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September 6, 2022

To whom it may concern:

Company Name: GA technologies Co., Ltd.
Representative: RYO HIGUCHI, President and Chief Executive Officer
(Code Number: 3491 Tokyo Stock Exchange-Growth)
Contact: SATOSHI MATSUKAWA,
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Announcement regarding Issuance of Stock-based Compensation Stock Options (Stock Acquisition Rights)

GA technologies Co., Ltd. (hereinafter the “Company”) hereby announces that, at the meeting of the Board of Directors held on September 6, 2022, the Company resolved to issue stock acquisition rights as Stock-Based Compensation Stock Options to two directors of the Company pursuant to Articles 236, 238, and 240 of the Companies Act as stated below.

I. Reason for issuing stock acquisition rights as stock-based compensation stock options

The Company will issue and allot stock acquisition rights as stock-based compensation stock options to the Company's directors with the aim of further enhancing the motivation and morale of directors to contribute to improving medium to long-term performance and corporate value by sharing not only the merits of rising stock prices but also the risks of falling stock prices with shareholders. The issuance of the stock-based compensation stock options is based on Proposal No. 4, which was decided at the Company's 9th General Meeting of Shareholders held on January 27, 2022.

II. Outline of the 15th issuance of the stock acquisition rights

1. Number of the stock acquisition rights

400 units

The total number of shares to be allotted upon exercise of the stock acquisition rights will be 40,000 common shares. If the number of shares to be allotted for each stock acquisition rights is adjusted as per 3-(1) below, it will be the adjusted number of shares to be allotted multiplied by the number of the stock acquisition rights.

2. Payment of cash in exchange for the stock acquisition rights

The amount to be paid for the stock acquisition rights shall be the fair valuation calculated by the binomial model on the date of allotment of the stock acquisition rights. The person to whom the subscription rights are allocated shall be paid a monetary compensation equivalent to the total amount paid for the stock acquisition rights. The subscription rights shall be acquired by offsetting the obligation to pay the applicable amount against the compensation claim.

3. Details of the stock acquisition rights

(1) Class and number of shares for the purpose of the stock acquisition rights

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One hundred common shares (the “Number of Shares to be Allotted”) will be issued upon exercise of each of the stock acquisition rights.

Should the Company conduct a share split (including an allotment of common shares without charge; the same shall apply hereinafter) or share consolidation on or after the date of allotment of the stock acquisition rights, the Number of Shares to be Allotted shall be adjusted in accordance with the following formula; provided, however, such adjustment shall be made only to the Number of Shares to be Allotted for the stock acquisition rights, which have not yet been exercised at the time of the adjustment. Any fraction less than one share arising from the adjustment shall be rounded off.

Number of Shares to be Allotted after adjustment = Number of Shares to be Allotted before adjustment × Ratio of share split or share consolidation

In addition to the above, in any event that makes it necessary to adjust the Number of Shares to be Allotted, including a merger, company split, share exchange or issuance, on and after the date of allotment of the stock acquisition rights, the Number of Shares to be Allotted shall be adjusted within a reasonable range.

(2) Value of assets to be contributed upon exercise of the stock acquisition rights or calculation method thereof

The value of the property invested in the exercise of the stock acquisition rights shall be 1 yen per share delivered upon the exercise of the stock acquisition rights (hereinafter referred to as the "Exercise Price"). The amount shall be the amount obtained by multiplying this by the number of shares granted.

(3) Period during which the stock acquisition rights are exercisable

The period during which the stock acquisition rights are exercisable (the “Exercise Period”) is from September 22, 2022 to September 21, 2032.

(4) Matters concerning the capital and capital reserve to be increased

- i) The amount of capital to be increased due to the issuance of shares upon exercise of the stock acquisition rights shall be one half of the maximum amount of increases of the capital, etc. to be calculated according to Article 17, Paragraph 1 of Corporate Accounting Regulations. Any amount less than JPY 1 arising from such a calculation shall be rounded up.
- ii) The amount of capital reserve to be increased due to the issuance of shares upon exercise of the stock acquisition rights shall be the amount obtained by deducting the amount of capital to be increased set forth in i) above, from the maximum amount of increases of the capital, etc. set forth in i) above.

(5) Restriction on acquisition of the stock acquisition rights through transfer

Any acquisition of the stock acquisition rights through transfer shall require the approval by resolution of the Board of Directors of the Company.

(6) Conditions for the exercise of the stock acquisition rights

- i) Subscribers of the stock acquisition rights must continue to be directors, Audit & Supervisory Board members, or employees of the Company or its subsidiaries or affiliates at the time of exercise of the rights, until October 31, 2023. However, this shall not apply if there is a justifiable reason approved by the Board of Directors, such as retirement due to expiration of term of office or mandatory retirement.
- ii) Heirs of the stock acquisition rights holders are not permitted to exercise the rights.
- iii) In case, through exercise of the stock acquisition rights, the total number of issued shares of the Company

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will exceed the total number of authorized shares of the Company that is valid as of the exercise, the stock acquisition rights may not be exercised.

iv) Any stock acquisition rights less than one unit may not be exercised.

4. Allotment date of the stock acquisition rights

September 22, 2022

5. Matters concerning acquisition of the stock acquisition rights

- (1) The Company may acquire all the stock acquisition rights without compensations at the arrival of the day separately prescribed by the Board of Directors when a General Meeting of Shareholders (or the Board of Directors, if approval of a General Meeting of Shareholders is not required) approves: a corporate merger contract under which the Company will become a dissolving company; a corporate split-up contract or plan under which the Company will become a split company; or a share exchange contract, share issuance or transfer plan under which the Company will become a 100% owned subsidiary.
- (2) If the stock acquisition rights become impossible to exercise due to the provisions set forth in 3.(6) above before the stock acquisition rights holders exercise their rights, the Company may acquire the stock acquisition rights free of charge.

6. Treatment of stock acquisition rights upon reorganization

In case the Company conducts a merger (limited to the case where the Company is to become a dissolving company as a result of the merger), an absorption-type company split, an incorporation-type company split, a stock exchange or a stock transfer (hereafter collectively referred to as the “Reorganization”), stock acquisition rights of the companies listed in (a) to (e) of Article 236, Paragraph 1, Item 8, of the Companies Act (the “Reorganized Company”) will be allotted, in each of the above cases, to the subscribers holding the stock acquisition rights at the effective time of the Reorganization according to the conditions stated below. This is provided, however, that the foregoing shall be on the condition that allotment of stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a stock exchange agreement or a stock transfer plan.

(1) Number of stock acquisition rights of the Reorganized Company to be allotted

Equal to the number of the remaining stock acquisition rights held by the subscribers.

(2) Class of shares of the Reorganized Company to be allotted upon exercise of the stock acquisition rights

Common shares of the Reorganized Company.

(3) Number of shares of the Reorganized Company to be allotted upon exercise of the stock acquisition rights

To be determined in accordance with 3-(1) above, based on the consideration of conditions for the Reorganization.

(4) Value of assets to be contributed upon exercise of the stock acquisition rights

The value of assets to be contributed upon exercise of each stock acquisition right to be allotted shall be the amount obtained by multiplying the exercise price after reorganization calculated by adjusting the Exercise Price stipulated in 3-(2) above by the number of shares of the Reorganized Company to be allotted upon exercise of the relevant stock acquisition rights determined in accordance with 6-(3) above.

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(5) Period during which the stock acquisition rights are exercisable

From the initial date of the Exercise Period stipulated in 3-(3) above or the effective date of the Reorganization, whichever is later, to expiry date of the Exercise Period stipulated in 3-(3) above.

(6) Matters concerning the capital and capital reserve to be increased when shares are issued upon exercise of the stock acquisition rights.

To be determined in accordance with 3-(4) above.

(7) Restriction on acquisition of the stock acquisition rights through transfer

Restrictions on acquisition by transfer shall require approval by a resolution of the Board of Directors of the Reorganized Company.

(8) Other conditions for exercise of the stock acquisition rights

To be determined in accordance with 3-(6) above.

(9) Reasons and conditions for acquisition of the stock acquisition rights

To be determined in accordance with 5 above.

(10) Other conditions are to be determined in accordance with conditions stipulated by the Reorganized Company.

7. Matters concerning certificates of the stock acquisition rights

The Company will not issue certificates of the stock acquisition rights.

8. Application due date

September 19, 2022

9. Persons to whom stock acquisition rights are allotted and the number of stock acquisition rights to be allotted

Directors of the Company 2 persons 400 units