

June 25, 2025

Company name: PHC HOLDINGS CORPORATION
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Securities code: 6523 (Tokyo Stock Exchange PRIME Market)
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**Grant of units to officers and employees of the Company and subsidiaries under post-vesting
performance-linked and fixed stock remuneration plans**

PHC Holdings Corporation (hereinafter referred to as the “Company”) has introduced a performance-linked stock remuneration plan, where shares are delivered after vesting (Performance Share Units) (hereinafter referred to as the “PSU Plan”) and a stock remuneration plan where shares are delivered after vesting (Restricted Stock Units) (hereinafter referred to as the “RSU Plan”, the “Plans” for both RSU Plan and PSU Plan) for Directors, Corporate Officers and Employees of the Company and Directors and Employees of the Company’s subsidiaries, and announces that its Board of Directors today resolved to grant the units under the Plans.

1. Granting of units under PSU Plan

(1) Number of eligible persons and units to be granted

- Directors excluding External Directors of the Company; 3 persons
- Corporate Officers of the Company; 6 persons
- Directors and Employees of the Company’s subsidiaries; 4 persons

(units corresponding to a maximum of 404,126 shares in total in accordance with the degree of achievement of numerical targets)

(2) Outline of PSU Plan

This Plan is the stock remuneration plan in which the Board of Directors establishes the numerical targets during certain period (hereinafter referred to as the "Performance Period". The Performance Period for PSUs to be granted at this time is the three-year period from the fiscal year ending March 2026 to the fiscal year ending March 2028.) in advance, and the eligible persons are provided with the number of common shares of the Company calculated in the range of 0% to 200% in accordance with the degree of achievement of these numerical targets.

As for the evaluation method in the initial Performance Period for PSUs to be granted at this time, the Company compares (a) the growth rate of Total Shareholder Return at the end of March 2025 and the end of March 2028 of the Company and (b) the growth rate of Total Shareholder Return at the end of March 2025 and the end of March 2028 of companies of Tokyo Stock Price Index (TOPIX) and calculates the number of shares to be delivered within the range of 0% to 200% of the granted units. Specifically, the number of shares to be delivered will be calculated as 200% if (a) is equal to or greater than 125% of (b), 100% if (a) is equal to (b), and 0% if (a) is equal to or less than 75% of (b).

(3) Date of grant of units

September 1, 2025

2. Granting of units under RSU Plan

(1) Number of eligible persons and units to be granted

- Independent External Directors of the Company; 3 persons
- Directors excluding External Directors of the Company; 3 persons
- Corporate Officers of the Company; 6 persons
- Directors and Employees of the Company's subsidiaries; 4 persons

(units corresponding to a total of 266,991 shares)

(2) Outline of RSU Plan

This Plan is the stock remuneration plan in which the Company provides the eligible persons in advance with the units in a number corresponding to the period stipulated by the Board of Directors (in principle, the number corresponding to three years), and the units vest each year on a pro-rata basis until the expiration of such period (in principle, the number calculated by one-third for every one year) subject to continuous service by such persons, and then the Company delivers common shares of the Company to such persons in accordance with the vested units.

(3) Date of grant of units

September 1, 2025

3. Method and timing of delivery of shares of the Company

After the vesting, in accordance with the number of common shares of the Company to be delivered to each of the eligible persons, by means of either (a) the method of issuing or disposing of common shares of the Company without any payment of money or contribution in kind (only if a Director of the Company is the eligible person) or (b) the method by which the Company grants the eligible persons a claim for monetary compensation to be provided for contribution in kind and each eligible person contributes the monetary compensation, the Company allots common shares of the Company to each eligible person.

In the case of the method described in (a) above, when the common shares are issued or disposed of by the Company, payment of money is not required. However, the eligible person's remuneration amount will be calculated by multiplying the number of shares issued or disposed of by the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day prior to the resolution date of the Board of Directors pertaining to the issue or disposition of common shares of the Company (in the event that the transaction is not closed on the same day, the closing price on the immediately preceding trading day; hereinafter referred to as the "Closing Price on the day prior to the Resolution Date"). In the case of method described in (b) above, the amount of the monetary compensation claim to be granted to the eligible persons shall be calculated by multiplying the number of shares determined and delivered by the Closing Price on the day prior to the Resolution Date.

4. Handling upon early retirement

The vesting of the units shall, in principle, be subject to the condition that the eligible persons are Directors, Corporate Officers, employees, etc. of the Company or the Company's subsidiary at the time of the vesting of the units. However, even in the case where the eligible persons have lost their position prior to the vesting of the units, in the event of the loss of their position due to a reason predetermined by the Board of Directors, a reasonably adjusted number of shares may be delivered or, in lieu of such delivery, an amount of cash reasonably calculated by the Board of Directors as equivalent to such shares may be delivered (provided, however, with respect to Directors of the Company, the annual amount of such cash shall not exceed 573 million yen together with the total amount of common shares issued or disposed of under the PSU Plan, and 468 million yen together with the total amount of common shares issued or disposed of under the RSU Plan (for External Directors: 180 million yen or less per year)), as necessary at the time reasonably set by the Board of Directors.

5. Extinguishment of units, etc.

In the event that an eligible person is liable for any misconduct stipulated by the Board of Directors or falls under any of the circumstances stipulated by the Board of Directors, such person shall lose all or part of the unvested units. Further, if it is later found that any such circumstance or any conduct that caused any such circumstance existed prior to the vesting of the vested units and the Board of Directors deems necessary, the eligible person shall return all or part of common shares of the Company delivered upon vesting of such units or cash equivalent to the value of such shares, in each case, without any compensation.

6. Handling of units upon reorganization

If a proposal relating to a merger agreement in which the Company is to be dissolved, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring has been approved at a general meeting of shareholders (or, if such organizational restructuring does not require the approval at a general meeting of shareholders, at the meeting of the Board of Directors) prior to the delivery of shares of common shares of the Company under the Plans, the Company shall be entitled to deliver the number of shares reasonably adjusted at the time set by the Board of Directors, or in lieu of such delivery, to pay the amount of cash reasonably calculated by the Board of Directors as equivalent to the such shares (provided, however, with respect to Directors of the Company, the annual amount of such cash shall not exceed 573 million yen together with the total amount of common shares issued or disposed of under the PSU Plan, and 468 million yen together with the total amount of common shares issued or disposed of under the RSU Plan (for External Directors: 180 million yen or less per year)).