



February 26, 2024

FOR IMMEDIATE RELEASE

Company Name: Oriental Land Co., Ltd.

Representative Director and President: Kenji Yoshida

Stock Code: 4661 (Prime Market of TSE)

## **Introduction of a performance-linked remuneration system and Board Benefit Trust-Restricted Stock (BBT-RS)**

URAYASU, CHIBA—Oriental Land Co., Ltd. (the “Company”) adopted, in accordance with a report issued by the Nomination and Remuneration Committee, a resolution to introduce a performance-linked remuneration system for directors of the Company (excluding outside directors; hereinafter referred to as “Eligible Directors”) at a meeting of the Board of Directors held today.

As the Company also adopted a resolution to introduce a new share-based remuneration system called the Board Benefit Trust-Restricted Stock (BBT-RS) program for Eligible Directors subject to approval at the sixty-fourth annual general meeting of shareholders slated to be held on late June, 2024 (hereinafter referred to as the “Shareholders Meeting”), you are hereby notified as follows.

You are also hereby notified that the Company adopted a resolution to introduce the same performance-linked remuneration system and the Board Benefit Trust-Restricted Stock (BBT-RS) program for not just Eligible Directors but also for Officers of the Company who do not concurrently serve as Directors.

### **I. Purpose for introduction of the performance-linked remuneration system and Board Benefit Trust-Restricted Stock (BBT-RS) program**

The Board of Directors of the Company adopted a resolution to introduce a performance-linked remuneration system and the Board Benefit Trust-Restricted Stock (BBT-RS) program for the purposes of incentivizing the sustainable enhancement of the Company’s corporate value by further clarifying the links between the remuneration of Directors and Officers (hereinafter collectively referred to as “Eligible Officers”) and the Company’s corporate value and promoting the further sharing of value between Eligible Officers and shareholders. The introduction of the Board Benefit Trust-Restricted Stock (BBT-RS) program was subject to the approval of shareholders regarding the remuneration of officers at the General Meeting of Shareholders.

Despite having obtained, at the fifty-eighth annual general meeting of shareholders on June 28, 2018, approval of the fact that the total amount of monetary remuneration claims to be paid as remuneration related to restricted stock to the Company’s Directors, apart from the amount of remuneration for Directors of the Company as

approved at the thirty-ninth annual general meeting of shareholders on June 29, 1999, shall be no greater than 100 million yen per year and of the specific contents thereof, the Company decided that it shall abolish the framework of remuneration for Directors in connection with the aforementioned resolution and shall not allocate any new restricted stock in the future. Provided, however, that restricted stock already allocated to Directors shall continue to exist.

**II. Summary of the performance-linked remuneration system**

1. Persons to whom this system applies

Directors (excluding outside directors) and Executive Officers

2. Calculation method

The Company shall set calculation benchmarks for the performance-linked remuneration system in advance and pay such remuneration in cash on an annual basis according to the extent to which the calculation benchmarks are met each fiscal year. The calculation benchmarks are the financial targets set forth in the Company’s medium-term management plan (consolidated operating profit, consolidated operating cash flow, and ROE as set forth in the 2024 medium-term management plan). The performance-linked remuneration will fluctuate between 0% and 150% with 100% to be paid when standards are met. The performance-linked remuneration to be paid to an Eligible Director shall be set to between 10% and 30% of the total amount of remuneration according to the status and post when standards for the calculation benchmarks are met.

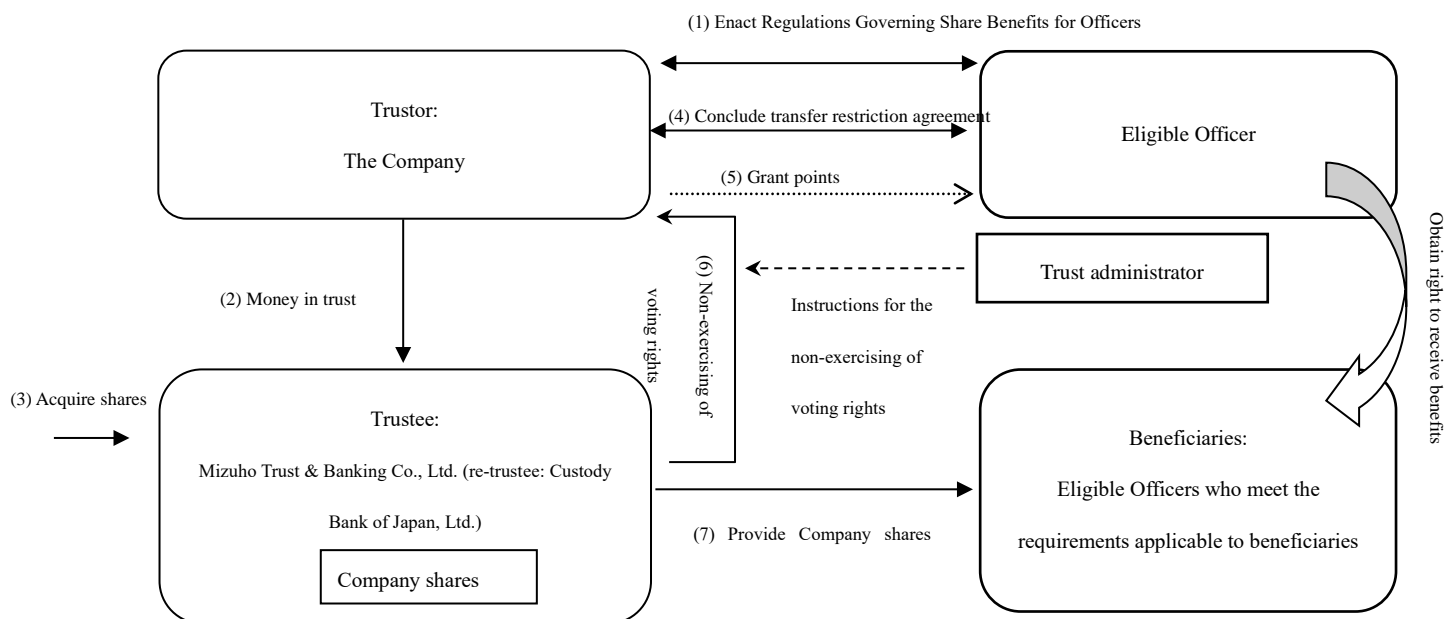
At the thirty-ninth annual general meeting of shareholders on June 29, 1999, it was resolved that the total amount of monetary remuneration for Directors shall not exceed 80 million yen per month. Thus, performance-linked remuneration is paid so as to ensure that the sum of performance-linked remuneration and fixed monetary remuneration does not exceed this limit.

**III. Summary of the Board Benefit Trust-Restricted Stock (BBT-RS) program**

1. Summary of the Board Benefit Trust-Restricted Stock (BBT-RS) program

The Board Benefit Trust-Restricted Stock (BBT-RS) program (hereinafter referred to as the “Program”) is a share-based remuneration system in which shares of the Company are acquired through a trust (the trust established in accordance with the Program shall be hereinafter referred to as the “Trust”) with the source of funds consisting of money contributed by the Company and in which the Company’s shares and money equivalent to the amount of the Company’s shares converted at market value (hereinafter referred to as “Company shares etc.”) are provided to Eligible Officers through the Trust in accordance with the Regulations Governing Share Benefits for Officers as prescribed by the Company. An Eligible Officer shall receive Company shares, in principle, at a certain time each year and receive a monetary benefit equivalent to the amount of the Company’s shares converted at market value, in principle, upon the resignation as an Eligible Officer. An Eligible Officer wishing to receive Company shares during the term of office shall conclude a transfer restriction agreement with the Company as set forth in IV below prior to receiving Company shares. This will restrict Company shares received by an Eligible Officer during the term of office from being transferred or otherwise disposed of until the resignation as an Eligible Officer.

<Workings of the Program>



- (1) The Company, upon the adoption of a resolution on officer remuneration under this program at the General Meeting of Shareholders, enacts the Regulations Governing Share Benefits for Officers within the scope of a framework approved at the General Meeting of Shareholders.
- (2) The Company places money in trust within the scope approved through the adoption of a resolution at the General Meeting of Shareholders as provided for in (1).
- (3) The Trust acquires Company shares using money entrusted in (2) as the source of funds either through the stock market or by underwriting the disposition of treasury stock.
- (4) The Eligible Officer concludes a transfer restriction agreement with the Company, some of the provisions of which restrict the transfer or disposition otherwise of Company Shares received during the term of office until the resignation and allow for the acquisition of shares by the Company free of charge.
- (5) The Company grants points to Eligible Officers in accordance with the Regulations Governing Share Benefits for Officers.
- (6) The Trust shall, in accordance with instructions of the trust administrator, which operates at arms' length from the Company, refrain from exercising voting rights pertaining to Company shares in the Trust Account.
- (7) The Trust provides, at a certain time each year, Eligible Officers who satisfy requirements for beneficiaries as set forth in the Regulations Governing Share Benefits for Officers (hereinafter referred to as "Beneficiaries") with Company shares in accordance with the number of points conferred thereon. Provided, however, that an Eligible Officer who satisfies requirements as set forth in the Regulations Governing Share Benefits shall be paid a monetary benefit equivalent to the market value of Company shares at the time of resignation for a certain percentage of points accrued.

## 2. Persons to whom the Program applies

Directors (excluding outside directors) and Officers

## 3. Trust term

From August 2024 (slated) to the termination of the Trust

(If no specific termination date has been set forth for the trust term of the Trust, the Trust shall remain in force as long as the Program continues. The Program shall be terminated upon the delisting of the Company's shares or the abolition of the Regulations Governing Share Benefits for Officers, among other scenarios.)

## 4. Trust amount

The Company, subject to the approval of the introduction of the Program as granted at the General Meeting of Shareholders, shall introduce the Program for five fiscal years from the fiscal year ending at the end of March 2025 to the fiscal year ending at the end of March 2029 (hereinafter this period of five fiscal years shall be referred to as the "Initial Applicable Period"; the Initial Applicable Period and periods of five fiscal years commencing after the expiration of the Initial Applicable Period shall each be referred to as an "Applicable Period") and for each subsequent Applicable Period and, in order to provide Company shares etc. to Eligible Officers, contribute money as follows to the Trust as the source of funds for the acquisition of Company shares by the Trust.

First, the Company shall contribute an amount of money equivalent to what is expected as funds needed for the Initial Applicable Period to establish the Trust at the time of the establishment of the Trust (slated in August 2024). As the maximum number of points granted to Eligible Officers under the Program is, according to section 6 below, 100,000 per fiscal year, the funds reasonably expected to be needed to acquire up to 500,000 shares upon taking into account the closing price of common shares of the Company in ordinary trading on the Tokyo Stock Exchange immediately prior to the time of the establishment of the Trust shall be contributed to the Trust. For reference, if the closing price of 5,370yen on February 22, 2024, is applied, the funds needed as described above will amount to 2,685 million yen.

Even after the Initial Applicable Period, the Company shall reasonably estimate the number of shares required for provision to Eligible Officers under the Program and contribute additional funds deemed to be required for the precedent acquisition thereof by the Trust for, in principle, each Applicable Period until the termination of the Program. Provided, however, that, where additional contributions are to be made and where Company shares which remains in the trust assets (excluding Company shares that are equivalent to the number of points granted to Eligible Officers in connection with each Applicable Period up to the immediately preceding Applicable Period and that have not yet been provided to Eligible Officers) and money (hereinafter referred to as "Remaining Shares etc.") exist, the Remaining Shares etc., shall be allocated to fund benefits to be provided under the Program in subsequent Applicable Periods and the amount of additional contributions shall be calculated upon taking the Remaining Shares etc. into account. Any decision made by the Company to make additional contributions shall be disclosed in a timely and appropriate manner.

Note: Money actually contributed to the Trust by the Company shall be the sum of funds to acquire shares as mentioned above and the estimated amount of necessary costs to be incurred for trust fees and other

expenses.

5. Method by which Company shares shall be acquired by the Trust and the number of shares to be acquired

The acquisition of Company shares by the Trust shall be funded by funds contributed in accordance with section 4 above and shall be carried out through a stock exchange or by accepting the disposition of the Company's treasury shares.

As the maximum number of points granted to Eligible Officers is, according to section 6 below, 100,000 per fiscal year, the maximum number of Company shares to be acquired by the Trust during each Applicable Period is 500,000. The particulars concerning the acquisition of Company shares by the Trust shall be disclosed in a timely and appropriate manner.

6. Maximum number of Company shares etc. to be provided to Eligible Officers

In each fiscal year, the number of points as determined by the Nomination and Remuneration Committee for Eligible Directors and by the Board of Directors for Executive Officers shall be granted in accordance with the Regulations Governing Share Benefits for Officers. The total number of points per fiscal year to be granted to Eligible Officers shall be no greater than 100,000 (of which 50,000 points are for Eligible Directors). This has been determined by comprehensively taking into account the current level of remuneration being paid to Officers, trends in and projections concerning the number of Eligible Officers, and other factors and has been deemed to be appropriate.

Points granted to Eligible Officers shall be converted at a rate of one common share of the Company per point when Company shares etc. are provided as provided for in section 7 below. (Provided, however, that, where Company shares are subject to, among other possibilities, a share split, allotment of shares without contribution, or consolidation of shares subsequent to the adoption of a resolution of approval by shareholders at the General Meeting of Shareholders, the maximum number of points, number of points already granted, or conversion rate may be reasonably adjusted in accordance with this rate or other factors.)

The ratio of 500 voting rights linked to shares corresponding to the maximum number of points per fiscal year granted to Eligible Directors to the 16,390,827 voting rights linked to the total number of issued shares (as of September 30, 2023) is approximately 0.003%.

The number of points for Eligible Officers to be used as the basis for the provision of Company shares etc. as provided for in section 7 below shall be, in principle, the number of points granted by the time beneficiary rights are determined as provided for in section 7 below to the Eligible Officers in question (points calculated accordingly shall be hereinafter referred to as "Determined Number of Points").

7. Providing Company shares, etc.

An Eligible Officer who satisfies the requirements applicable to Beneficiaries shall receive a number of Company shares from the Trust according to, in principle, the Determined Number of Points as set forth in accordance with section 6 above at a certain time each year by carrying out prescribed procedures for determining Beneficiaries. Provided, however, that, where requirements as prescribed in the Regulations Governing Share Benefits for Officers are satisfied, a monetary benefit equivalent to the market value of

Company shares at, in principle, the time of resignation shall be received in lieu of Company shares. In some cases, the Trust may sell Company shares in order to provide a monetary benefit.

Where an Eligible Officer receives Company shares during the term of office, the person shall conclude a transfer restriction agreement with the Company according to IV below prior to the provision thereof. This will restrict Company shares received by an Eligible Officer during the term of office from being transferred or otherwise disposed of until the resignation as an Eligible Officer.

In addition, where an Eligible Officer who has been granted points is dismissed by a resolution adopted at a general meeting of shareholders or meeting of the Board of Directors, resigns because of certain unlawful acts committed during the term of office, or commits an inappropriate act that may cause damage to the Company during the term of office, the person shall be unable to obtain the right to receive benefits in whole or in part.

#### 8. Exercising voting rights

In accordance with the instructions of the trust administrator, voting rights pertaining to Company shares in the Trust Account shall not be exercised uniformly. The applicable method is intended to ensure neutrality in terms of the impact of the exercising of voting rights pertaining to Company shares in the Trust Account on the management of the Company.

#### 9. Handling of dividends

Dividends tied to Company shares in the Trust Account shall be received by the Trust and used to pay for the acquisition of Company shares and the trust fees for the trustee as they relate to the Trust. Where the Trust is terminated, dividends etc. remaining in the Trust shall be distributed to Eligible Officers in office at the time of the termination of the Trust in proportion to the number of points each Eligible Officer possesses in accordance with the provisions of the Regulations Governing Share Benefits for Officers.

#### 10. Handling upon the termination of the Trust

The Trust shall be terminated where the Company's shares are delisted, the Regulations Governing Share Benefits for Officers are abolished, or other such scenario arises. Of the residual assets of the Trust at the time of the termination of the Trust, all Company shares are to be acquired free of charge and canceled through the adoption of a resolution by the Board of Directors. Of the residual assets of the Trust at the time of the termination of the Trust, the money that is remaining after money is paid to Eligible Officers in accordance with section 9 above shall be paid to the Company.

### **IV. Summary of the transfer restriction agreement pertaining to Company shares provided to Eligible Officers**

Where an Eligible Officer receives Company shares during the term of office, the person shall conclude a transfer restriction agreement with the Company that includes, in summary, the following contents (hereinafter referred to as the "Transfer Restriction Agreement") prior to the provision of Company shares. (An Eligible Officer shall receive Company shares subject to the conclusion of the Transfer Restriction Agreement.) Provided, however, that Company shares may be provided with the Transfer Restriction Agreement not having been

concluded where an Eligible Officer has already resigned at the time of the provision of shares.

(1) Contents of transfer restrictions

An Eligible Officer may not, at any time between the date on which Company shares are received and the date on which the person resigns as an Officer of the Company, transfer, grant a security interest in, or otherwise dispose of Company shares that are received.

(2) Acquisition by the Company free of charge

Where certain unlawful acts are committed or where requirements for the lifting of transfer restrictions as provided for in (3) below are not met, the Company shall acquire the shares in question free of charge.

(3) Lifting of transfer restrictions

Where an Eligible Officer resigns as an Officer of the Company for a valid reason or due to death, transfer restrictions shall be lifted as of the time of the resignation thereof.

(4) Handling when a reorganization or other such change occurs

Where a merger agreement resulting in the extinguishment of the Company or any other set of provisions related to the reorganization of the Company is approved at a general meeting of shareholders of the Company while transfer restrictions are in effect, transfer restrictions shall be lifted through the adoption of a resolution at a meeting of the Company’s Board of Directors as of the time immediately prior to the business day before the date on which the said agreement or reorganization is to take effect.

Company shares subject to transfer restrictions under the Transfer Restriction Agreement are to be managed in a dedicated account opened by Eligible Officers at a securities firm designated by the Company during the term of the transfer restrictions to ensure that one cannot transfer, grant a security interest in, or otherwise dispose of Company shares during the term of the transfer restrictions.

In addition to the above, the method by which intentions are to be declared and notified in the Transfer Restriction Agreement, the method by which the Transfer Restriction Agreement shall be amended, and any other matter as set forth by the Board of Directors shall constitute part of the Transfer Restriction Agreement.

[Summary of the Trust]

- (1) Name: Board Benefit Trust-Restricted Stock (BBT-RS)
- (2) Trustor: The Company
- (3) Trustee: Mizuho Trust & Banking Co., Ltd. (re-trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries: Eligible Officers who satisfy the requirements for beneficiaries as set forth in the Regulations Governing Share Benefits for Officers
- (5) Trust administrator: A third party with no vested interest in the Company is slated to be selected as Trust administrator.
- (6) Trust type: Money in trust other than a money trust (other benefit trust)
- (7) Date on which the Trust agreement is to be concluded: August 2024 (slated)
- (8) Date on which money is to be placed in trust: August 2024 (slated)
- (9) Trust term: From August 2024 (slated) until the termination of the Trust (No termination date has been specified; the Trust shall remain in effect as long as the Program continues.)