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Notice Concerning Continuation and Partial Amendment of Performance-Linked Share-Based Remuneration Plan

WingArc1st Inc. (the “Company”) hereby announces that it resolved at the Board of Directors meeting held today to submit a proposal (the “Proposal”) regarding the continuation and partial amendment of the performance-linked share-based remuneration plan (the “Plan”) introduced in 2021 for Directors (excluding non-residents of Japan) and Executive Officers (excluding non-residents of Japan, hereinafter collectively referred to with Directors as “Directors, etc.”) to the 8th Annual General Meeting of Shareholders scheduled to be held on May 30, 2024 (the “General Meeting of Shareholders”), as described below.

1. Continuation of the Plan

- (1) At the Board of Directors meeting held today, the Company decided to continue the Plan after amending it as described in 2. below for the purpose of clarifying the link between the remuneration of the Company’s Directors, etc. and the Company’s business performance and share value and raising awareness of the Directors, etc. to contribute to improving the Company’s business performance and to maximizing its corporate value over the medium to long term.
- (2) The continuation and partial amendment of the Plan are subject to the approval of the Proposal at the General Meeting of Shareholders.
- (3) For the BIP trust (the “Trust”) already established whose target period expired on February 29, 2024, the Company will extend the trust period by three years and continue the Plan through changes to the trust agreement. The target period following the continuation of the Plan will be from the three fiscal years from the fiscal year ending February 28, 2025 to the fiscal year ending February 28, 2027.

2. Partial amendment of the Plan

With the continuation of the Plan, subject to the approval of the Proposal at the General Meeting of Shareholders, the prior contents of the Plan will be partially amended.

The contents of the amendment represent changes to the calculation method of the number of the Company’s shares and the money in an amount corresponding to the conversion value of the Company’s shares (the “Company’s Shares, etc.”) that are granted or paid (the “Grant, etc.”) to Directors, etc.

3. Contents of the Plan following amendment

(1) Overview of the Plan

The Plan is a share-based remuneration plan that uses the amount of remuneration provided by the Company to Directors, etc. as funds to acquire the Company’s shares through the Trust, awards points to Directors, etc. based on their position and the degree of achievement of business performance targets, and performs the Grant, etc. of the number of the Company’s Shares, etc. corresponding to the number of points.

- (2) Calculation method of the number of the Company's Shares, etc., for the Grant, etc., to Directors, etc.

The number of the Company's Shares, etc. subject to the Grant, etc. to Directors, etc. is determined each year based on the number of points awarded based on the position and degree of achievement of business performance targets of the Directors, etc.

To clarify the link between the remuneration of the Directors, etc. and business performance and to raise awareness of the Directors, etc. to contribute to improving the Company's business performance and to maximizing its corporate value over the medium to long term, for the points awarded to executive Directors, etc. (executive Directors and Executive Officers), prior to the amendment, a fixed number of points according to position and performance-linked points according to degree of achievement of business performance targets were added to determine the total number of points awarded. The amendment eliminates fixed points, transitioning to entirely performance-linked points according to position and the degree of achievement of business performance targets.

One point shall be one common share of the Company, and in the case where the number of the Company's shares in the Trust increases or decreases due to share split or share consolidation, etc., during the trust period, the Company shall adjust the number of the Company's shares subject to the Grant, etc., in line with the ratio of the increase or decrease.

● Contents of the amendment (underlining indicates amended portions)

Item	Before amendment	After amendment
Calculation method of the number of the Company's Shares, etc., for the Grant, etc., to Directors, etc.	(i) <u>Directors, etc. other than non-executive Directors</u> <u>A number of points equal to the sum of a fixed number of points according to position and performance-linked points according to degree of achievement of business performance targets</u> (ii) Non-executive Directors Fixed points not linked to business performance	(i) <u>Executive Directors, etc.</u> Performance-linked points according to <u>position and degree of achievement of business performance targets</u> (ii) Non-executive Directors Fixed points not linked to business performance

There are no other changes to the contents of the Plan. For the contents of the prior Plan, please refer to the "Notice Concerning Introduction of Performance-Linked Share-Based Remuneration Plan" dated April 13, 2021.

● Main contents of the Plan approved at the 5th Annual General Meeting of Shareholders

Item	Contents
Eligible recipients of the Grant, etc. of the Company's Shares, etc. subject to the Plan	The Directors and Executive Officers of the Company (in each case excluding non-residents of Japan)
Upper limit on the amount of money to be contributed by the Company	¥600 million in total over three fiscal years (breakdown: Directors excluding outside Directors and Executive Officers ¥570 million; outside Directors ¥30 million)
Upper limit of the number of the Company's shares to be received by Directors, etc. in the Grant, etc. and method of acquisition	<ul style="list-style-type: none"> The upper limit on the total number of the Company's Shares, etc. for the Grant, etc. to Directors, etc. over the three fiscal years is 300,000 shares The upper limit on the total number of points to be awarded to Directors, etc. each fiscal year is 100,000 points (breakdown: Directors excluding outside Directors and Executive Officers 95,000 points; outside Directors 5,000 points). The ratio to the Company's total number of issued shares (as of March 16, 2021, excluding treasury shares) of the upper limit number of shares (300,000 shares) over three fiscal years when converted at the rate of 1 point = 1 common share of the Company is approximately 0.98%. The Company's shares under the Plan will be acquired from the stock market or from the Company (disposal of treasury shares)

Item	Contents
Timing for the Grant, etc., of the Company's Shares, etc. for Directors, etc.	<ul style="list-style-type: none"> • In principle, the Grant, etc., is to be conducted annually after finalizing the financial results of the fiscal year subject to evaluation. • However, the Company's shares acquired through the Plan shall be retained continuously for one year after retirement from office.
Voting rights related to the Company's shares in the Trust	To ensure neutrality to management, the voting rights shall not be exercised during the trust period.