

[Translation for Reference Purpose Only]



November 25, 2022

To All Concerned Parties

Company Name: Open House Group Co., Ltd.  
Representative: Masaaki Arai, President and CEO  
Securities code: 3288, TSE  
Contact: Kotaro Wakatabi, Senior Managing Director and CFO

### **Notice regarding the Granting Issuance of Stock Option as Compensation to Directors**

Open House Group Co., Ltd. (the "Company") hereby announces that the Board of Directors' meeting held on 25 November 2022, it resolved to submit a proposal for determination of the amount and details of stock options as compensation to Directors (excluding Outside Directors) to the 26th Ordinary General Meeting of Shareholders to be held on December 21, 2022.

#### 1. Purpose of Adopting a Stock Option Plan

The Purpose is that Directors may share the benefits and risks of stock price fluctuations with shareholders and increase Directors' motivation to contribute to the increase of stock prices and the enhancement of corporate value.

The Company proposes to issue stock options as compensation to Directors and requests Shareholders' approval. The stock option will have limitations that the amount of compensation related to share options as stock option to Directors per business year is up to a maximum of 300 million yen and that the number of share options to be issued to Directors per business year is up to a maximum of 1,200 (100 shares for one share option).

Subject to the approval of this proposal, the Company will abolish the compensation to Directors (excluding Outside Directors) related to restricted stocks (up to 200 million yen per year), which was approved at the 21<sup>st</sup> Ordinary General Meeting of Shareholders held on December 20, 2017, and the Company will not newly allot such restricted stocks.

#### 2. Outline of Granting Share Options

##### (1) Persons entitled to allotment of Share Options

Directors (excluding Outside Directors)

##### (2) Class and Number of Shares for Share Options

The number of shares granted for share options is up to 120,000 shares of common stock.

However, with regard to the Company's common stock, if the Company implements stock splits (including allotment of shares without contribution related to the common stock; the same applies to stock splits hereinafter.) or stock consolidation after the day of allotting share options (hereinafter referred to as the "Day of Allotment"), the Number of Shares Granted is adjusted by using the following formula and any figure less than one share as a result of the adjustment is rounded down.

$$\begin{aligned} &\text{Number of Shares Granted after adjustment} \\ &= \text{Number of Shares Granted before adjustment} \times \text{split/consolidation ratio} \end{aligned}$$

In addition to the above, if a compelling reason that make it necessary to adjust the Number of Shares Granted arises, the Company's Board of Directors may adjust the Number of Shares Granted within a reasonable extent. Any figure less than one share as a result of the above-mentioned adjustment is rounded down.

(3) Total Number of Share Options to Be Granted

The number of share options is up to 1,200 shares.

(100 shares of common stock for one share option. However, if the number of shares is adjusted as set forth in (2) above, the same adjustment will be applied.)

(4) Issue Price of Share Options

Amount paid for share options shall be fairly assessed, calculated based on the Black-Scholes model on the Day of Allotment of share options and it does not fall under advantageous issue; provided, however, that, the Company provides those to whom share options are allotted with monetary compensation equivalent to total amount paid for the share options and offsets their right to seek monetary compensation and payment obligations for amount paid for the share options.

(5) The Amount to Be Contributed When Share Options Are Exercised

The value of property to be contributed when share options are exercised is calculated by setting the amount per share, which is issued by exercising such share options, as one (1) yen, which is then multiplied by the Number of Shares Granted.

(6) Exercise Period of Share Options

The exercise period of share options is from the next day of the "Day of Allotment" to the period determined by the Company's Board of Directors within a range of 30 years (hereinafter referred to as the "Exercise Period");, provided, however, that if the final day of the Exercise Period falls upon a holiday of the Company, the business day immediately preceding the day is the final day.

(7) Conditions for the Exercise of Share Options

- (i) Within the Exercise Period, share option holders may exercise share options only in a lump-sum manner, for 30 days (if the 30th day falls upon a Company holiday, the business day immediately preceding the day) from the day following the day when share option holders lose their positions in the Company (Directors, Auditors, or Executive Officers) as of the Day of Allotment.
- (ii) If a share option holder dies by the day on which three years have elapsed from the Day of Allotment, succession by inheritance of share options is not accepted.

- (iii) If a share option holder dies on or after the day on which three years have elapsed from the Day of Allotment, only one of successors of the share option holder (hereinafter referred to as the "Successor to Rights") may succeed to such share options. The Successor to Rights may exercise share options only in a lump-sum manner by the day on which six months have elapsed from the date of death of the share option holder or the day of expiration of the Exercise Period, whichever is earlier. If the Successor to Rights dies, his or her heir cannot further succeed to share options.
- (iv) If the Company's total number of issued shares exceeds the total number of authorized shares at that point in time by exercising share options, such share options cannot be exercised.
- (v) Less than one share option cannot be exercised.

(8) The Amount of Share Capital and Capital Reserve to Be Increased When Shares Are Issued upon Exercise of Share Options

- (i) The amount of increase in capital in the event of the issuance of shares upon exercise of share options is half of the maximum amount of increase in capital, etc., as calculated in accordance with Article 17, Paragraph 1 of Regulation on Corporate Accounting, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen.
- (ii) The amount of increase in capital reserve in the event of the issuance of shares upon exercise of share options is the amount obtained by subtracting the amount of capital to be increased as set forth in (i) from the maximum amount of increase in capital, etc. as set forth in (i).

(9) Grounds and Conditions of Acquisition of Share Options

- (i) The Company may acquire share options free of charge on a day to be separately determined by the Board of Directors, if any of the following agenda items i) to v) is approved at the General Meeting of Shareholders (or the Company's Board of Directors, when no resolution at the General Meeting of Shareholders is required).
  - i) Approval of a merger agreement in which the Company becomes an absorbed company
  - ii) Approval of a split agreement or a split plan in which the Company becomes a split company
  - iii) Approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary
  - iv) Approval of amendment of the articles of incorporation: to specify the necessity of acquiring the Company's approval concerning acquisition of shares by transfer applicable to all shares issued by the Company
  - v) Approval of amendment of the articles of incorporation: to specify the necessity of acquiring the Company's approval concerning acquisition of shares by transfer applicable to classes of shares subject to share options, or to specify the acquisition of all such shares subject to share options by the Company based on a resolution by the General Meeting of Shareholders

(ii) If share option holders do not meet conditions to exercise share options due to the above-mentioned provisions of "(8) Conditions for the Exercise of Share Options," the Company may acquire share options without compensation on the day separately determined by the Company's Board of Directors.

(10) Restriction on Transfer of Share Options

Acquisition of share options by transfer requires an approval by a resolution of the Company's Board of Directors.

(11) Day of Allotment of Share Options

The Day of Allotment of share options is the day on which the Company's Board of Directors enters into an allotment agreement of share options with each eligible person after the Board determines the subscription terms of share options.

(Note 1) The above details are subject to approval at the 26th Ordinary General Meeting of Shareholders to be held on December 21, 2022.

(Note 2) Specific details of issuance and conditions of allotment of share options are decided, within the aforementioned scope, by resolutions of the Board of Directors to be held in the future.