



May 13, 2025

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(Securities code: 8600; TSE Prime)
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Notice Concerning Introduction of Restricted Stock Compensation Plan

As announced in the “Notice Concerning Commencement of Consideration of Introduction of Restricted Stock Compensation Plan” dated Feb 10, 2025, TOMONY Holdings, Inc. (the “Company”) has partially reviewed its executive remuneration system and has been considering the introduction of a restricted stock compensation plan (the “Plan”). At a meeting of the Board of Directors held on May 13, 2025, the Company resolved to introduce the Plan and resolved to submit a proposal regarding the Plan to the 15th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2025 (hereinafter referred to as the “Shareholders' Meeting”), and hereby announces the following:

1. Purpose and conditions of the introduction of the Plan

(1) Purpose of introduction

The Plan applies to the Company's Directors (excluding the Directors who are Outside Directors and Audit and Supervisory Committee Members, hereinafter referred to as “Eligible Directors”), and its purpose is to share the benefits of share price rises and the risks associated with share price declines with shareholders, to promote value sharing with shareholders more than ever before, and to further provide the incentive effect for medium to long term performance improvement and the Company's corporate value enhancement.

(2) Conditions of introduction

Under the Plan, monetary compensation claims for the granting of restricted stock will be paid as compensation. Therefore, the introduction of the Plan is conditional on obtaining approval of shareholders for the payment of such compensation at the Shareholders' Meeting.

The amount of compensation for the Company's directors (excluding directors who are Audit and Supervisory Committee Members) was set to be up to 250 million yen per year (of which the amount for Outside Directors is up to 50 million yen per year; this includes bonuses for directors and corporate auditors and does not include the employee salary of directors who also serve as employees; hereinafter referred to as the “Basic compensation facility”) at the 5th Ordinary General Meeting of Shareholders held on June 29, 2015. Additionally, at the same General Meeting, the amount of compensation for the grant of Stock compensation-type stock options was approved to be up to 70 million yen per year and separate from the Basic compensation facility. At the Shareholders' Meeting, we plan to ask shareholders for their approval to set a compensation framework for the Plan for Eligible Directors, separate from the aforementioned compensation frameworks.

Furthermore, on the condition that the proposal regarding the Plan is approved at the Shareholders' Meeting, the Stock compensation-type stock options system will be abolished, except for those that have already been granted, and going forward, no new stock acquisition rights will be issued as Stock compensation-type stock options.

2. Overview of the Plan

The granting of restricted stock under the Plan will be made by providing monetary compensation claims to Eligible Directors and having them contribute such claims in kind, which will result in the issuance or disposition of the Company's common shares.

The total number of common shares of the Company to be issued or disposed of under the Plan will be up to [140,000] shares per year, and the total amount of compensation will be up to [42 million] yen per year, separate from Basic compensation facility and the remuneration framework for Stock compensation-type stock options system (however, if the total number of issued shares of the Company increases or decreases due to a share consolidation or share split (including a free allotment of shares), the upper limit will be adjusted accordingly).

In addition, the payment amount per share will be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution regarding the issuance or disposal (if no transaction is concluded on that day, the closing price on the most recent trading day preceding that date), and within the scope that is not particularly advantageous to the Eligible Directors.

In order to realize the sharing of shareholder value over the medium to long term, which is one of the purposes of the introduction of the Plan, the period of the transfer restriction shall be the period generally from the date of delivery of the restricted stock to the date on which the subject director resigns from his/her position as a director of the Company or other positions determined by the Board of Directors of the Company.

The specific timing of payment and allocation to each Eligible Director will be determined by the Company's Board of Directors.

In addition, when granting restricted stock under the Plan, a restricted stock allocation agreement (hereinafter referred to as the "Allocation Agreement") will be concluded between the Company and the Eligible Directors, and the contents of the Allocation Agreement shall include the following items:

- i. The Eligible Directors are prohibited from transferring, creating security interests in, or otherwise disposing of the restricted stock during the period from the date of issuance of the shares to the date on which the Eligible Director resigns from his/her position as Director of the Company or other position as determined by the Board of Directors of the Company (however, that if there is a day which is separately determined by our board of directors within one month after resignation, such day).
- ii. In the event of a violation of laws, regulations, internal rules, or the Allotment Agreement, or any other reason determined by the Board of Directors of the Company that makes it appropriate to acquire the shares free of charge, the shares will be acquired free of charge.

(Reference)

Subject to the approval of the proposal regarding the Plan at the Shareholders' Meeting, the Company plans to also grant restricted stock to Directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) of our subsidiaries, THE TOKUSHIMA TAISHO BANK, LTD. and THE KAGAWA BANK, LTD..