



[Translation]

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### **Additional Contribution Associated With Extension of Trust Period for Stock-Granting Trust in Stock Compensation Plan for Executives**

Japan Exchange Group, Inc. (JPX) decided today at the meeting of its Compensation Committee that it will extend the trust period for and make an additional contribution to the stock-granting trust (hereinafter, the "Trust") in the stock compensation plan for executives (meaning executive officers and those equivalent thereto, excluding persons such as outside directors, directors who are members of the Audit Committee, and audit & supervisory board members; hereinafter the same) of JPX and its subsidiaries that provide the core businesses of JPX Group (hereinafter, the "core subsidiaries"; JPX and the core subsidiaries are hereinafter collectively referred to as the "implementing companies"; and this plan shall hereinafter be referred to as the "Plan"). The Plan itself has been in place since fiscal year 2018.

#### **1. Outline and Purpose of the Plan**

The Plan is an incentive plan to grant JPX shares to executives of the implementing companies in accordance with factors such as an executive's position and performance and was introduced in order to further facilitate alignment with shareholders' interests and enhance executives' desire to contribute to the sustainable improvement of corporate value.

#### **2. Reason for and Amount of Additional Contribution**

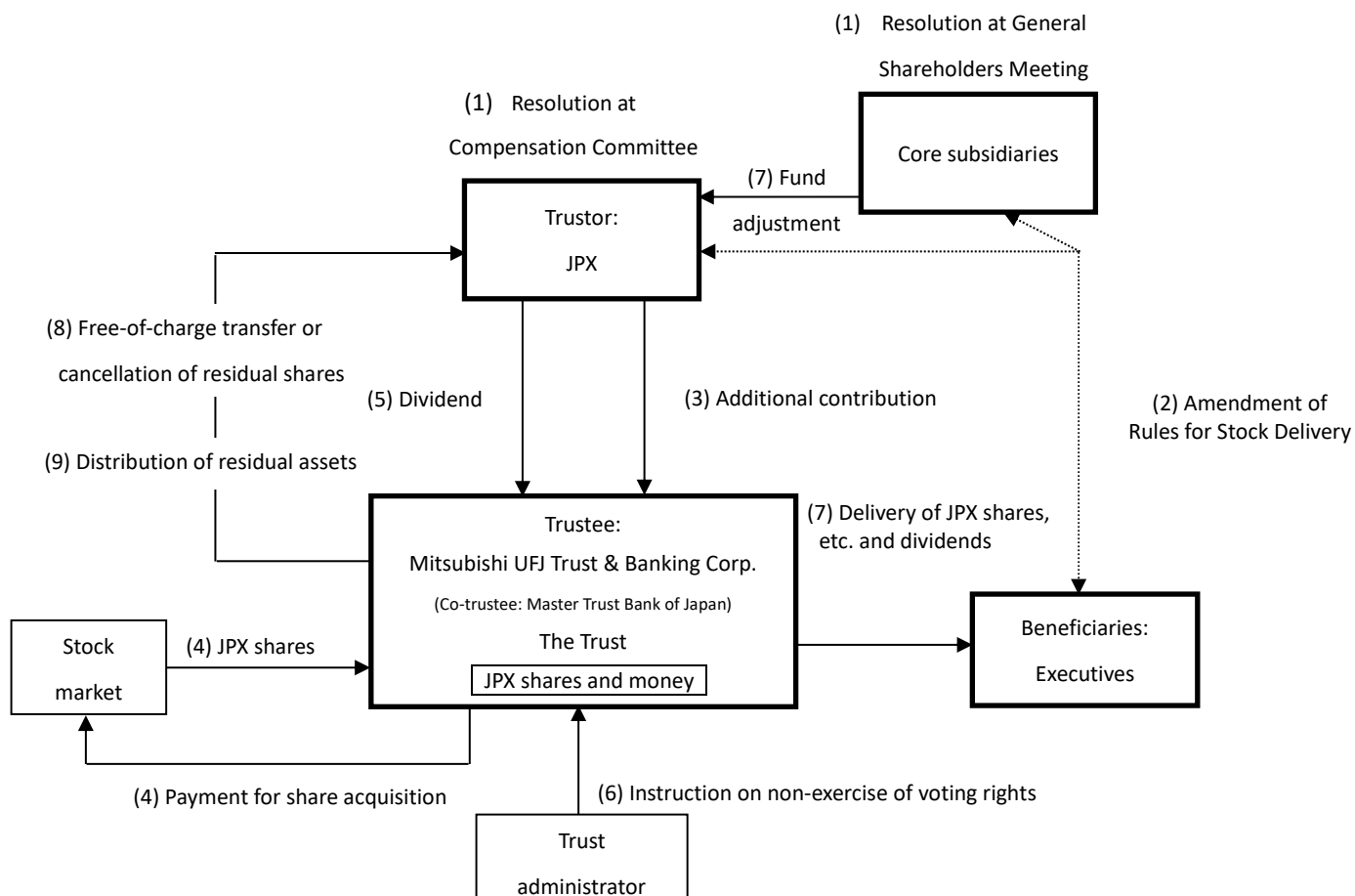
In line with the start of the Medium-Term Management Plan 2027 this fiscal year, JPX will improve stock compensation for executives by increasing the proportion of mid- to long-term incentive so that the executive compensation structure can become one that contributes to improved corporate value over the medium to long term. By doing so, JPX will achieve its mid- to long-term sustainable growth and further facilitate alignment with shareholders' interests.

Along with the continuation of the Plan and the extension of the trust period, an additional contribution of funds will be made to the Trust for acquiring shares expected to be delivered during the extended trust period.

Additional Contribution:

Date of additional contribution	August 1, 2025 (scheduled)
Amount of additional contribution	JPY 1.51 billion (scheduled) (including trust fees and expenses)
Share acquisition period	May of each fiscal year (scheduled); however, for the fiscal year ending on March 31, 2026, in August (scheduled)

## Reference (1): Framework and Mechanism of the Plan



- (1) JPX, a Company with Three Committees (Nomination, Audit, and Compensation), obtained approval for the continuation of the Plan from its Compensation Committee. The core subsidiaries, which are each structured as a Company with *Kansayaku* Board, will obtain approval regarding executive compensation at their respective general shareholders meetings if needed.
- (2) In line with the continuation of the Plan, each of the implementing companies may partially revise "Rules for Stock Delivery" pertaining to executive compensation.
- (3) JPX (the trustor) entrusts money with a trust bank (the trustee) as funds for executive stock compensation based on mainly the resolution at the Compensation Committee indicated in (1). In doing so, JPX makes additional contributions to the Trust set up by JPX, for which the beneficiaries are executives who satisfy the beneficiary requirements.
- (4) In accordance with the instructions of the trust administrator, the trustee acquires JPX shares on the stock market using a specified amount of money out of the money contributed as indicated in (3) at the specified times in each fiscal year during the trust period.
- (5) Dividends for JPX shares held in the Trust shall be paid to the Trust in the same way as those for other JPX shares.
- (6) For JPX shares held in the Trust, no voting rights shall be exercised during the trust period.
- (7) During the trust period, in accordance with the Rules for Stock Delivery as indicated in (2), executives are issued points in accordance with their position, etc. JPX and the core subsidiaries calculate and settle among themselves the money that will be the funds required for stock compensation. A portion of the points issued and awarded may be adjusted depending on the degree of achievement of JPX's performance conditions. Moreover, three years, in principle, after the points are issued, JPX shares, etc. are delivered in accordance with the issued points to executives who meet certain beneficiary requirements. However, if an executive leaves office, etc. before the end of this period, the delivery shall be conducted at the time of resignation. Dividends paid to the Trust for JPX shares held in the Trust are also paid in accordance with the issued points to executives who meet certain beneficiary requirements.
- (8) If there are residual JPX shares remaining at the expiration of the trust period due to failure to achieve the performance

conditions, etc., JPX will continue to use the Trust for the Plan or a similar stock compensation plan by amending the trust agreement and making additional contributions of funds, or make the Trust assign such residual JPX shares to JPX at no charge. After JPX acquires the shares at no charge, JPX will cancel the assigned shares.

- (9) Any residual assets after distribution to beneficiaries at the end of the trust period will be assigned to JPX, the holder of the vested rights, up to the amount of trust expenses reserves, which is calculated by deducting the stock acquisition funds from the trust money. Amounts in excess of the trust expenses reserves will be donated to an organization(s) that has no affiliation with the implementing companies and their executives.

## Reference (2): Details of the Plan

### (1) Outline of the Plan

Under the Plan, based on the resolution of the Compensation Committee, etc. to be held in March each year, points equivalent to the stock compensation base amount for each fiscal year will be issued to executives. After three years, in principle, from the issuance of such points, JPX shares, etc. corresponding to the points issued as executive compensation will be delivered to executives.

Under the Plan, the points will be issued to executives in accordance with their position, etc. for each fiscal year. The points are comprised of a fixed portion that does not increase or decrease and a performance-linked portion that changes with the degree of achievement of the performance conditions after the issuance of the points.

The fixed portion is aimed mainly at strengthening the alignment of interests with shareholders, while the performance-linked portion is aimed mainly at increasing the motivation for medium-to-long term corporate value improvement as well as strengthening the link between performance and compensation.

### (2) Eligible Executives (beneficiary requirements)

On the condition that executives meet the following beneficiary requirements, they will be eligible for delivery of JPX shares, etc. or dividends arising from JPX shares, allocated in accordance with Fixed Points and Performance-linked Points (as specified in (4) below), from the Trust after three years, in principle, from the issuance date of the points upon conducting specified procedures to fix beneficiaries:

- 1) Being an executive at the time of the issuance of the points;
- 2) Being resident in Japan;
- 3) Not being a person who left office due to personal reasons, dismissal, etc., or committed a certain level of improper acts during their tenure;
- 4) Fixed Points and Performance-linked Points as specified in (4) below having been determined; and
- 5) Other requirements deemed necessary in order to achieve the purpose of the Plan having been satisfied.

### (3) Trust Period

The extended trust period of the Trust will be the three years from September 1, 2025 to August 31, 2028 (scheduled). At the expiration of the extended trust period, by amending the trust agreement and making additional entrustment, JPX may continue using the Plan by extending the trust period for an additional three years. The number of such extensions shall not be limited, which means JPX may extend the trust period again indefinitely.

For each extended trust period, JPX will contribute additional money as funds for stock compensation up to the limit of the trust money as specified in (5) below, and issue points to executives during the extended trust period. However, in the case of making additional fund contribution for the extended trust period, if there are residual JPX shares and money in the Trust at the end of the trust period before extension, JPX may additionally contribute trust money up to where the total of the value of the residual shares and money and the additional contributed trust money reaches such upper limit.

Even if JPX does not amend the trust agreement and make additional entrustment at the expiration of the trust period, if, at that point, there is an executive(s) who is likely to meet the beneficiary requirements, JPX may extend the trust period of the Trust until the delivery of JPX shares, etc. to such executive(s) is completed.

(4) Number of Shares for Delivery to Executives (including those subject to conversion into cash)

During the trust period, every year, executives will be issued "Fixed Points" for the fixed portion and "Performance-linked Basic Points" for the performance-linked portion, both of which will be calculated based on the executive's position and other factors using the following formulas.

In principle, after three years from the point issuance date of each fiscal year, "Performance-linked Points" will be calculated by multiplying Performance-linked Basic Points, which are issued on such point issuance date, by a Performance-linked Factor<sup>1</sup> in accordance with the degree of achievement of JPX's performance conditions. Thereafter, JPX shares, etc. will be delivered to each executive in accordance with their Fixed Points and Performance-linked Points.

The number of JPX shares to be delivered per point will be one share.<sup>2</sup>

(Point Calculation Formulas)

1) Calculation of Fixed Points

Fixed Points = Stock-based compensation base amount for the fixed portion ÷ Average acquisition price<sup>3</sup>  
(rounded down to the nearest integer)

2) Calculation of Performance-linked Points

Performance-linked Basic Points = Stock-based compensation base amount for the performance-linked portion ÷ Average acquisition price<sup>3</sup> (rounded down to the nearest integer)

Performance-linked Points = Performance-linked Basic Points × Performance-linked Factor (rounded down to the nearest integer)

<sup>1</sup> The Performance-linked Factor will be between 0 – 200% based on the relative evaluation of (i) JPX's consolidated ROE level when three years have elapsed from the issuance date of such points and (ii) Total Shareholder Return (TSR) of JPX shares for the period from the end of the last fiscal year before the issuance date of such points until three years have elapsed (in comparison with the growth rate of JPX-Nikkei 400 Total Return Index).

<sup>2</sup> In the case where, during the trust period, a corporate event such as stock split or reverse stock split occurs, based on which it is deemed fair to adjust the number of points, an adjustment will be made in accordance with the ratio for such stock split, reverse stock split, etc.

<sup>3</sup> The average acquisition price will be the average acquisition price for JPX shares acquired by the Trust during the fiscal year for which such points are issued.

(5) Upper Limit Amount of Trust Money Contributed to the Trust and Upper Limit of Points Issued to Executives

The upper limit of the amount of trust money to be contributed by JPX during the trust period will be JPY 1.51 billion.

Said amount is in preparation for accommodating a future increase in the number of executives and/or expansion of stock compensation, and is calculated by adding trust fees and expenses to share acquisition funds for each fiscal year during the trust period.

During the trust period, the total number of points per fiscal year to be issued to executives (the sum total of (i) the total number of Fixed Points to be issued during the fiscal year and (ii) the amount calculated by multiplying the total number of the Performance-linked Points to be issued during the fiscal year by 200%, which is the maximum value of the Performance-linked Factor) will be up to the number calculated by dividing the share acquisition funds for the fiscal year (the upper limit amount of share acquisition funds per fiscal year will be JPY 520 million) by the average acquisition price of JPX shares acquired by the Trust during the relevant fiscal year (rounded down to the nearest integer).

(6) Acquisition Method of JPX Shares by the Trust

The Trust will acquire JPX shares on the exchange market by using the share acquisition funds for the relevant fiscal year, as prescribed, within the amount of the trust money described in (5) above.

(7) Method and Timing of Delivery, etc. of JPX Shares, etc. to Executives

When three years have elapsed from the point issuance date of every fiscal year, in principle, upon conducting specified procedures to fix beneficiaries, executives who meet the beneficiary requirements prescribed in (2) above will receive from the Trust the number of JPX shares equivalent to 50% of the Fixed Points and Performance-linked Points respectively (rounded up to the nearest integer in the case of fractional Share Units). As for the shares equivalent to the remaining points, after the conversion of such shares into cash within the Trust, beneficiary executives will receive from the Trust the cash equivalent to such conversion as funds for payment of withholding tax, etc.

In the case where an executive leaves office during the trust period, such executive will receive the delivery of JPX shares, etc. allocated in accordance with the points after calculating the Fixed Points and Performance-linked Points as of the time of leaving office. In the case where an executive passes away during the trust period, the Fixed Points and Performance-linked Points will be calculated at that time, and, after JPX shares, etc. allocated in accordance with such points are fully converted into cash within the Trust, the heir(s) of said executive will receive the cash equivalent to such conversion.

(8) Exercise of Voting Rights Associated with JPX Shares Held in the Trust

In order to ensure management neutrality, voting rights associated with JPX shares held in the Trust (meaning JPX shares before delivery to executives in accordance with (7) above) will not be exercised during the trust period.

(9) Handling of Dividends Associated with JPX Shares Held in the Trust

Dividends associated with JPX shares held in the Trust will be, after being received by the Trust, paid to executives in accordance with their Fixed Points and Performance-linked Points together with JPX shares, etc. to be delivered in accordance with (7) above, and/or applied to pay the trust fees and expenses of the Trust.

(10) Handling at the Expiration/Termination of the Trust Period

In cases where any residual shares and money exist at the expiration of the trust period, such as due to failure to achieve performance conditions, the Trust may continue to be used by amending the trust agreement and making additional entrustment, instead of creating a new trust. In the case where the Trust will be terminated upon the expiration of the trust period, the Trust will assign any residual shares to JPX at no charge, and JPX will cancel such assigned shares. Remaining dividends associated with JPX shares held in the Trust at the expiration of the trust period will be used as share acquisition funds if the Trust will continue to be used; however, in the case where the Trust will be terminated upon the expiration of the trust period, the amount exceeding the trust expenses reserves out of the residual assets will be donated to an organization(s) that has no affiliation with the implementing companies and their executives.

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