



May 17, 2022

To whom it may concern

Z Holdings Corporation
Kentaro Kawabe
President and Representative Director, Co-CEO
Stock Code: 4689

Introduction of Stock-Based Remuneration Plan (RSU Plan) for Directors

Z Holdings Corporation (the “Company”) hereby announces that its Board of Directors resolved, at the meeting held on May 17, 2022, to review the executive remuneration plan and to introduce a new stock-based remuneration plan, a trust-based RSU plan, for directors of the Company (the “Plan”). The Company has decided to submit a proposal on the introduction of this Plan to the 27th ordinary general meeting of the shareholders scheduled to be held on June 17, 2022 (the “Ordinary General Meeting of the Shareholders”). Details are as follows.

In addition, subject to the approval from the shareholders on the introduction of the Plan in the Ordinary General Meeting of the Shareholders, the Company is considering the introduction of incentive plans similar to this Plan, to its corporate officers and employees, as well as to directors, corporate officers and employees of major subsidiaries determined by the Company.

1. Overview of the Plan

- (1) The Company will introduce this Plan from the fiscal year beginning on April 1, 2022. More specifically, the subjects of this Plan are directors who are not Audit and Supervisory Committee members (excluding outside directors, hereinafter “Executive Directors”) and directors who serve on the Audit and Supervisory Committee (hereinafter collectively with the Executive Directors, “Eligible Directors”). The purposes of this Plan are: (i) for Executive Directors, to motivate the Executive Directors to contribute to the enhancement of the Company’s shareholder value and corporate value over the medium- to long-term, to retain talented management personnel, and to further increase the sense of shared interest with the shareholders by encouraging Executive Directors to own the Company’s shares; and (ii) for directors serving on the Audit and Supervisory Committee, to ensure that directors serving on the Audit and Supervisory Committee have a supervisory function to judge the appropriateness of business execution from an objective standpoint, as well as to further increase the sense of shared interest with the shareholders. For these

purposes, the Company proposes to introduce a stock-based remuneration which is not linked with the Company's business performance and is highly transparent and objective.

- (2) The Plan adopts a structure called the Board Incentive Plan Trust ("BIP Trust"). A BIP Trust is a plan, similar to performance-based remuneration (Performance Share) and restricted stock remuneration (Restricted Stock) in Europe and the U.S., under which the common stock of the Company (the "Company's Shares") and an amount of money equivalent to the cash proceeds from the conversion of the Company's Shares (the "Company's Shares, Etc.") are delivered and/or provided ("Delivery, Etc.") based on the rank of positions, etc.
- (3) Subject to the approval of the proposal, the Company will abolish the remuneration framework related to the current restricted stock remuneration plan as of the fiscal year ending March 31, 2023, and from the fiscal year beginning on April 1, 2023 (fiscal year ending March 31, 2024), no new restricted stock remuneration will be allocated to the Executive Directors.
- (4) At the expiration of the trust period of the BIP Trust established for the Plan (the "Trust"), the Company plans to continue the Plan by establishing a new Trust or by amending and making additions to the existing Trust whose trust period has expired.
- (5) In order to ensure independence, transparency, and objectivity in the decision-making process of remuneration, the Company has voluntarily established the Nominating and Remuneration Committee consisting of six directors, including four independent outside directors, chaired by an independent outside director serving as a full-time Audit and Supervisory Committee member. The introduction of this Plan has been deliberated by the Nominating and Remuneration Committee.

2. Detail of the Plan

The detail of the Plan is as follows:

Eligibility	<ul style="list-style-type: none"> • Directors of the Company (excluding directors serving on the Audit and Supervisory Committee and outside directors) • The Company's directors serving on the Audit and Supervisory Committee
Eligible period	<ul style="list-style-type: none"> • Three consecutive fiscal years • The initial eligible period will be the three fiscal years beginning with the fiscal year ending on March 31, 2023 to the fiscal year ending on March 31, 2025.

<p>Maximum amount of money to be contributed by the Company to the trust</p>	<ul style="list-style-type: none"> • Maximum amount of money to be contributed <table border="1" data-bbox="528 259 1422 450"> <tr> <td data-bbox="528 259 979 353">Executive Directors</td> <td data-bbox="986 259 1422 353">JPY500 million per each eligible period</td> </tr> <tr> <td data-bbox="528 353 979 450">Directors serving on the Audit and Supervisory Committee</td> <td data-bbox="986 353 1422 450">JPY50 million per each eligible period</td> </tr> </table> <ul style="list-style-type: none"> • Contributions of up to the abovementioned amount will be made in the first fiscal year of each eligible period. • The maximum amount of money that the Company will contribute to the trust is calculated by adding trust remuneration and trust expenses to the funds for the acquisition of shares, taking into consideration the possibility of an increase in the number of Eligible Directors in the future, the economic situation and other various factors. • A trust with a trust period of approximately three years is established each fiscal year. • In principle, the number of trusts to be established for the Company's Eligible Directors per fiscal year will be one, and if a trust is established in each fiscal year, three trusts will coexist during the eligible period. • The Company may provide stock-based remuneration to the Eligible Directors as an incentive plan under this Plan by establishing a new trust with a trust period of approximately three years every fiscal year after the fiscal year ending on March 31, 2023. • During the three fiscal years following the establishment of each new trust, the Company will contribute up to the abovementioned amount to the trust in the first fiscal year of the eligible period, and during the trust period, the Company will grant points to the Eligible Directors and Deliver, Etc., the Company's Shares, Etc. 	Executive Directors	JPY500 million per each eligible period	Directors serving on the Audit and Supervisory Committee	JPY50 million per each eligible period
Executive Directors	JPY500 million per each eligible period				
Directors serving on the Audit and Supervisory Committee	JPY50 million per each eligible period				
<p>Calculation method and maximum amount, etc., of the number and amount of Company's Shares, Etc., to be Delivered, Etc., to the Eligible Directors</p>	<ul style="list-style-type: none"> • Maximum number of the Company's Shares, Etc. <table border="1" data-bbox="547 1480 1422 1671"> <tr> <td data-bbox="547 1480 991 1574">Executive Directors</td> <td data-bbox="997 1480 1422 1574">1.1 million shares per eligible period (*1)</td> </tr> <tr> <td data-bbox="547 1574 991 1671">Directors serving on the Audit and Supervisory Committee</td> <td data-bbox="997 1574 1422 1671">120,000 shares per eligible period (*2)</td> </tr> </table> <p>(*1) Ratio to the Company's total number of outstanding shares (as of March 31, 2022, after deduction of treasury stock) is approximately 0.015%</p> <p>(*2) Ratio to the Company's total number of outstanding shares (as of March 31, 2022, after deduction of treasury stock) is approximately 0.002 %</p> <ul style="list-style-type: none"> • In the first fiscal year of the eligible period, the Company grants base points calculated by dividing the base stock-based remuneration pre-determined in accordance with roles, responsibilities, etc., by the Company's stock price. • The base points granted will be transferred to the share delivery points by 	Executive Directors	1.1 million shares per eligible period (*1)	Directors serving on the Audit and Supervisory Committee	120,000 shares per eligible period (*2)
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Directors serving on the Audit and Supervisory Committee	120,000 shares per eligible period (*2)				

	<p>one-third each year over the eligible period, and the number of Company's Shares, Etc., to be Delivered, Etc., and the amount in each fiscal year will be determined according to the number of such share delivery points.</p> <p>*One share of Company's Shares per point (fractions of less than one point are rounded down).</p> <p>* In the event of a stock split, reverse stock split, etc. of Company's Shares during the trust period, the number of Company's Shares per point will be adjusted in accordance with the split ratio, reverse stock split ratio, etc. of Company's Shares.</p> <ul style="list-style-type: none"> • In the event that an Eligible Director retires or dies during the trust period, the number of Company's Shares, Etc., to be Delivered, Etc., will be determined in accordance with the number of share delivery points calculated up to that point in time. • At the expiration of the trust period, the trust may be continued by amending the trust agreement or by making additions instead of establishing a new trust. • If the trust is continued, the trust period will be extended for another three years, and the Company plans to make additional contributions within the range mentioned above in the first fiscal year of the eligible period for each of the three fiscal years following the extension of the trust period. • In the event that additional contributions are made, and if any Company's Shares (excluding Company's Shares equivalent to the points granted to the Eligible Directors that have not yet been Delivered, Etc.) and money are remaining in the trust on the last day of the trust period ("Remaining Shares, Etc."), the total amount of the Remaining Shares, Etc., and the additional trust money to be contributed will be within the amount mentioned above (the trust period may be extended more than once and be re-extended thereafter in the same manner). • In the event that the trust is terminated, and if at the end of the trust period (or the extended trust period if the trust is continued as described above), there are Eligible Directors in office who may satisfy the beneficiary requirements, the trust period will be extended for a certain period of time without immediately terminating the trust. (However, in such cases, no new share delivery points will be granted to the Eligible Directors.)
Method of acquisition of Company's Shares	Scheduled to be acquired from the Company (through disposal of treasury stock or issuance of new shares) or from the stock market
Performance achievement	Not linked to performance (constant)

conditions		
Time and method of Delivery, Etc. of Company's Shares, Etc. to Eligible Directors	Time	<ul style="list-style-type: none"> • Delivery, Etc. after the end of each fiscal year during the eligible period to Eligible Directors who have fulfilled the beneficiary requirements (delivered annually) • Company's Shares delivered to the Eligible Director under this Plan must be held for a period of three years from the date of delivery of such shares.
	Method	<ul style="list-style-type: none"> • Around July immediately following the end of each fiscal year during the eligible period, the Company's Shares equivalent to 50% of the share delivery points (rounded up to the nearest unit) will be delivered from the trust, and the Company's Shares equivalent to the remaining share delivery points will be converted into cash in the trust and the amount equivalent to the amount of conversion will be paid out. • In the event of the death of an Eligible Director who satisfies the beneficiary requirements during the trust period, the Company's Shares corresponding to the number of share delivery points calculated up to that point shall be converted into cash within the trust, and cash equivalent to the amount of such conversion shall be paid from the trust to the heirs of such Eligible Director.
Clawback system, etc.	In the event of serious misconduct or violation by an Eligible Director, malus and clawback systems will be put in place to demand the Eligible Director to forfeit the beneficial interest in the Company's Shares to be delivered under the Plan (malus) or demand the return of money equivalent to the Company's Shares, Etc., that have been delivered (clawback)	
Voting rights related to Company's Shares in the trust	To ensure neutrality in management, voting rights are not exercised during the trust period.	
Handling of dividends related to Company's Shares in the trust	<ul style="list-style-type: none"> • Dividends on Company's Shares in the trust are received by the trust and used for trust remuneration and trust expenses • In the event that, after appropriation for trust remuneration and trust expenses, there is a residual dividend at the stage of final termination of the trust, it will belong to the Company to the extent of the trust expense reserve after deduction of funds for stock acquisition from the trust money, and the portion exceeding the trust expense reserve is scheduled to be donated to an organization that has no interest in the Company or the Eligible Directors. 	
Other details on the Plan	Other details relating to the Plan shall be determined by the Nominating and Remuneration Committee or the Board of Directors each time the trust is established, the trust agreement is amended, or additional contributions are made to the trust.	

(Reference) Outline of the trust agreement

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|--------------------------------------|---|
| (i) Type of trust | An individually-operated designated trust of cash other than cash trust (third party benefit trust) |
| (ii) Purpose of trust | Provision of incentives to Eligible Directors |
| (iii) Settlor | The Company |
| (iv) Trustee | Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd.(planned)) |
| (v) Beneficiaries | Eligible Directors satisfying the beneficiary requirements |
| (vi) Trust caretaker | A third party that does not have any interest in the Company
(certified public accountant) |
| (vii) Exercise of voting rights | Not exercised |
| (viii) Type of acquired shares | Common stock of the Company |
| (ix) Method of acquisition of shares | To be acquired from the Company (through disposal of treasury stock or issuance of new shares) or from the stock market
*Details on the method of acquisition is scheduled to be determined and disclosed by the Company after the resolution of the general meeting of the shareholders |
| (x) Holder of vested rights | The Company |
| (xi) Residual property | Residual property that can be received by the Company, the holder of vested rights, will be within the limit of the trust expense reserve calculated by deducting the cost for acquiring the shares from the trust from trust money |

(Note) The timing scheduled above may be changed to an appropriate time in light of applicable laws and regulations.

Disclaimer

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.