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To whom it may concern:

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Notice Concerning Revision of Stock Compensation Plan

The Company hereby announces that its Board of Directors, at a meeting held today, resolved to revise its stock compensation system, the "Board Benefit Trust (BBT)" (the "Current BBT System"), and decided to submit a proposal for this revision to the 64th Annual General Meeting of Shareholders (the "General Meeting of Shareholders") to be held on June 25, 2024, as described below.

Note:

1. Background and Purpose of Revision

At the 57th Annual General Meeting of Shareholders held on June 27, 2017, the Company received approval for the introduction of the Current BBT System for the Company's Directors (excluding External Directors) and Executive Officers. Subsequently, at the 62nd Annual General Meeting of Shareholders held on June 24, 2022, the Company received approval for the revision of the compensation framework for the current BBT system in conjunction with the Company's transition to the company with an audit and supervisory committee, which has been in effect until today. (The resolution at the above General Meeting of Shareholders is hereinafter referred to as the "Original Resolution.")

The Company's Board of Directors aims to further clarify the linkage between the remuneration of directors (excluding Directors who are Audit and Supervisory Committee Members, Non-Executive Directors, and other Outside Directors) and executive officers and the Company's business performance and stock value, and to raise awareness of their contribution to improving the Company's performance and increasing its corporate value over the medium to long term. In addition, the Current BBT System will be revised to a transfer restricted stock compensation system called the "Board Benefit Trust-Restricted Stock (BBT-RS)" system (hereinafter referred to as the "System") in order to further clarify the linkage between the compensation of Directors who are Audit and Supervisory Committee Members, Non-Executive, and other Outside Directors and the Company's stock value, thereby enhancing their awareness to contribute to increasing the Company's medium to long-term corporate value through auditing or supervising the Company, and The Company has resolved that the eligible persons for the System shall be expanded to the Company's directors (including Directors who are Audit and Supervisory Committee Members, Non-Executive

Directors, and Outside Directors; the same shall apply hereinafter unless otherwise specified) and executive officers (hereinafter collectively referred to as "Directors, etc."). The Company has decided to propose the agenda item regarding the System to the General Meeting of Shareholders. The revisions were deliberated by the Nomination & Remuneration Committee, whose principal members are Independent Outside Directors.

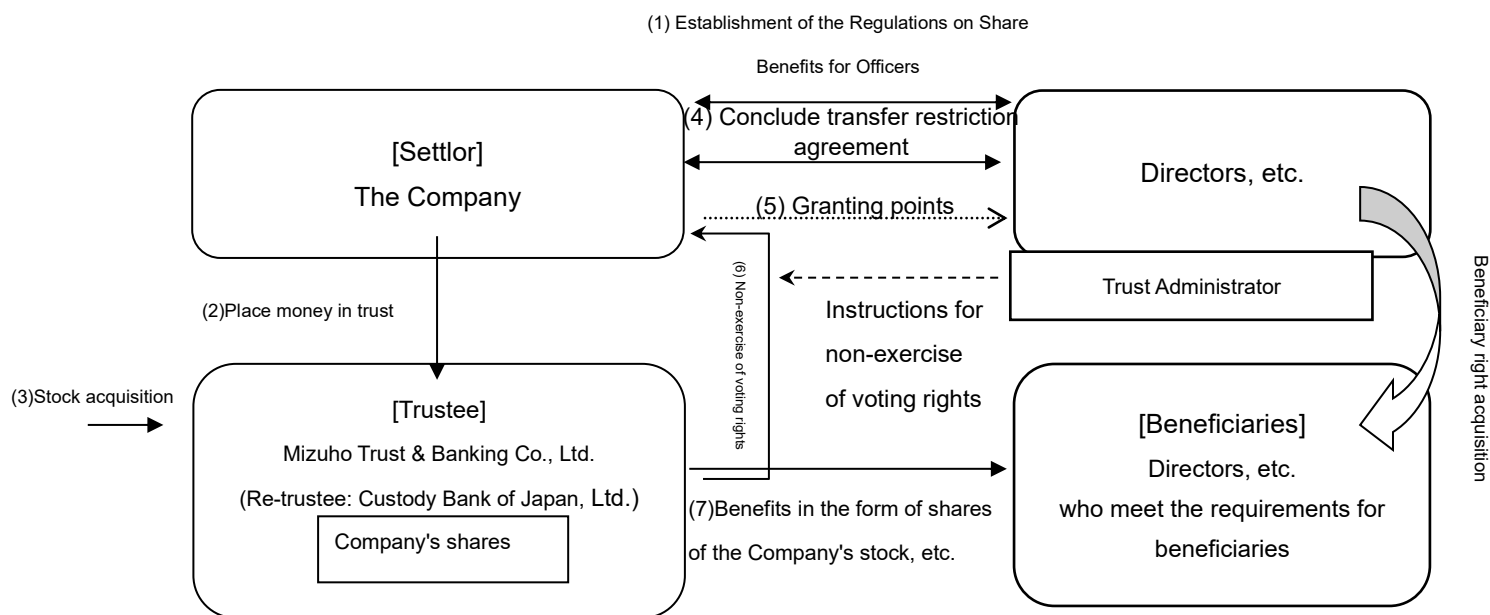
2. Contents of the System

(1) Outline of the System

The System is a stock compensation system in which the Company's shares are acquired through a trust (hereinafter, the trust established under the System is referred to as the "Trust") using the money contributed by the Company, and the Directors, etc. are paid the Company's shares and money equivalent to the amount obtained by converting the Company's shares at market value (hereinafter, the "Company's Shares, etc.") through the Trust in accordance with the Regulations on Share Benefits for Officers established by the Company.

In principle, the time when Directors, etc. receive benefits in the form of shares of the Company's stock shall be a certain time each year, and the time when Directors, etc. receive benefits in the form of money equivalent to the amount obtained by converting the Company's shares at market value shall be a specified time determined by the Company after the retirement of the Directors, etc., in principle. In the event that Directors, etc. receive the Company's shares during their term of office, they shall, prior to receiving the Company's shares, enter into a transfer restriction agreement with the Company as described in 3. below. As a result, the Company will restrict the transfer or other disposition of the Company's shares received by Directors, etc. during their term of office until a specified time determined by the Company after the retirement of such Directors, etc. In addition, in accordance with the revision of the System, the points granted under the Current BBT System to Directors, etc. who hold office at the conclusion of the General Meeting of Shareholders will be transferred to points under the System, subject to the approval and acceptance of the revision at the General Meeting of Shareholders, and Directors, etc. will receive benefits of the Company's shares based on the transferred points at a prescribed time specified by the Company after the conclusion of the General Meeting of Shareholders. In the event that a Director, etc. receiving such benefits is in office, the shares to be transferred to such Director, etc. will also be subject to the restrictions on transfer based on the above-mentioned transfer restriction agreement.

<How the System Works>



- (1) The Company will obtain a resolution at this General Meeting of Shareholders on compensation for management for the System, and within the framework approved by the General Meeting of Shareholders, the Company will establish the "Regulations on Share Benefits for Officers".
- (2) The Company will place money in trust to the extent approved by the resolution of this General Meeting of Shareholders in (1) above.
- (3) The Trust will acquire the Company's shares using the money entrusted in (2) above as the source of funds, either through the stock exchange market or by subscribing to the Company's disposal of treasury stock.
- (4) Directors, etc. shall enter into a transfer restriction agreement with the Company, which includes a provision that the shares of the Company to which they were entitled during their term of office shall be restricted from being transferred or otherwise disposed of until a specified time determined by the Company after their retirement, and a provision that the Company may acquire certain of their shares without consideration.
- (5) The Company grants points to directors, etc. based on the "Regulations on Share Benefits for Officers".
- (6) The Trust shall not exercise voting rights with respect to the Company's shares in the Trust Account in accordance with the instructions of the Trust Administrator, who is independent from the Company.
- (7) The Trust shall, at a certain time each year, distribute shares of the Company's stock to directors and others who satisfy the requirements for beneficiaries as stipulated in the "Regulations on Share Benefits for Officers" (the "Beneficiaries") in proportion to the number of points granted to the Beneficiaries. However, if directors, etc. satisfy the requirements stipulated in the "Regulations on Share Benefits for Officers," a certain percentage of the points will be paid in cash equivalent to the market value of the Company's shares at a predetermined time determined by the Company after their retirement from office.

(2) Eligible persons for the System
Directors and Executive Officers

(3) Trust period

The period will be from September 2017 until the Trust is terminated. No specific termination date has been set for the trust period of the Trust, and the Trust will continue as long as the System continues. The System will be terminated due to the delisting of the Company's shares, the abolition of the Regulations on Share Benefits for Officers, and other reasons.

(4) Trust amount

Within the scope of the Original Resolution, the Company established a trust based on the Current BBT System by contributing a cash amount of 270 million yen to establish a trust, and additionally acquired additional shares of the Company's stock by making additional cash contributions of 172 million yen in 2020 and 210 million yen in 2022. The Company also plans to make an additional contribution of an additional cash contribution of 674 million yen in May 2024 to purchase additional shares of the Company's stock.

Subject to the approval of this revision at the General Meeting of Shareholders, the Company will introduce the System for the three fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (such three fiscal year period is hereinafter referred to as the "BBT-RS Initial Coverage Period," and the BBT-RS Initial Coverage Period and the period for each of the three fiscal years beginning after the BBT-RS Initial Coverage Period have passed are hereinafter respectively referred to as the "Relevant Periods", respectively) and each Relevant Period thereafter. In order to provide benefits such as the Company's shares to Directors, etc., the Trust will acquire the Company's shares from the funds contributed by the Company under the Current BBT System, and the Company's shares and money remaining in the Trust assets will be used to fund the benefits under this plan after the system is revised upon approval at the General Meeting of Shareholders.

In the event that the number of shares necessary to provide benefits to Directors, etc. under the System is expected to be insufficient with respect to the BBT-RS Initial Coverage Period, the Company will make an additional contribution to the Trust of the funds deemed necessary for the Trust to acquire the necessary number of shares in advance, based on a reasonable estimate of such necessary number. The total amount of money that the Company may additionally contribute to the Trust with respect to the BBT-RS Initial Coverage Period is limited to 902 million yen (of this amount, 310 million yen shall be contributed to Directors (excluding Directors who are Audit and Supervisory Committee Members and other Outside Directors), 30 million yen shall be contributed to Audit Committee members, 12 million yen shall be contributed to Outside Directors who are not Directors who are Audit and Supervisory Committee Members, and 550 million yen shall be contributed to Executive Officers).

Even after the BBT-RS Initial Coverage Period has elapsed, the Company will, in principle, make additional contributions of up to 902 million yen to the Trust for each Coverage Period until the termination of the System (of this amount, 310 million yen shall be contributed to directors (excluding Directors who are Audit and Supervisory Committee Members and other Outside Directors), 30 million yen shall be contributed to Audit Committee members, 12 million

yen shall be contributed to Outside Directors who are not Directors who are Audit and Supervisory Committee Members, and 550 million yen shall be contributed to executive officers). However, in cases when such additional contributions are made, the Company's shares remaining in trust assets (excluding Company's shares equivalent to the number of points granted to Directors, etc. for each eligible period directly before such contributions that have not yet been fully granted to Directors, etc.) and cash ("Residual Shares, Etc.") are present, the total of the monetary amount of Residual Shares, Etc. (for Company's shares, the book value on the last day of the eligible period directly before such contributions), and the cash that will be additionally contributed is limited to 902 million yen (of this amount, 310 million yen shall be contributed to Directors, etc. (excluding those who are Audit and Supervisory Committee Members and other Outside Directors), 30 million yen shall be contributed to Audit and Supervisory Committee Members, 12 million yen shall be contributed to Outside Directors who are not Directors who are Audit and Supervisory Committee Members and 550 million yen shall be contributed to Executive Officers). Such limit on the amount to be contributed to the Trust has been decided on following total consideration of the forecasted number of points to be granted to Directors, etc. in the future in accordance with (6) below, trends in the Company's share price, etc., and has been determined to be reasonable.

Please note that when the Company decides upon additional contributions, it will disclose such in a timely and appropriate manner.

(5) Method of acquiring Company's shares through Trust

The acquisition of the Company's shares through the Trust shall be conducted through an exchange or according to the method of underwriting the disposal of the Company's treasury shares with the cash contributed under (4) above as the funds. Details of the acquisition of the Company's shares by the Trust will be disclosed in a timely and appropriate manner.

(6) Limit on number of benefits in form of Company's shares, etc. granted to Directors, etc.

For each fiscal year, Directors (excluding those who are Audit and Supervisory Committee Members and Non-Executive Directors as well as other Outside Directors) are granted points equivalent to the amount of stock-based compensation calculated by multiplying the standard amount of share compensation for each position as predetermined based on the Regulations on Share Benefits for Officers by the payment ratio determined following consideration of the degree of achievement of performance (range of 0% to 150%).

Additionally, for each fiscal year, Directors who are Audit and Supervisory Committee Members and Non-Executive Directors as well as other Outside Directors are granted points determined in accordance with their position based on the Regulations on Share Benefits for Officers.

The total number of points per fiscal year to be granted to Directors, etc. is limited to 252 points (of this amount, 85 points shall be granted to Directors, etc. (excluding those who are Audit and Supervisory Committee Members and other Outside Directors), 10 points shall be granted to Audit and Supervisory Committee Members, 7 points shall be granted to Outside Directors who are not Directors who are Audit and Supervisory Committee Members, and 150 points shall be granted to Executive Officers). This has been decided on following total

consideration of existing payment levels of management compensation, trends in the number of Directors, etc., future estimates, etc. and has been determined to be reasonable.

In line with the revision to the Plan, points already granted under the existing BBT plan to Directors, etc. who are in office as of the conclusion of this General Meeting of Shareholders will be moved to points under the Plan on the condition that such revision is approved and passed at this General Meeting of Shareholders.

Upon the granting of benefits in the form of the Company's shares, etc. under (7) below, points granted to Directors, etc. will be converted to one common share of the Company per point (However, in case of a stock split, allotment of shares without contribution or a reverse stock split is conducted for the Company's shares following approval and resolution at the General Meeting of Shareholders, in accordance with the ratio, etc. thereof, the limit on the number of points and the number of points already granted or the conversion ratio will be reasonably adjusted.).

The number of points of Directors, etc. serving as the standard upon the granting of benefits in the form of the Company's shares, etc. under (7) below shall, in principle, be the number of points granted to such Directors, etc. up to the finalization of beneficiary rights under (7) below ("Number of Points Finalized").

(7) Benefits in form of Company's shares, etc.

Every year at a certain time, Directors, etc. who satisfy beneficiary requirements receive benefits in the form of the Company's shares from the Trust in a number according to the "Number of Points Finalized" determined, in principle, in accordance with the statements under (6) above by conducting specified beneficiary finalization procedures. However, if Directors, etc. satisfy the requirements stipulated in the Regulations on Share Benefits for Officers, a certain percentage will be paid in cash equivalent to the market value of the Company's shares in place of share benefits at a specified time that is, in principle, determined by the Company after the retirement of such Directors, etc. from office. To grant cash benefits, Company's shares may be sold by the Trust.

Please note that in the event that Directors, etc. receive benefits in the form of the Company's shares during their term of office, they shall, prior to receiving such benefits, enter into a transfer restriction agreement with the Company as described in 3. below. As a result, the Company will restrict the transfer or other disposition of the Company's shares received by Directors, etc. during their term of office until a specified time determined by the Company after the retirement of such Directors, etc.

Additionally, even if they were granted points, if Directors, etc. committed a serious violation, etc. of related rules, etc. of the Company and committed certain illegal acts during their term of office, the Company reserves the rights to make such Directors, etc. forfeit all or part of their rights to receive benefits.

(8) Execution of voting rights

Voting rights with respect to the Company's shares in the Trust Account shall not be uniformly exercised in accordance with the instructions of the Trust Administrator. The intention behind the application of this method is to ensure neutrality in Company management regarding the

execution of voting rights with respect to the Company's shares in the Trust Account.

(9) Handling of dividends

Dividends with respect to the Company's shares in the Trust Account will be received by the Trust and allocated to the cost of acquiring Company's shares, trust compensation for beneficiaries with respect to the Trust, etc. Please note that in cases where the Trust is terminated, dividends, etc. remaining in the Trust will be prorated and paid to the Directors, etc. in office at the time of such termination in accordance with the number of points each Director, etc. possesses.

(10) Handing upon termination of Trust

The Trust will be terminated in cases where an event such as the delisting of the Company's shares or the abolition of the Regulations on Share Benefits for Officers arises. Company's shares constituting residual property in the Trust at the time of its termination are scheduled to be acquired by the Company in full without consideration, then retired with a resolution of the Board of Directors. Cash constituting residual property in the Trust at the time of its termination will be paid to the Company in the remaining amount after the cash paid to Directors, etc. under (9) above has been excluded.

3. Outline of agreement on restrictions on transfer with respect to Company's shares granted to Directors, etc.

In the event that Directors, etc. receive the Company's shares during their term of office, they shall, prior to receiving the Company's shares, enter into a transfer restriction agreement with the Company that includes the below contents as outlined ("Transfer Restriction Agreement")

(Directors, etc. shall receive Company's shares on the condition that they enter into a Transfer Restriction Agreement.). However, in cases such as when Directors, etc. resign upon the granting of benefits in the form of the Company's shares, the Company's shares may be granted without the execution of a Transfer Restriction Agreement.

(1) Contents of transfer restrictions

Directors, etc. may not transfer, establish a security interest on or otherwise dispose of Company's shares granted to them from the day they were granted the Company's shares to the specified day determined by the Company after the Directors, etc. have resigned from all of their management positions at the Company.

(2) Acquisition without consideration by Company

In cases where Directors, etc. committed certain illegal acts or the requirements for the lifting of transfer restrictions under (3) below are not fulfilled, the Company will acquire such shares without consideration.

(3) Lifting of transfer restrictions

Should Directors, etc. resign from all of their management positions at the Company for legitimate reasons or resign due to their death, the transfer restrictions will be lifted on the specified day determined by the Company after such resignation.

(4) Handing of organizational realignments, etc.

When matters related to a merger agreement or other organizational alignment, etc. in which the Company is to be the merged company is approved at a General Meeting of Shareholders, etc. of the Company during the period of the transfer restrictions, the transfer restrictions will be lifted right before the business day prior to the effective date of such organizational realignment, etc.

Please note that during the period of transfer restrictions, the Company's shares subject to transfer restriction under the Transfer Restriction Agreement are scheduled to be managed by a securities company specified by the Company in a dedicated account opened by the eligible Directors, etc. so that transfers, establishments of security interests on or other dispositions cannot be conducted during that period.

In addition to the above, methods of statement of intent and notification in the Transfer Restriction Agreement, methods of revising the Transfer Restriction Agreement and other matters to be determined by the Board of Directors shall be incorporated as contents of such agreement.

[Outline of Trust]

- (1) Name: Board Benefit Trust (BBT-RS)
- (2) Settlor: The Company
- (3) Trustee: Mizuho Trust & Banking Co., Ltd.
(re-trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries: Directors, etc. who fulfill beneficiary requirements set forth in the Regulations on Share Benefits for Officers
- (5) Trust Administrator: A third party with no conflicts of interest with the Company is selected.
- (6) Type of trust: Trust of money other than money trust (third party beneficiary trust).
- (7) Execution date of Trust Agreement: September 2017.
- (8) Date on which cash was placed in trust: September 2017.
- (9) Period of Trust: From September 2017 until the termination of the Trust.

(The Trust will continue as long as the Plan continues without setting forth a specific termination date.)

End

DISCLAIMER

This English translation is only for reference purpose. When there are any discrepancies between the original Japanese version and the English translation version, the original Japanese version always prevails.