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Notice Regarding the Continuation and Amendments to the Performance-Based Stock Remuneration Plan for Directors

WASEDA ACADEMY CO., LTD. (“the Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on May 15, 2026, to continue the performance-linked stock remuneration plan (“the Plan”) for directors of the Company (excluding directors who are audit and supervisory committee members, outside directors and non-residents of Japan; the same applies hereinafter), (“Directors”), and partially amend the Plan. This resolution is subject to approval at the 52nd Annual General Meeting of Shareholders (“this General Meeting”) to be held on June 25, 2026. The details are as follows.

1. Purpose of amendments to the Plan

- (1) With the aim of further enhancing the motivation of Directors to contribute to the medium- to long-term growth of business performance and the enhancement of corporate value, the Company has decided to continue the Plan as a remuneration plan for directors that is highly linked to company performance and offers a high degree of transparency and objectivity. In addition, the Company has decided to revise the method of stock acquisition under the Plan in order to ensure flexible and agile administration of the Plan in light of market conditions and stock price trends.
- (2) Under the Plan, the Company has adopted a mechanism known as Board Incentive Plan Trust (the “BIP Trust”). The BIP Trust is a plan that, similar to performance shares and restricted stock in Europe and the United States, delivers and pays (“delivery, etc.”) the Company’s shares and cash equivalent to the market value of the Company’s shares (the “Company’s shares, etc.”) to Directors based on their position and the degree of achievement of targets such as the medium-term management plan.
- (3) The continuation of and amendments to the Plan is subject to approval at this General Meeting.
- (4) To ensure the continuation of the Plan beyond fiscal year 2026, the term of the existing BIP Trust (the “Trust”) will be extended.

2. Details of the Plan after amendments

(1) Overview of the Plan

The Plan provides for the delivery and payment (“delivery, etc.”) of the Company’s shares and cash equivalent to the market value of the Company’s Shares acquired through the BIP Trust as director’s remuneration, based on the degree of achievement of the performance targets for each fiscal year set forth in the Medium-Term Management Plan and position,

during the three fiscal years from the fiscal year ending March 31, 2027, through the fiscal year ending March 31, 2029 (the “Target Period”).

(2) Resolution of this General Meeting regarding the amendments to the Plan

At this General Meeting, the method by which the Trust will acquire the shares and other necessary matters will be resolved. Furthermore, in the event that the trust period is extended as described in (4)(b) below, the Board of Directors will resolve to amend the trust agreement and establish an additional trust upon the expiration of the trust term, with respect to the remuneration for the relevant directors, within the scope approved at this General Meeting of Shareholders.

(3) Persons eligible for the Plan (Beneficiary requirements)

After the end of the Target Period, provided that a Director meets the beneficiary requirements, the Director will, following the prescribed beneficiary determination procedure, receive the delivery, etc. of the Company’s shares, etc., of which the number is corresponding to the accumulated points, through the Trust.

The beneficiary requirements are as follows:

- (i) Should be Directors during the Target Period (including persons who are newly appointed as Directors during the Target Period)
- (ii) Should be persons who have not committed any misconduct during their tenure
- (iii) Any other requirements deemed necessary to achieve the objectives of the stock remuneration plan

(4) Trust period

(a) Trust period after amendments to the Plan

The trust period will be approximately three years from September, 2026 (planned) to the end of August, 2029 (planned).

(b) Continuation of the Trust

When the trust period expires, the Company may continue the Trust through amendments to the trust agreement or the addition of contributions. In that case, the trust period of the Trust will be extended by three years, and the following three fiscal years will be designated as the new Target Period. For each new Target Period, the Company will make additional contributions within the maximum trust fund amount to be approved and adopted at this General Meeting, and will continue to award points (as defined in (5) below) to Directors throughout the extended trust period. However, when making such additional contributions, if there are Company shares and cash remaining in the trust assets at the time of the amendment to the trust agreement (the “Residual Shares, etc.”), the total amount of the Residual Shares, etc. and any trust money additionally contributed shall be within the maximum amount of trust money approved at this General Meeting.

(5) Number of the Company’s shares, etc. to be delivered, etc. to Directors

At a certain timing at each year during the trust period, Directors will be awarded a certain number of points in accordance with the following point allocation method*¹, based on their achievement of the targets of consolidated ordinary profit and consolidated net sales set forth in the medium-term management plan for the fiscal year ending March 31 of that year, as well as their positions. Directors will receive the delivery, etc. of the Company’s shares, etc. based on their accumulated points (“accumulated points”).

*1: Points to be awarded: Amount by position ÷ Base share price*² × performance-linked

coefficient*³

*2: Base share price: If additional shares are acquired, the base share price shall be the average acquisition price of such shares. However, if no additional shares are acquired, the base share price shall be the average closing price of the Company's shares on the Tokyo Stock Exchange for the three-month period prior to the month of the date on which the trust period is extended.

*3: Performance-linked coefficient is determined based on the achievement rate relative to the targets for consolidated ordinary profit and consolidated net sales set forth in the medium-term management plan for each fiscal year.

For the purposes of the Plan, one (1) point is equivalent to one (1) share of the Company's stock. However, if an event occurs during the trust period that is deemed to warrant an adjustment to the number of points—such as a stock split or consolidation of shares—the number of shares of the Company's stock per point will be adjusted in accordance with the split ratio or consolidation ratio.

- (6) Maximum amount of the trust money contributed to the Trust and annual maximum number of points awarded

The maximum amount of the trust money contributed to the Trusts shall be ¥120 million*¹ during the Target Period.

*1 The maximum amount of the trust money is calculated by adding trust fees and expenses to the funds for acquiring shares, taking into account Directors' remuneration levels.

At this General Meeting, the Company will propose that the annual maximum number of points awarded to Directors ("annual awarded points") be 75,000 points. Therefore, during the Target Period, the maximum number of shares to be acquired by the Trust (the "Number of Shares to be Acquired") shall be the number of shares equivalent to the number of shares multiplying the annual awarded points by three, which is the number of years in the trust period (225,000 shares*²).

*2 If the adjustment described in the second paragraph of (5) above is made, the upper limit of the Number of Shares to be Acquired will also be adjusted accordingly.

- (7) Method of acquisition of the Company's shares by the Trust

The Trust plans to initially acquire the Company's shares through purchases on the stock market or from the Company (disposal of treasury shares), within the maximum amount of the trust money and the Number of Shares to be Acquired as described in (6) above.

Furthermore, during the trust period, if the number of shares held by the Trust falls short of the number of shares corresponding to the cumulative points assigned to Directors, or if the trust money held in the trust assets becomes insufficient to cover trust fees and expenses, additional money may be contributed to the Trust and additional shares of the Company may be acquired, within the maximum amount of the trust money and the Number of Shares to be Acquired as described in (6) above.

- (8) Method and timing of delivery, etc. of the Company's shares, etc.

Directors who satisfy the beneficiary requirements set forth in (3) above will, upon completing the prescribed beneficiary determination procedures, receive, through the Trust, the delivery of the number of the Company's shares equivalent to 50% of their accumulated points (with shares less than one unit rounded down) and the payment of money equivalent to the market value of the Company's shares corresponding to the remaining points after conversion into cash within the Trust around July 2029 (or, if the trust period is extended, in July immediately following the end of each Target Period after the extension).

If a Director who has satisfied the beneficiary requirements retires during the trust period (except when the retirement is due to personal circumstances), the Director shall, immediately after completing the prescribed beneficiary determination procedures, receive, through the Trust, the delivery of the number of the Company's shares equivalent to 50% of their accumulated points accrued up to the time of retirement (with shares less than one unit rounded down) and the payment of money after conversion into cash within the Trust equivalent to the market value of the Company's shares corresponding to the remaining points.

In the event of a Director's death during the trust period, the Director's heirs shall promptly receive, through the Trust, the payment of money equivalent to all of the Company's shares corresponding to the cumulative points at that time after conversion into cash within the Trust. Furthermore, if a Director becomes a non-resident of Japan due to an overseas assignment during the trust period, the Director will receive, through the Trust, the payment of money equivalent to the market value of all of the Company's shares corresponding to the cumulative points at that time after conversion into cash within the Trust.

(9) Exercise of voting rights of the Company shares in the Trust

To ensure management neutrality, the voting rights of the Company's shares within the Trust shall not be exercised during the trust period.

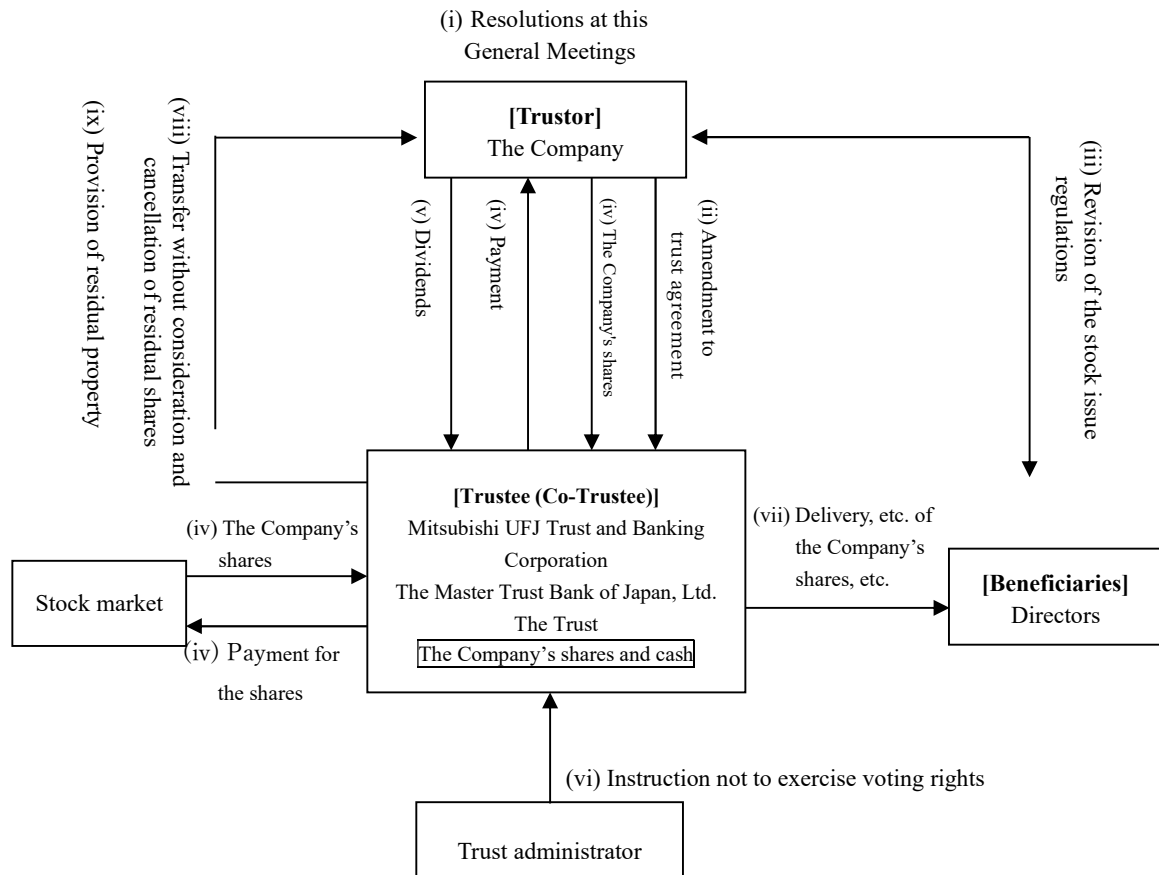
(10) Handling of dividends for the Company's shares in the Trust

Dividends pertaining to the Company's shares in the Trust will be received by the Trust and used for the trust fees and trust expenses of the Trust. If any surplus remains upon the termination of the Trust after the trust fees and expenses have been paid, such surplus will be distributed to those Directors who, upon the termination of the Trust, satisfy the prescribed beneficiary requirements and become beneficiaries of the Trust pursuant to the trust agreement.

(11) Handling at the time of termination of the Trust

If, due to failure to achieve performance targets or other reasons, residual shares remain at the termination of the Trust, such shares will be transferred to the Company from the Trust without consideration as a shareholders' return policy, and the Company will cancel them pursuant to a resolution of the Board of Directors.

3. Outline of the Plan



- (i) The Company shall obtain an approval for proposal regarding the continuation and amendment to the Plan by resolution at this General Meetings.
- (ii) Pursuant to the agreement to amend the trust agreement, the Company will make an additional cash contribution to the Trust within the amount to be approved at this General Meeting referred to in (i) and change the trust period.
- (iii) The Company will revise its stock issue regulations in relation to the amendment to the Plan.
- (iv) In accordance with the instructions of the trust administrator, the Trust will acquire the Company's shares on the stock market or from the Company (through the disposal of treasury shares), using as funds the cash added to the Trust under (ii) and the cash remaining in the Trust. The number of the Company's shares acquired by the Trust shall be within the amount to be approved at this General Meeting referred to in (i).
- (v) The Company will pay dividends for the Company's shares in the Trust in the same manner as for other shares of the Company.
- (vi) The voting rights of the Company's shares within the Trust shall not be exercised during the trust period.
- (vii) Directors will be awarded a certain number of points each year based on their achievement of the performance targets set forth in the medium-term management plan and their position. Furthermore, upon the expiration of the Target Period, Directors who satisfy beneficiary requirements will receive the Company's shares, etc. corresponding to their accumulated points.
- (viii) If, due to failure to achieve performance targets or other reasons, residual shares remain at the at the expiration of the trust period, the Company plans to either amend the trust agreement to continue the Trust as a new stock-based remuneration plan, or transfer such residual shares to the Company from the Trust without consideration and cancel them pursuant to a resolution of the Board of Directors.

(ix) Upon the termination of the Trust, any residual assets remaining after distributions to the beneficiaries are expected to vest in the Company, as the entitled party, within the limits of the trust expense reserve, which is calculated by deducting the money used to acquire shares from the trust money.

(Note) If no shares of the Company remain in the Trust due to the delivery, etc. of the Company's shares, etc. to Directors who satisfy the beneficiary requirements, the Trust will terminate prior to the expiration of the trust period. Furthermore, the Company may, within the amount approved by a resolution at this General Meeting, contribute additional cash to the Trust to finance the acquisition of the Company's shares.

Reference

[Details of trust agreement]

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| (i) Type of trust | Money trust other than the individually operated designated money trust (third-party-benefit trust) |
| (ii) Purpose of trust | To further enhance the motivation of Directors to contribute to the growth of medium- to long-term business performance of the Company and the enhancement of its corporate value |
| (iii) Trustor | The Company |
| (iv) Trustee | Mitsubishi UFJ Trust and Banking Corporation
(Joint trustee: The Master Trust Bank of Japan, Ltd.) |
| (v) Beneficiary | Directors who meet the beneficiary requirements |
| (vi) Trust Administrator | A third party who is a professional business practitioner and has no conflicts of interest with the Company |
| (vii) Date of trust agreement | February 8, 2018 |
| (viii) Trust period after continuation | September 1, 2026 to August 31, 2029
(To be extended to August 31, 2029 through amendment of the trust agreement in August 2026) |
| (ix) Maximum amount of trust money | One hundred twenty (120) million yen
(including the trust fee and trust expenses) |
| (x) Acquisition method | Acquisition through the stock market or the disposal of treasury stock by the Company |
| (xi) Exercise of voting rights | Not to be exercised |
| (xii) Holder of a vested right | The Company |
| (xiii) Residual property | The residual property that the Company, the holder of a vested right, may receive shall be within the trust expenses reserve after deducting the funds for the acquisition of shares from the trust money. |