



February 14, 2023

For immediate release

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Notice of share split

The Board of Directors of Ultrafabrics Holdings Co., Ltd resolved, at a meeting on February 14, 2023, to carry out a share split. The details are as follows.

1. Purpose of the share split

The share split is intended to lowering the price of a single investment unit of company stock, thereby lowering the barriers to investment in Ultrafabrics Holdings, expanding the investor base, and improving stock liquidity.

2. Overview of the share split

(1) Method of share split

Each shareholder recorded in the shareholder registry on the reference date of March 31, 2023 (Friday) will be awarded one additional share for every share of common stock held (2-for-1 split).

(2) Number of shares to be increased by the share split (Based on number of shares as of December 31, 2022)

	Total	Of which, common stock	Of which, Type A preferred shares
1. Total number of issued shares prior to share split (of which, treasury shares)	10,263,600 (1,255,357)	8,413,600 (672,357)	1,850,000 (583,000)
2. Number of shares to be increased by share split (of which, treasury shares)	8,413,600 (672,357)	8,413,600 (672,357)	—
3. Total number of issued shares after share split (of which, treasury shares)	18,677,200 (1,972,714)	16,827,200 (1,344,714)	1,850,000 (583,000)
4. Total number of shares issuable after share split	27,200,000	27,200,000	1,850,000

(3) Schedule

1. Announcement of record date	March 16, 2023 (Thursday)
2. Record date	March 31, 2023 (Friday)
3. Effective date	April 1, 2023 (Saturday)
4. Date for recording increase	April 3, 2023 (Monday)

3. Other matters

(1) Changes to value of share capital

No changes in the value of share capital will occur as a result of the stock split.

(2) Dividends

The effective date for the share split is April 1, 2023. As a result, the year-end dividend for fiscal year ending December 2022, which has a dividend record date of December 31, 2022, will apply to the shares extant prior to the share split.

(3) Adjustments to the exercise price for stock warrants

As a result of the stock split, the exercise price per share for stock warrants exercised on or after April 1, 2023 will be adjusted as follows.

Name	Ultrafabrics Holdings Co., Ltd. Eighth share option program
Strike price prior to adjustment	1,315 yen
Strike price after adjustment	658 yen

(4) Adjustment of the total number of restricted stocks allocated to company directors (excluding directors who are members of the supervisory committee)

At the 53rd General Meeting of Shareholders held on March 14, 2018, a motion was approved that capped the total number of restricted shares allocated to directors at 30,000, but allowed for a rational adjustment in the event of a share split. Based on this resolution, the cap on the total number of restricted shares has been raised to 60,000.

(5) Conversion rights for holders of Type A preferred stock

Based on the resolutions of the extraordinary meeting of shareholders held on February 6, 2017 regarding the issue of Type A preferred stock, the number of Type A preferred stock does not change as a result of the share split, but the conversion ratio used in the event of the exercise of rights by the holders of Type A preferred stock to convert the Type A preferred stock into common stock will increase in proportion with the share split ratio. The number of Type A preferred stocks on which the conversion rights have not been exercised is 1,267,000.

(6) Dividend of Type A preferred stock

Based on the resolutions of the extraordinary meeting of shareholders held on February 6, 2017 regarding the issue of Type A preferred stock, the amount of dividend of Type A preferred stock has been the amount of dividend of common stock multiplied by 1.1 (rounded down to the nearest 1 yen). Hereafter, in case that the Company conducts a share split (including a share allotment) or a share consolidation of the Company's common stock, the dividend of Type A preferred stock shall be adjusted as follows.

Dividend of Type A preferred stock = Dividend of common stock × Split (Consolidation) Ratio × 1.1
(rounded down to the nearest 1 yen)