



April 16, 2026

To whom it may concern:

Company name: Seven & i Holdings Co., Ltd.  
Representative: Stephen Hayes Dacus  
Representative Director & President  
(Code No. 3382/Prime Market of the Tokyo Stock Exchange)

**Establishment of a New Compensation Plan for Directors and Audit & Supervisory Board Members and the Revision of the Executive Compensation Policy**

At a meeting of the Board of Directors held on April 16, 2026, the Company resolved to establish a new compensation plan for Directors and Audit & Supervisory Board Members (the “New Executive Compensation Plan”) and to revise the Company’s policy on compensation of Directors and Audit & Supervisory Board Members (the “Executive Compensation Policy”).

Consequently, the Company has decided to submit proposals concerning the revision of the amount of compensation for the Company’s Directors and the introduction of a new stock-based compensation plan for the Company’s Directors to the 21st Annual Shareholders’ Meeting scheduled to be held on May 27, 2026 (the “Annual Shareholders’ Meeting”), as set forth below.

**1. Objectives of the New Executive Compensation Plan**

Following the launch of our new management structure in May 2025, the Company announced "Transformation of 7-Eleven" in August 2025, outlining the Company’s future strategy, action plans, and new group management policies and goals. To promote this transformation plan and enhance corporate and shareholder value, it is essential to make it clear that the Company’s Directors (excluding Outside Directors; hereinafter, “Executive Directors”) are deeply committed to implementing the Company’s strategy of the Company. Accordingly, the Company’s executive compensation plan was revised effective as of 2026. The New Executive Compensation Plan emphasizes pay-for-performance alignment, and strengthens the link between executive compensation and mid-to-long-term enhancement of corporate and shareholder value, ensuring objective and transparent procedures. This revised plan aims to establish a compensation package that functions as a sound incentive for sustainable growth.

In establishing this New Executive Compensation Plan, and in line with the initiative to "set clear global management approach and cadence" outlined as part of “Our Approach for Growth” in

"Transformation of 7-Eleven", the Company will develop a globally integrated common compensation framework covering the holdings company and its key operating subsidiaries. Based on this framework, compensation plans specific to each company within the Group will be designed considering their function and role within the Group's management.

## **2. Revision of the Company's Executive Compensation Policy Based on the New Executive Compensation Plan**

In connection with the establishment of the New Executive Compensation Plan, the Company will revise its Executive Compensation Policy, subject to the approval of the related proposals set forth below at the Annual Shareholders' Meeting.

Under the New Executive Compensation Plan, the compensation of the Company's Executive Directors will consist of the following: base salary (fixed compensation), short term incentive, performance-linked long-term incentive (PSU) and time/tenure-based long-term incentive (RSU) based on the concept of pay-for-performance alignment. By reflecting the financial performance and major KPIs integral to the "Transformation of 7-Eleven", the New Executive Compensation Plan further strengthens the link between executive compensation and mid-to-long-term enhancement of corporate and shareholder value. The increase in the performance-linked compensation ratio and a wider fluctuation in the payout range aim to demonstrate the Executive Directors' commitment to improving the financial performance, and increasing corporate and shareholder value.

Under the New Executive Compensation Plan, Outside Directors' compensation consists of fixed compensation and a time/tenure-based stock plan whereby units are converted to shares after vesting (RSU). This revision was introduced to strengthen the Outside Directors' motivation to contribute to medium- to long-term corporate value creation and to align their interests with those of the shareholders, while fulfilling their oversight and advisory role, drawing on their individual expertise and broad management experience from an objective and independent standpoint, free from any potential conflicts of interest with general shareholders, and to support sound and appropriate decision-making by the Board of Directors and business execution.

An overview of the principal revisions is as set forth below.

The details of the revised Executive Compensation Policy following such revision are set forth in Appendix (1).

<Overview of the Main Revisions under the New Executive Compensation Plan>

Items		Before Revision	After Revision
Compensation Policy and Compensation Governance		<ul style="list-style-type: none"> <li>- A policy on compensation of Directors and Audit &amp; Supervisory Board Members of the Company was established.</li> <li>- The Compensation Committee monitors the compensation system that differs among the Company and each of the key operating subsidiaries.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company will establish a globally integrated, common compensation policy for Executive Directors, etc., of the Company and the key operating subsidiaries (the Global Executive Compensation Framework) and, based on this, will revise the Executive Compensation Plan.</li> <li>- Based on these guidelines, the Compensation Committee uniformly monitors the compensation of the Executive Directors, etc. of the Company and the key operating subsidiaries.</li> </ul>
Compensation Levels (benchmarking)		The compensation levels will be determined, referencing compensation practices of major companies of similar size in terms of market capitalization and revenue.	<ul style="list-style-type: none"> <li>- From the perspectives of ensuring fairness in compensation practices within the Group and giving due consideration to stakeholders, the roles and responsibilities undertaken by Executive Directors, etc. will be clearly defined.</li> <li>- For each Executive Director, etc., or group of Executive Directors, etc., an appropriate benchmarking peer group will be selected, and the compensation levels will be determined based on this.</li> </ul>
Compensation for Executive Directors	Compensation Mix	<ul style="list-style-type: none"> <li>- In light of the fact that the fiscal year 2025 was the first fiscal year under the new management structure, a highly individualized compensation package was applied to the CEO's variable compensation, and a stock-based compensation (RSU), which is different from the one applied to other directors, was applied to the CEO.</li> </ul>	<ul style="list-style-type: none"> <li>- The compensation structure for the Company's Executive Directors and Executive Officers has been designed to consist of fixed compensation, Short-term incentive, PSU and RSU. With respect to the PSU and RSU, the Company shares, etc. will be delivered after three fiscal years have elapsed from the grant date of the relevant units, and PSU and RSU are operated either</li> </ul>

			<p>through direct grants by the Company or through a trust plan.</p> <p>PSU: Performance-linked Long-term incentive (performance share units)</p> <p>RSU: Time/tenure--based Long-term incentive (restricted stock units)</p>
Range of Variability for Variable Compensation	Range of variability for incentive compensation will be determined for each position.		The range of variability is standardized across the Company's Executive Directors and Executive Officers, with Short-term incentive varying within a range of 0% to 200% of the base amount, and PSUs varying within a range of 0% to 200% of the base number of units.
KPI for Stock-based Compensation and Evaluation Method	<ul style="list-style-type: none"> <li>- KPI for stock-based compensation: consolidated ROE, consolidated EPS, CO<sub>2</sub> emissions, employee engagement, and other metrics.</li> <li>- Service period for the stock-based compensation: one fiscal year.</li> </ul>		<ul style="list-style-type: none"> <li>- KPI for stock-based compensation: consolidated EBITDA, consolidated ROIC, relative TSR, and other metrics</li> </ul> <p>The evaluation method is standardized across the Company's Executive Directors and Executive Officers, with medium- to long-term performance metrics established based on the management plan "Transformation of 7-Eleven," which sets forth our future strategies, including business transformation initiatives, and their implementation plans.</p> <p>In the case of PSUs, particular emphasis is placed on the relative performance of the Company's TSR in the domestic equity market and the relative performance of the Company's TSR against the global retail industry.</p> <ul style="list-style-type: none"> <li>- Accordingly, the service period for stock-based compensation for the Company's Executive Directors and Executive Officers has been changed to 3 years.</li> </ul>

	Delivery timing of the Stock-based compensation	- Stock-based compensation will be delivered upon retirement.	- Delivery timing of the stock-based compensation will be changed from a retirement-based model to an in-service model.
	Severance	The Company had no specific provisions.	To be established as the Executive Compensation Plan, subject to obtaining approval at a shareholders' meeting as appropriate.
Stock-based Compensation for Outside Directors	(New)		RSUs are granted to Outside Directors of the Company: (i) to enhance their motivation to contribute to medium- to long-term corporate value creation and to align their interests with those of shareholders, while fulfilling their oversight and advisory roles — drawing on their individual expertise and broad management experience — from an objective and independent standpoint, free from any potential conflicts of interest with general shareholders; and (ii) to support sound and appropriate decision-making by the Board of Directors.
Stock Ownership Guidelines	(New)		Newly introduced to promote long-term and sustainable sharing of value with shareholders <ul style="list-style-type: none"> <li>• The Company's Representative Director, President and CEO: Five times the annual base salary</li> <li>• The Company's other Directors (Excluding Outside Directors): the annual base salary</li> <li>• The Company's Outside Directors: Shares of the Company acquired by Outside Directors will, in principle, be continuously held in full until their departure, except to the extent sold to cover tax obligations arising from stock-based compensation.</li> </ul>

Malus and Clawback	Subject to certain rules	As a governance measure in response to the enhancement of variable compensation, the Company conducted a review with reference to global practices.
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### 3. Overview of the Proposals to Be Submitted to the Shareholders' Meeting in Connection with the Establishment of the New Executive Compensation Plan

In connection with the implementation of the New Executive Compensation Plan, an overview of the compensation limits for Directors, as revised by the proposals to be submitted to the Annual Shareholders' Meeting, is set forth in the table below.

In addition, the trust introduced in fiscal year 2019 for Executive Directors (the "BIP Trust") will also be utilized under the New Executive Compensation Plan, and the trust period of the BIP Trust will be extended as set forth below.

For details of such proposals and the trust period extension, please refer to Appendix (2). Except for such matters, the fundamental terms and conditions of the BIP Trust will remain unchanged.

#### (1) Details of Revisions to Compensation Limit for Directors

Items	Before Revisions	After Revisions
Fixed Compensation and Short-Term Incentive	Not more than ¥2 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors)	Not more than ¥2.5 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors)
Maximum Number of Shares to be Delivered to Directors (Excluding Outside Directors)	Trust-type Stock-Based Compensation: 240,000 shares per fiscal year Long-Term Incentive: 500,000 shares per fiscal year	4,500,000 units (equivalent to 4,500,000 shares) for each service period *1 - PSU: 4,000,000 units (equivalent to 4,000,000 shares) - RSU: 500,000 units (equivalent to 500,000 shares) * In principle, Company shares will be delivered after completion of each service period (3 years).
Maximum Number of Shares to be Delivered to Outside Directors	Not applicable	45,000 units (equivalent to 45,000 shares) for each service period (RSU) *2 * In principle, Company shares will be delivered after completion of each service period (3 years).

\*1 This represents 0.19% (rounded to two decimal places) of the total number of shares issued by the Company (after deduction of

treasury shares, as of February 28, 2026)

\*2 This represents 0.002% (rounded to three decimal places) of the total number of shares issued by the Company (after deduction of treasury shares, as of February 28, 2026)

(2) Trust Period after Extension

The trust period shall be three (3) years from August 1, 2026 (planned) to the end of July 2029 (planned).

End

## **Seven & i Holdings Co., Ltd. Executive Compensation Policy**

### **1. Basic Philosophy on Executive Compensation**

The Company's compensation plan for Directors and Audit & Supervisory Board Members (collectively, "Executives") is based on our "Basic Policy on Corporate Governance." The Company positions this plan as a mechanism to encourage appropriate risk-taking in pursuit of sustained medium-to-long-term Group corporate value growth. The plan shall be established and operated in accordance with the following basic policies.

#### **(1) Basic Policy on Executive Compensation**

The Company shall establish its executive compensation plan based on an integrated compensation framework (the "Global Executive Compensation Framework") developed for the Company and its key operating subsidiaries: Seven-Eleven Japan Co., Ltd. ("SEJ"), 7-Eleven, Inc. ("SEI"), and 7-Eleven International LLC ("7IN"). While using this as a common foundation, specific plans for the Company and its key operating subsidiaries shall be designed according to their respective functions and roles within the Group's management.

#### **(2) Compensation Philosophy by Position**

##### **(a) Executive Directors**

Compensation plans for our Executive Directors of the Company shall be established and operated based on the Global Executive Compensation Framework. Compensation plans will be designed ensuring Executive Directors of the Company and Executives of key operating subsidiaries work together with a shared sense of purpose regarding strategic objectives and foster mutual cooperation while enhancing transparency and fairness in setting compensation with a view to creating corporate value of the medium-to-long term. The Global Executive Compensation Framework shall be operated based on the following Guiding Principles of Compensation.

《Guiding Principles of Compensation》

- Attracting and Retaining Premier Executive Talent
- World-Class Long-Term Value Creation
- Engaging Leaders Around Strategic Priorities
- Pay-for-Performance Alignment
- Alignment with Broad Stakeholder Interests
- Encouraging Appropriate Risk Management
- Transparency and Accountability

##### **(b) Outside Directors**

The Company's Outside Directors oversee and advise the Board from an objective and independent standpoint, drawing on their individual expertise and broad management experience in a manner that is free from any potential conflicts of interest with general shareholders. Given this role in ensuring the soundness and appropriateness of the Board of Directors' decision-making and business execution, outside director compensation is set at a level commensurate with the significance of their responsibilities and is not linked to performance.

##### **(c) Audit & Supervisory Board Members**

The basic policy of our Audit & Supervisory Board Members is to ensure the sound and sustainable growth of the Company and its group companies and to establish high-quality corporate governance practices that meet societal expectations. They conduct audits based on plans that prioritize the establishment of internal control systems, compliance, and risk management. Accordingly, their

compensation shall consist solely of fixed compensation.

## 2. Compensation Levels

Executive compensation levels shall be determined referencing compensation practices of major companies of similar size in terms of market capitalization and revenue, while considering various fundamentals in our business and operating environment.

In determining compensation levels for Executive Directors, the Company selects appropriate benchmarking peer groups for individuals or groups of Executive Directors based on the following:

- Similarity in industry of the relevant business entity
- Similarity in scale of the relevant business entity
- The talent market where the relevant Executive Director is sourced
- The scope of authority and responsibility of the relevant Executive Director
- Where more careful consideration is warranted, the Company will consider validating compensation levels against additional peer groups, rather than relying solely on a single peer group as the basis for benchmarking.

For the Representative Director, President and CEO, global retailers are used as the peer group. The Compensation Committee shall appropriately select the constituent companies of this global retail peer group based on their performance and other factors.

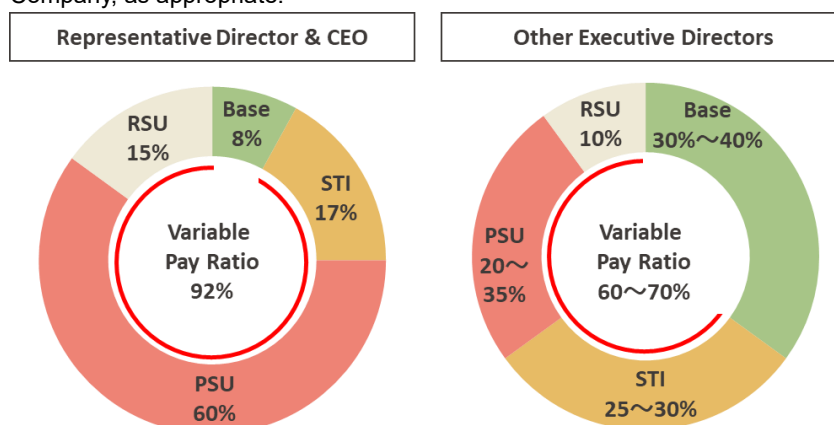
## 3. Composition of Compensation

### (1) Executive Directors

#### (a) Compensation Mix Ratio

The ratio of compensation mix of Executive Directors (\*1) is generally as follows.

Performance-linked stock plan whereby units are converted to shares after vesting (Performance Share Units: PSUs) and Time/tenure-based stock plan whereby units are converted to shares after vesting (Restricted Stock Units: RSUs) shall be managed through a trust or awarded directly from the Company, as appropriate.



(\*1) Represents target pay for Short Term Incentive and PSUs. Where allowances are paid to Directors who are non-residents of Japan or in connection with specific roles, the proportion of fixed compensation may be higher than the mix shown in the table above.

#### (b) Compensation Components

##### (i) Fixed Compensation

- Fixed cash compensation set for each position reflecting scope of responsibilities.
- Paid in regular monthly installments during the term of office.
- Additional allowances as a part of base salaries for Directors who are non-residents of Japan may be payable based on the Board of Directors' decision following the Compensation Committee's deliberations and recommendations.
- Position-based allowances may be paid based on the Board of Directors' decision following the

Compensation Committee's deliberations and recommendations.

## (ii) Variable Compensation

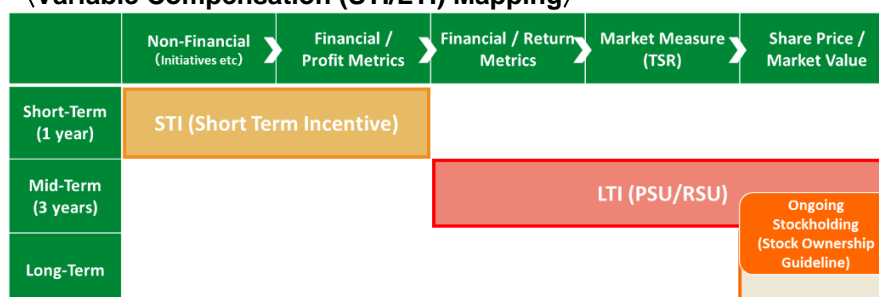
### ○ Design Principles of Variable Compensation

The Company's variable compensation plans have been designed to strongly incentivize and motivate the Company's Executive Directors to achieve "World-Class Long-Term Value Creation" as defined in the Global Executive Compensation Framework.

The Group aims to create corporate value over the long-term through holistic initiatives that span different time horizons. These include strengthening the Company's "ability to earn" to achieve short-term organic growth through expansion of the CVS business and enhancement of its profitability; achieving mid-to-long-term growth through improvements in capital efficiency driven by strategic capital allocation; and maintaining and continuing to enhance the corporate value thus generated. The Company's variable compensation plans contextualize these management actions across short-, medium-, and long-term time horizons through a three-tier incentive structure comprising Short Term Incentives, long-term incentives (PSU and RSU), and Stock Ownership Guidelines - with the aim of clarifying the strategic priorities of each time horizon and ensuring Executive Directors are taking action to meet those priorities.

The Company's variable compensation plans also ensures an appropriate link between corporate value and performance-linked compensation which thereby ensures accountability, objectivity and transparency of the Company's compensation plan.

### 〈Variable Compensation (STI/LTI) Mapping〉



※STI: Short Term Incentive, LTI: Long Term Incentive

Moreover, the same design principles described above, in accordance with the Global Executive Compensation Framework, will also be applied to the design of compensation for executives that are responsible for the management of the Company's key operating subsidiaries (SEJ, SEI and 7IN). The Company has adopted TSR (Total Shareholder Return) as a KPI (Key Performance Indicator) for the long-term incentive plan, and the same TSR assessment has also been incorporated into the long-term incentive plans of the Company's key operating subsidiaries. In doing so, awareness toward corporate value creation of the entire Group is shared across the Group's executives at the subsidiary level who are involved in business operations, thereby securing a collaborative framework that promotes common strategic goals and mutual cooperation.

Specific design considerations are as follows:

#### 〈Short Term Incentives〉

KPIs assessed in the Short Term Incentive include consolidated revenues from operations, consolidated operating income in addition to strategic objectives and non-financial metrics with a view to incentivize Executive Directors to manage day-to-day activities with a view to strengthen the Group's "ability to earn."

#### 〈PSU (performance-linked stock plan whereby units are converted to shares on vesting) 〉

The PSU plan is the most important component within the Company's variable compensation plan. To assess management's contribution toward mid-to-long-term corporate value creation, including mid-to-long-term improvement in capital efficiency, the Company has adopted as KPIs consolidated EBITDA, consolidated ROIC, and relative TSR as an evaluation of performance against the external market

Given the importance of enhancing corporate value during the Company's transformation period, relative TSR is given the highest weighting for the PSU performance assessment. Moreover, the Company's TSR performance is evaluated relative to two defined groups – TOPIX (dividends readjusted) and a global retail peer group. The purpose of this approach is to strongly instill in management the importance of creating expectations of corporate value creation through the steady progress of the transformation, and the mindset that the Company must achieve growth that outperforms both domestic listed companies and global retailers .

**〈RSU (Time/tenure-based stock plan whereby units are converted to shares on vesting) and Stock Ownership Guidelines)**

RSU units are granted at a fixed value each financial year without any performance hurdles to promote the sharing of profits and risks with shareholders on an ongoing basis. Stock Ownership Guidelines which require Executive Directors to retain – without selling – the Company's shares until a prescribed guideline level is reached, have also been put in place. This serves to clarify the commitment of Executive Directors to sustain and further enhance the outcomes of corporate value creation over the long-term, as well as their accountability to shareholder value.

Based on the above, the variable compensation of each Executive Director shall be structured in accordance with the following principles.

○Target setting and evaluation

Goals for KPIs are set with sufficient stretch to ensure targets are appropriately challenging and geared toward meeting stakeholder expectations (including shareholders and investors) to create value. In parallel, design elements that encourage short-termism or excessive risk-taking are avoided.

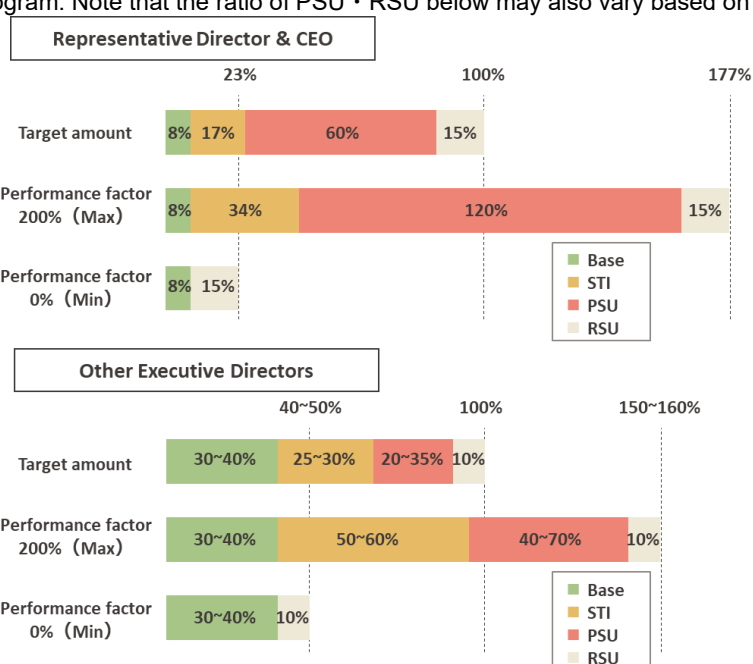
○Payout ranges for Short Term Incentive and PSU

The payout range for both Short Term Incentive and PSUs are set at 0~200%(The range reflects the variation from the target amount for Short Term Incentive, and from the target number of units for PSUs.)

The below figure illustrates total compensation for cases where variable pay components payout at minimum or maximum.

**〈Illustration of compensation in minimum and maximum payouts scenarios)**

The compensation plan is designed to strengthen the link between changes in corporate value and award payouts, thereby ensuring accountability and objectivity across the overall compensation program. Note that the ratio of PSU · RSU below may also vary based on fluctuations in stock price.



○ Discretionary adjustment at end of service period

To ensure the effectiveness of incentive plans, the Board of Directors will retain the discretion to adjust the final payouts for incentive plans based on the recommendations of the Compensation Committee following careful discussion of the impact of special circumstances. These may include unforeseen changes in the business environment or extraordinary gains / losses that impact the payouts of variable compensation components

**(ii-1) Short Term Incentive**

- Short Term Incentive compensation will be performance-linked cash compensation that varies based on the Company’s business performance and individual evaluations, etc., for the relevant fiscal year.
- Compensation will be paid annually after the Company’s business performance and individual evaluations, etc., for the relevant fiscal year have been confirmed.
- The KPIs for the Short Term Incentive are as set out in the table below. These KPIs focus on the growth and profitability of the Group’s businesses during the relevant fiscal year, as well as qualitative initiatives and non-financial metrics which assess initiatives specific to each Executive Director.
  - “Employee Engagement Improvement” is employed as a non-financial KPI with the aim (i) of further promoting an environment in which diverse talent can fully demonstrate their abilities, and (ii) of strengthening corporate competitiveness by enhancing employees’ motivation to contribute.
  - As a company seeking to achieve both a sustainable society and sustainable corporate growth, the Company added the CO<sub>2</sub> emissions reduction targets set forth in our environmental declaration “GREEN CHALLENGE 2050,” formulated in May 2019, as KPIs for performance-linked stock-based compensation starting from fiscal year 2020. However, in connection with the Group restructuring implemented in September 2025, the Company is currently reviewing the CO<sub>2</sub> emissions reduction targets and related matters. Once such review is finalized, the revised “progress in promoting initiatives to reduce CO<sub>2</sub> emissions and other environmental impacts” will be evaluated as a non-financial KPI for Short Term Incentives.

(KPIs for Short Term Incentives)

KPI	Weight	Evaluation Objectives
(a) Consolidated Revenues from Operations	35%	Evaluates annual business growth of the entire Group
(b) Consolidated Operating Income	35%	Evaluates annual business profitability of the entire Group
(c) Individual Performance	25%	Evaluates each Executive Director’s annual progress on strategic objectives
(d) Non-financial Score(*)	5%	Evaluates the level of improvement in employee engagement, the progress in promoting initiatives to reduce CO <sub>2</sub> emissions and other environmental impacts, and other non-financial indicators

(\*) Overall Evaluation by the Compensation Committee

< Calculation Formula for Short Term Incentives >

Performance Factor for Short Term Incentives = (a) + (b) + (c) + (d)

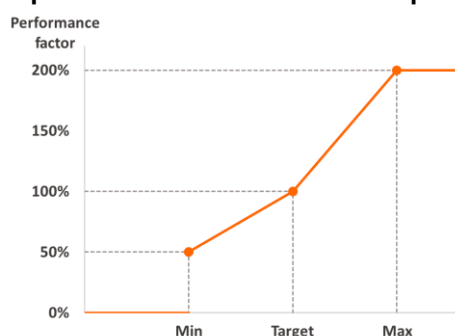
(a) 「Consolidated Revenues from Operations」 -linked Factor × 35%

(b) 「Consolidated Operating Income」 -linked Factor × 35%

(c) 「Individual Performance」 -linked Factor × 25%

(d) 「Non-financial Score」 -linked Factor × 5%

< Illustration of the Performance-Linked Mechanism for Consolidated Revenue from Operations and Consolidated Operating Income >



- The payout for Short Term Incentives ranges from 0% to 200% of the target amount.

**(ii-2) PSU (Performance-linked stock plan whereby units are converted to shares after vesting, Performance Share Units)**

- The PSU is a performance-linked medium to long-term stock incentive compensation plan that is variable based on corporate performance, management metrics and other relevant factors.
- Units are granted to directors annually. Units vest upon completion of a service period spanning three consecutive years, subject in principle to continued service as a director during the service period, at which point units are converted to ordinary shares of the Company. The initial service period shall run from the conclusion of the 2026 Annual General Meeting of Shareholders through the conclusion of the Annual General Meeting of Shareholders scheduled for 2029, with units granted annually (overlapping structure).
- Vesting shall, in principle, occur after the expiration of the service period (3-years) (cliff vesting).
- If a director retires before the end of the service period, units will in principle be forfeited; however, in the event of retirement due to death or other good reason, vesting may be accelerated and the number of units to be vested may be reasonably adjusted as necessary.
- In the event of an organizational restructuring, etc., vesting may be accelerated; however, vesting shall not be triggered solely by the organizational restructuring, etc., itself. Vesting is triggered only if the director also loses his or her directorship or a designated position as a result of the organizational restructuring, etc. (so-called "double trigger" vesting).
- The KPIs for the performance-linked stock compensation (PSU) are set forth in the table below.

(KPIs for PSU)

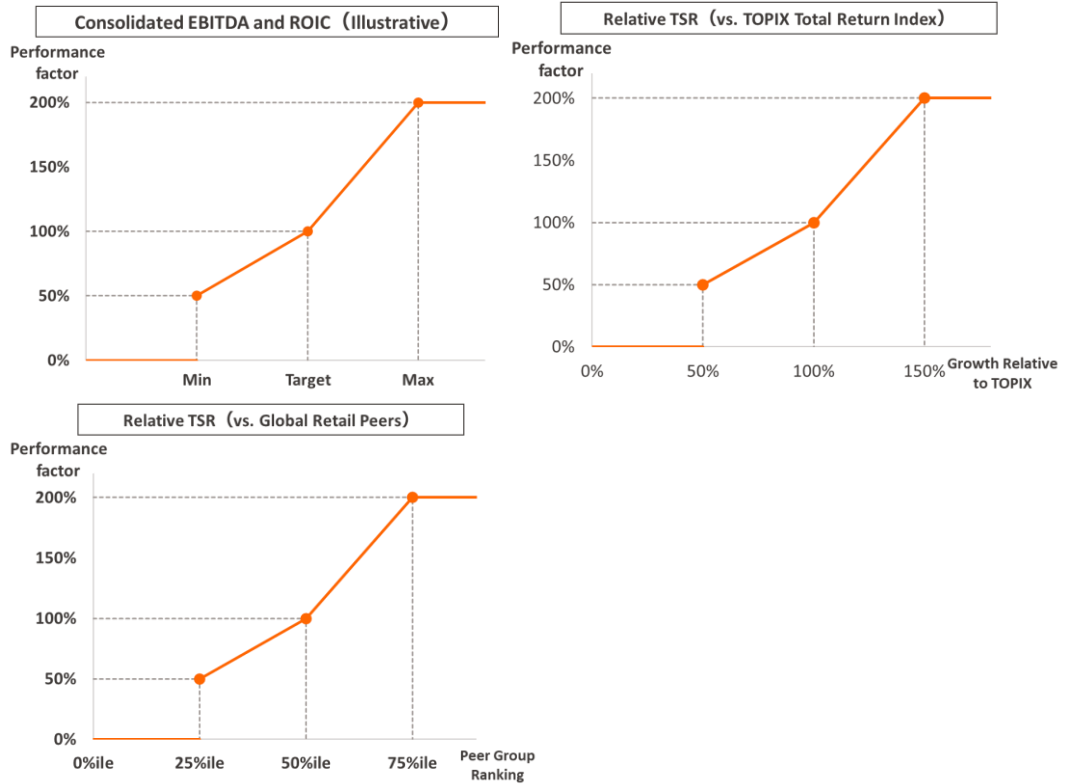
KPI	Weight	Evaluation Objectives
(a) Consolidated EBITDA	25%	Evaluates medium- to long-term growth in the scale of profits and cash flow generated by the business
(b) Consolidated ROIC	25%	Evaluates medium- to long-term improvement in the efficiency of profits generated by the business relative to invested capital
(c) Relative TSR (vs. TOPIX Total Return Index)	25%	Evaluates the Company's relative performance in the domestic stock market over the medium to long term
(d) Relative TSR (vs. Global Retail Peers)	25%	Evaluates the Company's relative performance against global retailers over the medium- to long-term

< Calculation Formula for PSU >

PSU Performance Factor = (a) + (b) + (c) + (d)

- (a) 「Consolidated EBITDA」 -linked Factor × 25%
- (b) 「Consolidated ROIC」 -linked Factor × 25%
- (c) 「Relative TSR (vs. TOPIX Total Return Index)」 -linked Factor × 25%
- (d) 「Relative TSR (vs. Global Retail Peers)」 -linked Factor × 25%

< Performance-Linkage Mechanism for Each KPI >

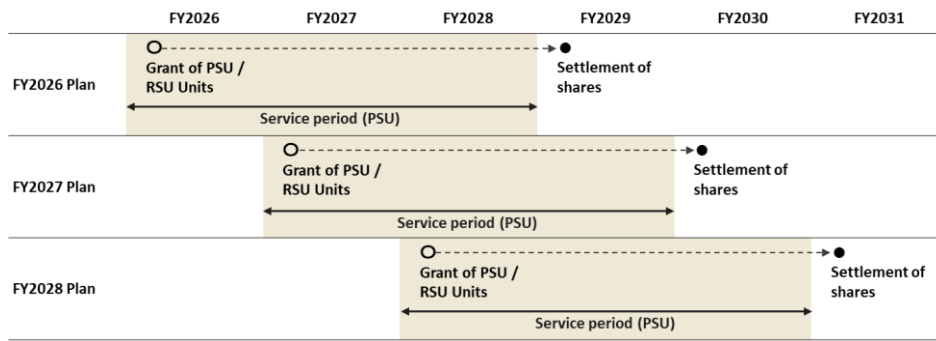


\* The global retail peer group shall be selected by the Compensation Committee based on the performance and other relevant factors of the constituent companies.

**(ii-3) RSU (Time/Tenure-Based Stock Plan Whereby Units are Converted to Shares After Vesting)**

- To promote continuous share ownership and alignment with shareholder value during tenure, this is structured as a time/tenure-based stock plan conditioned on continued service throughout the applicable service period.
- The initial service period runs from the close of the 2026 AGM to the close of the AGM scheduled for 2029. Units are granted annually on an overlapping basis.
- Vesting occurs, in principle, in a single lump sum upon completion of the service period (3-years).
- If a director leaves before the end of the service period, unvested units are generally forfeited. However, in the case of death or other good reason for departure, vesting may be accelerated, with the number of vested units adjusted as reasonably appropriate.
- In the event of a organizational restructuring, etc., vesting may be accelerated; however, vesting does not occur solely on account of the restructuring, etc. Vesting is triggered only if the director also loses his or her directorship or a designated position as a result of the restructuring, etc. (i.e., "double trigger" vesting).

**<Illustration of the PSU · RSU grant>**



**(c) Stock Ownership Guidelines**

To ensure long-term and sustained alignment of interests with shareholders, the Company has established Stock Ownership Guidelines as shown in the table below. Executive Directors are expected to maintain holdings at or above the target ownership levels throughout their tenure, even after the target has been reached.

(Stock Ownership Guidelines)

Target ownership levels are to be achieved within 5 years of appointment (or, for Executive Directors in office as of the effective date of these Guidelines, within 5 years from such effective date). For the purpose of measuring compliance, unvested RSUs that are considered substantially equivalent to actual shareholdings may be included.

	Target Ownership Level
Representative Director, President & CEO	5x annual base salary
Other Executive Directors	1x annual base salary

**(d) Malus & Clawback**

If a director engages in serious misconduct or violations, or if the Board of Directors resolves to restate financials due to a material accounting error or fraud — or in other circumstances as defined by the Board of Directors for each compensation type — the Company may withhold all or part of any unpaid compensation (malus), or seek for the return of all or part of compensation already paid or delivered (clawback). Note that compensation subject to clawback is limited to variable compensation paid or delivered during the fiscal year in which the clawback trigger is identified and the preceding three fiscal years.

**(e) Severance**

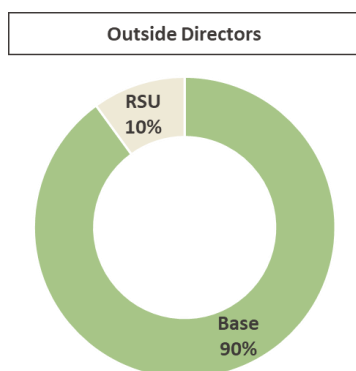
Beyond the compensation described in this policy, considering compensation levels and practices in the relevant talent market (based on the relevant director's responsibility, background, country of residence, etc.), the Board of Directors — upon recommendation from the Compensation Committee — may determine that severance payments are appropriate. In such cases, severance in an amount deemed appropriate by the Board of Directors may be paid, subject to shareholder approval at the AGM.

**(2) Outside Directors**

**(a) Compensation Mix Ratio**

Compensation consists of fixed compensation and time/tenure-based stock plan whereby units are converted to shares after vesting (RSU). The ratio of fixed compensation (before any role-based

allowances) to time/tenure-based stock plan whereby units are converted to shares after vesting (RSU) is approximately 9:1.



**(b) Compensation Structure**

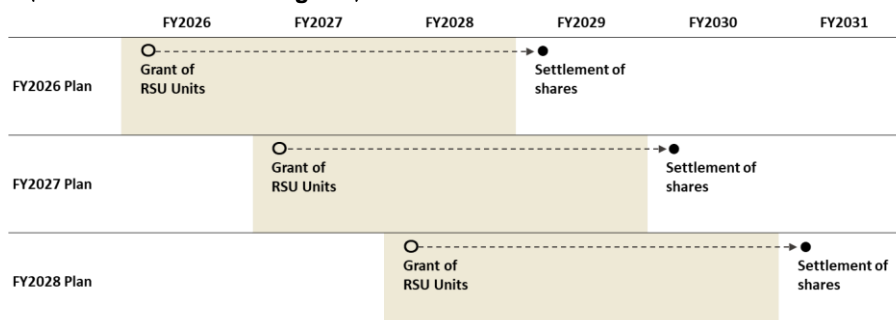
**(i) Fixed Compensation**

- A fixed cash payment is made monthly throughout the term of office.
- Subject to Compensation Committee deliberation and Board of Directors' approval, additional role-based allowances may be paid for positions such as Chair of the Board of Directors, Chair of the Nomination Committee, and Chair of the Compensation Committee.

**(ii) RSU (Time/Tenure-Based Stock Plan Whereby Units are Converted to Shares After Vesting)**

- RSUs are granted to Outside Directors to enhance their motivation to contribute to medium- to long-term corporate value creation and to align their interests with those of shareholders, while fulfilling their oversight and advisory role — drawing on their individual expertise and broad management experience — from an objective and independent standpoint, free from any potential conflicts of interest with general shareholders, and to support sound and appropriate decision-making by the Board of Directors.
- The initial service period runs from the close of the 2026 AGM to the close of the AGM scheduled for 2029. Units are granted annually on an overlapping basis.
- Vesting occurs, in principle, in a single lump sum upon completion of the service period (3-years).
- If a director leaves before the end of the service period, unvested units are generally forfeited. However, in the case of death or other good reason for departure, vesting may be accelerated, with the number of vested units adjusted as reasonably appropriate.
- In the event of a organizational restructuring, etc., vesting may be accelerated; however, vesting does not occur solely on account of the restructuring, etc. Vesting is triggered only if the director also loses his or her directorship or a designated position as a result of the restructuring, etc. (i.e., "double trigger" vesting).

**⟨Illustration of the RSU grant⟩**



**(c) Malus & Clawback (RSU)**

If an Outside Director engages in serious misconduct or violations, or if the Board of Directors resolves to restate financials due to a material accounting error or fraud — or in other circumstances as defined by the Board of Directors — the Company may withhold all or part of any undelivered RSU awards (malus), or seek for the return of all or part of RSU awards already delivered (clawback). RSU awards subject to clawback shall be limited to those granted during the fiscal year in which the triggering event is identified and the three preceding fiscal years.

**(d) Stock Ownership Guidelines**

Outside Directors are expected to retain all shares of the Company acquired during their term of office until their departure, with the sole exception of sales made to cover tax obligations arising from stock compensation.

**(3) Audit & Supervisory Board Members**

**(a) Compensation Mix Ratio**

Compensation consists solely of the fixed compensation described in (b) below.

**(b) Compensation Structure**

**Fixed Compensation**

- To further strengthen independence from management, compensation is limited to a fixed cash payment only. No Short Term Incentives or stock-based compensation is provided.
- Paid monthly installments throughout the term of office.

**4. Compensation Governance**

**(1) Compensation Committee**

The Company has established a Compensation Committee — chaired by, and with a majority of members being, independent Outside Directors — to ensure objectivity and transparency in the process of determining compensation for the Executives and Executive Officers (the “Executives, etc.”). Under the Global Executive Compensation Framework, the Committee is authorized to deliberate on and make recommendations regarding the compensation structure and individual compensation for the Company's Executives, etc., as well as the Representative Director of SEJ and the CEOs of SEI and 7IN.

In carrying out its deliberations, the Committee considers alignment with the Global Executive Compensation Framework, changes in the business environment, and feedback from dialogue with shareholders and investors, in order to exercise its roles and authorities appropriately. The Committee also engages WTW (Willis Towers Watson) as its compensation advisor, bringing extensive global expertise, to provide relevant information and advice necessary for deliberations as well as procedural support.

**(2) Method of Determining Compensation**

The basic policy on Executive compensation is determined by the Board of Directors and is based on the deliberations of the Compensation Committee.

Individual compensation amounts for each director are determined by the Board of Directors based on a recommendation from the Compensation Committee. The Committee's recommendation considers each director's role, contribution, Group performance evaluation, and KPI achievement.

The compensation of each Audit & Supervisory Board Member is determined through discussions among themselves.

**5. Executive Compensation Limits**

The compensation amounts for Executives will be determined within the limits outlined below, subject to shareholder approval of the relevant agenda items — specifically, the revision of director compensation and the

introduction of a stock plan whereby units are converted to real shares on vesting – at the Company's 21st Annual General Meeting of Shareholders, scheduled for May 27, 2026.

Note that the Company has already abolished its Executive retirement allowance program, and no such allowances will be paid.

(1) Directors

• Monetary Compensation

No more than ¥2.5 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors; neither limit includes employee salaries paid to Directors who serve concurrently as employees)

• Stock plan whereby units are converted to real shares on vesting

The maximum number of shares per service period is 4,500,000 shares for directors other than Outside Directors (of which 4,000,000 are PSUs and 500,000 are RSUs), and 45,000 shares (all RSUs) for Outside Directors. Note that in certain circumstances such as a organizational restructuring, etc., units granted across multiple service periods may vest simultaneously.

The maximum compensation amount is calculated as follows:

① Trust delivery: For each service period, the maximum is calculated by multiplying the closing price of the Company's shares on the Tokyo Stock Exchange at the time of the trust being established (or extended) — or, if no trades were executed on that day, the closing price on the most recent preceding trading day — by the maximum number of shares expected to vest under the stock plan whereby units are converted to real shares on vesting for the eligible directors.

② Direct delivery: For each service period, the maximum is calculated by multiplying the fair per-share value or per-share payment amount — based on the closing price of the Company's shares on the Tokyo Stock Exchange on the business day prior to the Board resolution authorizing the issuance or disposal of shares (or, if no trades were executed on that day, the closing price on the most recent preceding trading day) — by the maximum number of shares expected to vest under the stock plan whereby units are converted to real shares on vesting for the eligible directors.

(2) Audit & Supervisory Board Members

• Monetary Compensation

Not more than ¥200 million per year

(Resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019)

## <Appendix (2)> Overview of the Proposals and Extension

### (1) Revision to Amount of Compensation for Directors

At the 20th Annual Shareholders' Meeting held on May 27, 2025, the Company resolved that the compensation of the Company's Directors shall not exceed ¥2 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors; neither limit includes the employee salaries paid to Directors who serve concurrently as employees) (hereinafter, "Monetary Compensation Upper Limit"). Since then, the Company has paid Directors fixed compensation and bonuses as short term incentive, as monetary compensation within this upper limit. Separate from this Monetary Compensation Upper Limit, based on approval at the 14th Annual Shareholders' Meeting held on May 23, 2019 and the 17th Annual Shareholders' Meeting held on May 26, 2022, the Company introduced a performance-linked and stock-based compensation system utilizing a trust (hereinafter, "Trust-type Stock-Based Compensation Plan"), for which the Company's Directors are eligible and under which Company shares and an amount of money equivalent to the converted value of Company shares are to be delivered and provided, and has applied this system to eligible Directors who reside in Japan. In addition, based on approval at the 20th Annual Shareholders' Meeting held on May 26, 2022, the Company introduced a long-term incentive plan (hereinafter, Long-Term Incentive Plan"), for which the Company's Directors, excluding Outside Directors, are eligible, and has applied this system to eligible Directors who reside overseas.

As the domestic and international management environment surrounding the Company continues to change significantly, it is necessary that the Company further improve its corporate value and make management decisions, which are becoming increasingly complex, quickly by appointing executive personnel, regardless of nationality, who possess global experience and a high level of expertise in the Company's business fields to serve as Directors. To achieve these objectives, it is necessary to further strengthen the linkage between performance and the coefficient pertaining to bonuses used as short term incentive, and to set a wider range of variability, thereby reinforcing Directors' commitment to improving our corporate value and ensuring the Company remains competitive amid changes in compensation levels in the global human resources market.

In light of the foregoing, the Company seeks approval at the Annual Shareholders' Meeting to revise the Monetary Compensation Upper Limit to be within ¥2.5 billion per year (of which, no more than 0.5 billion per year applies for Outside Directors; neither limit includes employee salaries paid to Directors who serve concurrently as employees).

### (2) Partial Revision of Stock-Based Compensation Plan

#### (i) Overview of the Revisions

As described in (1) above, the Company has introduced a Trust-type Stock-Based Compensation Plan and a Long-Term Incentive Plan. However, in light of the fact that the business

environment surrounding the Company continues to change significantly, and that it is necessary that the Company further improve its corporate value and make management decisions, which are becoming increasingly complex, quickly by appointing executive personnel, regardless of nationality, who possess global experience and a high level of expertise in the Company's business fields to serve as Directors, the Company proposes, as set forth below, to review the Trust-type Stock-Based Compensation Plan and the Long-Term Incentive Plan and to introduce a performance-linked and time/tenure-based stock plan whereby units are converted to shares after vesting (hereinafter, the "New Long-Term Incentive Plan"), and seeks approval therefor.

Specifically, under the New Long-Term Incentive Plan, for the period from the conclusion of an annual shareholders' meeting of the Company to the conclusion of the next annual shareholders' meeting to be held (provided, however, that the initial period shall be from the conclusion of the Annual Shareholders' Meeting to the conclusion of the next annual shareholders' meeting of the Company), a certain number of base units determined by the Board of Directors of the Company will be granted to Directors once per fiscal year. Subject to the condition that such Directors continuously provide services as Directors during the period from the conclusion of an annual shareholders' meeting to the conclusion of the annual shareholders' meeting for the last fiscal year ending within three (3) years thereafter (the "Service Period"; provided, however, that the initial Service Period shall be from the conclusion of the Annual Shareholders' Meeting to the conclusion of the Company's Annual Shareholders' Meeting scheduled to be held in 2029), the Company will, after the end of the Service Period, deliver or provide (hereinafter collectively referred to as "Deliver" or "Delivery," as the case may be, and any derivatives thereof) a number of Company shares (or cash in lieu thereof; collectively, "Company Shares") determined in accordance with the number of units that have vested.

Under the New Long-Term Incentive Plan, Company Shares shall be Delivered to each Director by either the following method (a) or (b), taking into account the Director's country of residence and other relevant factors: (a) a method under which certain number of units determined by the Board of Directors of the Company is granted in advance to Directors, the BIP Trust acquires the Company shares using funds contributed by the Company for Directors' compensation, and, through such Trust, a number of the Company shares and an amount of money, etc. equivalent to the converted value of the Company shares, determined in accordance with the number of units that have vested, are delivered or provided to Directors (hereinafter, "Trust Delivery"); or (b) a method under which after the end of the Service Period, a number of the Company Shares determined in accordance with the number of units that have vested is Delivered to Directors (hereinafter, "Direct Delivery").

This revision is intended to set compensation levels for Executive Directors that are competitive even in the global human resources market, while promoting their value sharing with the Company's shareholders and providing them with stronger incentives for the sustainable improvement of the Company's corporate value. Under each of the Trust Delivery or Direct Delivery method, following the grant of base units determined in accordance with their position and other factors for

each fiscal year, the compensation will consist of a “performance-based portion,” which varies based on the achievement level of business performance conditions, etc. (performance-linked long-term incentive (Performance Share Units); hereinafter referred to as “PSU”) and a “fixed portion,” under which base units are granted on a fixed basis in accordance with their position, etc. for each fiscal year and do not vary thereafter (time/tenure-based long-term incentive (Restricted Stock Units; hereinafter referred to as “RSU”). In principle, the Company Shares will be Delivered after the end of the Service Period subject to the condition that such Directors continuously provide services as Directors during the Service Period. The plan to be applied to the Directors will be determined based on considerations such as their place of residence.

In addition, Outside Directors will also be included as eligible beneficiaries under the New Long-Term Incentive Plan. However, it is designed such that the Company Shares to be delivered will not be linked to performance and will be granted on a fixed basis, and Outside Directors will be granted only time/tenure-based long-term incentive (RSU).

Except for the matters set forth in this (2), the fundamental terms and conditions of the BIP Trust introduced in fiscal year 2019 will remain unchanged.

(ii) Method for Calculating the Company Shares to be Delivered to the Directors and Upper Limit Thereof

(a) Executive Directors

The Executive Directors will be granted the base units determined in accordance with their position, etc. at a certain time every fiscal year, with the period from the conclusion of the annual shareholders’ meeting held in such fiscal year to the conclusion of the annual shareholders’ meeting for the last fiscal year ending within three (3) years thereafter as the Service Period. In principle, the Company Shares will be Delivered in the number determined based on the number of units (the “Share Delivery Units”) that vest after the end of the Service Period.

The performance-linked portion (PSU) will be calculated by multiplying the units by the performance-related coefficient (\*1) derived from the achievement level of the business performance targets as of the time when three fiscal years have elapsed from the grant date of the units.

The number of shares per unit will be equal to one Company share (\*2).

(\*1) For the Service Period commencing in the fiscal year ended February 28, 2026, consolidated EBITDA, consolidated ROIC, relative TSR, and other metrics will be used as performance metrics, and the performance-linked portions will vary between 0% and 200% depending on the achievement level, etc. With respect to the Service Periods commencing in the fiscal year ended February 28, 2027, and thereafter, the details will be determined separately by the Board of Directors.

(\*2) If the Company conducts a share split or share consolidation, etc., of the Company shares, the number of the Company shares per one unit and the following upper limit of the number of shares will be adjusted in accordance with the share split ratio or share consolidation ratio, etc., of the Company shares. The same applies below.

The upper limit of the number of Company Shares that may be Delivered to Executive Directors with respect to each Service Period shall be 4,500,000 shares (of which 4,000,000 shares shall be PSUs and 500,000 shares shall be RSUs). Therefore, in principle, the upper limit of the Company Shares that may vest per fiscal year will be 4,500,000 shares. However, in certain cases set out in (iii) below, all or a part of the units that have been granted at that time for which delivery time has not arrived yet may vest simultaneously.

(b) Outside Directors

The Outside Directors will be granted the fixed base units that are not linked to the business performance at a certain time every fiscal year, with the period from the conclusion of the annual shareholders' meeting held in such fiscal year to the conclusion of the annual shareholders' meeting for the last fiscal year ending within three (3) years thereafter as the Service Period. In principle, the Company Shares will be Delivered based on the Share Delivery Units after the end of the Service Period.

The upper limit of the number of Company Shares that may be Delivered with respect to each Service Period shall be 45,000 shares. Therefore, in principle, the upper limit of the Company Shares that may vest for the Outside Directors per fiscal year will be 45,000 shares. However, in certain cases set out in (iii), all units that have been granted at that time for which delivery time has not arrived yet may vest.

(iii) Overview of Method and Timing of the Delivery of the Company Shares to Directors, and Other Conditions for the Delivery of Shares

Directors shall, subject to certain conditions such as the condition that they continuously provide services as Directors during the Service Period, receive, after the end of the Service Period, the Delivery of the Company Shares in the number calculated in accordance with 2.(ii) above.

However, in any of the cases set forth in items (a) through (c) below, even if a Director loses his or her directorship or a designated position prior to the end of the Service Period as a result of such factors, the Company will Deliver all or a part of the Company Shares in the number calculated by the Company. In any event, the performance-related coefficient used in determining the number of Share Delivery Units shall be 100%.

Where Company Shares are to be Delivered to Directors in accordance with the foregoing, and where such Delivery is to be made by way of Trust Delivery, the Directors shall receive

from the BIP Trust delivery of the Company shares in the number corresponding to 50% of the number of Share Delivery Units for each of the performance-linked portion (PSUs) and the fixed portion (RSUs) (shares less than one unit will be rounded up) and shall receive money equivalent to the converted value of the Company shares in the number corresponding to the remaining Share Delivery Units, which are converted into cash within the BIP Trust. Where Company Shares, are to be Delivered by way of Direct Delivery, the relevant Director shall receive from the Company the Delivery of Company Shares in the number corresponding to the number of Share Delivery Units for each of the performance-based portion (PSUs) and the fixed portion (RSUs). In any event, if there are provisions prescribing otherwise in items (a) through (c) below, such provisions shall prevail.

(a) In the Case of Death or Retirement for Good Reason

Prior to the Delivery of Company Shares under the New Long-Term Incentive Plan, if (i) a Director passes away, or (ii) a Director loses his or her position as a Director for good reason (the details of which shall be separately determined by the Board of Directors of the Company), the number of base units granted as of that time, prorated based on the term of office of such Director, shall vest as the number of Share Delivery Units (\*3). In the event of the death of a Director, the heir(s) of such Director shall receive cash in lieu of the Company Shares corresponding to the number of vested Share Delivery Units.

(\*3) Notwithstanding the foregoing, in the event of death, if the Company determines that it is appropriate, all of the base units granted shall vest as the number of Share Delivery Units.

(b) In the Case of Relocation to a Foreign Country or Region

If a Director residing in Japan comes to reside in another country or region, or if a Director residing outside Japan comes to reside in another country or region, all or a part of the base units granted as of that time may vest. In such event, such Director shall receive cash in lieu of the Company Shares corresponding to the number of vested Share Delivery Units.

(c) In the Case of Retirement in Connection with Organizational Restructuring, etc.

Furthermore, if, prior to the Delivery of the Company Shares, matters related to a merger agreement in which the Company will be the disappearing company, a share exchange agreement or a share transfer plan in which the Company will be a wholly owned subsidiary, an incorporation-type company split plan or an absorption-type company split agreement with consideration allotted to the shareholders of the splitting company in which the Company will be the company splitting, or a consolidation of shares, an acquisition of shares subject to class-wide call, or a demand for cash-out in which the Company will be controlled by a specific

shareholder (“Organizational Restructuring, etc.”) are approved at a shareholders’ meeting of the Company (or at a Board of Directors meeting of the Company, if approval by a shareholders’ meeting is not required for the Organizational Restructuring, etc.; hereinafter the same shall apply) (provided, however, that this shall apply only where the effective date of such Organizational Restructuring, etc. is scheduled to arrive prior to the date of the Delivery of the Company Shares under the New Long-term Incentive Plan; hereinafter the same shall apply), and if a Director loses his or her directorship or a position or title or other matters predetermined by the Company occur as a result of Organizational Restructuring, etc., all units having been granted by that time may vest. In this case, the relevant Director shall, in principle, receive cash in lieu of the Company shares, unless the Company separately determines otherwise on a reasonable basis.

In addition, if a Director engages in serious misconduct or commits a violation or if the Board of Directors passes a resolution to change the Company’s past financial statements due to material errors in accounting or accounting fraud, the Company may choose not to conduct all or part of the Delivery of shares under the New Long-Term Incentive Plan (malus) or may request the return of all or a part of the Company Shares Delivered (clawback). The covered period of clawback shall be the fiscal year in which the event giving rise to the implementation of the clawback is recognized and the three (3) preceding fiscal years.

(iv) Upper Limit of Compensation under the New Long-Term Incentive Plan

Under the Trust Delivery, the upper limit of money contributed by the Company to the trust (the “Trust Money”) shall be an amount obtained by multiplying (a) the maximum number of shares expected to vest during the covered period under the New Long-term Incentive Plan by (b) an amount calculated based on the closing price of the Company shares on the Tokyo Stock Exchange as of the date of establishment of the BIP Trust (including any extension of the trust period set forth in 2.(v); the same shall apply hereinafter) (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day). The amount of the Trust Money will include not only funds for the BIP Trust to acquire shares, but also trust fees and trust expenses.

Furthermore, the Company may, directly Deliver the Company Shares to Directors under the New Long-Term Incentive Plan. In such case, the upper limit of the stock-based compensation under the New Long-term Incentive Plan (including the amount of cash to be delivered in lieu of the Company’s common shares) shall be as follows. In the case (1) the method of issuance or disposition of the Company shares to Directors is delivery of the Company shares without consideration(\*4), for each Service Period, the maximum amount will be an amount calculated by multiplying (a) the amount calculated based on the closing price of the Company shares on Tokyo Stock Exchange on the business day immediately preceding the day on which

the Company's Board of Directors passes a resolution, for the New Long-term Incentive Plan, to issue or dispose of the Company shares (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day; hereinafter referred to as the "Company Share Closing Price") or another fairly appraised amount per share, by (b) the maximum number of shares expected to vest under the New Long-Term Incentive Plan (the upper limit of which shall be 4,500,000 shares; the same shall apply to delivery for contribution in kind set forth below). In the case (2) the method of issuance or disposition of the Company shares to Eligible Directors is delivery for contribution in kind(\*5), for each Service Period, the maximum amount will be the amount calculated by multiplying (a) the per-share amount to be paid, which is to be determined by the Company's Board of Directors based on the Company Share Closing Price and is to be an amount that is within a scope that is not particularly advantageous to the Directors who receive Company shares, (b) the maximum number of shares expected to vest under the New Long-Term Incentive Plan. (\*6)

(\*4) A method of issuing or disposing of the Company shares to Eligible Directors as compensation, etc., without requiring the payment of cash or the contribution of assets in kind by the Eligible Directors

(\*5) A method under which monetary compensation claims are granted to Directors as compensation, etc., and the Directors contribute the entirety of such monetary compensation claims as assets for contribution in kind, thereby receiving the issuance or disposition of the Company shares.

(\*6) In any of the cases set forth in (3)(a) through (c) above, a Director may receive cash in lieu of Company shares; however, in such case, the amount shall be calculated by multiplying a fair per-share valuation of the Company Shares determined by the Company, rather than an amount calculated based on the Company Share Closing Price.

(v) Trust Period

(a) Trust period after the extension

The period will be three years from August 1, 2026 to July 31, 2029 (scheduled).

(b) Continuation of the BIP Trust

The Company may continue to use the BIP Trust by modifying the Trust Agreement and entrusting additional funds at the expiration of the trust period to the BIP Trust after extension. In such case, the trust period will be extended for a further three years, and the Company will entrust additional funds within the upper limit of trust money for which approval by resolution of the Annual Shareholders' Meeting of the Company has been obtained, and continue to grant units and Deliver the Company Shares to Directors 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 units (including units granted as transitional measures from stock options) granted to the Company's Directors that are yet to be Delivered) related to the Company's Directors and funds remaining in the trust assets (hereinafter referred to as "Residual Shares") as of the last day of the trust period prior to the extension, additional trust funds shall be contributed taking into consideration the Residual Shares.

Even if the trust agreement is not amended and no additional trust funds are entrusted upon the expiration of the trust period, if any Directors who meet beneficiary requirements are still in office at that time, the trust period of the BIP Trust may be extended until the Delivery of the Company shares to such Directors.

(vi) Method of the BIP Trust's Acquisition of the Company Shares

If the BIP Trust acquires the Company shares, the acquisition method will be the purchase from the stock market or from the Company (issuance or disposition of the Company shares) within the upper limit of the number of shares to be Delivered as stated in (2)(ii) above and within the upper limit of compensation under the New Long-term Incentive Plan as stated in (2)(iv) above. However, with respect to the units to be granted during the first covered period after the extension (from fiscal year 2026 to fiscal year 2028), the shares required to be Delivered under the New Long-Term Incentive Plan to domestic resident Executive Directors upon the vesting of such units can be satisfied by shares already acquired from the stock market in July 2019 and December 2023, and therefore no additional acquisition of the Company's shares is expected to occur.

(For reference)

[Details of the Trust Agreement]

(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
(iii) Trustor:	The Company
(iv) Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(v) Beneficiaries:	Eligible Directors who satisfy the beneficiary requirements
(vi) Trust administrator:	A third party who has no interest in the

(vii) Date of trust agreement:	Company (certified public accountant) July 9, 2019 (Amendment Agreement scheduled to be entered into in July 2026)
(viii) Trust period after the extension:	August 1, 2026 to the end of July 2029
(ix) Exercise of voting rights:	No voting rights will be exercised.
(x) Type of shares to be acquired:	Common stocks of the Company
(xi) Upper limit of the amount of trust money:	The amount obtained by multiplying (i) the maximum number of shares expected to vest during the covered period under the New Long-term Incentive Plan, by (ii) the amount calculated based on the closing price of the Company shares on the Tokyo Stock Exchange as of the date of establishment of the Trust (including any extension of the Trust) (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day).
(xii) Rights holder:	The Company
(xiii) 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.

(3) Extension of the ESOP Trust

In fiscal year 2019, the Company introduced a stock-based compensation plan utilizing a trust (the “ESOP Trust”) for Executive Officers who satisfy the beneficiary requirements (excluding those who concurrently serve as Directors; hereinafter the same shall apply), in the same manner as for Executive Directors (the “ESOP Plan”). In connection with the ESOP Plan, the Company will extend the trust period of the existing ESOP Trust and, as set forth below, implement certain partial revisions to the plan.

(i) Overview of the Revision

In addition to Executive Officers, the ESOP Plan will also be applied to certain senior-level employees (such Executive Officers and senior-level employees shall be collectively

referred to as “Executive Employees Eligible for ESOP Trust”). In addition, taking into account the revisions to the New Long-term Incentive Plan described in (2) above, under the ESOP Plan, following the grant of base units determined in accordance with their position and other factors for each fiscal year, the compensation will consist of a “performance-linked portion,” which varies based on the achievement level of business performance conditions, etc., and a “fixed portion,” under which base units are granted on a fixed basis in accordance with their position and other factors for each fiscal year and do not vary thereafter. In principle, subject to the condition that an Executive Employees Eligible for ESOP Trust continuously provides services as such during the Service Period, the Company shall, after the end of each Service Period, Deliver Company Shares in a number determined in accordance with the number of units that have vested.

(ii) Trust Period

(a) Trust period after the extension

The period will be three years from August 1, 2026 to July 31, 2029 (scheduled).

(b) Continuation of the ESOP Trust

The Company may continue to use the ESOP Trust 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 within the upper limit of trust money, and continue to grant units and make the Delivery of the Company Shares to Executive Employees Eligible for ESOP Trust during each such extended trust period.

Even if the trust agreement is not amended and no additional trust funds are entrusted upon the expiration of the trust period, if any Executive Employees Eligible for ESOP Trust who meet beneficiary requirements are still in employed at that time, the trust period of the ESOP Trust may be extended until the Delivery of the Company Shares to such Executive Employees Eligible for ESOP Trust is completed.

(iv) Structure of the Plan and the ESOP Plan

For details of the Trust-type Stock-Based Compensation Plan and the ESOP Plan other than those described above, please refer to the press release entitled “Introduction of New Stock-Based Compensation System for Directors and Executive Officers of the Company and its Subsidiaries” published on April 4, 2019, and the press release entitled “Revision of Compensation System for Directors and Audit & Supervisory Board Members, and Policy on Compensation of Directors and Audit & Supervisory Board Members” published on April 17, 2025.

End