

(Press release on June 14, 2023)

(English translation for reference purposes only)

## ICHIYOSHI SECURITIES CO., LTD.

Listed on: Tokyo Stock Exchange (Prime Section) (Stock code: 8624)

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### Notice regarding Granting of Warrants as Stock Options

We hereby inform you that, based upon the resolution adopted at the 80 th General Shareholders Meeting of Ichiyoshi Securities Co., Ltd. (the “Company”) held on June 25, 2022 to authorize the Company’s Board of Directors (the “Board”) to decide on granting of warrants as stock options, the Board made the following decisions in accordance with Articles 236, 238 and 239 of the Companies Act at the Board’s meeting held today. Upon exercise of warrants, an applicable number of treasury shares of the Company are scheduled to be delivered.

1. Reasons for the granting of stock warrants on favorable terms:

The Board believes that the granting of new stock warrants will contribute to raising the morale and work ethic of entitled persons towards the achievement of improved business result for the Company and its group companies (the “Group”), and will lead to the sound and sustained growth of the Group.

2. Person entitled to warrants and the number of warrants to be granted:

Entitled persons	Number of entitled persons	Number of warrants to be granted	Number of shares to be converted into
Directors, (excluding outside directors), Executive Officers, Operating Officers, Executive Advisers and Employees of the Company and its subsidiaries	1,011 persons	4,900 warrants	490,000 shares

3. Granting of warrants:

- ①. The class of stock and the number of shares to be issued upon exercise of warrants

The number of shares to be issued per warrant shall be 100 shares of the Company's common stock; provided, however, that in the event of a stock split or a reverse stock split, the number of shares to be issued shall be adjusted based on the formula below, and any fractions caused by such adjustment shall be rounded off to nearest whole number.

The adjusted number of shares to be issued

= The pre-adjusted number of shares × stock split or reverse stock split ratio

In the event that the Company is merged with, acquired by or consolidated with any other company and new warrants comparable to the said warrants are granted upon such merger, acquisition or consolidation, that a spin-off of the Company establishes a new entity, that a spin-off of the Company is merged with any other company or that the Company conducts equity swap or equity transfer, the Company shall adjust the number of shares to be issued upon exercise of warrants as the Company deems it necessary.

- ②. The amount of assets to be invested upon exercise of warrants

The amount of assets to be invested upon exercise of warrants shall be the amount calculated by multiplying the value of a share to be issued upon exercise of warrants (hereinafter referred to as the "Exercise Price") by the number of shares to be issued upon.

The Exercise Price shall be the average of the closing prices of the Company's Common Stock on each trading day for the month preceding the month during which the warrants under this stock option plan are issued, multiplied by 1.05 (a fraction of less than 1 yen to be rounded upwards); provided, however, that, in the event of the Exercise Price so determined being below the closing price of the Company's Common Stock on the last trading day preceding the date of granting of warrants under this stock option plan, then such closing price shall be the Exercise Price (and if there is no trading of the Company's Common Stock on such trading day, then the applicable trading day shall be the last preceding trading day when the Company's Common Stock was traded).

Provided, however, in the event of a stock split or a reverse stock split after the issuance of warrants, the Exercise Price shall be adjusted based on the formula below and any fraction less than 1yen caused by such adjustment shall be rounded up to the full yen figure.

Adjusted Exercise Price

$$= \text{Pre-adjusted Exercise Price} \times 1 / \text{Stock split or Reverse stock split ratio}$$

In the event that the Company issues new shares or disposes of treasury shares at a price below the market price after the issuance of warrants (except for in case of exercise of warrants), the Exercise Price shall be adjusted based on the formula below and any fraction less than 1yen caused by such calculation shall be rounded up to the full yen figure.

$$\text{Adjusted Exercise Price} = \text{Pre-adjusted Exercise Price} \times \frac{\text{The number of shares outstanding} + \frac{\text{The number of new shares issued} \times \text{Per new share price}}{\text{Market price per share before issuance}}}{\text{The number of shares outstanding} + \text{The number of new shares issued}}$$

In the abovementioned formula, “the number of shares outstanding” is the number of shares calculated by subtracting the number of treasury shares from the total number of shares issued, and in the event that the Company disposes of treasury shares, “the number of new shares issued” shall be replaced with “the number of treasury shares disposed of” in this formula.

③. Exercise period

The warrants shall be exercised from June 23, 2025 to June 22, 2028.

④. Capital increase and capital reserve increase upon issuance of shares upon exercise of warrants

I. The amount of capital increase upon issuance of shares upon exercise of warrants shall be limited to fifty (50) % of the maximum amount of capital increase calculated based on Article 17, Clause 1 of the Corporation Calculation Regulations, and any fraction less than 1yen caused by such calculation shall be rounded up to the full yen figure.

II. The amount of capital reserve increase upon issuance of shares upon exercise of warrants shall be an amount calculated by subtracting the said amount of capital increase from the said maximum amount of capital increase.

⑤. Restriction on acquisition of warrants through transfer

Any acquisition of warrants through transfer shall require approval by the Board.

⑥. Provisions regarding acquisition of warrants

No provision shall be established with respect to acquisition of warrants.

⑦. Treatment of warrants in the event of merger, spin-off-based merger, spin-off-based establishment of new entity, equity swap or transfer

In the event that the Company is merged with any other company as a non-surviving company, that a spin-off of the Company is merged with any other company, that a spin-off of the Company establishes a new entity or that the Company undertakes equity swap or equity transfer (hereinafter collectively referred to as the “Corporate Reorganization Acts”), warrants of any corporation set forth in Article 236, Clause 1. viii.(a)-(e) of the Companies Act (hereinafter referred to as the “Reorganized Company”) shall be granted to each person holding the remaining warrants of the Company (hereinafter referred to as the “Remaining Warrants”) on the effective date of such Corporate Reorganization Acts.

On the effective date of such Corporate Reorganization Acts, any and all of the Remaining Warrants shall be terminated, and the Reorganized Company shall issue new warrants only when provisions regarding the granting of such warrants by the Reorganized Company are stipulated in a merger and acquisition agreement, a consolidation agreement, a spin-off merger agreement, a spin-off agreement, an equity swap agreement or an equity transfer plan. Terms and conditions to grant warrants of the Reorganized Company shall be as follows:

I. The number of warrants to be granted by the Reorganized Company

The Reorganized Company shall grant the same number of its warrants as that of the Remaining Warrants.

II. The class of stock to be converted into

The class of stock to be converted into upon exercise of warrants shall be the common stock of the Reorganized Company.

III. The number of shares to be converted into

The number of the Reorganized Company's shares to be converted into by exercising warrants shall be determined pursuant to ① above, in consideration of terms and conditions of the Corporate Reorganization Acts.

IV. The total amount of assets to be invested upon exercise of warrants

The total amount of assets to be invested upon exercise of warrants shall be the amount calculated by multiplying the post-reorganization Exercise Price adjusted in consideration of terms and conditions of the Corporate Reorganization Acts by the number of the Reorganized Company's shares to be converted into by exercising warrants pursuant to III above.

V. Share warrant exercise period

The exercise period of warrants shall be for the period from the later of either the effective date of warrants described in ③ above, or the effective date of the Corporate Reorganization Acts to the expiration date of the warrant exercise period stated in ③ above.

VI. Capital increase and capital reserve increase upon issuance of shares upon exercise of warrants

The amount of capital increase and capital reserve increase upon issuance of shares upon exercise of warrants shall be decided pursuant to ④ above.

VII. Restriction on acquisition of warrants through transfer

The acquisition of warrants through transfer shall require approval by the Reorganized Company.

VIII. Terms and conditions to acquire warrants

Terms and conditions to acquire warrants shall be decided pursuant to ⑥ above.

⑧. Less-than 1 share caused by exercising warrants

In the event that there arises less-than 1 share upon exercise of warrants, such

shares shall be disregarded.

4. Issuance of warrant certificate

Warrant certificate(s) shall be issued at the request of person(s) who are entitled to such warrants.

5. Price of warrants

Warrants of the Company shall be granted free of charge.

6. Warrant allotment date

June 22, 2023.

<Reference>

- (1) Date of the Board's resolution to refer the granting of warrants to shareholders' meeting for approval: May 16, 2022.
  
- (2) Date of shareholders' meeting's approval: June 25, 2022.

(End)