

To whom it may concern:

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Notice Regarding the Introduction of a Performance Share Plan

Macromill, Inc. (hereinafter referred to as the “Company”) announces that its Compensation Committee resolved at today’s meeting to introduce a new performance share plan called “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”) as follows:

1. Background and purpose

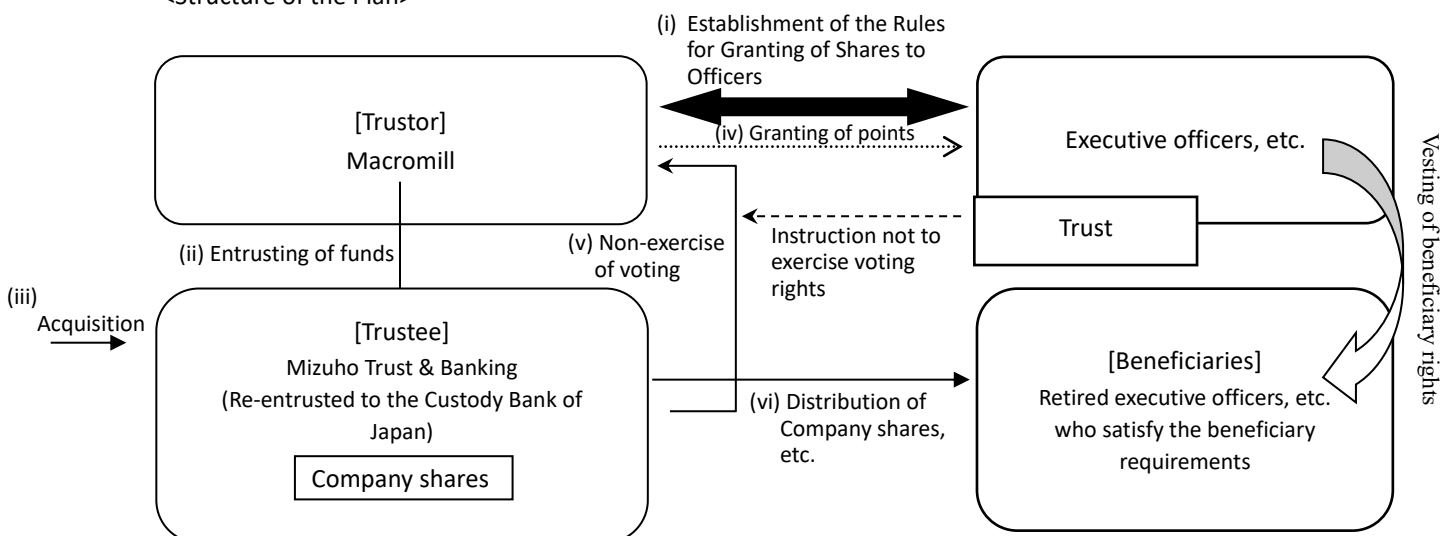
The Compensation Committee resolved to introduce the Plan for the purpose of further motivating executive officers (including those serving concurrently as directors; hereinafter the same unless otherwise indicated) and vice presidents (hereinafter collectively referred to as “executive officers, etc.”) to contribute to enhancing the financial performance and enterprise value of the Company over the medium to long term by linking their compensation more clearly to the financial performance and stock price of the Company, and thereby having them share with shareholders not only the benefit of a rise but also the risk of a fall in the stock price.

2. Plan overview

(1) Plan overview

The Plan is structured as a performance share plan under which shares in the Company are acquired through a trust (to be set up under the Plan and hereinafter referred to as the “Trust”) using funds contributed by the Company to grant Company shares and an amount of money equal to the market value thereof (hereinafter referred to as “Company shares, etc.”) to executive officers, etc. through the Trust in accordance with the Rules for Granting Shares to Officers. Company shares, etc. are granted to executive officers, etc., in principle, upon their retirement from the Company.

<Structure of the Plan>



- (i) As per the Compensation Committee’s resolution, the Company establishes Rules for Granting Shares to Officers.
- (ii) The Company entrusts funds within the limit approved by resolution of the Compensation Committee.
- (iii) The Trust acquires Company shares through purchases from the stock exchange market or by subscribing to treasury shares disposed of, using the funds entrusted as per (ii).
- (iv) In accordance with the Rules for Granting Shares to Officers, the Company grants executive officers, etc. position-based points and performance-linked points, whose numbers are determined respectively by each individual’s position within the Company and the level of business performance achieved.
- (v) Pursuant to instructions from a designated Trust administrator, who is independent of the Company, no voting rights on Company shares held in the Trust account are exercised.
- (vi) The Trust distributes to retired executive officers, etc. who satisfy the beneficiary requirements set forth in the Rules for Granting Shares to Officers (hereinafter referred to as “beneficiaries”) the number of Company shares corresponding to the number of points granted to them. Provided, however, that if such executive officers, etc. also satisfy certain requirements set forth in the Rules for Granting Shares to Officers, a portion of the points granted to them are distributed in the form of cash in an amount equal to the market value of the corresponding number of Company shares.

(2) Persons eligible for the Plan

Executive officers (including those serving concurrently as directors) and vice presidents

(3) Trust period

From Mach 2024 (planned) until the termination of the Trust (no specific termination date is set and the Trust continues as long as the Plan continues. The Plan terminates upon certain triggering events such as delisting of the Company’s stock and the abolition of the Rules for Granting Shares to Officers).

(4) Amount of funds trusted

The Company will introduce the Plan for the two-year period from the fiscal year ending June 30, 2025, to the fiscal year ending June 30, 2026, (hereinafter this is referred to as the “Initial Measurement Period” and each of the three-year periods thereafter as a “Subsequent Measurement Period,” while the term “Measurement Period” refers to either one of the Initial Measurement Period or a Subsequent Measurement Period) and each of the Subsequent Measurement Periods, and it will contribute funds to the Trust as described below to finance the Trust’s acquisition of Company shares for the purpose of granting Company shares, etc. to executive officers, etc. Each Measurement Period will be linked to a period covered by the Company’s Mid-term Business Plan, and in the event of any changes to the latter, the corresponding changes will be made to the corresponding Measurement Period. Provided, however, that given the remaining period of the current Mid-term Business Plan (through the end of the fiscal year ending June 30, 2026), the Initial Measurement Period is set for two years.

First, the Company will set up the Trust (planned for March 2024), contributing the amount of funds needed to cover the expected costs for the Initial Measurement Period upon its establishment. As stated in (6) below, the maximum number of points to be granted to executive officers, etc. under the Plan for the Initial Measurement Period is set at 754,240. Accordingly, the Company will contribute the amount of funds reasonably expected to be needed to acquire up to 754,240 shares, based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the trading day immediately preceding the establishment of the Trust. For reference, when calculated using the closing price of on February 22, 2024 (767 yen), that amount would come to approximately 579 million yen.

Then, after the Initial Measurement Period and until the termination of the Plan, the Company will set the maximum number of points to be granted to executive officers, etc., in principle, for each Subsequent

Measurement Period, reasonably estimating the number of shares needed and providing the Trust with additional funds deemed necessary to acquire the shares beforehand. Provided, however, that in the case where there are any Company shares (excluding those corresponding to the number of points granted to executive officers, etc. for any preceding period in the Trust and not having been distributed to such executive officers, etc.) and funds remaining in the Trust (hereinafter referred to as “residual shares, etc.”), such residual shares, etc. will be used as resources for granting under the Plan in the Measurement Periods thereafter and the amount of additional funds to be contributed will be calculated by taking such residual shares into account. The Company’s decisions on additional fund contribution will be disclosed in a timely and appropriate manner.

Note: The actual amount of funds the Company contributes to the Trust includes the estimated amounts of trust fees and other necessary expenses in addition to the above-described funds for acquiring shares.

(5) Method applied by the Trust to acquire Company shares and the number of shares to be acquired

The Trust will acquire Company shares through purchases from the stock exchange market or by subscribing to treasury shares disposed of, using the funds entrusted as per (4) above. No new shares will be issued. As stated in (6) below, the maximum number of points to be granted to executive officers, etc. for the Initial Measurement Period is set at 754,240. Accordingly, the maximum number of Company shares to be acquired by the Trust for the Initial Measurement Period is 754,240. Details about the Trust’s acquisition of Company shares will be disclosed in a timely and appropriate manner.

(6) Maximum number of Company shares, etc. to be granted to executive officers, etc.

For each fiscal year, executive officers, etc. are granted position-based points and performance-linked points, whose numbers are determined respectively by each individual’s position within the Company and the level of business performance achieved, as set forth in the Rules for Granting Shares to Officers. The limit for the total number of points to be granted to executive officers, etc. for the Initial Measurement Period is set at 754,240. This number has been determined after comprehensive consideration of the current levels of compensation for officers, recent and prospective changes in the number of executive officers, etc., and some other factors, and the Company believes this is a reasonable estimate. The limit for the total number of points to be granted for Subsequent Measurement Periods will be determined after comprehensive consideration of the levels of compensation for officers at the start of each Subsequent Measurement Period, then-recent and prospective changes in the number of executive officers, etc., and some other factors.

In distributing Company shares, etc. as per (7) below, each point granted to executive officers, etc. is converted into one share of the Company’s common stock (provided, however, that in the event of a stock split, free distribution of shares, reverse stock split, or the like, reasonable adjustments will be made, according to the ratio applied, to the maximum number of points and the number of points already granted, or to the rate of conversion).

The number of voting rights on shares corresponding to the maximum number of points to be granted to executive officers, etc. for the Initial Measurement Period is 7,542, which represents approximately 1.97% of the total number of voting rights on shares outstanding, which stood at 381,885 as of June 30, 2023.

The number of points granted to executive officers, etc., which is used as the basis for the distribution of Company shares, etc. in (7) below, is in principle the cumulative number of points that have been granted to those executive officers, etc. by the time of their retirement (hereinafter, the number of points thus determined is referred to as the “number of vested points”).

(7) Distribution of Company shares, etc.

By completing the prescribed procedure to have their beneficiary status determined, retired executive officers, etc. will have the Trust distribute, in principle, the number of Company shares corresponding to the number of vested points determined in the way described in (6) above, provided that they satisfy the beneficiary requirements set forth in the Rules for Granting Shares to Officers. However, those who also satisfy certain requirements set forth in the Rules for Granting Shares to Officers, will receive cash in lieu of shares for a portion of the points granted to them, in an amount equal to the market value of the corresponding number of Company shares. For this purpose, the Trust may sell Company shares.

Should any of the events set forth in the Rules for Granting Shares to Officers occur, executive officers, etc. will not be entitled to receive Company shares, etc. even if they have been granted points, subject to resolution by the Compensation Committee or Executive Officers Meeting. In such a case, even those executive officers, etc. who have already received Company shares, etc. may be requested to return all or part of the economic value of the Company shares, etc. received, subject to resolution by the Compensation Committee or Executive Officers Meeting.

The amount of remuneration paid to executive officers is, in principle, calculated by multiplying the total number of points granted to them at the time of granting by the per-share book value of the Company shares held in the Trust (provided, however, that in the event of a stock split, free distribution of shares, reverse stock split, or the like, reasonable adjustments will be made, according to the ratio applied). In the case where cash is distributed in lieu of shares as an exception in accordance with the Rules for Granting Shares to Officers, the amount of such cash will be added when deemed appropriate.

(8) Exercise of voting rights

Pursuant to instructions from a designated Trust administrator, no voting rights on the Company shares held in the Trust account will be exercised. This is designed to ensure neutrality toward the management of the Company with regard to the exercise of the voting rights on the Company shares held in the Trust account.

(9) Handling of dividends

Dividends on the Company shares held in the Trust account will be paid into the Trust and used to acquire Company shares and/or pay trust and other fees associated with the Trust. In the event of the termination of the Trust, any dividends remaining in the Trust will be distributed pro rata to the executive officers, etc. in office at the time based on the number of points they have.

(10) Handling at the time of Trust termination

The Trust will terminate upon certain triggering events such as delisting of the Company's stock and the abolition of the Rules for Granting Shares to Officers. It is planned that of the assets remaining in the Trust at the time of its termination, Company shares will be acquired for free by the Company and cancelled subject to resolution by the Board of Directors. Meanwhile, any remaining cash, excluding the cash to be paid out as dividends to executive officers, etc. as per (9), will be distributed to the Company.

[Outline of the Trust]

- (1) Name: Board Benefit Trust (BBT)
- (2) Trustor: Macromill, Inc.
- (3) Trustee: Mizuho Trust & Banking
(Re-entrusted to the Custody Bank of Japan)
- (4) Beneficiary: Retired executive officers, etc. who satisfy the beneficiary requirements set forth in the Rules for Granting Shares to Officers
- (5) Trust administrator: A third party having no interest in the Company to be appointed
- (6) Type of trust: Pecuniary trust other than money trust (third-party beneficiary trust)
- (7) Date of trust agreement: March 2024 (planned)
- (8) Date of entrustment: March 2024 (planned)
- (9) Trust period: From March (planned) until the termination of the Trust
(No specific termination date is set and the Trust continues as long as the Plan continues.)

Ends,