



STANDARD
TOKYO

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For Immediate Release

Company name: SEPTENI HOLDINGS CO., LTD.
Representative: Representative Director, Group President and Chief Executive Officer
Yuichi Kouno
(TSE Standard Code: 4293)

Notice on the Continuation and Partial Revision of the Performance-Linked Share-Based Compensation Plan for Directors and Officers

SEPTENI HOLDINGS CO., LTD. (the “Company”) hereby announces that the Board of Directors, at its meeting held today, has resolved to continue and partially revise the performance-linked share-based compensation plan (the “Plan”) for its directors (excluding outside directors and non-residents of Japan; the same applies hereinafter) and delegated executive officers (excluding non-residents of Japan; the same applies hereinafter), which was introduced in FY2017 (including continuation thereafter). With the aim of strengthening the commitment toward achieving the Medium-Term Management Plan (FY2026-2028) announced on February 12, 2026, the Company will continue and partially revise the Plan, such as including outside directors in the scope of the Plan.

Accordingly, the Company will submit a proposal regarding the partial revision of the Plan to the 35th Ordinary General Meeting of Shareholders scheduled to be held on March 25, 2026.

In addition, the continuation of the Plan for delegated executive officers (excluding non-residents of Japan; the same applies hereinafter; The Company’s directors and delegated executive officers, together with the delegated executive officers of the Company’s subsidiaries, are collectively referred to as “Executive Directors, etc.,” and together with the outside directors, hereinafter referred to as the “Eligible Directors, etc.”) of its subsidiaries (the “Covered Subsidiaries” and, together with the Company, hereinafter referred to as the “Covered Companies”) was resolved at the Extraordinary General Meeting of Shareholders of each Covered Subsidiary held today. Each Covered Subsidiary will submit a proposal for a partial revision of the Plan to the Ordinary General Meeting of Shareholders of each to be held in March 2026 (together with the Company’s General Meeting of Shareholders, the “General Meetings of Shareholders”).

1. Background of Continuation and Partial Amendment of the Plan

(1) The Company has introduced the Plan for its directors and delegated executive officers following approval by shareholders at the 26th Ordinary General Meeting of Shareholders held on December 20, 2016 and the 32nd Ordinary General Meeting of Shareholders held on December 21, 2022.

Under the Plan, compensation for the directors and delegated executive officers, etc. of the Company and compensation for delegated executive officers of the Company’s subsidiaries are managed on an integrated basis.

The three fiscal years covered by the Plan (from the fiscal year ended December 31, 2023 to the fiscal year ended December 31, 2025) have now concluded, but the Company plans to continue the Plan by extending the trust period of the established directors’ remuneration board incentive plan (BIP) trust, which is scheduled to expire on May 31, 2026, until May 31, 2029.

Together with the announcement of the Medium-Term Management Plan (FY2026–2028), the Company seeks approval for the revision of the Plan. This revision is intended to strengthen the commitment to enhancing corporate value by reinforcing the correlation between executive compensation and medium- to long-term performance, as well as by setting compensation levels that are competitive within its industry. Specifically, in addition to increasing the upper limit of the trust funds, among “Basic Points” granted annually based on rank and “Performance-linked Points” granted based on rank and the degree of achievement of performance targets, the Company proposes to newly include Outside Directors as eligible participants for the “Basic Points.”

(2) In July 2023, the Company established the Nomination and Remuneration Advisory Committee by reorganizing the former Nomination Advisory Committee, striving to ensure transparency and fairness in the process and discussion of nominating officers and determining their compensation. Furthermore, since the transition to the new management structure in March 2024, the management team has spent the past two years spearheading transformations in its management system and business structure to realize its mid- to long-term vision. Following extensive discussions on management policies and business strategies to remain a company valued by society

over the long term, the Company announced the Medium-Term Management Plan (FY2026–2028) on February 12, 2026, as a milestone toward 2030. The proposed revision to the Plan is designed to reinforce management’s commitment to achieving this plan.

- (3) The key changes and highlights of this revision are as follows:
- i. For Executive Directors, etc., this revision will decrease the ratio of base salary (cash compensation) within the total compensation package while increasing the ratio of share-based compensation as long-term incentives. Furthermore, the share-based compensation is designed so that the ratio of “Performance-linked Points” granted based on the degree of achievement of performance targets is significantly higher than “Basic Points” granted annually based on rank, providing sufficient motivation to achieve higher business results than the quantitative targets, etc. set in the Medium-Term Management Plan.
 - ii. Regarding the targets for the performance-linked portion, the Company has established within a range that reaches even higher standards than the quantitative targets, etc. in the disclosed Medium-Term Management Plan. This is intended to further strengthen the link with business performance. By striving to fulfill a stronger commitment toward these goals, the Company aims to foster a management mindset that prioritizes shareholder interests and enhances alignment with shareholder value over the medium to long term.
 - iii. One of the basic policies of the Medium-Term Management Plan is the strengthening of governance. As part of this initiative, the revised Plan will grant share-based compensation to Outside Directors, who constitute a majority of the Company’s Board of Directors. This change is intended to further align the interest of its Outside Directors, who are responsible for protecting minority shareholders and providing objective management advice, etc. with those of its shareholders, thereby enhancing the effectiveness of the Board of Directors.

2. Details of Continuation of the Plan

- (1) The Covered Companies have decided to continue the Plan for the purpose of clarifying the linkage between the remuneration of the Eligible Directors, etc. and the Company Group’s medium- to long-term performance and shareholder value, and to ensure that such remuneration functions as a sound incentive for improving medium- to long-term performance and increasing corporate value, with a partial revision described in (2) below.
- (2) The partial revision of the Plan is subject to approval at the General Meetings of Shareholders.
- (3) The Plan adopts the scheme called the directors’ remuneration board incentive plan (BIP) trust (hereinafter, the “BIP Trust”). The BIP Trust is an incentive plan for officers organized with reference to the performance-based stock compensation (Performance Share) plan and the plan for compensation by shares with restriction on transfer (Restricted Stock) of the U.S. and will issue the Company’s share that the BIP Trust obtains according to the degree of performance achievement, etc.
- (4) By extending the trust period of the existing BIP Trust (hereinafter, the “Trust”), which will expire on May 31, 2026 to May 31, 2029, the Company will continue the Plan to the period from the fiscal year ending December 31, 2026 through the fiscal year ending December 31, 2028. If there are the Company’s shares and money remaining in the trust assets (the “Residual Shares, etc.”) on May 31, 2026, the Residual Shares, etc. will be succeeded to the extended Trust.

*Currently, remuneration for directors of the Company consists of “monthly remuneration” and “share-based compensation,” while remuneration for outside directors, who are independent from business execution, consists of “monthly remuneration.” Subject to the approval of the proposal for partial revision of the Plan at the General Meetings of Shareholders, remuneration for directors will consist of “monthly remuneration” and “share-based compensation (fixed and performance-linked),” and remuneration for outside directors will consist of “monthly remuneration” and “share-based compensation (fixed).”

3. Details of Partial Amendment of the Plan

Subject to approval at the General Meetings of Shareholders, the following revisions will be made to the Plan in connection with its continuation.

Items to be revised under the Plan

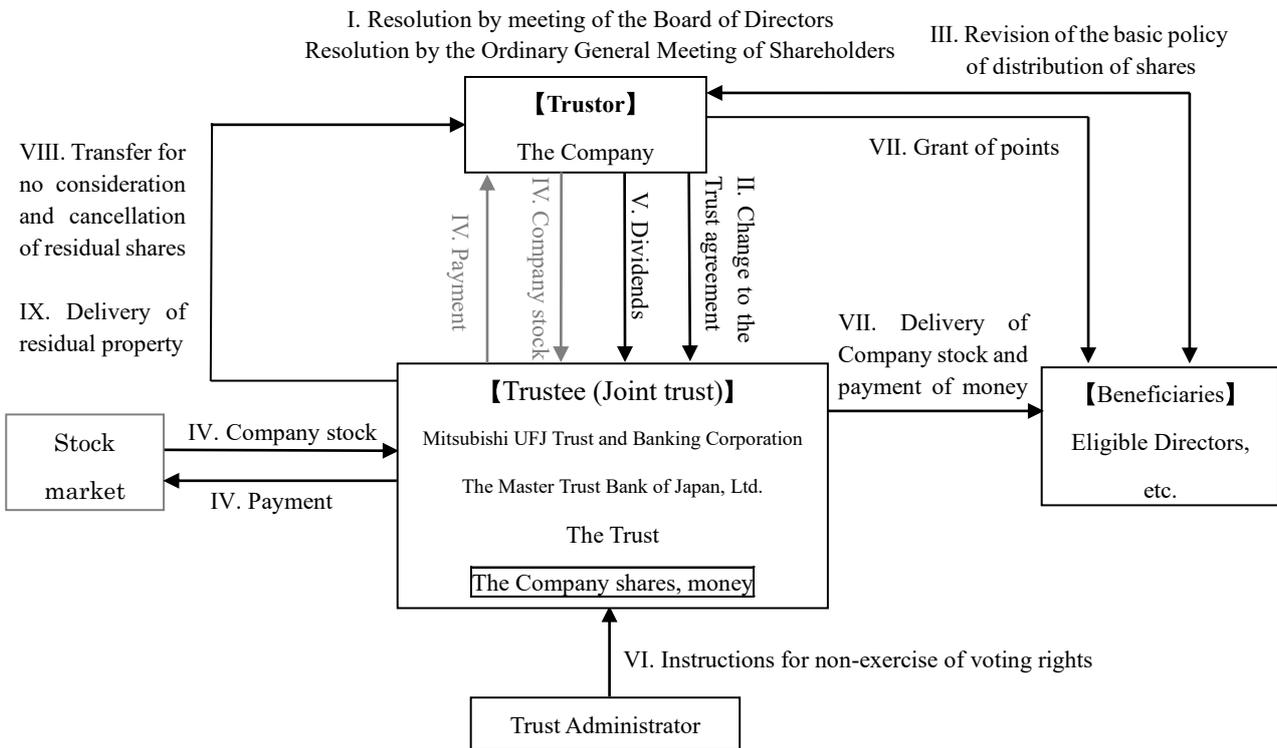
(Underlined portions indicate the changes.)

| Item | Before revision | After revision |
|---|--|---|
| Eligible persons | <ul style="list-style-type: none"> • Directors of the Company (<u>excluding</u> outside directors <u>and</u> non-residents of Japan) • Executive officers of the Company (excluding non-residents of Japan) • Executive officers of the Covered Subsidiaries (excluding non-residents of Japan) | <u>Fixed Portion</u> <ul style="list-style-type: none"> • Directors of the Company (<u>including</u> outside directors, <u>excluding</u> non-residents of Japan) • <u>Delegated</u> executive officers of the Company (excluding non-residents of Japan) • <u>Delegated</u> executive officers of the Covered Subsidiaries (excluding non-residents of Japan) |
| | | <u>Performance-linked Portion</u> <ul style="list-style-type: none"> • <u>Directors of the Company (excluding outside directors and non-residents of Japan)</u> • <u>Delegated executive officers of the Company (excluding non-residents of Japan)</u> • <u>Delegated executive officers of the Covered Subsidiaries (excluding non-residents of Japan)</u> |
| Upper limit on trust funds contributed to the Trust and upper limit on total points granted | <ul style="list-style-type: none"> • Upper limit on trust funds: ¥700 million • Upper limit on total points: <u>2.8 million</u> points per three fiscal years (equivalent to <u>2.8 million</u> shares) | <ul style="list-style-type: none"> • Upper limit on trust funds: <u>¥2,469 million (Breakdown: ¥2,439 million for Executive Directors, etc., ¥30 million for outside directors)</u> • Upper limit on total points: <u>6,870,000</u> points per three fiscal years (equivalent to <u>6,870,000</u> shares) (<u>Breakdown: 6,780,000 points for Executive Directors, etc., 90,000 points for outside directors</u>) |
| Method for calculating the number of shares of the Company's stock to be delivered | Comprised of "Base Points" granted <u>annually</u> according to position and the degree of achievement of performance targets, and "Additional Points" granted <u>only upon achievement of the performance targets set forth in the Medium-Term Business Policies</u> at the end of the covered period | <u>Fixed Portion</u> <u>Comprised of "Base Points" granted annually according to position</u> <u>Performance-linked Portion</u> Comprised of "Performance-linked Points" granted according to position and the degree of achievement of performance targets at the end of the covered period, <u>upon the degree of achievement of the performance targets, etc. during the covered period</u> |
| | Performance evaluation is performed <u>each fiscal year and at the end of the covered period</u> | <u>Performance-linked Portion</u> Performance evaluation is performed <u>at the end of the covered period</u> |
| | Performance-linked indicators adopt <u>the indicators set forth in the Medium-Term Business Policies (such as consolidated Non-GAAP operating profit)</u> | <u>Performance-linked Portion</u> Performance-linked indicators adopt <u>profit and profitability indicators, etc. based on medium- to long-term management plans (including, as assumed indicators, consolidated Non-GAAP operating profit, consolidated profit attributable to owners of the parent, and consolidated ROE etc.)</u> |

| | | |
|---|--|---|
| Method and timing of delivery of the Company's shares | <u>Applicable persons receive delivery of the Company's shares equivalent to 50% of the accumulated points, and receive a cash payment corresponding to the amount converted to cash for the remaining shares</u> | <u>No disposal for cash will be conducted</u> |
| | <ul style="list-style-type: none"> • <u>As a general rule, the accumulated points will be delivered as the Company's shares equivalent to the number of such points at the end of the covered period</u> • <u>However, if a recipient retires before the end of the covered period, the Company's shares equivalent to the number of such points will be delivered at the time of retirement</u> | <u>Fixed Portion</u> <u>The Company's shares equivalent to the number of Base Points will be delivered annually</u> <u>Performance-linked Portion</u> <u>The Company's shares equivalent to the number of Performance-linked Points will be delivered after the end of the covered period</u> <u>However, for both the Fixed Portion and the Performance-linked Portion, transfer restrictions will be imposed from the delivery of the Company's shares until retirement</u> |

As a transitional measure from the Plan prior to the revision, the points granted under the previous system (i.e., points for which the delivery of Company shares was scheduled to occur after the retirement of Executive Directors, etc.) shall be handled as follows: subject to approval at the General Meetings of Shareholders, the Company shares corresponding to such points will be delivered promptly at a certain time following the conclusion of the General Meetings of Shareholders, and such shares will be subject to transfer restrictions until the time of their retirement.

4. Content of the Plan (after the Revision)



- I. The Company has resolved the continuation of the Plan at the meeting of the Board of Directors. In addition, each Covered Subsidiary resolved at the Extraordinary General Meeting of Shareholders on the continuation of the Plan for each Covered Subsidiary. Each Covered Companies will receive approval for a partial revision of the Plan at the General Meetings of Shareholders.
- II. Each Covered Subsidiary will contribute to the Company money to fund compensation for the delegated executive officers of the Covered Subsidiaries to the extent approved by the resolution of the General Meetings of Shareholders as described above (I). Pursuant to the agreement to revise the trust agreement, the Company will receive additional money within the scope of the resolution approved at the General Meetings of

Shareholders and extend the terms of the Trust, in which the Eligible Directors, etc. who satisfy the beneficiary requirements will be beneficiaries.

- III. Each Covered Company will revise their stock issuance regulations related to the content of the Plan.
- IV. In accordance with the instructions of the trust administrator, the Trust will acquire the Company's shares from the stock market or from the Company (disposal of treasury shares) using money added as described above (II) and money remaining in the existing Trust (from the stock market when the Plan continues). The number of shares to be acquired by the Trust shall be within the scope approved by resolution of the General Meetings of Shareholders. The Company's shares within the Trust are managed separately for each Covered Company according to the amount contributed by each Covered Company.
- V. Dividends are also paid on the Company's shares within the Trust in the same manner as other shares of the Company.
- VI. No voting rights shall be exercised with respect to the Company's shares within the Trust throughout the term of the Trust.
- VII. During the term of the Trust, for fixed compensation, a certain number of points are granted to Eligible Directors, etc. each year based on their position. In addition, after the end of the final fiscal year during the covered period, points may be granted to Executive Directors, etc. based on the degree of achievement of performance targets in the covered period, and the Company's shares will be issued in accordance with the number of points granted. The Company's shares issued under the Plan shall be subject to transfer restrictions until the time of retirement of the Eligible Directors, etc.
- VIII. If the remaining shares arise at the expiration of the trust period due to the failure to achieve the performance targets, etc., the Company plans to continue using the Trust as a new stock compensation plan by modifying the trust agreement and making additional trusts, or to transfer the remaining shares from the trust to the Company free of charge, and to cancel them by resolution of the Board of Directors after acquiring them free of charge.
- IX. Upon termination of the Trust, any remaining property after distribution to the beneficiaries will be attributable to the Company to the extent of the trust expense reserve less the funds to acquire shares.

* In the event that there are no Company shares remaining within the Trust due to the grant of the Company's shares, etc. to Eligible Directors, etc. who satisfy the beneficiary requirement, the Trust will terminate before the trust period expires. Each Covered Company may entrust (or Covered Subsidiaries may entrust through the Company) additional money to the Trust as funds to acquire additional shares of the Company to the extent that they are each approved by the General Meetings of Shareholders and acquire additional shares from the Trust.

(1) Outline of the Plan

The Plan covers the three fiscal years (hereinafter, the "Covered Period") (*) from the fiscal year ending December 31, 2026, to the fiscal year ending December 31, 2028, and is for granting shares of the Company as executive compensation in accordance with the position of directors and the degree of achievement of the performance targets, etc.

(*) In the event the term of trust is extended by amending the trust contract or making an additional trust at the time of expiration of the trust period (as provided in the second paragraph of paragraph (3) below), each of the following three fiscal years shall be covered.

(2) Eligibility for the Plan (Beneficiary Requirements)

Subject to meeting the following beneficiary requirements, Eligible Directors, etc. shall, after completing the prescribed procedures to conclude the beneficiaries, receive a grant of a number of the Company's shares from the Trust according to the points they received up to the time of such procedures. The beneficiary requirements are as follows.

- i. Being the Eligible Directors, etc. during the Covered Period (including those who are newly appointed as the Eligible Directors, etc. during the Covered period).
- ii. A person who does not committed a certain misconduct during his/her term of office.
- iii. The accumulated points shall be determined.
- iv. Other requirements deemed necessary to achieve the objectives of the stock compensation plan

(3) Trust Period

Trust period is from May, 2026 to May, 2029 (planned).

At the end of the trust period, it may be extended by the same period as the initial trust period (for 3 years) by amending the trust agreement and providing additional trust. In that case, for each extended trust period, the Covered Subsidiaries will make an additional contribution of money to fund the compensation of their delegated

executive officers, and the Company will trust the money contributed by the Covered Subsidiaries together with the money to fund the compensation of its Eligible Directors, etc. (the sum of the money to be contributed additionally by the Company and the Covered Subsidiaries will be within the maximum amount of the trust money approved at the General Meetings of Shareholders held), and the grant of points to the Eligible Directors, etc. will be continued during the extended trust period. However, if such additional contributions will be made, the sum of the amount of such remaining shares, etc. and the additional contributions to the trust fund will be within the maximum amount of the trust fund approved at the General Meetings of Shareholders, if the Company's shares and money remain within the trust fund on the last day of the trust period prior to the extension.

(4) Number of the Company's Shares, etc., subject to Grant, etc. to Eligible Directors, etc.

The number of Company's shares granted to the Eligible Directors, etc. through the Plan will be determined in corresponding to the points granted to the eligible people.

On December 31 of every year during the trust period, certain points will be granted to persons who serve as the Eligible Directors, etc. according to their position on the same date (hereinafter, the "Evaluation Fiscal Year"). After the end of the final fiscal year during the Covered Period, Performance-linked points shall be granted to the Executive Directors, etc. serving on the last day of December during the final fiscal year, depending on the degree of achievement of performance targets during the Covered Period. Under the Plan, one point corresponds to one share of the Company. However, if the total number of the Company's shares increases or decreases during the trust period due to a share split, gratuitous allotment of shares, consolidation of shares, etc., the Company will adjust the number of its Shares, etc. subject to Grant, etc. per point in accordance with the ratio of the increase or decrease thereof.

(5) Maximum Amount of Trust Money Contributed to the Trust and Maximum Grant Points

The maximum amount of trust money to be contributed to the Trust by the Company and the Covered Subsidiaries during the trust period shall be a total of ¥2,469 million (breakdown: ¥2,439 million for Executive Directors, etc., and ¥30 million for outside directors) (*).

(*) The maximum amount of the trust fund is calculated by adding trust expenses and trust fees to the fund for share acquisition, taking into consideration the current level of compensation of Eligible Directors, etc.

The maximum total number of points subject to grant to Eligible Directors, etc. is 6,870,000 points (breakdown: 6,780,000 points for Executive Directors, etc., and 90,000 points for outside directors) per three years. In the event of such a resolution, the number of shares that the Eligible Directors, etc. may receive from the Trust will be subject to the maximum number of shares equivalent to such points. Therefore, during the Covered Period, the maximum number of shares to be acquired by the Trust (the "number of shares acquired") will be the number of shares equivalent to the maximum number of points for each Covered Period (6,780,000 shares).

(6) Method of Acquisition of the Company's Shares by the Trust

The Trust expects to acquire the Company's shares from the stock market, subject to the maximum amount of trust funds and the maximum number of shares to be repurchased as described in (5) above.

During the trust period, if there is a possibility that the number of shares in the Trust will be insufficient to the number of shares corresponding to the Accumulated Points specified for the Eligible Directors, etc., or if there is a possibility that the money in the trust property will be insufficient to pay trust expenses and trust fees, the Company may contribute additional money to the Trust and acquire additional shares to the extent of the funds to acquire shares and the maximum number of shares to be acquired in (5) above.

(7) Method and Timing of Grant, etc. of Shares, etc. to the Eligible Directors, etc.

i) Fixed Portion

As a general rule, the Eligible Directors, etc. will receive delivery of the Company's shares corresponding to the Base Points at a certain time after such Base Points are granted, upon completion of the prescribed beneficiary determination procedures.

ii) Performance-linked Portion

The Executive Directors, etc. will, as a general rule, receive delivery of the Company's shares corresponding to the Performance-linked Points at a certain time after such Performance-linked Points are granted, upon completion of the prescribed beneficiary determination procedures.

iii) Execution of Transfer Restriction Agreement

Upon the delivery of the Company's shares as described in i) and ii) above, as a general rule, the Company and Eligible Directors, etc. will enter into a transfer restriction agreement that includes the following provisions.

- (a) The Eligible Directors, etc. shall not transfer, create a security interest in, or otherwise dispose of the Company's shares from the date of delivery of such shares until the date of their retirement from office.
- (b) The transfer restrictions shall be lifted upon the retirement of the Eligible Directors, etc.
- (c) In the event of certain misconduct, such as a material violation of duties or internal regulations, or a voluntary resignation against the Company's will during the restriction period, the Company shall acquire the shares delivered to such Eligible Directors, etc. without consideration, without lifting the restrictions on transfer.

The Company's shares subject to transfer restrictions will be managed, during the transfer restriction period, in a dedicated account opened by the Eligible Directors, etc. with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., so that no transfer, creation of a security interest, or other disposition can be made during such period.

(8) Exercise of Voting Rights of the Company's Shares within the Trust

With respect to the Company's shares in the Trust, voting rights shall not be exercised during the trust period in order to ensure neutrality to management.

(9) Handling of Dividends from Surplus on the Company's Shares in the Trust

Dividends from surplus on the Company's shares within the Trust are received by the Trust and are used for trust fees and trust expenses of the Trust. In addition, in the event any remainder arises at the time of termination of the Trust after appropriation for the trust fees and the trust expenses, the Eligible Directors, etc., who satisfy the prescribed beneficiary requirements and become beneficiaries of the Trust under the trust agreement at the time of termination of the Trust, will receive them.

(10) Treatment upon Termination of the Trust

In the event that residual shares arise at the end of the Trust (at the end of the extended period in the case of the extension of the trust period described in the second paragraph of (3) above) due to the failure to achieve the performance targets, etc., the Trust shall transfer such Residual Shares, etc. to the Company without charge as a measure for returning profits to shareholders, and the Company intends to cancel such Residual Shares, etc. by resolution of the Board of Directors.

(Reference)

[Details of the trust agreement]

- (1) Type of trust: Money held in trust other than money trusts managed on a specific non-consolidated basis (other profit trusts)
- (2) Purpose of the Trust: Granting Incentives to Eligible Directors, etc.
- (3) Trustor: The Company
- (4) Contractor: Mitsubishi UFJ Trust and Banking
(Joint Trustee: The Master Trust Bank of Japan, Ltd.)
- (5) Beneficiary: Eligible Directors, etc. who meet the beneficiary requirements
- (6) Trust administrator: Third party, who is a practitioner and has no interest in the target company
- (7) Date of the trust agreement: May 10, 2017
- (8) Trust period: May 10, 2017 to the end of May 2026 (prior to the revision)
May 10, 2017 to the end of May 2029 (scheduled) (posterior to the revision)
- (9) Exercise of voting rights: The voting rights shall not be exercised
- (10) Class of Acquired Shares: Shares of the Company's common stock
- (11) Maximum amount of trust money: ¥2,469 million (scheduled) (including trust fees and trust expenses)
- (12) Period of stock acquisition: May 19, 2026 to July 31, 2026 (scheduled)
- (13) Method of acquisition of shares: Acquiring from the stock market
- (14) Holder of a vested right: The Company
- (15) Residual assets: The residual assets to be received by the Company as the vesting right holder shall be within the scope of the reserve for trust expenses obtained by deducting the funds for acquisition of shares from the trust fund.

■Contact Information

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