

March 28, 2025

## **Initiatives to Advance Management with an Awareness of the Stock Price**

At the 23rd (FY2024) Annual General Meeting of Shareholders of PILOT Corporation (the “Company”) held today, a resolution was passed to revise the performance-linked share-based remuneration plan for directors and others. The entire management team will advance management that is aware of the stock price, with a greater sense of the need to improve business performance, the stock price and corporate value, and to share value to shareholders and investors.

### **1. Change in the mix of remuneration for directors (excluding Audit & Supervisory Committee Members, outside directors and non-residents of Japan)**

To motivate the Company to consistently increase its corporate value and promote profit sharing with shareholders and investors toward the realization of 2025-2027 Medium-Term Management Plan, the Company has decided to increase the proportion of share-based remuneration. The approximate ratio of each type of remuneration before and after the change (Representative Director and President) is as follows.

(Changes are underlined.)

Type of remuneration, etc.	Ratio before change	Ratio after change
Basic remuneration (fixed and monetary)	<u>7</u>	<u>6</u>
Year-end remuneration (variable and monetary)	2	2
Share-based remuneration (variable, non-monetary)	<u>1</u>	<u>2</u>

(Note) Percentage assuming 100% achievement of consolidated earnings forecast

### **2. Introduction of a performance-linked share-based remuneration plan for Executive Officers who do not concurrently serve as Directors**

The remuneration for Executive Officers who do not concurrently serve as Directors was previously a basic cash remuneration and year-end cash remuneration, but the Company introduced a performance-linked share-based remuneration plan. In this way, these Executive Officers will increase its motivation to contribute to the sustainable improvement of business performance and its share price, and will promote management that shares the viewpoints of shareholders and investors, in cooperation with directors.

(Changes are underlined.)

Type of remuneration, etc.	Before change	After change
Basic remuneration (fixed and monetary)	○	○
Year-end remuneration (variable and monetary)	○	○
Share-based remuneration (variable, non-monetary)	—	<u>○</u>

### 3. Addition of KPI for performance-linked share-based remuneration

By adding consolidated ROE and social value indices as new KPIs for the performance-linked portion of share-based remuneration, the Company will focus on management that is based on the perspective of shareholders and investors.

(Changes are underlined.)

KPI	Before change	After change
Percentage of consolidated sales achieved	○	○
Percentage of consolidated operating income achieved	○	○
Consolidated ROE	—	<u>○</u>
Social Value Indicators *1	—	<u>○</u>

(Note) The performance-linked portion will be determined in the range of 0% to 150%, depending on the degree of achievement of the KPI.

\*1 Ratio of female managers