

December 12, 2022

Company name: RAKSUL INC.
Representative: Yasukane Matsumoto
Representative Director, President and CEO
(TSE Prime Market Code No. 4384)
Contact: Yo Nagami
Director, CFO

Notice of Stock Split and Partial Amendment to the Articles of Incorporation

RAKSUL INC. (the “Company”) hereby announces that the Board of Directors of the Company resolved to implement a stock split and partially amend the Articles of Incorporation, on December 12, 2022. The Company also resolved at the same time to purchase its own shares to improve capital efficiency as described in the "Notice of Approval of Share Buyback Program" disclosed today.

1. Purpose of the share stock split

The purpose of the stock split is to improve the liquidity of the Company's stock and expand its investor base by reducing the minimum investment price per unit.

2. Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders as of the record date of January 31, 2023 will be split into two shares.

3. Number of shares to be increased by the stock split

Total number of issued shares prior to the stock split: 29,093,160 shares
Number of shares to be increased by the stock split: 29,093,160 shares
Total number of issued shares following the stock split: 58,186,320 shares
Total number of authorized shares following the stock split: 193,376,000 shares

(Note) The total number of issued shares and the number of shares to be increased above are based on the total number of shares issued as of December 6, 2022, and may increase due to the exercise of stock acquisition rights before the record date for the stock split.

4. Schedule of the stock split

Public notice of record date: January 12, 2023 (Planned)
Record date: January 31, 2023
Effective date: February 1, 2023

5. Other

(1) Change of capital

The amount of stated capital will not change as a result of this stock split.

(2) Adjustment of exercise price of stock acquisition rights

Following the above stock split, the exercise price per share of the stock acquisition rights issued by the Company will be adjusted as follows effective February 1, 2023.

| Stock Acquisition Rights | Exercise Price Before Adjustment (JPY) | Exercise Price After Adjustment (JPY) |
|-------------------------------|---|--|
| Stock Acquisition Rights No.4 | 313 | 157 |

| | | |
|---------------------------------|-------|-------|
| Stock Acquisition Rights No.7 | 313 | 157 |
| No.6-2 Stock Acquisition Rights | 313 | 157 |
| No.6-3 Stock Acquisition Rights | 313 | 157 |
| No.9 Stock Acquisition Rights | 313 | 157 |
| No.9-2 Stock Acquisition Rights | 313 | 157 |
| No.9-3 Stock Acquisition Rights | 313 | 157 |
| No.9-4 Stock Acquisition Rights | 313 | 157 |
| No.9-5 Stock Acquisition Rights | 313 | 157 |
| No.10 Stock Acquisition Rights | 313 | 157 |
| No.11 Stock Acquisition Rights | 340 | 170 |
| No.12 Stock Acquisition Rights | 3,180 | 1,590 |
| No.13 Stock Acquisition Rights | 1 | 1 |
| No.14 Stock Acquisition Rights | 3,115 | 1,558 |
| No.15 Stock Acquisition Rights | 3,115 | 1,558 |

(3) Adjustment of conversion price of Convertible Bonds with Stock Acquisition Rights

Following the above stock split, the conversion price of the Euro-yen Denominated Convertible Bonds with Stock Acquisition Rights due 2024 issued by the Company will be adjusted as follows effective February 1, 2023.

| Name | Conversion Price Before Adjustment (JPY) | Conversion Price After Adjustment (JPY) |
|---|---|--|
| Euro-yen Denominated Convertible Bonds with Stock Acquisition Rights due 2024 | 4,074 | 2,037 |

6. Summary of partial amendment to the Articles of Incorporation

(1) Reason for the amendment

In conjunction with this stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, the Company will amend a part of its Articles of Incorporation, effective February 1, 2023.

(2) Details of the amendment

The details of the amendments are as follows:

(The underlines indicate texts to be changed.)

| Current Articles of Incorporation | Articles of Incorporation After Amendment |
|---|--|
| Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>96,688,000 shares.</u> | Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>193,376,000 shares.</u> |

(3) Schedule of the amendment

Date of resolution by the Board of Directors: December 12, 2022

Effective date: February 1, 2023