

February 9, 2026

To Whom It May Concern,

Company name: FAN Communications, Inc.
Name of Koji Ninomiya,
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Notice Regarding Introduction of
Performance-Condition Restricted Stock Compensation Plan and
Time-Vesting Restricted Stock Compensation Plan, etc.

FAN Communications, Inc. (hereinafter the “Company”) hereby announces that the Company has resolved at a meeting of the Board of Directors held on February 9, 2026 to (i) revise its executive compensation structure and introduce a Performance-Condition Restricted Stock Compensation Plan (hereinafter “Plan I”) and a Time-Vesting Restricted Stock Compensation Plan (hereinafter “Plan II”; and together with Plan I, hereinafter the “Plan”) for the Company’s directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors; hereinafter the “Eligible Directors”), and (ii) change the amount of compensation relating to Stock Acquisition Rights granted as Stock Options as compensation, and to submit related proposals to the 27th Annual General Meeting of Shareholders scheduled to be held on March 25, 2026 (hereinafter the “General Meeting of Shareholders”), as set forth below.

1. Purpose and Conditions for Introduction of the Plan

(1) Purpose of Introduction

The Plan is intended to provide the Eligible Directors with an incentive to achieve the sustainable enhancement of the Company’s corporate value by clarifying the linkage between their compensation, and the Company’s performance and the value of the Company’s shares, and to further promote value sharing between the Eligible Directors and the Company’s shareholders.

(2) Conditions for Introduction

As the Plan provides the Eligible Directors with performance-condition restricted stock compensation and time-vesting restricted stock compensation, the introduction of the Plan is

subject to obtaining shareholders' approval at the General Meeting of Shareholders for the payment of such compensation.

The maximum amount of compensation, etc. for the Company's directors (excluding directors who are members of the Audit and Supervisory Committee) was approved at the 24th Annual General Meeting of Shareholders held on March 29, 2023 to be within 300,000,000 yen per year (including up to 30,000,000 yen per year for outside directors; excluding employee salary for directors who concurrently serve as employees). In addition, separate from such compensation cap, shareholders at the same Annual General Meeting of Shareholders approved the issuance of stock acquisition rights as stock options to the Company's directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors) within a range of 90,000,000 yen per year.

At the General Meeting of Shareholders, the Company plans to seek shareholders' approval to (i) establish, separate from the above compensation cap, a compensation cap for the Plan for Eligible Directors, and (ii) change the above compensation cap relating to stock acquisition rights as stock options.

2. Plan I

(1) Overview of Plan I

Plan I is a Performance-Condition Restricted Stock Compensation Plan using performance share units (hereinafter "PSUs") under which a number of shares of the Company's common stock (hereinafter the "Company Shares") calculated based on the achievement status of numerical performance targets during the period up to December 31, 2027 (hereinafter the "Evaluation Period"), the last day of the final fiscal year of the medium-term management plan currently disclosed by the Company in its press release dated February 10, 2025 titled "FY25–27 Medium-Term Management Plan" (hereinafter the "Medium-Term Management Plan"), and the position, etc. of each Eligible Director, will be granted as compensation, with certain transfer restrictions imposed on the Company Shares to be granted.

The performance condition to be adopted is expected to be the Medium-Term Management Plan's target indicator of "achievement of Operating income (consolidated basis) of 3 billion yen in fiscal year 2027 (from January 1, 2027 to December 31, 2027)."

Taking into account various factors including the contribution of the Eligible Directors to the Company, the maximum total number of Company Shares to be issued or disposed of under Plan I will be up to 80,000 shares as compensation for two years, and the maximum total amount will be up to 40,000,000 yen as compensation for two years, separately from the above compensation cap for directors. The Company requests approval for the two-year compensation cap for Plan I to align with the term of the Medium-Term Management Plan.

Accordingly, because Plan I provides Company Shares depending on the achievement of performance targets, at the time of introduction of Plan I, it has not been determined whether the Company Shares will be delivered to each Eligible Director, nor the number of shares to be delivered.

The grant of the Company Shares under Plan I will be made by issuing or disposing of the Company Shares without requiring monetary payment or contribution of in-kind property from the Eligible Directors, based on a resolution of the Board of Directors.

The specific timing and allocation for each Eligible Director under Plan I will be determined by the Board of Directors.

(2) Requirements for Grant of Company Shares under Plan I

Under Plan I, upon completion of the Evaluation Period, the Company will grant Company Shares to the Eligible Directors (including Eligible Directors newly appointed after the start of the Evaluation Period) if the following requirements are satisfied in outline:

- (i) No occurrence of certain misconduct, etc. as determined by the Board of Directors of the Company
- (ii) Satisfaction of other requirements determined by the Board of Directors of the Company as necessary to achieve the purpose of a performance-condition restricted stock compensation plan

If, after the start of the Evaluation Period and before the grant of Company Shares, matters relating to a merger in which the Company becomes a disappearing company, a share exchange or share transfer in which the Company becomes a wholly owned subsidiary, or other reorganization transactions are approved at a shareholders' meeting (or at a meeting of the Board of Directors where shareholder approval is not required), the Company will, as necessary, by resolution of the Board of Directors, deliver a number of Company Shares determined reasonably by the Board of Directors, pay cash, or cause forfeiture of rights.

(3) Overview of Transfer Restrictions, etc.

In connection with the delivery of the Company Shares under Plan I, except where an Eligible Director has already retired, etc. at the time of such delivery, the Company will enter into a restricted stock allotment agreement (hereinafter the "Allotment Agreement I") with each Eligible Director, which will include, among other matters, the principal terms summarized below:

- (i) The Eligible Director shall not transfer, use as collateral or otherwise dispose of the Company's common shares allotted under the Allotment Agreement I (hereinafter the "Allotted Shares I") from the delivery date of the Allotted Shares I until the date on which the Eligible Director retires or resigns from the position of director of the Company or

such other position as determined by the Board of Directors (hereinafter the “Transfer Restriction Period I”) (hereinafter the “Transfer Restriction with respect to the Allotted Shares I”).

- (ii) The Company shall lift the Transfer Restriction with respect to all of the Allotted Shares I upon expiration of the Transfer Restriction Period I.
- (iii) If, during the Transfer Restriction Period I, the Eligible Director falls under any event determined by the Board of Directors as an event for which it is appropriate for the Company to acquire the Allotted Shares I without consideration, such as violation of laws and regulations, internal rules, or the Allotment Agreement I, the Company shall automatically acquire the Allotted Shares I without consideration.
- (iv) Notwithstanding item (i) above, if, during the Transfer Restriction Period I, matters relating to a merger in which the Company becomes a disappearing company, a share exchange or share transfer in which the Company becomes a wholly owned subsidiary, or other reorganization transactions are approved at a shareholders’ meeting (or at a meeting of the Board of Directors where shareholder approval is not required), the Company shall lift the Transfer Restriction with respect to all of the Allotted Shares I prior to the effective date of such reorganization transactions.

3. Plan II

(1) Overview of Plan II

Under Plan II, after entering into a restricted stock allotment agreement (hereinafter the “Allotment Agreement II”) with each Eligible Director containing the terms described in (2) below, the Company will allot to and have Eligible Directors hold the Company’s common stock to be issued or disposed of by the Company.

Taking into account various factors including the contribution of Eligible Directors to the Company, the maximum total number of Company Shares to be issued or disposed of under Plan II will be up to 20,000 shares as compensation for three years, and the maximum total amount will be up to 10,000,000 yen as compensation for three years, separately from the above compensation cap for directors.

The grant of the Company Shares under Plan II will be made by issuing or disposing of the Company Shares without requiring monetary payment or contribution of in-kind property from Eligible Directors, based on a resolution of the Board of Directors.

The specific timing and allocation for each Eligible Director under Plan II will be determined by the Board of Directors.

(2) Overview of the Allotment Agreement II

In connection with the grant of restricted stock under Plan II, the Company will enter into the Allotment Agreement II with each Eligible Director, which will include, among other matters, the principal terms summarized below:

- (i) The Eligible Director shall not transfer, use as collateral or otherwise dispose of the Company's common shares allotted under the Allotment Agreement II (hereinafter the "Allotted Shares II") for approximately three years (hereinafter the "Transfer Restriction Period II") (hereinafter the "Transfer Restriction with respect to the Allotted Shares II").
- (ii) If the Eligible Director loses the position of director of the Company or such other position as determined by the Board of Directors before the end of approximately three years (hereinafter the "Service Period"), the Company shall automatically acquire the Allotted Shares II without consideration, unless the Board of Directors determines that there is a justifiable reason.
- (iii) Subject to the condition that the Eligible Director continuously holds the position described in (ii) above during the Service Period, the Company shall lift the Transfer Restriction with respect to all of the Allotted Shares II upon expiration of the Transfer Restriction Period II. However, if the Eligible Director loses such position before the end of the Service Period due to a justifiable reason recognized by the Board of Directors as described in (ii) above, the number of Allotted Shares II for which the Transfer Restriction is lifted and the timing of the release of such Transfer Restriction may be reasonably adjusted as necessary.
- (iv) The Company shall automatically acquire without consideration the Allotted Shares II for which the Transfer Restriction is not lifted pursuant to (iii) above upon expiration of the Transfer Restriction Period II.
- (v) If, during the Transfer Restriction Period II, the Eligible Director falls under any event determined by the Board of Directors as an event for which it is appropriate for the Company to acquire the Allotted Shares II without consideration, such as violation of laws and regulations, internal rules, or the Allotment Agreement II, the Company shall automatically acquire the Allotted Shares II without consideration.
- (vi) Notwithstanding (i) above, if, during the Transfer Restriction Period II, matters relating to a merger in which the Company becomes a disappearing company, a share exchange or share transfer in which the Company becomes a wholly owned subsidiary, or other reorganization transactions are approved at a shareholders' meeting (or at a meeting of the Board of Directors where shareholder approval is not required), the Transfer Restriction with respect to such number of Allotted Shares II as reasonably determined by the Board of Directors in light of the period from the start date of the Service Period

to the approval date of such reorganization transactions shall be lifted prior to the effective date of such reorganization transactions, by resolution of the Board of Directors.

4. Change in Amount of Compensation Relating to Stock Acquisition Rights as Stock Options

In connection with the introduction of the Plan, the Company intends to reduce the amount of compensation relating to stock acquisition rights granted as stock options as compensation, and to change the upper limit to 50,000,000 yen per year.

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