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NEWS RELEASE

Company name: SG Holdings Co., Ltd.
Representative: Hidekazu Matsumoto, President and COO
(Code number: 9143 TSE Prime Market)
Inquiries: Takayuki Yoshida, Executive Officer
(Corporate Planning)
(TEL +81 75-693-8850)

Notice Concerning Introduction of Incentive Plan for SG Holdings Employees

SG Holdings Co., Ltd. (hereinafter, the “Company”) hereby announces that, at a meeting held on March 28, 2025, the Board of Directors resolved to introduce an employee incentive plan (hereinafter referred to as the “Plan”) for employees of the Group (hereinafter referred to as “Employees”). Details such as the timing of introduction of the Plan, its duration and the total amount of shares to be acquired will be provided once they have been decided.

1. Introduction of the Plan

- (1) The Company introduced the Plan as part of its human capital management in order to improve employees’ awareness of their participation in management and further increase their motivation for work, with the aim of a sustained increase in the Company’s corporate value.

- (2) The Plan adopts a mechanism called a Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter referred to as the “ESOP Trust”).

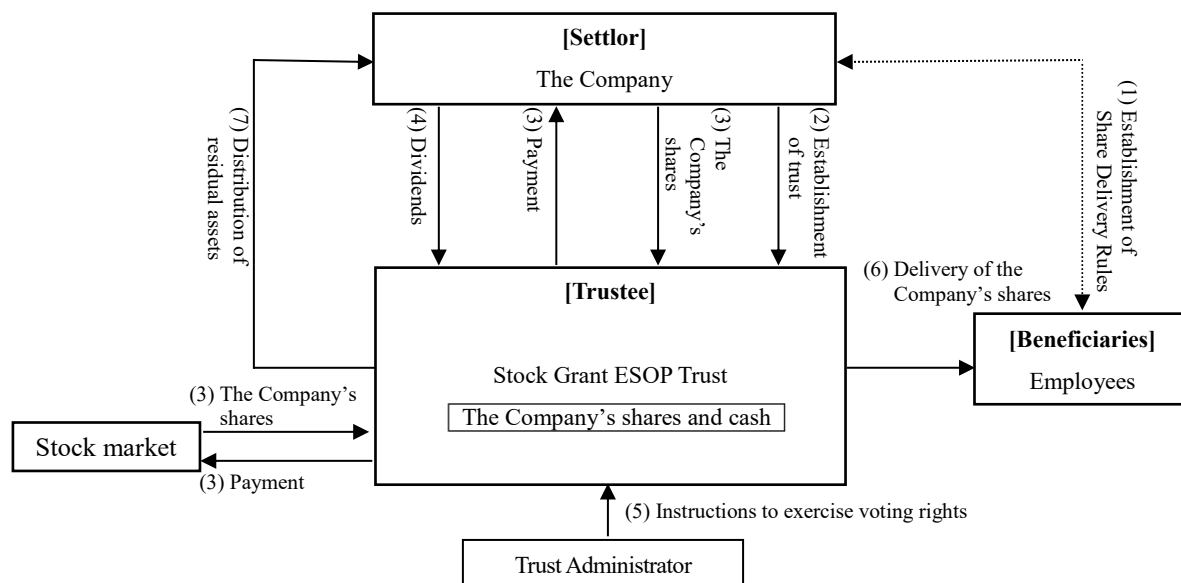
The ESOP Trust is an employee incentive plan based on the ESOP system in the United States, in which the ESOP Trust acquires the Company’s shares and delivers them to employees who meet certain requirements based on predetermined Share Delivery Rules.

There will be no cost to employees because the Company will provide all of the funds for the acquisition of the Company’s shares by the trust.

- (3) The introduction of the Plan will enable employees to receive financial benefits from increases in the price of the Company’s shares, and is expected to encourage employees to be more aware of share prices in the execution of their duties, as well as to increase their motivation to work.

In addition, the exercise of voting rights for the Company’s shares that belong to the trust assets of the ESOP Trust is a system that reflects the will of the employees who are the potential beneficiaries, and it is effective as a plan for increasing corporate value that encourages employee participation in management.

2. Mechanism of the Plan



- (1) The Company will establish Share Delivery Rules when introducing the Plan.
- (2) The Company will contribute money to establish an ESOP trust with employees who meet the beneficiary requirements as its beneficiaries.
- (3) The ESOP Trust will acquire the number of the Company's shares expected to be delivered to the beneficiaries within the duration of the trust either from the Company (disposal of treasury shares) or from the stock market, using the money contributed in (2) as the source of funds, in accordance with the instructions of the Trust Administrator.
- (4) Dividends are paid on the Company's shares held in the ESOP Trust in the same way as other shares of the Company.
- (5) With regard to the Company's shares held in the ESOP Trust, the Trust Administrator will give instructions on the exercise of rights as a shareholder, such as the exercise of voting rights, throughout the duration of the trust, and the ESOP Trust will exercise its rights as a shareholder in accordance with these instructions.
- (6) The Company's shares are delivered to employees who fulfill certain requirements, in accordance with the Share Delivery Rules.
- (7) Upon the termination of the ESOP Trust, any residual assets after distribution to the beneficiaries will be returned to the Company within the scope of the trust expense reserve, which is the money in trust minus the funds used to acquire the shares.

(Note) Additional money may be entrusted to the ESOP Trust if there is a possibility that there will be a shortage in the number of shares in the ESOP Trust during the duration of the trust, or if there is a possibility that there will be a shortage in the money in the trust assets to pay the trust fees and trust expenses.

End