

October 23, 2024

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Notice Concerning Revision of Director Remuneration System

Meiko Network Japan Co., Ltd. (the “Company”) hereby announces that at the Board of Directors' meeting held on October 23, 2024, the Company resolved to revise the remuneration system for the Company's Directors and submit a related proposal to the Company's 40th Annual Meeting of Shareholders (herein after, “the General Meeting of Shareholders”), which is scheduled to be held on November 15, 2024.

1. Overview and Reasons for Revision of the Remuneration System

(1) Previous Remuneration System

At the 38th Annual Meeting of Shareholders held on November 18, 2022, the Company received approval to set the annual monetary remuneration of the Company's Directors (excluding Directors who are Audit and Supervisory Committee members) at 300 million yen or less (including directors' bonuses, but excluding employee salaries), and to set the upper limit of the amount to be contributed as remuneration to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members) during the trust-period (initially four years) of performance-linked remuneration (stock compensation) at 70 million yen per fiscal year, separately from the monetary remuneration limit, and the upper limit of the total number of points to be granted to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members) at 40,000 points per fiscal year (one point is one share of the Company's stock).

In addition, at the 39th Annual Meeting of Shareholders held on November 17, 2023, the Company introduced the restricted shares compensation plan (the “Plan”) with the aim of providing the Company's Directors with additional incentives for the sustainable improvement of the Company's corporate value and further promoting the sharing of value between the Directors and shareholders. The Company received approval to set the total amount of monetary compensation to be paid to the Company's Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members, hereinafter referred to as the “Eligible Directors”) for the purpose of granting restricted shares up to 50 million yen per year and the total number of the Company's common shares to be issued or disposed of under the plan up to 70,000 shares per year, within the current limit of monetary compensation for Directors.

(2) Overview and Reasons for Revision of the Remuneration System

The Company proposes that the shareholders approve the abolition of the stock compensation plan using trusts, the adoption of the restricted shares compensation plan as the only stock compensation plan for Directors, and the partial revision of the restricted shares compensation plan, in consideration of the fact that it is possible for Directors to manage the Company from a viewpoint closer to shareholders and further enhance the Directors'

motivation and morale for the improvement of the Company's stock price and business performance in the restricted shares compensation plan, in which Directors directly hold the Company's shares and therefore receive monetary dividends, rather than in the stock compensation plan using trusts.

Accordingly, the Company proposes that the total amount of monetary compensation to be paid to Eligible Directors for the purpose of granting restricted shares, separately from the current limit on monetary compensation for Directors, be not more than 100 million yen per year, and that the total number of shares of the Company's common shares to be issued or disposed of under the Plan be not more than 100,000 per year (However, if a stock split (including the Company's allotment of common shares without contribution) or stock consolidation of the Company's common shares is carried out on or after the day on which this proposal is approved and adopted, the total number of the Company's restricted shares to be issued or disposed of as Other common shares will be adjusted to a reasonable extent if any event occurs that requires such adjustment), as an amount deemed appropriate in light of the purpose of providing the Company's Directors with additional incentives for the sustainable improvement of the Company's corporate value and further promoting the sharing of value between Directors and shareholders. The specific allocation to each of the Eligible Directors shall be determined by the Board of Directors after consultation with the Nomination and Compensation Committee, based on the consolidated operating profit level and multiple evaluation items including ESGs in the most recent fiscal year.

On the condition that the proposal regarding the restricted shares compensation plan is approved and adopted at the General Meeting of Shareholders, the Company will abolish the stock compensation plan using the trust, and no new points will be granted after the points granted for the fiscal year immediately preceding the fiscal year to which the date of the General Meeting of Shareholders belongs.

2. Application to Executive Officers and Employees of the Company and Directors of Group Companies

Restricted shares generally similar to the above restricted shares will be granted to the Company's executive officers and employees, and restricted shares generally similar to the above restricted shares will be granted to the directors of the Company's Group companies.

3. Conditions for Revision of the System

The above amendment is subject to the approval of the shareholders at the General Meeting of Shareholders.

4. Other

There will be no changes to the content of the Plan other than the above amendments.

For the overview of the Plan, please refer to the "Notice Concerning Introduction of Restricted Shares Compensation Plan" dated October 26, 2023.