

August 18, 2025

Company name:	Genky DrugStores Co., Ltd.
Name of representative:	Kenichi Fujinaga, President (Securities code: 9267; TSE Prime)
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Notice Concerning Introduction of Restricted Stock Compensation Plan

We would like to announce that at the Board of Directors meeting held today, we have reviewed our executive compensation system and resolved to introduce a restricted stock compensation system (the "System"), and will submit a proposal regarding the System to the 8th Annual General Meeting of Shareholders to be held on September 11, 2025 (the "General Meeting of Shareholders").

Description

1. Purpose of Introducing the System

The Scheme is a remuneration scheme in which restricted stock is allocated to the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; "Eligible Directors" hereinafter) with the aim of providing them with incentives to contribute to the sustainable enhancement of the Genky DrugStores Group's corporate value and promoting their further sharing of value with our shareholders.

2. Overview of the System

(1) Directors' Remuneration and Number of Shares Granted

This system grants monetary compensation claims to Eligible directors for the purpose of allocating restricted stock. The Eligible directors will contribute these monetary compensation claims in kind, thereby receiving the issuance or disposal of the Company's common shares.

At the 2nd Annual General Meeting of Shareholders held on September 6, 2019, the amount of remuneration, etc. for our directors was approved to be up to 240 million yen per year (excluding directors who are audit and supervisory committee members). However, under the System, we plan to request shareholders' approval to set the total amount of remuneration, etc. in the form of restricted stock for Eligible Directors at up to 200 million yen per year, separate from the aforementioned remuneration limit. The specific timing of granting restricted stock and the allocation to each Eligible Director shall be determined by the Board of Directors after consultation with the Compensation Committee.

In addition, the total number of the Company's common shares to be issued or disposed of under this system shall be limited to 100,000 shares per year. However, if, on or after the date this proposal is approved and passed, the Company conducts a stock split (including a free allotment of the Company's common shares) or a reverse stock split of its common shares, effective as of a date after such approval, the total number shall be adjusted, as necessary and to a reasonable extent, in accordance with the split ratio, reverse split ratio, and other relevant factors, effective from the date of such action.

The payment amount per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution of allotment at each Board of Directors meeting (or, if no transaction is made on such business day, the closing price on the transaction day immediately prior thereto).

(2) Conclusion of the Restricted Stock Allocation Agreement

When issuing or disposing of common shares under the System, the Company and the Eligible Directors will enter into a restricted stock allocation agreement that includes the following details:

- 1) Eligible Directors are prohibited from transferring, pledging, making gifts during their lifetime, or otherwise disposing of the common shares issued or disposed of under the Plan for a certain period of time.
- 2) If certain events occur, the Company will acquire all or part of the common shares free of charge.

The shares of the Company's common stock allotted to the Eligible Directors are scheduled to be managed in dedicated accounts opened by the Eligible Directors during the transfer restriction period, so that such shares may not be transferred, pledged, or otherwise disposed of during that period.

(Reference)

Following the conclusion of the General Meeting of Shareholders, the Company plans to issue restricted stock of the same content as the above to its employees, pursuant to a resolution of the Company's Board of Directors.