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To whom it may concern

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Notice Concerning Establishment of Share Benefit Regulations in Conjunction With the Adoption of a Stock Benefit Trust (J-ESOP) and Disposition of Treasury Shares via Third-Party Allotment

At a meeting held today, the Keikyu Corporation ("Company" or "Keikyu") Board of Directors approved a resolution to adopt an employee stock benefit trust (J-ESOP; "Plan," below, and "Trust," below, when referencing the trust established based on a trust agreement entered into with Mizuho Trust & Banking Co., Ltd.) for employees who meet certain conditions ("Eligible Employees") under share benefit regulations ("Regulations") as described below. The purpose of this employee stock benefit trust is to raise awareness of business performance and share price, to encourage employees to engage in business from the same perspective as directors and other executives, to enhance corporate value in a sustainable manner, and to improve long-term motivation and employee engagement.

In conjunction with the adoption of the Plan, the Company approved a resolution to dispose of treasury stock via third-party allocation ("Disposition of Treasury Stock") as described below.

Adoption of the Plan

1. Background

The Keikyu Group 20th Integrated Management Plan, which the Company began following in fiscal 2024, describes human capital management as a key to strengthening the management base, and the Company endeavors to enhance corporate value through investments in human capital. The Company began considering incentive plans from the viewpoint of rewarding employees who take on high-level challenges and deliver results toward achieving the performance targets of the medium-term management plan and enhancing corporate value over the medium to long term.

In fiscal 2020, the Company adopted a stock remuneration plan for directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) and executive officers ("Directors and Officers"). The purpose of this stock remuneration plan is to clarify the link between Director and Officer remuneration, Company operating performance, and share price, sharing not only the benefits of share price increases with shareholders, but also the risk of share price declines. In this way, the plan raises Director and Officer awareness of their contribution to operating performance and enhanced corporate value over the medium to long term. The Company expects that the adoption of the Plan will lead to the sustainable enhancement of the Company's corporate value by increasing the interest of Eligible Employees in the Company's operating performance and share price. The Plan will also encourage employees to engage in their work from the same perspective as shareholders and investors, as well as Directors and Officers. The Company also expects that providing incentives to contribute to the Company will increase motivation and employee engagement over the medium to long term.

2. Overview of the Plan and Establishment of Regulations

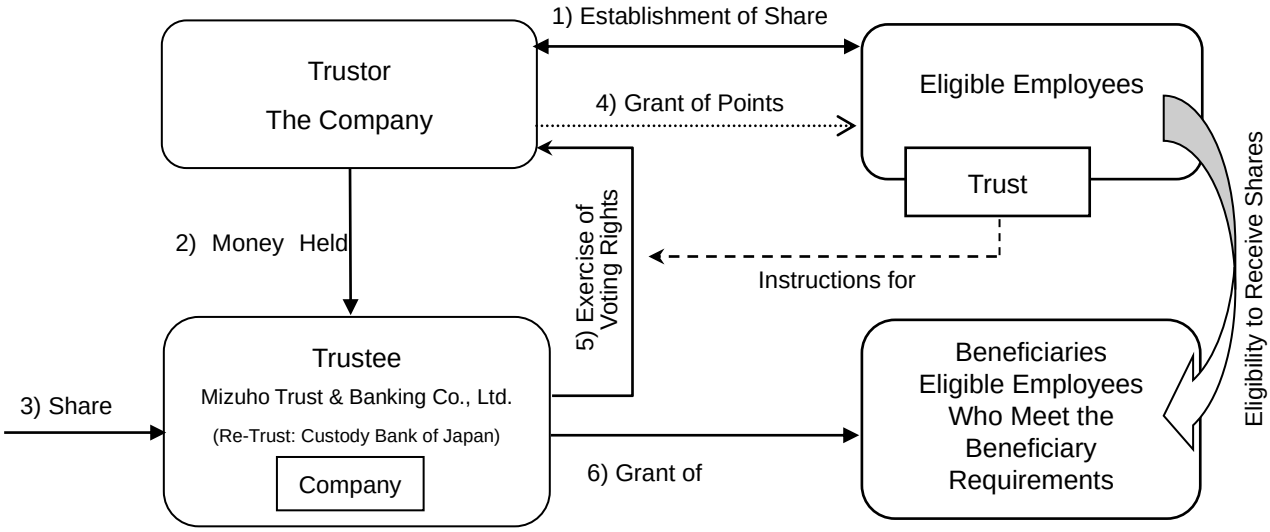
The Plan is a trust-type mechanism based on employee stock ownership plans (ESOP) used in the U.S., and is designed to provide Eligible Employees Company stock and money equivalent to the amount of the Company shares converted to market value ("Company Shares"). At a meeting held today, the Company's Board of Directors approved a resolution to establish Regulations.

The Company will grant points to Eligible Employees according to job grade and in accordance with Regulations. Points granted to Eligible Employees will be converted into one share of Company common stock per point upon delivery of Company Shares. However, in the event of a stock split, gratis allotment of shares, or reverse stock split of Company shares, the number of points already granted or the conversion ratio will be adjusted in a reasonable manner.

If an Eligible Employee satisfies the requirements to be a beneficiary as provided in Regulations, he or she will receive Company stock from Trust in accordance with the number of points earned after completing the prescribed procedures for determining beneficiaries. However, if the requirements as provided in Regulations are met, a certain percentage of Company stock will be paid in cash equivalent to the market value of Company stock and in lieu of Company stock.

Company stock will be allotted to Custody Bank of Japan, Ltd. (Trust Account E) via Disposition of Treasury Stock and held by Custody Bank of Japan, Ltd. (Trust Account E) until delivery to Eligible Employees. Eligible Employees who have been granted points may not transfer or otherwise dispose of Company stock equivalent to points received until the delivery of Company stock.

Plan Mechanism



1) The Company will establish Regulations upon the adoption of the Plan
2) The Company will place money in trust (third party benefit trust) with Mizuho Trust & Banking (Re-Trustee: Custody Bank of Japan) for the purpose of acquiring shares in advance to be granted to Eligible Employees in the future in accordance with Regulations.
3) The Trust will acquire Company stock using the money entrusted in 2) above as the source of funds, making purchases either through the stock exchange or by receiving a disposal of Company treasury shares.
4) The Company will grant points to Eligible Employees by job grade in accordance with Regulations.
5) The Trust will exercise voting rights in accordance with the instructions of the trust administrator.
6) The Trust will grant Company stock to Eligible Employees who meet the beneficiary requirements stipulated in Regulations ("Beneficiaries") in proportion to the number of points granted to the Beneficiaries. However, if the Eligible Employee satisfies the requirements as provided in Regulations, a certain percentage of the points will be paid in cash equivalent to the market value of Company stock.

3. Overview of the Trust

(1) Name:	Stock Benefit Trust (J-ESOP)
(2) Trustor:	The Company
(3) Trustee:	Mizuho Trust & Banking Co., Ltd. (Re-Trustee : Custody Bank of Japan, Ltd.)
(4) Beneficiaries:	Eligible Employees who satisfy the requirements for Beneficiaries as provided in Regulations
(5) Trust administrator:	Selected from among Eligible Employees
(6) Type of trust:	Money held in trust other than a money trust (third-party benefit trust)
(7) Purpose of the trust:	To provide Company Shares, which are the trust assets, to Beneficiaries in accordance with Regulations
(8) Trust agreement execution date:	August 22, 2025
(9) Date of trust deposit:	August 22, 2025
(10) Trust period:	August 22, 2025 until the termination of the trust (No specific termination date will be determined, and Trust will continue for as long as the Plan continues.)

Disposition of Treasury Stock

4. Overview

(1) Date of disposition	August 22, 2025
(2) Class and number of shares subject to disposition	Common stock 200,000 shares
(3) Disposition price	1,585.5 yen per share
(4) Total disposition value	317,100,000 yen
(5) Planned allotee	Eligible Employees 225 individuals 200,000 shares (Notes 1, 2)
(6) Other	The Company will submit an extraordinary report related to Disposition of Treasury Stock in accordance with the Financial Instruments and Exchange Act.

(Note 1) The formal recipient of Disposition of Treasury Stock is The Custody Bank of Japan, Ltd. Custody Bank of Japan, Ltd. (Trust Account E) will be the trust account established pursuant to a trust agreement ("Trust Agreement") between the Company and Mizuho Trust & Banking Co., Ltd., with the Company as Trustor and Mizuho
Trust & Banking Co., Ltd. as the Trustee. Disposition of Treasury Stock is to provide benefits to Eligible Employees under Plan, and is substantially the same as the case where shares are allocated to Eligible Employees in compensation for services rendered to the Company. Therefore, Eligible Employees are listed as planned allottees to whom shares will be allotted.

(Note 2) Eligible Employees will be granted points in accordance with their job grade under Plan. When said Eligible Employee acquires the right to receive benefits under certain conditions, the Company Shares corresponding to the points granted will be paid to the Eligible Employees in question. The actual number of the Company Shares to be granted to Eligible Employees will vary depending on job grade.

5. Purpose and Reason for Disposition

To hold and dispose of the Company's stock for the purpose of managing Plan, this this Disposition of Treasury Stock will be a third-party allotment of treasury stock to Trust Account E, scheduled to be established at The Custody Bank of Japan, Ltd. (the trustee of the Trust, which is a re-trustee of Mizuho Trust & Banking Co., Ltd.) Disposition of Treasury Stock will be conducted formally with Custody Bank of Japan, Ltd. (Trust Account E). However, said entrustment is substantially the same as the case where shares are allocated to Eligible Employees in compensation for services rendered to the Company.

The number of shares to be disposed of shall be the number of shares expected to be granted to Eligible Employees during the trust period in accordance with Regulations established as described in 2., above (for the five fiscal years ending on March 31, 2030,), or 0.07% (equivalent to 0.07% of the total number of voting rights as of March 31, 2025, which is 2,751,131; all numbers rounded to the nearest hundredth). The Company believes that the scale of dilution involved will be reasonable in light of the purpose of Plan.

6. Basis and Specifics of Disposition Price

The disposition price has been set at 1,585.5 yen, which is the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution on Disposition of Treasury Stock.

The closing price on the business day immediately preceding the date of the Board of Directors resolution was selected as said price represents the Company's appropriate corporate value in the stock market and was deemed reasonable.

The disposition price of 1,585.5 yen was calculated by multiplying the average closing price of 1,554 yen (rounded down to the nearest yen) for the most recent one-month period prior to the business day immediately preceding the date of the resolution of the Board of Directors by 102.03%. The disposition price of 1,585.5 yen was calculated by multiplying the average closing price of 1,526 yen (rounded down to the nearest yen) for the most recent three-month period prior to the business day immediately preceding the date of the resolution of the Board of Directors by 103.90%. The disposition price of 1,585.5 yen was calculated by multiplying the average closing price of 1,515 yen (rounded down to the nearest yen) for the most recent six-month period prior to the business day immediately preceding the date of the resolution of the Board of Directors by 104.65%. Taking the above into consideration, the Company has determined that the disposition price for Disposition of Treasury Stock is not particularly favorable and deemed reasonable.

The Audit and Supervisory Committee expressed its opinion that the above disposition price does not constitute a particularly favorable disposition price.

7. Matters Related to Procedures Under the Code of Business Conduct

Since the (1) the dilution ratio will be less than 25% and (2) Disposition of Treasury Stock does not involve a change in controlling shareholder, the Company is not required to obtain an opinion from an independent third party or to confirm the intent of shareholders as stipulated in Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

End.