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For Immediate Release

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(Securities code: 9005 TSE Prime Market)
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Notice Regarding Introduction of an Equity Incentive Plan for Employees

Tokyu Corporation (the "Company") announces that a meeting of the Board of Directors held on July 24, 2024 resolved to introduce an equity incentive plan (the "Plan") for the employees of the Company and Tokyu Railways Co., Ltd. (hereinafter may be referred to as "Eligible Employees") to enhance the Company's corporate value over the medium to long term and establish an employee stock ownership plan trust (the "ESOP Trust"). Details are as follows.

Details

1. Purpose of introducing the Plan

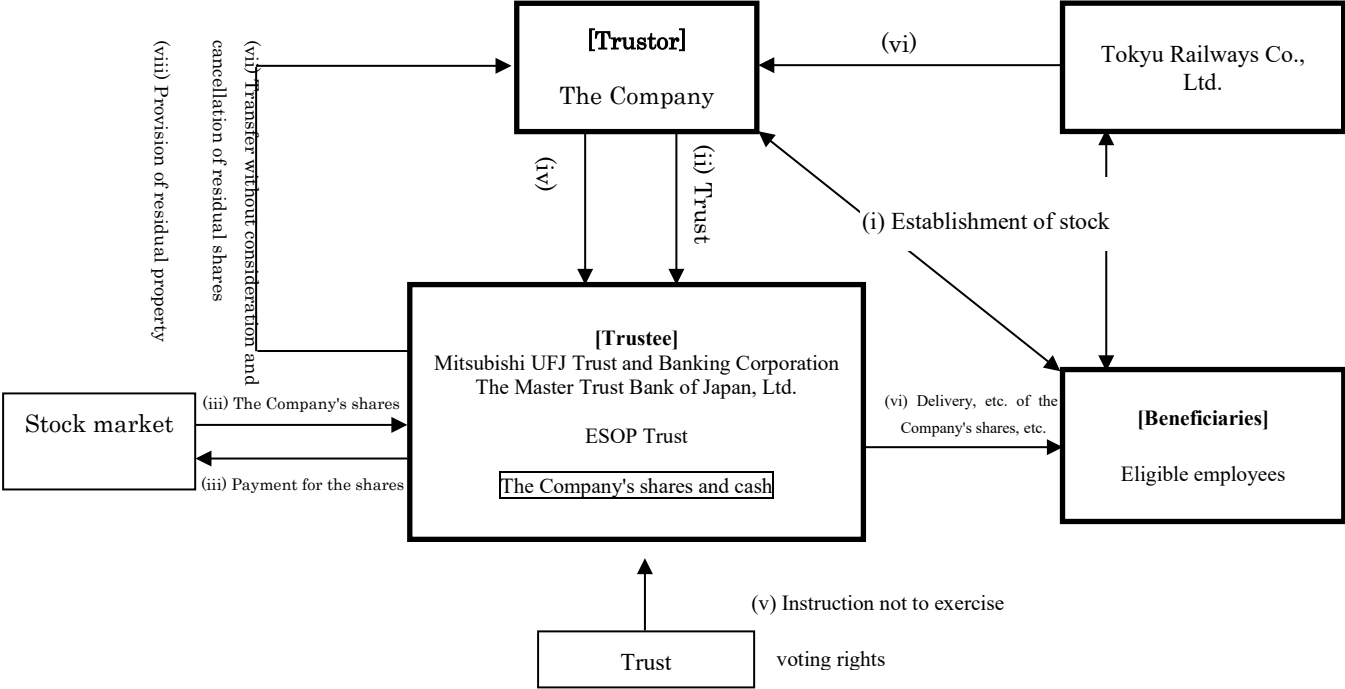
(1) The Company announced a Three-Year Medium-Term Management Plan (the "Medium-Term Plan") for the period from fiscal 2024 on March 25, 2024.

The human resources strategy, a key strategy in the Medium-Term Plan, positions human resources at the core of consolidated management. The Company aims to promote human capital-oriented management that brings out employees' individuality as much as possible in order to be continuously chosen by employees. The goal is to strengthen the foundation for consolidated management and continuously enhance corporate value.

As an important initiative to implement the Medium-Term Plan, the Company has decided to introduce the Plan to raise the Eligible Employees' awareness of the stock price (foster shareholders' mindset) and facilitate operations to continuously enhance corporate value. The Company also aims to increase investment in human capital and enhance employee engagement.

(2) Under the Plan, the Company introduces a system called an ESOP trust. In principle, the Company will deliver Company shares and pay the amount of money equivalent to Company shares ("Company Shares Etc.") to the Eligible Employees after retirement.

2. Structure of the Plan



- ① The Company and Tokyu Railways Co., Ltd. will introduce the Plan and establish an equity incentive plan regulations by resolution of their respective Board of Directors, etc.
- ② The Company will entrust a certain amount of money to the trustee and establish an ESOP Trust (the "Trust"), with the Eligible Employees as beneficiaries.
- ③ The Trust will acquire the Company's shares from the stock market with cash contributed in (ii) as the source of funds, in accordance with the instructions of the trust administrator.
- ④ Dividends on Company shares held by the Trust are paid in the same manner as for the other Company shares.
- ⑤ Voting rights of the Company's shares held by the Trust will not be exercised throughout the trust period.
- ⑥ During the trust period, Eligible Employees will be granted points based on their responsibilities, and these points will accumulate. When an Eligible Employee who meets the beneficiary requirements retires, they will be given Company shares. The number of shares they receive will correspond to a certain percentage of the total points they have accumulated. The Company shares corresponding to the remaining points shall be converted to cash as per the trust agreement, and the equivalent amount will be paid to the Eligible Employee. Tokyu Railways Co., Ltd. will pay the Company the equivalent amount for the Company shares granted to the Eligible Employees of Tokyu Railways Co., Ltd.
- ⑦ If there are any remaining shares at the end of the trust period, the Trust may be used for the Plan or a similar equity incentive plan. If the Trust is not continued and is terminated, the Trust will transfer such residual shares to the Company without consideration and the Company will cancel these based on a resolution of the Board of Directors, as a way of providing returns to shareholders.
- ⑧ At the end of the Trust, any remaining dividends related to Company shares will be used as funds to acquire shares if the Trust continues. If the Trust is discontinued at the end of the trust period, the remaining dividends will belong to the Company within a scope not exceeding the trust expense reserve. Any amount exceeding the trust expense reserve will be donated to organizations that do not have any interest in the Tokyu Group.

(Note) If the Trust does not have any Company shares due to the delivery of Company shares to Eligible Employees or other reasons, the Trust will be discontinued before the trust period expires. However, the Company may entrust additional funds to the Trust for the acquisition of Company shares, and the Trust may acquire additional Company shares.

(Reference) Details of trust agreement (plan)

	ESOP Trust
① Type of trust	Money trust other than the individually operated designated money trust (third-party-benefit trust)
② Purpose of the trust	Grant of incentives to eligible employees
③ Trustor	The Company
④ Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trusteeship: The Master Trust Bank of Japan, Ltd.)
⑤ Beneficiaries	Eligible employees
⑥ Trust administrator	Professional practitioners and third parties with no conflicts of interest with the Company (certified public accountant)
⑦ Date of trust agreement	August 2024 (plan)
⑧ Trust period	From August 2024 to August 2027 (plan)
⑨ Exercise of voting rights	Not to be exercised.
⑩ Type of shares to be acquired	Common stock of the Company
⑪ Maximum amount of trust money	1,040,000,000 yen (estimate*)
⑫ Share acquisition method	Acquisition from the stock market
⑬ Timing of share acquisition	August 2024 (plan)
⑭ Rights holder	The Company
⑮ Residual property	The residual property that the Company, the holder of a vested right, may receive shall be within the trust expenses reserve after deducting the funds for the acquisition of shares from the trust money.

(*) Including the funds for the acquisition of shares and the trust fees and expenses.