is a three-year period from the fiscal year ending March 2025 to the fiscal year ending March 2027) in advance, and the Eligible Persons are provided with the number of common shares of the Company calculated in accordance with the degree of achievement of said numerical targets.

＜RSU Plan＞

The RSU Plan is a stock remuneration plan under which the Company provides the Eligible Persons in advance with RSUs in a number corresponding to the period stipulated by the Board of Directors (in principle, the number corresponding to three years), and the RSUs 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 RSUs.

(1) Method and timing of delivery of shares of the Company

After the vesting, in accordance with the number of common shares of the Company to be delivered to each of the Eligible Person, by means of either (a) issuing or disposing of common shares of the Company without any payment of money or contribution in kind (this applies only when the Directors of the Company are Eligible Persons) or (b) the Company granting the Eligible Persons a claim for monetary compensation to be provided for contribution in kind and each Eligible Person contributes the monetary compensation, the Company allots common shares of the Company to each Eligible Person.

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 Eligible Person'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 Persons 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) Handling upon early retirement

The vesting of the Units shall, in principle, be subject to the condition that the Eligible Persons 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 Persons 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 with respect to the Directors of the Company,

excluding External Directors, under the PSU Plan, the annual amount of such cash shall not exceed 165 million yen together with the total amount of common shares issued or disposed of under the PSU Plan, and with respect to the Independent External Directors of the Company under the RSU Plan, 53 million yen together with the total amount of common shares issued or disposed of under the RSU Plan), as necessary, at a time reasonably set by the Board of Directors.

(3) Extinguishment of Units, etc.

In the event that an Eligible Person 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 Eligible Person 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 Person 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.

(4) 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 with respect to the Directors of the Company, excluding External Directors, under the PSU Plan, the annual amount of such cash shall not exceed 165 million yen together with the total amount of common shares issued or disposed of under the PSU Plan, and with respect to the Independent External Directors of the Company under the RSU Plan, 53 million yen together with the total amount of common shares issued or disposed of under the RSU Plan).

4. Details of calculation of the payment amount

The issue price for the Issuance of New Shares has been set at 939 yen, which is the closing price of the common shares of the Company on the Tokyo Stock Exchange Prime Market on May 27, 2025, to ensure that the price is free from arbitrariness. The issue price per share is the market share price on the business day immediately preceding the resolution date of the Board of Directors, and the Company considers it a reasonable price that is not particularly favorable to the Eligible Persons.