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Notice Concerning Introduction of Restricted Share Compensation Plan and Abolition of Officer Retirement Allowance Plan

SAC'S BAR HOLDINGS INC. (the "Company") hereby announces that, at a meeting held today, its Board of Directors resolved to introduce a restricted share compensation plan (the "Plan") and abolish the officer retirement allowance plan based on a review of the Company's officer compensation system, and decided to submit a proposal regarding the Plan and the final payment of retirement benefits as a result of the abolition of the officer retirement allowance plan to the 53rd Annual General Meeting of Shareholders scheduled for June 25, 2026 (the "General Shareholders' Meeting"). Details are described below.

1. Objectives, etc. of introducing Plan

The purpose of the Plan is to provide incentives to the Company's Directors (including External Directors) and Directors who are Audit & Supervisory Committee Members (the "Eligible Directors") to improve the Company's corporate value and to promote further value sharing with its shareholders.

2. Overview of the Plan

(1) Compensation granted to Eligible Directors

The compensation to be granted to the Eligible Directors under the Plan shall be either (i) the Company's common shares or (ii) monetary compensation claims as properties contributed in kind for the purpose of acquiring the Company's common shares. The Eligible Directors shall receive the issuance or disposal of common shares of the Company based on a resolution of the Board of Directors of the Company.

The total amount of common shares of the Company or monetary compensation claims to be granted to Eligible Directors under the Plan shall not exceed 30 million yen per year (of which up to 6 million yen per year shall be for External Directors), with up to 6 million yen per year for Directors who are Audit & Supervisory Committee Members.

(2) Class and total number of restricted shares to be issued or disposed of to Eligible Directors

The class of shares to be issued or disposed of under the Plan to Eligible Directors shall be the Company's standard common shares, and the total number thereof shall not exceed 75,000 shares per year (of which up to 15,000 shares per year shall be for External Directors), with up to 15,000 shares per year for Directors who are Audit & Supervisory Committee Members. However, if a stock split (including a free allocation of the Company's common shares) or a stock merger of the Company's common shares is conducted effective on or after the date of the resolution at the General Shareholders' Meeting, the total number may be adjusted as necessary within a reasonable range in accordance with the split ratio, merger ratio, etc., on or after the effective date of such stock split or stock merger.

(3) Amount to be paid in for restricted shares

Where compensation is granted to Eligible Directors under the Plan (i) in the form of common shares without the use of monetary compensation claims, such common shares shall be issued or disposed of as compensation to the Directors, and payment of monetary claims in exchange for such common shares shall not be required. As for the amount of the Company's common shares to be granted to the Eligible Directors, the per-share amount of said common shares to be issued or disposed of shall be calculated based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the trading day preceding the date on which the Board of Directors resolves to issue or dispose of such common shares (if no trading was conducted on such date, the closing price on the immediately preceding trading day).

Where compensation is granted to Eligible Directors under the Plan (ii) in the form of monetary compensation claims as properties contributed in kind for the purpose of acquiring the Company's common shares as compensation, they shall pay in all of the monetary compensation claims granted under the Plan as properties contributed in kind and receive the issuance or disposal of the Company's common shares. In this case, the per-share amount of said shares to be paid per share shall be based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the trading day preceding the date on which the Board of Directors resolves to issue or dispose of such common shares (if no trading was conducted on such date, the closing price on the immediately preceding trading day), and shall be determined by the Board of Directors within a range that does not result in an amount that is unduly favorable to the Eligible Directors who are to receive such common shares.

The specific timing and allocation of grants to each Eligible Director shall be determined as follows: for grants to Directors (including External Directors and excluding Directors who are Audit & Supervisory Committee Members), by the Board of Directors following deliberation by the Nomination and Compensation Advisory Committee; and for Directors who are Audit & Supervisory Committee Members through deliberation among such Directors.

(4) Execution of restricted share allotment agreement

With respect to the issuance or disposal of the Company's common shares under the Plan, the Company and the Eligible Directors shall conclude a restricted share allotment agreement that contain the following:

- (i) A provision that the Eligible Directors shall be restricted from transferring, creating a security interest over, making an inter vivos gift, or otherwise disposing of the common shares issued or disposed of under the Plan to any third party for a certain period of time;
- (ii) A provision that the Company shall acquire all or part of the said shares without consideration in the event certain conditions are met; and
- (iii) Details of conditions for lifting of transfer restrictions and other matters as established in advance by the Board of Directors.

3. Conditions for introduction of the Plan

In introducing the Plan, the Company will, in principle, grant the Eligible Directors each fiscal year either (i) the Company's common shares or (ii) monetary compensation claims for the acquisition of the Company's common shares as compensation. For this reason, the granting of such compensation is subject to the approval by its shareholders at the General Shareholders' Meeting. While the approval has been granted as to the amount of compensation for Company's Directors (specifically, up to 150 million yen per year for Directors (excluding those who are Audit & Supervisory Committee Members) (of which up to 30 million yen per year for External Directors; not including the employee's salary portion for Directors who concurrently serve as employees), and up to 24 million yen per year for Directors who are Audit & Supervisory Committee Members, as approved at the 50th Annual General Meeting of Shareholders held on June 27, 2023), the Company plans to ask for shareholders' approval on the following: that the Plan should be introduced; that the compensation amount related to the Plan for the Eligible Directors should be limited within the aforementioned compensation amount; that the amount of common shares of the Company or monetary compensation claims to be granted to Eligible

Directors under the Plan should not exceed 30 million yen per year for Directors (of which up to 6 million yen per year should be for External Directors), with up to 6 million yen per year for Directors who are Audit & Supervisory Committee Members; and that the number of the common shares of the Company to be issued or disposed of to Directors should not exceed 75,000 shares per year (of which up to 15,000 shares per year shall be for External Directors), with up to 15,000 shares per year for Directors who are Audit & Supervisory Committee Members.

4. Grants to Directors of the Company's subsidiaries

Subject to the approval of the introduction of the Plan at the General Shareholders' Meeting, the Company intends to grant restricted shares on the same terms as described above to Directors of its subsidiaries.

5. Abolition of officer retirement allowance plan

(1) Reason for abolition

As part of enhancing corporate governance, the Company decided to abolish the officer retirement allowance plan for Directors (excluding External Directors) based on a review of its officer compensation system.

(2) Date of abolition

Provided that the proposal on the Plan described above is approved at the General Shareholders' Meeting, the officer retirement allowance plan shall be abolished at the conclusion of the General Shareholders' Meeting.

(3) Final payment of retirement benefits following abolition

As a result of the abolition of the officer retirement allowance plan, final payment of retirement benefits shall be made to Directors remaining in office after the conclusion of the General Shareholders' Meeting at the time of resignation in proportion to the term of office covered by the officer retirement allowance plan. A proposal on the final payment of retirement benefits to Directors will be submitted to the General Shareholders' Meeting.

However, this payment will have a minor impact on the financial performance of the Company because it has recorded necessary payments based on the standard prescribed by the Company as provisions for officer retirement allowances in preparation for the payment of retirement benefits to Directors in the future.