

April 5, 2024

To whom it may concern:

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Notice regarding Revision of Restricted Stock Compensation Plan

TOHO HOLDINGS CO., LTD. (hereinafter, the "Company") hereby announces that its Board of Directors at a meeting held today resolved to the revision of restricted stock compensation plan (hereinafter, "Plan") after reviewing its executive remuneration plan and to submit a proposal related to revision of the Plan to the 76th Annual General Meeting of Shareholders scheduled to be held on June 27, 2024 (hereinafter, "General Meeting of Shareholders") as described below.

1. Purpose of and conditions for revision of the Plan

(1) Purpose of revision of the Plan

The Plan was approved as Proposal No. 3 "Determination of compensation for the granting of restricted stocks to Directors of the Company (excluding those who are Audit and Supervisory Committee Members)" at the 69 Annual General Meeting of Shareholders held on June 29, 2017, and the Plan has been introduced for aiming to give even more incentive for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, "Eligible Directors") to undertake sustainable enhancement of the Company's corporate value and to further promote value-sharing with shareholders.

The Company has recently decided to partially revise the Plan for the purpose of further enhancing incentive to achieve to the sustainable enhancement of the corporate value of the Company throughout the term of office of Eligible Directors and realizing value-sharing with shareholders for as long as possible. The Company plans to seek the approval of its shareholders for the following partial amendments to the Plan.

(2) Conditions for revision of the Plan

The transfer restriction period for restricted stocks to be granted to Eligible Directors under the Plan has been set as a period from three to five years as previously determined by the Board of Directors of the Company, but will be revised to a period from the date of allotment of restricted stocks until the date on which the Board of Directors of the Company resigns or retires from the positions of executives and employees of the Company or its Subsidiary (However, if the date of resignation or retirement, etc. is prior to the day on which three months have passed in the business year that includes the date of allotment of restricted stocks, the Board of Directors may adjust the end of the period for restriction of transfer to a reasonable extent. hereinafter referred to as the "revised transfer restriction period"). The revision of such transfer restriction period will be subject to the approval of shareholders in the General Meeting of Shareholders. In addition, in accordance with the revision of such transfer restriction period, necessary amendments will be made to the terms and conditions pertaining to treatment at the time of resignation, lifting of transfer restriction and acquisition without compensation.

The above revision will apply to restricted stocks to be granted in the future, and will not change the transfer restriction period for restricted stocks that have already been granted.

2. Outline of the revised Plan

The Eligible Directors shall deliver, in accordance with the Plan, all monetary compensation receivables to be provided in the form of property contributed in kind, and in return, receive the ordinary shares of the Company to be issued or disposed of.

It was approved by the resolution at the 68th Annual General Meeting of Shareholders held on June 29, 2016, that the amount of remuneration, etc., to the Company's Directors (excluding those who are Audit and Supervisory Committee Members) shall be no more than 700 million yen per year (out of this amount, the amount of remuneration, etc., to Outside Directors shall be no more than 50 million yen per year; provided, however, that the amount shall not include amount of employee salaries payable to Directors who are also employees). In addition, at the 69 Annual General Meeting of Shareholders held on June 29, 2017, the Company received approval to set the amount of compensation related to the Plan within the scope of the amount of compensation to be no more than 55 million yen per year (out of this amount, the amount of compensation to Outside Directors shall be no more than 5 million yen per year; provided, however, that the amount shall not include amount of employee salaries payable to Directors who are also employees). The specific timing of the provision and the allocation to each Eligible Director shall be determined at a meeting of the Board of Directors of the Company.

With this revised Plan, the total number of the ordinary shares of the Company to be issued or disposed of shall be no more than 25,000 shares per year; provided (out of this shares, the shares to Outside Directors shall be no more than 3,000 shares per year; provided, however, that the amount shall not include amount of employee salaries payable to Directors who are also employees), however, that if on or after the date of the resolution of the General Meeting of Shareholders, the Company performs a share split (including an allotment of its ordinary shares without contribution) or a reverse share split of its ordinary shares, or any other reason arises necessitating an adjustment to the total number of such ordinary shares of the Company as restricted shares, such total number of ordinary shares shall be adjusted to the extent deemed reasonable. The amount to be paid per ordinary share shall be determined at a meeting of the Board of Directors of the Company based on the closing price of the Company's ordinary shares at the Prime Market of Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors of the Company (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day) or any other amount to the extent that the amount will not be particularly favorable to the Eligible Directors for whom the Company's ordinary shares are to be issued or disposed of.

In addition, the aforementioned monetary compensation receivables shall be provided subject to the conclusion of a restricted share allotment agreement between the Company and each Eligible Director which includes: (i) the prohibition of transfer to third parties, pledging as collateral, and any other disposal of the ordinary shares for the revised transfer restriction period and (ii) the ability of the Company to acquire the relevant ordinary shares without contribution under certain conditions. The relevant ordinary shares will be managed in special-purpose accounts Eligible Directors opened with Nomura Securities Co., Ltd. to ensure that they cannot be transferred to third parties, pledged as collateral, or disposed of in any other ways during the revised transfer restriction period.

Same as the Plan before the revision, the restricted stock compensation similar to that provided to Eligible Directors will be provided to Corporate Officers and employees of Company and to Directors, Corporate Officers, and employees of Company subsidiaries in addition to Eligible Directors under the revised Plan through a resolution of the Board of Directors and the Company will issue or dispose of the ordinary shares.