



November 30, 2023

To whom it may concern:

Company Name: Seven & i Holdings Co., Ltd.
Representative: Ryuichi Isaka
President & Representative Director
(Code No. 3382/Prime Market of the Tokyo Stock Exchange)

Notice Regarding Entrustment of Additional Trust Funds Pertaining to Continuation of the Stock-Based Compensation System for Directors and Executive Officers of the Company and its Subsidiaries

In FY2019, Seven & i Holdings Co., Ltd.(the “Company”) introduced a stock-based compensation system, the “Board Incentive Plan Trust” (the “BIP Trust”) and the “ESOP Trust for Granting Stock” (the “ESOP Trust”, together with the “BIP Trust” referred to as the “Performance-Linked Stock Compensation System”) for its directors and executive officers (excluding Outside Directors) and the directors and executive officers (excluding Outside Directors) of the subsidiaries designated by the Company (hereinafter referred to as “Target Subsidiaries”) (the Directors and Executive Officers (excluding Outside Directors) of the Company and its Target Subsidiaries hereinafter referred to as the “Eligible Directors and Executive Officers”), and decided to the effect in July 2023 to continue the Performance-Linked Stock Compensation System.

Accordingly, the Company hereby announces as given below that the Company decided at the Board of Directors meeting held on November 30, 2023 to entrust additional trust funds pertaining to continuation of the Performance-Linked Stock Compensation System.

1. Continuation of the Performance-Linked Stock Compensation System and Entrustment of Additional Funds

- (1) The Company will continue with the Performance-Linked Stock Compensation System for the purpose of further clarifying the link between the compensation for the Eligible Directors and Executive Officers and the Company’s business performance and stock price, enhancing the motivation of the Eligible Directors and Executive Officers to contribute to the improvement of medium- and long-term corporate value and sharing interests with the Company’s shareholders.
- (2) The Performance-Linked Stock Compensation System is an incentive plan for Eligible Directors and Executive Officers where Company shares and an amount of money equivalent to the converted value of the Company shares (collectively, the “Company Shares”) which are acquired through the Performance-Linked Stock Compensation System will be delivered and provided (“Delivered” or “Delivery”, as the case may be) to the Eligible Directors and Executive Officers in accordance with their positions and the achievement level of business performance targets, etc.

- (3) In order to continue with the Performance-Linked Stock Compensation System, the trust period of the BIP Trust and ESOP Trust (collectively referred to as the “Trust”) that the Company already established has been extended, and due to the extension of the period, the Company will entrust additional trust funds within the upper limit and will acquire the Company Shares that are expected to be delivered during the extended period from the stock market. Furthermore, even after the extension of the trust period, the contents of the current system of the Performance-Linked Stock Compensation System will basically be maintained.

2. Contents of the Performance-Linked Stock Compensation System

I. Contents of the BIP Trust

(1) Overview of the BIP Trust

This is a system under which Company Shares are Delivered to Eligible Directors and Executive Officers who meet the beneficiary requirements in accordance with their positions and the achievement level of business performance targets, etc. for the relevant fiscal year (excluding those who only hold the position of executive officer in an employment relationship; hereinafter referred to as “Beneficiaries Eligible for the BIP Trust”).

The period covered by the BIP Trust after the extension will be three years (three fiscal years from the fiscal year ending February 29, 2024 to the fiscal year ending February 28, 2026) (hereinafter referred to as the “Covered Period” in Section I). If the BIP Trust is to be continued as stated in (2)(ii) below, the three fiscal years to follow will be the new “Covered Period”.

(2) Trust Period

(i) Trust period after the extension

The period will be approximately three years from August 1, 2023 to July 31, 2026 (scheduled).

(ii) Continuation of the BIP Trust

The BIP Trust may continue to be used by modifying the Trust Agreement and entrusting additional funds at the expiration of the trust period. In such case, the trust period will be extended for a further three years, and the Company will entrust additional funds for each extended trust period within the upper limit of trust money for which approval by resolution of the Shareholders’ Meeting has been obtained, and continue to grant points and Deliver the Company Shares to Eligible Directors and Executive Officers of the BIP Trust during each such extended trust period. However, in cases where such additional funds are to be entrusted, if there are any Company Shares (excluding Company Shares equivalent to points granted to Eligible Directors and Executive Officers of the BIP Trust that are yet to be Delivered) and funds remaining in the trust assets (hereinafter referred to as “Residual Shares” in Section I) pertaining to the Company’s directors (excluding Outside Directors; the same shall apply hereinafter in Section I) as of the last day of the trust period prior to the extension, the sum of the amount of Residual Shares and additional trust funds to be contributed will be within the upper limit of trust funds for which approval by resolution of the Shareholders’ Meeting has been obtained.

(iii) Handling of matters when discontinuing the BIP Trust

If the BIP Trust is to be discontinued, and there are Eligible Directors or Executive Officers of the BIP Trust still in office who potentially satisfy the beneficiary requirements when the BIP Trust is discontinued upon the expiration of the trust period, thereafter, no points will be granted to Eligible Directors or Executive Officers of the BIP Trust. However, the trust period of the BIP Trust may be extended until the relevant Eligible Directors or Executive Officers of the BIP Trust retire and Delivery of the Company Shares to the Eligible Directors or Executive Officers of the BIP Trust is completed.

(3) Company Shares to be Delivered to the Eligible Directors and Executive Officers of the BIP Trust

Eligible Directors and Executive Officers of the BIP Trust will be granted points at a certain time every year during the trust period. The number of points to be granted will be calculated by multiplying the points based on the position by the performance-linked coefficient ^{(*)1} derived from the achievement level of the business performance

targets for each fiscal year.

When any of the Eligible Directors or Executive Officers of the BIP Trust retires (or dies in case of the death of the person), the Company Shares will be Delivered according to the accumulated points (hereinafter referred to as the “Accumulated Points” in Section I).

The number of shares per one point will be equal to one common stock of the Company ^(*2).

(*1) The performance-linked coefficient will vary between 0% and 200% for each position, depending on the achievement level of business performance targets, etc. The indicators for evaluating the achievement level of business performance targets, etc., include consolidated ROE, consolidated EPS, CO2 emissions, and employee engagement.

(*2) If the Company conducts a share split or share consolidation, etc., of the Company Shares during the trust period, the number of the Company shares per one point will be adjusted in accordance with the share split ratio or share consolidation ratio of the Company Shares.

(4) Method of Delivery of the Company Shares

The Eligible Directors and Executive Officers of the BIP Trust who satisfy the beneficiary requirements will receive delivery of the Company Shares in a number equivalent to a certain ratio of the Accumulated Points (shares less than one unit will be rounded up), and receive monies equivalent to the converted value of the Company Shares corresponding to the remaining number of points for granting shares, which are converted into cash within the BIP Trust.

* If an Eligible Director or Executive Officer of the BIP Trust who satisfies the beneficiary requirements passes away during the trust period, the Company Shares that correspond to the number of points for granting shares at the time of his/her death will be converted entirely into cash in the BIP Trust, and the heir of said Eligible Director or Executive Officer of the BIP Trust will receive monetary payment equivalent to the cash value.

(5) Upper Limit of Trust Money to be Contributed to the BIP Trust

The Company will contribute up to 1,200 million yen and the Target Subsidiaries will contribute up to 2,400 million yen, as compensation, etc. to the Eligible Directors and Executive Officers of the BIP Trust for the Covered Period (three fiscal years).

The amount of trust funds will include not only funds for the BIP Trust to acquire shares, but also trust fees and trust expenses.

(6) Upper Limit of Points to be Granted to the Eligible Directors and Executive Officers of the BIP Trust

The upper limit of the number of points to be granted to the Eligible Directors and Executive Officers of the BIP Trust by the BIP Trust in accordance with (3) above will be 80,000 points for the Company and 160,000 points for the Target Subsidiaries, for each fiscal year. Accordingly, for the covered period (three years), the total number of Company Shares acquired by the BIP Trust will be the number of shares (equivalent to the number of points derived from the upper limit of the number of points to be granted per one fiscal year multiplied by three (the number of years of the extended trust period) (240,000 shares for the Company and 480,000 shares for the Target Subsidiaries, for each trust period) ^(*3).

(*3) At the Board of Directors meeting held November 30, 2023, the Company passed a resolution to conduct a share split at a ratio of 1 share of the Company’s common stock to 3 shares, with February 29, 2024 as the record date and March 1, 2024 as the effective date. With regard to the points and maximum number of shares listed above, as of the effective date of the stock split, the total number of Company shares acquired by the BIP Trust will be read as 240,000 points for the Company and 480,000 points for the Target Subsidiaries for each trust period, and the total number of Company Shares acquired by the BIP Trust will be read as 720,000 for

the Company and 1,440,000 shares for the Target Subsidiaries for each trust period.

(7) Method of the BIP Trust’s Acquisition of the Company Shares

The BIP Trust plans to acquire the Company Shares from the stock market within the upper limit of the funds to acquire shares as stated in (5) above and within the upper limit of the number of shares to be Delivered as stated in (6) above.

In addition, in cases where the Trust is to be further continued by modifying the Trust Agreement and entrusting additional funds at the expiration of the extended trust period, when acquiring additional shares, there is the possibility that they will be acquired from the Company (by issuing new shares or disposing of treasury shares).

(8) Trust Voting Rights Pertaining to the Company Shares Held by the BIP Trust

Voting rights pertaining to the Company shares held by the BIP Trust will not be exercised during the trust period to ensure the neutrality of the Company’s management.

(9) Treatment of Dividends on the Company Shares Held by the BIP Trust

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

(10) Treatment of Residual Shares and Dividends at the Expiration of the Trust Period

The residual shares that arise at the expiration of the trust period will be subject to delivery to the Eligible Directors and Executive Officer of the BIP Trust if the BIP Trust continues to be used for the Performance-Limited Stock Compensation System or a similar stock-based compensation system. If the BIP Trust is terminated due to the expiration of the trust period, the BIP Trust will transfer the residual shares to the Company without compensation as a measure of shareholder returns, and the Company will cancel the residual shares in accordance with the resolution of the Board of Directors.

Any residual dividends on the Company Shares held by the BIP Trust that arise at the expiration of the trust period will be used as funds to acquire shares if the BIP Trust is to continue to be used. However, if the BIP Trust is terminated due to the expiration of the trust period, the residual dividends will vest in the Company within the extent of reserves for trust expenses, which are calculated by deducting funds for acquiring shares from the trust monies, and the portion exceeding the reserves for trust expenses will be donated to organizations that have no interest in the Company or Eligible Directors and Executive Officers of the BIP Trust.

(For reference)

[Details of the Trust Agreement]

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| (i) Type of Trust: | Monetary trust other than a specified solely-administered monetary trust (third party benefit trust) |
| (ii) Purpose of Trust: | Granting of incentives for Eligible Directors and Executive Officers of the BIP Trust |
| (iii) Trustor: | The Company |
| (iv) Trustee: | Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (v) Beneficiaries: | Eligible Directors and Executive Officers of the BIP Trust who satisfy the beneficiary requirements |
| (vi) Trust administrator: | A third party who has no interest in the Company (certified public accountant) |
| (vii) Date of trust agreement: | July 9, 2019 |

	(Memorandum of understanding regarding extension of the trust period entered into on July 19, 2023)
(viii) Trust period after the extension:	August 1, 2023 to the end of July 2026
(ix) Exercise of voting rights:	No voting rights will be exercised.
(x) Type of shares to be acquired:	Common stocks of the Company
(xi) Amount of trust money:	1,313 million yen (planned) (including trust fees and trust expenses)
(xii) Timing of share acquisition:	From December 6, 2023 (planned) to January 5, 2024 (planned)
(xiii) Method of share acquisition:	To be acquired from the stock market
(xiv) Rights holder:	The Company
(xv) Residual assets:	The residual assets that the Company, as the rights holder, may receive will be within the extent of reserves for trust expenses, which are calculated by deducting funds to acquire shares from the trust money.

II. Contents of the ESOP Trust

(1) Overview of the ESOP Trust

This is a compensation system under which Company Shares, Etc. are Delivered to executive officers eligible for the ESOP Trust (excluding those who also serve as directors; hereinafter referred to as “Executive Officers Eligible for the ESOP Trust), who have an employment contract with the Company and its Target Subsidiaries and meet the beneficiary requirements.

The period covered by the ESOP Trust after the extension will be three years (three fiscal years from the fiscal year ending February 29, 2024 to the fiscal year ending February 28, 2026) (hereinafter referred to as the “Covered Period” in Section II). In addition, if the ESOP Trust described in (2)(ii) below is to be continued, the next three fiscal years will be the new Covered Period.

(2) Trust Period

(i) Trust period after the extension

The period will be approximately three years from August 1, 2023 to July 31, 2026 (scheduled).

(ii) Continuation of the ESOP Trust

The ESOP Trust may continue to be used by modifying the Trust Agreement and entrusting additional funds at the expiration of the trust period. In such case, the trust period will be extended for a further three years, and the Company will make additional contributions for each extended trust period within the upper limit of trust money, and continue to grant points and make the Delivery of the Company Shares to Executive Officers Eligible for the ESOP Trust during each such extended trust period. However, in cases where such additional funds are to be entrusted, if there are any Company Shares (excluding the Company Shares equivalent to points granted to Executive Officers Eligible for the ESOP Trust that are yet to be Delivered) and money remaining in the trust assets (hereinafter referred to as “Residual Shares” in Section II) as of the last day of the trust period prior to the extension, the sum of the amount of Residual Shares and additional trust money to be contributed will be within the upper limit of trust money.

(iii) Handling matters when discontinuing the ESOP Trust

If the ESOP Trust is to be discontinued, and there are Executive Officers Eligible for the ESOP Trust still in office who potentially satisfy the beneficiary requirements when the ESOP Trust is discontinued upon the expiration of the trust period, thereafter, no points will be granted to Executive Officers Eligible for the ESOP Trust. However, the trust period of the ESOP Trust may be extended until the relevant Executive Officers Eligible for the ESOP Trust retire and Delivery of the Company Shares to the Executive Officers Eligible for the ESOP Trust is completed.

(3) Company Shares to be Delivered to the Executive Officers Eligible for the ESOP Trust

Executive Officers Eligible for the ESOP Trust will be granted points at a certain time every year during the trust period. The number of points to be granted will be calculated by multiplying the points based on position by the performance-linked coefficient ^(*4) derived from the achievement level of the business performance targets for each fiscal year.

When any of the Executive Officers Eligible for the ESOP Trust retires (or dies in case of the death of the person), the Company Shares will be Delivered according to the accumulated points (hereinafter referred to as the “Accumulated Points” in Section II).

The number of shares per one point will be equal to one common stock of the Company.^(*5)

(*4) The performance-linked coefficient will be set between 0% and 200% for each position, depending on the achievement level of business performance targets, etc. The indicators for evaluating the achievement level of business performance targets, etc., are consolidated ROE, consolidated EPS, CO2 emissions and employee engagement.

(*5) If the Company conducts a share split or share consolidation, etc., of the Company shares during the trust period, the number of the Company Shares per one point will be adjusted in accordance with the share split ratio or share consolidation ratio of the Company Shares.

(4) Method of the Delivery of the Company Shares

The Executive Officers Eligible for the ESOP Trust who satisfy the beneficiary requirements will receive delivery of the Company Shares in a number equivalent to a certain ratio of Accumulated Points (shares less than one unit will be rounded up), and receive money equivalent to the converted value of the Company shares corresponding to the remaining number of points for granting shares (meaning the number of points granted pursuant to (3) above, the same applies in Section II), which are to be converted into cash within the ESOP Trust.

* If an Executive Officer Eligible for the ESOP Trust who satisfies the beneficiary requirements passes away during the trust period, the Company Shares that correspond to the number of points for granting shares at the time of his/her death will be converted entirely into cash in the ESOP Trust, and the heir of said Executive Officers Eligible for ESOP Trust will receive that cash.

(5) Upper Limit of Trust Money to be Contributed to the ESOP Trust

The Company will contribute money in an amount up to 600 million yen and the Target Subsidiaries up to 1,800 million yen, as compensation to the Executive Officers Eligible for the ESOP Trust for the Covered Period (covering three fiscal years).

The amount of trust money will include not only funds for the ESOP Trust to acquire shares, but also trust fees and trust expenses.

(6) Upper Limit of Points to be Granted to the Executive Officers Eligible for ESOP Trust

The upper limit of the number of points to be granted to the Executive Officers Eligible for the ESOP Trust from the ESOP Trust in accordance with (4) above will be 40,000 points for the Company and 120,000 points for the Target Subsidiaries, for each fiscal year. Accordingly, the upper limit of the total number of common stocks of the Company to be acquired by the ESOP Trust will be the number of shares equivalent to the number of points derived from the upper limit of the number of points to be granted each fiscal year multiplied by 3, which is the number of years of the extended trust period) (120,000 shares for the Company, 360,000 shares for the Target Subsidiaries ^(*6).

(*6) At the Board of Directors meeting held on November 30, 2023, the Company passed a resolution to conduct a share split at a ratio of 1 share of the Company’s common stock to 3 shares, with February 29, 2024 as the

record date and March 1, 2024 as the effective date. With regard to the points and maximum number of shares listed above, as of the effective date of the share split, the total number of Company shares acquired by the ESOP Trust will be read as 120,000 points for the Company and 360,000 points for the Target Subsidiaries for each trust period, and the total number of Company Shares acquired by the ESOP Trust will be read as 360,000 shares for the Company and 1,080,000 shares for the Target Subsidiaries for each trust period.

(7) Method of the ESOP Trust's Acquisition of the Company Shares

The ESOP Trust's acquisition of the Company Shares is expected to be made from the stock market within the upper limit of the funds to acquire shares as stated in (5) above and within the upper limit of the number of shares to be Delivered as stated in (6) above.

In addition, if the Trust is to be further continued by modifying the Trust Agreement and entrusting additional funds at the expiration of the extended trust period, there is the possibility that they will be acquired from the Company (by issuing new shares or disposing of treasury shares).

(8) Voting Rights Pertaining to the Company Shares Held by the ESOP Trust

Voting rights pertaining to the Company shares held by the ESOP Trust will not be exercised during the trust period to ensure the neutrality of the Company's management.

(9) Treatment of Dividends on Company Shares Held by the ESOP Trust

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

(10) Treatment of Residual Shares and Dividends at the Expiration of the Trust Period

The residual shares that arise at the expiration of the trust period will be subject to delivery to the Executive Officers Eligible for the ESOP Trust if the ESOP Trust continues to be used for the Performance-Linked Stock Compensation System or a similar stock-based compensation system. If the ESOP Trust is terminated by expiration of the trust period, the ESOP Trust will transfer the residual shares to the Company without compensation as a measure of shareholder returns, and the Company will cancel the residual shares in accordance with the resolution of the Board of Directors.

Any residual dividends on the Company Shares held by the ESOP Trust that arise at the expiration of the trust period will be used as funds to acquire the Company Shares if the ESOP Trust will continue to be used. However, if the ESOP Trust is terminated due to the expiration of the trust period, the residual dividends will vest in the Company within the extent of reserves for trust expenses, which are calculated by deducting funds to acquire shares from the trust money, and the portion exceeding the reserves for trust expenses will be donated to organizations that have no interest in the Company and Executive Officers Eligible for ESOP Trust.

(For reference)

[Details of the Trust Agreement]

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|---------------------------|---|
| (i) Type of Trust: | Monetary trust other than a specified solely-administered monetary trust (third party benefit trust) |
| (ii) Purpose of Trust: | Provision of incentives to the Executive Officers in employment relationships with the Company and its Group companies. |
| (iii) Trustor: | The Company |
| (iv) Trustee: | Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (v) Beneficiaries: | Executive Officers Eligible for the ESOP Trust who satisfy the beneficiary requirements |
| (vi) Trust administrator: | A third party who has no interest in the Company (certified public |

- accountant)
- (vii) Date of trust agreement: July 9, 2019
(Memorandum of understanding regarding extension of trust period entered into on July 19, 2023)
- (viii) Trust period after extension: From August 1, 2023 to end of July 2026
- (ix) Exercise of voting rights: No voting rights will be exercised.
- (x) Type of shares to be acquired: Common stocks of the Company
- (xi) Amount of additional funds: 271 million yen (planned) (including trust fees and trust expenses)
- (xiii) Timing of share acquisition: From December 6, 2023 (planned) to January 5, 2024 (planned)
- (xiv) Method of share acquisition: To be acquired from the stock market
* Initially to be acquired from the stock market
- (xv) Rights holder: The Company
- (xvi) Residual assets: The residual assets that the Company, as the rights holder, may receive will be within the extent of reserves for trust expenses, which are calculated by deducting funds to acquire shares from the trust money.