



May 2, 2025

Address: 1-4-23 Habu-cho, Kishiwada-shi, Osaka
Company Name: Fuji Jutaku Co., Ltd.
Name of Representative: Nobutsuna Miyawaki,
President and Representative Director
(Securities code: 8860,
Tokyo Stock Exchange Prime Market)
Inquiries: Yasuhisa Noguchi, Managing Operating Officer,
General Manager of Investor Relations Office
(Telephone: +81-72-437-9010)

Notice Regarding Partial Revision and Continuation of the Stock Compensation System for Officers

In order to further enhance the incentive effect for officers to achieve performance targets and to reward their achievements, the Board of Directors of the Company, at its meeting held today, resolved to partially revise (hereinafter referred to as "the Revision") and continue the stock compensation system for officers, known as the "Stock Compensation Trust System for Officers" (hereinafter referred to as "the Officer Compensation System"). A proposal regarding the Revision will be submitted to the 52nd Annual General Meeting of Shareholders scheduled to be held in June of this year (hereinafter referred to as the "General Meeting of Shareholders"), as outlined below.

1. About the Revision and Continuation

The Officer Compensation System, which covers the Company's Directors and Auditors (excluding Outside Directors and Outside Auditors), as well as Directors of the Company's group companies (collectively, the "Officers"), was approved as part of the officer compensation at the 47th Annual General Meeting of Shareholders held on June 24, 2020. Subsequently, the system was partially revised at the 48th Annual General Meeting of Shareholders held on June 23, 2021, and has continued to date.

The Board of Directors of the Company has resolved to partially revise the content of the Officer Compensation System and to continue its implementation, subject to the approval of shareholders. Accordingly, a proposal regarding this revision will be submitted at the upcoming General Meeting of Shareholders.

The Revision is intended to maintain the incentive effect that enhances the motivation of officers toward achieving the Medium-Term Management Plan starting from FY2025, while ensuring the appropriateness of compensation in light of stock price fluctuations and rewarding their achievements, by continuing the Officer Compensation System with partial modifications. For details on the previous version of the Officer Compensation System, please refer to the "Notice Regarding the Introduction of a New Incentive Plan for Employees and Officers" released on May 8, 2020, the "Notice Regarding the Finalization of Details of the Stock Compensation Trust System for Officers" released on July 28, 2020, and the "Notice Regarding Partial Revision of the Stock Compensation System for Employees and Officers" released on May 11, 2021.

(Main Revisions)

The details of the revised Officer Compensation System are provided in “2. Overview of the Revised Officer Compensation System.”

Item	Before Revision	After Revision
Upper limit of monetary contributions by the Company	An amount calculated by multiplying JPY 32 million by the number of years in the new applicable period.	An amount calculated by multiplying JPY 49 million by the number of years in the new applicable period.

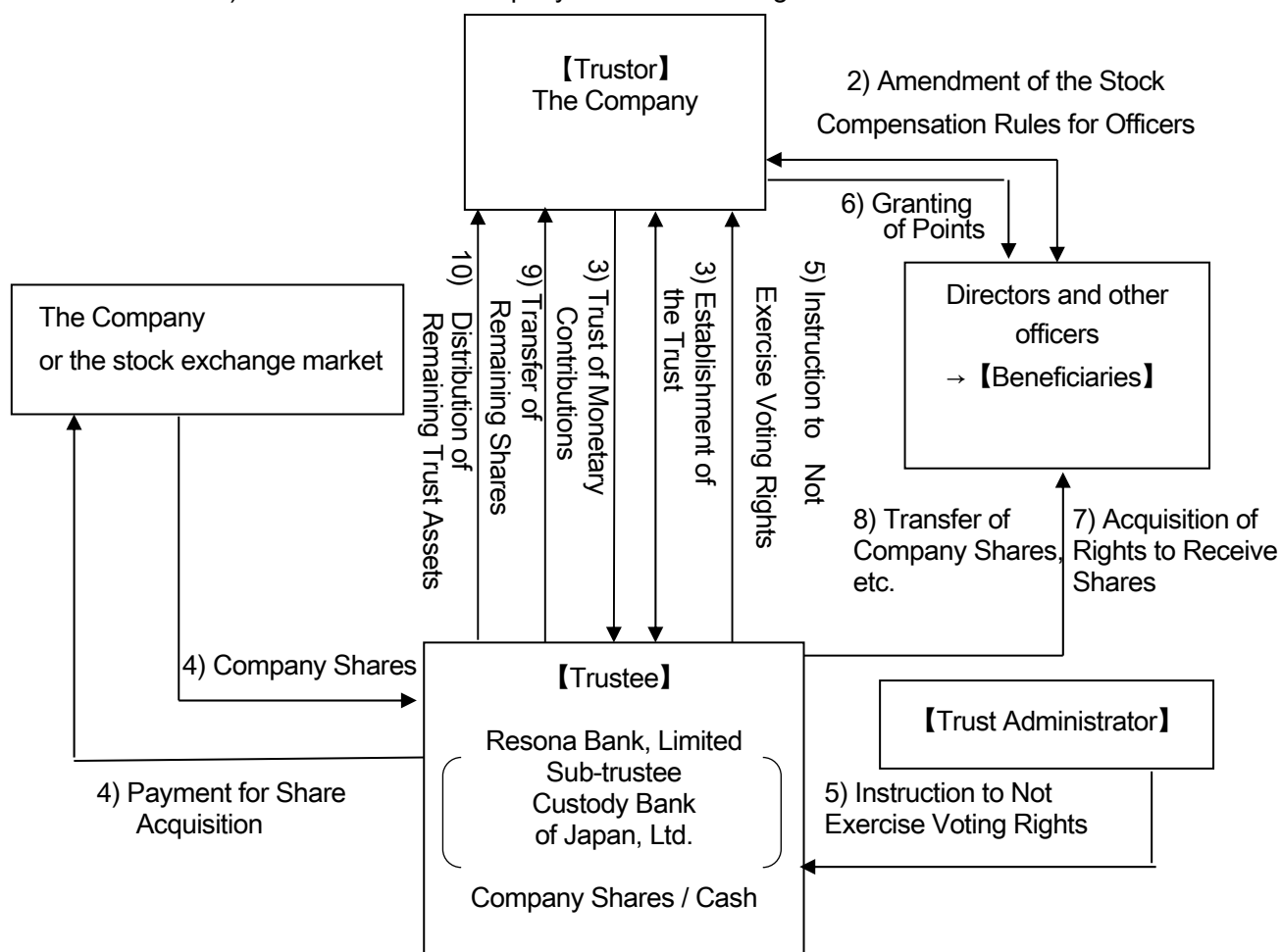
2 . Overview of the Revised Officer Compensation System

(1) Overview

The Officer Compensation System is a scheme in which a trust established through monetary contributions by the Company—called the Stock Compensation Trust for Officers (hereinafter referred to as “the Officer Trust”)—acquires shares of the Company and, in accordance with the pre-established Stock Compensation Rules for Officers, delivers a number of the Company’s shares (hereinafter referred to as “the Company Shares, etc.”) to directors and other officers each year at a fixed time. The number of shares delivered corresponds to the number of points granted to each director or officer.

【The Structure of the Officer Compensation System】

1) Resolution at the Company’s General Meeting of Shareholders



- 1) The Company will obtain approval for the partial revision of the Officer Compensation System at this General Meeting of Shareholders.
- 2) The Company has established the Stock Compensation Rules for Officers upon the introduction of the Officer Compensation System and will amend these rules within the scope of the revision approved at this General Meeting of Shareholders.
- 3) In order to implement the Officer Compensation System, the Company makes monetary contributions within the scope approved by the resolution of the General Meeting of Shareholders, and will make additional contributions to the Officer Trust within the same approved scope.
- 4) The trustee will acquire shares of the Company using the additionally contributed funds, either from the Company (through disposal of treasury shares) or via the stock exchange market (including off-auction transactions). The number of shares to be acquired shall be within the scope approved by the resolution of this General Meeting of Shareholders.
- 5) Voting rights related to the Company's shares held in the Officer Trust shall not be exercised uniformly throughout the trust period.
- 6) The Company shall grant points to directors and other officers in accordance with the Stock Compensation Rules for Officers.
- 7) Directors and other officers who meet the requirements set forth in the Stock Compensation Rules for Officers and the trust agreement related to the Officer Trust will acquire the right to receive the Company's shares and become beneficiaries.
- 8) The trustee shall deliver the Company Shares, etc. to the beneficiaries.
- 9) If there are any remaining shares at the end of the trust period, the Company may, by resolution of the Board of Directors, amend the trust agreement and make additional contributions to the Officer Trust to continue using it under the current Officer Compensation System or a similar stock compensation plan. Alternatively, the Officer Trust will transfer the remaining shares to the Company without compensation, and the Company plans to either cancel such shares by a resolution of the Board of Directors or donate them to a public interest organization.
- 10) Upon liquidation of the Officer Trust, any remaining trust reserve—calculated by deducting the funds used for share acquisition from the monetary contributions made by the Company—will revert to the Company. Any other remaining assets are planned to be either distributed to the beneficiaries or donated to a public interest organization.

【Overview of the Officer Trust】

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|------------------|---|
| 1) Name | : Stock Compensation Trust for Officers |
| 2) Trustor | : The Company |
| 3) Trustee | : Resona Bank, Limited Resona Bank, Limited has entered into a specified comprehensive trust agreement with Custody Bank of Japan, Ltd., which will serve as the sub-trustee. |
| 4) Beneficiaries | : Directors and other officers who meet the beneficiary requirements |

- 5) Trust Administrator : A third party with no conflict of interest with the Company
- 6) Type of Trust : Trust of money other than monetary trust (trust for the benefit of others)
- 7) Date of the Trust Agreement Execution : August 17, 2020
- 8) Date of Amendment to the Agreement : Scheduled for August 2025
- 9) Trust Period : From August 17, 2020, until the termination of the Officer Trust
(The Officer Trust will continue without a specified end date,
as long as the Officer Compensation Trust System remains in effect.)
- 10) Exercise of Voting Rights : Not exercised
- 11) Type of Shares to Be Acquired : Common shares of the Company

(2) Eligible Participants of the Officer Trust

Directors and an Auditor of the Company (excluding Outside Directors and Outside Auditors), as well as Directors of the Company's group companies. (Directors who concurrently serve both at the Company and its Group companies are not considered directors of Group companies under this system.)

(3) Applicable Period

The applicable period shall be the three fiscal years from the fiscal year ending March 2026 through the fiscal year ending March 2028 (hereinafter referred to as the "Applicable Period"). After the end of any applicable period, the Company may continue the Officer Compensation System by designating a new three-fiscal-year period (or any other period separately resolved by the Board of Directors) starting from the fiscal year immediately following the previous applicable period (each such continued period also referred to as an "Applicable Period").

(4) Trust Period

The trust period shall be from August 17, 2020, until the termination of the Officer Trust.

There is no specific end date defined, and the trust will continue as long as the Officer Compensation System remains in place.

However, the Officer Trust will be terminated upon events such as the delisting of the Company's shares or the abolition of the Stock Compensation Rules for Officers.

(5) Upper Limit of Monetary Contributions by the Company

During the Applicable Period, the Company will contribute up to a total of JPY 147 million as compensation to directors and other officers who are in office during the period. These funds will be used to cover the cost of acquiring the Company's shares to be delivered under the Officer Compensation System, as well as trust-related expenses and trustee fees. Within this JPY 147 million limit, additional funds may be contributed to the trust for the acquisition of shares during the Applicable Period.

Furthermore, until the Officer Compensation System is terminated, the Company will, in principle, make additional monetary contributions for each Applicable Period, with an upper limit calculated by multiplying JPY 49 million by the number of years in the new Applicable Period. However, in case that additional contributions are made for a certain applicable period, if there are any remaining Company shares

(excluding shares corresponding to the points already granted to directors and other officers in previous periods but not yet delivered) and cash (hereinafter referred to as the “Remaining Shares, etc.”) in the Officer Trust property as of the day immediately preceding the start of a new Applicable Period, the total amount of the Remaining Shares, etc. and the additional trust contribution shall not exceed the amount calculated by multiplying JPY 49 million by the number of years in that new Applicable Period.

(6) Method of Acquiring the Company's Shares through the Officer Trust

During the Applicable Period, the acquisition of the Company's shares by the Officer Trust will be conducted through the disposal of treasury shares by the Company, within the upper limit of the share acquisition funds specified in section (5) above.

In the event that, during the trust period, an increase in the number of officers or other factors results in a shortage of Company shares within the Officer Trust relative to the number of shares corresponding to the points to be granted during the trust period, the Company may make additional monetary contributions to the Officer Trust—within the upper limit of the trust funds specified in section (5)—and acquire additional Company shares either through the stock exchange market or via the disposal of treasury shares by the Company.

(7) Method of Calculating the Number of Company Shares Delivered to Directors and other Officers, and Upper Limit

Each year during the Applicable Period described in section (3), annual grant points will be awarded to directors and other officers as of the end of March, based on the performance results of the relevant fiscal year. These points will be granted by the end of June of the same year.

Annual Grant Points for Directors and Other Officers = Base Points According to Position

[Base Points According to Position]

Base points according to position are granted only when the target performance of the Medium-Term Profit Plan (consolidated net sales) is achieved.

The total number of points granted by the Company to directors and other officers shall be limited to 48,500 points per fiscal year, which corresponds to 48,500 shares of the Company. This total includes 35,000 points (equivalent to 35,000 shares) for directors, 1,500 points (1,500 shares) for an auditor, and 12,000 points (12,000 shares) for directors of group companies.

In addition, the total number of points to be granted over the three fiscal years of the Applicable Period shall be capped at 145,500 points, equivalent to 145,500 shares. This includes 105,000 points (105,000 shares) for directors, 4,500 points (4,500 shares) for an auditor, and 36,000 points (36,000 shares) for directors of group companies.

The total number of points to be granted during each subsequent Applicable Period shall be limited to 145,500 points, equivalent to 145,500 shares. This includes 105,000 points (105,000 shares) for directors, 4,500 points (4,500 shares) for an auditor, and 36,000 points (36,000 shares) for directors of group companies.

At the time of delivering the Company Shares, etc., as described in section (8) below, one point shall be converted into one share of the Company's stock. Any fractional shares resulting in less than one share shall be rounded down, and the delivery of the Company's shares shall be made in units of 100 shares, rounded to the nearest hundred.

However, in the event of a stock split, reverse stock split, or other similar action concerning the Company's shares, a reasonable adjustment will be made in accordance with the split or consolidation ratio.

The cumulative number of points corresponding to the Company Shares, etc., that directors and other officers are entitled to receive shall be the total number of annual points granted during the Applicable Period.

(8) Timing of Delivery of the Company Shares, etc. to Directors and Other Officers

The delivery of the Company Shares, etc. to directors and other officers as described in section (7) will be made from the Officer Trust at a fixed time each year during the trust period, upon completion of the prescribed beneficiary confirmation procedures by the directors and other officers.

(9) Exercise of Voting Rights for Company Shares Held in the Trust

The voting rights associated with the Company shares held as trust property in The Officer Trust shall not be exercised uniformly, in order to ensure independence from the management of the trust.

(10) Treatment of Dividends on Company Shares Held in the Trust

Dividends on the Company shares held within the Officer Trust shall be received by the trust and used to cover trust-related expenses, such as the acquisition of Company shares and trustee fees.

In the event that the Officer Trust is terminated, any remaining dividends within the trust are scheduled to be distributed proportionally to the eligible participants of the Officer Compensation System who are in office at that time, based on the number of their cumulative points. Alternatively, such dividends may be donated to a public interest organization.

(11) Handling Upon Termination of the Trust

The Officer Trust shall be terminated in the event of circumstances such as the abolition of the Stock Compensation Rules for Officers.

Upon termination of the Officer Trust, any remaining Company shares within the trust are scheduled to be acquired by the Company without compensation and either cancelled by resolution of the Board of Directors or donated to a public interest organization.

Regarding any remaining cash within the Officer Trust at the time of its termination, it is scheduled to be distributed proportionally to the directors and other officers in office at that time based on their respective cumulative points, or alternatively, donated to a public interest organization.

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Note: This document has been translated by AI from a part of the Japanese original for reference purposes only.