

*Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.*



December 14, 2023

For Immediate Release

Corporate Name	PARK24 CO., LTD.
Securities Code	4666, Prime Market of TSE (Ticker Symbol: PKCOY)
Representative	Koichi Nishikawa President and Representative Director
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## **Notice Regarding Restricted Stock Compensation System and Amounts of Compensation to Directors**

PARK24 CO., LTD. (the “Company”) hereby announces that at a meeting of its Board of Directors held on December 14, 2023 it decided to submit to the 39th Ordinary General Meeting of Shareholders to be held on January 25, 2024 (the “Shareholder Meeting”) a proposal regarding a restricted stock compensation system (the “System”), the introduction of which was resolved at the meeting of the Board of Directors held on December 15, 2021 following a review of the compensation system for Company’s Directors (excluding Directors who concurrently serve as members of Audit and Supervisory Committee and Outside Directors. Hereinafter, “Eligible Directors”), as described below.

### 1. Purpose of introducing the System and background to its submission to the Shareholder Meeting

The introduction of the System was resolved at the meeting of the Board of Directors held on December 15, 2021 for the purpose of providing incentives for the Company’s Directors to continuously improve its corporate value and promoting further value sharing with stakeholders.

However, the Company resolved on December 15, 2021 and December 15, 2022 not to provide restricted stock compensation to Directors, taking into consideration the circumstances in which all businesses of the PARK24 GROUP (the “Group”) were affected by the COVID-19 pandemic (the “Pandemic”), that consolidated recurring profit did not return to the level before the Pandemic and that cooperation was asked of stakeholders, including requests for a reduction of rents, etc. made to land and facilities owners in the fiscal years ended October 2021 and 2022.

In the fiscal year ended October 31, 2023, both net sales and each level of profit reached record highs, attributable to efforts to expand the scale of operations based on the restructuring of businesses to make them leaner, leveraging the experience of each business during the Pandemic. Following its repositioning on a growth trajectory through the achievement of "expansion and seamlessness of the four networks of people

(members), cars (mobility), communities (destinations), and parking facilities” stated in the medium-term business strategy, the Company resolved at the meeting of the Board of Directors held on December 14, 2023, in accordance with a report submitted by the Nomination, Compensation & Governance Committee, to grant restricted shares as it would lead to sustained enhancement of the Company’s corporate value.

## 2. Conditions for introducing the System

Although it was approved at the 31st Ordinary General Meeting of Shareholders held on January 27, 2016, that the aggregate amount of compensation for the Company’s Directors (excluding Directors who concurrently serve as members of Audit and Supervisory Committee) would be 500 million yen or less per annum (provided, however, that this excludes employee wages of Directors who double as employees), the Company plans to ask its shareholders to approve the provision of compensation to the Eligible Directors under the System, separately from the aforementioned amount of compensation to Directors.

## 3. Outline of the System

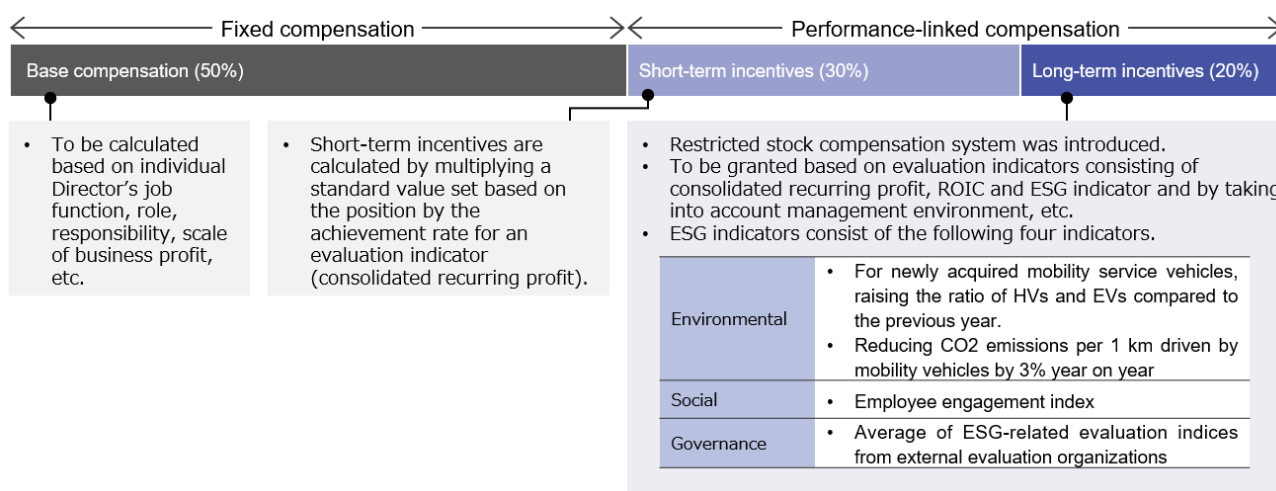
The total amount of monetary claim to be paid to the Eligible Directors will be 200 million yen or less per annum (provided, however, that this excludes employee wages of Directors who double as employees), while the total number of shares of common stock to be newly issued or disposed of by the Company will be 200,000 shares or less (provided, however, that if a share split of the Company’s common stock (including a gratis allotment of shares of the Company’s common stock) or a share consolidation is implemented effective on a date after the day of resolution of the Shareholder Meeting, the said total number of shares will be adjusted in proportion to the share split or consolidation, etc. as necessary to the extent reasonable after the said effective date.)

The Eligible Directors will pay in all the monetary claims granted by the Company under the System as an in-kind contribution to the Company, and will receive the issuance or disposal of shares of the Company’s common stock. The amount per share of the Company’s common stock to be paid in shall be within the scope which will not be particularly favorable to the Eligible Directors. They will underwrite the said common stock as determined at a meeting of the Board of Directors based on the closing price of shares of the Company’s common stock on Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if there is no closing price on such business day, the closing price on the trading day immediately prior thereto). To prevent the Eligible Directors from transferring, setting collateral rights for, or otherwise disposing of the said shares during the transfer restriction period, the said shares will be managed in a dedicated account opened with Nomura Securities Co., Ltd. by each Eligible Director. Conditional upon the approval of the proposal regarding the System at the Shareholder Meeting, the Company will introduce a restricted stock compensation system similar to the System for Executive Officers who do not double as Directors of the Company and Directors of the Company’s subsidiaries.

[Reference 1] Institutional design for directors’ compensation system

Under the System, for the purpose of providing the Eligible Directors with incentives to aim for medium- to long-term enhancement of the Company’s corporate value, the evaluation indicators (KPIs) will be calculated based on

the following three indicators: (1) consolidated recurring profit, (2) ROIC (Return On Invested Capital), and (3) ESG indicators. ESG indicators consist of four indicators from the perspectives of the environment, society and corporate governance. Details are as described below.



\*The composition of the compensation structure varies by role and is shown as a median percentage.

\*Directors who concurrently serve as members of the Audit and Supervisory Committee and Outside Directors are paid only based on their basic compensation.

[Reference 2] Timely disclosure in the past related to this timely disclosure

Notice Regarding Non-payment of Restricted Stock Compensation (December 15, 2022)

<https://www.park24.co.jp/news/files/8ecef066f6eb08c79665ea88c45d741a.pdf>

Notice of Non-Payment of Bonuses and Restricted Stock Compensation to the Directors (December 15, 2021)

<https://www.park24.co.jp/news/files/cbd0d9cb86d639768f836fd4c1c9f319.pdf>

Notice Regarding Implementation of Restricted Stock Compensation System (December 15, 2021)

<https://www.park24.co.jp/news/files/22a2f4ae815dffe45632a67fdaf5aa9e.pdf>

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