

## Officer remuneration

The Articles of Incorporation stipulate that remuneration and other benefits for Directors shall be determined by a resolution of the General Meeting of Shareholders. Based on this, the remuneration and other benefits are determined within the maximum amount resolved at the General Meeting of Shareholders, taking into account position, tenure in office, business performance, and other factors in a comprehensive manner. In addition, to strengthen the fairness, transparency, and objectivity of procedures related to remuneration and other benefits, and to enhance corporate governance, the Nomination & Compensation Advisory Committee has been established, chaired by an Independent Outside Director and consisting of the President and Representative Director / Executive Officer, and two Outside Directors. The Nomination & Remuneration Advisory Committee deliberates on matters raised by the Board of Directors, including the remuneration system for Directors and policies for determining remuneration, and the Board of Directors makes final decisions based on the contents of these deliberations.

For Directors\* and Executive Officers, in addition to fixed compensation, we have introduced a performance-linked restricted stock compensation plan with the purpose of further aligning value with our shareholders. In this plan, compensation varies depending on the achievement of performance targets according to our Executive Remuneration Rules. Remuneration for other Directors (Outside Directors and Directors who are Audit & Supervisory Committee Members) consists of fixed compensation and restricted stock compensation.

\* Excluding Outside Directors and Directors who are members of the Audit & Supervisory Committee

Fixed compensation: Base pay																	
+																	
Variable compensation: Restricted stock compensation																	
<table> <tr> <th>Covered</th><th>Performance-linked</th></tr> <tr> <td>Directors* and Executive Officers</td><td>Yes</td></tr> <tr> <td>Outside Directors</td><td>No</td></tr> <tr> <td>Directors who are Audit &amp; Supervisory Committee Members</td><td>No</td></tr> </table>	Covered	Performance-linked	Directors* and Executive Officers	Yes	Outside Directors	No	Directors who are Audit & Supervisory Committee Members	No	<p>Allocated stock ratio against performance targets</p> <table> <tr> <th>Performance targets (Profit attributable to owners of parent)</th><th>Allocated stock ratio</th></tr> <tr> <td>Less than 5% increase compared to the previous fiscal year</td><td>1.0x</td></tr> <tr> <td>More than 5% increase compared to the previous fiscal year</td><td>1.5x</td></tr> <tr> <td>More than 10% increase compared to the previous fiscal year</td><td>2.0x</td></tr> </table>	Performance targets (Profit attributable to owners of parent)	Allocated stock ratio	Less than 5% increase compared to the previous fiscal year	1.0x	More than 5% increase compared to the previous fiscal year	1.5x	More than 10% increase compared to the previous fiscal year	2.0x
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Amount of officer remuneration (FY2024/3)

Category of officers	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc., by type (Millions of yen)			No. of eligible officers
		Fixed compensation	Performance-linked remuneration	Non-monetary remuneration, etc.	
Directors (excluding Outside Directors)	147	137	—	9	4
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	10	10	—	—	1
Outside Directors	19	19	—	—	4

Note: Non-monetary remuneration, etc., is the amount recorded as an expense in the fiscal year under review (ended March 31, 2024) based on the restricted stock compensation plan.