

Company name: RAKSUL INC.  
Representative: Yo Nagami  
Representative Director, President and CEO  
(TSE Prime Market Code No. 4384)  
Contact: Shinnosuke Nishida  
CAO, SVP of Corporate

### **Announcement concerning Revision of Restricted Stock-based Compensation Plan**

RAKSUL INC. (hereinafter referred to as the “Company”) hereby announces that, following the revision of its executive compensation plan at the Board of Directors meeting held today, the Company reviewed its executive compensation plan and resolved to revise the restricted stock-based compensation plan approved at the 10th Annual General Meeting of Shareholders held on October 17, 2019 (hereinafter referred to as the "Plan") and to submit a proposal concerning the Plan to the 14th Annual General Meeting of Shareholders to be held on October 26, 2023 (hereinafter referred to as the "General Meeting of Shareholders").

#### 1. Purpose of Revision

Under the amendment to the Companies Act that came into effect on March 1, 2021, when shares are issued or disposed of in accordance with the details approved by a resolution of the General Meeting of Shareholders as remuneration etc. for directors, the system allows this without any payment of cash or provision of property (free issue of shares). In order to enable flexible operation in the granting of shares with transfer restrictions, the Company has changed the Plan so that this system (free issue of shares) can be used for the performance-linked restricted stock-based compensation plan and the restricted stock-based compensation plan, and also to reflect a 2-for-1 stock split of the Company's common stock as of February 1, 2023 after the introduction of this plan. In addition, the Representative Director, President and CEO will be excluded from the Plan in order to establish a Long-Term Incentive Package that is separate from the Plan.

#### 2. Overview of the Plan after revision

This plan allocates shares of the Company's common stock (hereinafter referred to as “Restricted Stock”) to the Company's directors (excluding the Representative Director, President and CEO, hereinafter referred to as “Eligible Directors”) in accordance with the provisions of 3. (3) below by either (i) receiving the issuance or disposal of shares of the Company's common stock as compensation for the Directors' performance of their duties, without requiring payment of money or other benefits in exchange for shares for subscription (hereinafter referred to as “Free Distribution Method”), or (ii) receiving the issuance or disposal of shares of the Company's common stock by delivering all monetary compensation claims provided by the Company as compensation as assets contributed in kind (hereinafter referred to as “In-kind Contribution Method”).

In addition to the restricted stock-based compensation under this Plan, the Company's 10th Annual General Meeting of Shareholders held on October 17, 2019 approved the annual amount of compensation for the Company's Eligible Directors as no more than 300 million yen (including no more than 30 million yen for outside directors) and no more than 50 million yen per year for directors who are Audit Committee members, respectively. In addition, with respect to Yo Nagami, who assumed the position of Representative Director, President and CEO on August 1st of this year, the Company has decided to introduce a post-delivery type of Restricted Stock as part of the Long-Term Incentive Package, and a proposal related to this will be submitted to this General Meeting of Shareholders for approval. For the details, please refer to the "Notice of Introduction of Post-Delivery Restricted Stock as Long-Term Incentive Package for Representative Director, President and CEO" dated today.

### 3. Specifics of the Plan after revision

The specifics and the maximum numbers of Restricted Stock to be allotted to Eligible Directors are as follows:

#### (1) Amount of Restricted Stock, etc.

The total annual amount of Restricted Stock (monetary compensation claims to be paid in the case of in-kind contribution structure) to be issued for directors (excluding directors who are Audit Committee members) shall not exceed 500 million yen (no more than 50 million yen for outside directors; however, this does not include the employee's salary of directors who also serve as employees), and the total annual amount of Restricted Stock (monetary compensation claims to be paid in the case of in-kind contribution structure) to be issued for directors who are Audit Committee members shall not exceed 50 million yen.

#### (2) Allotment and Payment of Restricted Stock

The Company shall allot and deliver the Restricted Stock to the Eligible Directors by the Free Distribution Method or the In-kind Contribution Method based on a resolution of the Board of Directors of the Company.

The paid-in amount for the Restricted Stock shall be determined by the Board of Directors within a range that is not particularly advantageous to the directors subscribing to the said Restricted Stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors concerning the issuance or disposal thereof (or the closing price on the immediately preceding trading day, if no trading is made on that day).

#### (3) Total number of Restricted Stock

The total number of Restricted Stock to be allocated to directors other than those who are members of the Company's Audit Committee shall be 266,000 shares (including 26,000 shares for outside directors) and the total number of Restricted Shares to be allocated to directors who are members of the Audit Committee shall be limited to 26,000 shares in each financial year.

However, in the event of a stock split or reverse stock split (including free distribution of the Company's common stock) of the Company's common stock after the date of resolution of this proposal or in any other cases where adjustment of the total number of Restricted Stock to be allotted is required pursuant to such cases, the total number of such Restricted Stock may be adjusted in a reasonable manner.

#### (4) Details of Restricted Stock Allotment Agreement

Upon the allotment of the Restricted Stock, the Restricted Stock Allotment Agreement is to be concluded with Eligible Directors receiving allotments based on a resolution of our Board of Directors, shall include the following details:

##### (i) Details of Transfer Restrictions

Eligible Directors receiving allotments of Restricted Stock, during a period of 3 years or more as stipulated by the Board of Directors (hereinafter referred to as the "Restriction Period"), shall not dispose of the Restricted Stock allotted (hereinafter referred to as the "Allotted Stock") by means of transfer, creation of a pledge or transfer rights by security, inter vivos gift, testamentary gift, or any other method to a third party (hereinafter referred to as "Transfer Restrictions").

##### (ii) Acquisition of Restricted Stock without contribution

The Company shall automatically acquire the Allotted Stock without contribution if an Eligible Director who has received an allotment of Restricted Stock retires or resigns from any position of director, advisor or employee of the Company or its subsidiaries and associates before the expiration of the Restriction Period, except if there are reasons deemed legitimate by the Board of Directors.

(iii) Lifting of Transfer Restrictions

The Company shall lift Transfer Restrictions of all the Allotted Stock upon expiration of the Restriction Period, provided that the Eligible Director has remained in any position of director, advisor or employee of the Company or its subsidiaries or associates during the Restriction Period. If, however, said Director retires from the position of director, advisor or employee of the Company or its subsidiaries or associates before the expiration of the Restriction Period for reasons deemed legitimate by our Board of Directors, the number of the Allotted Stock for which the Transfer Restrictions will be lifted and the timing of the lifting of Transfer Restrictions shall be reasonably adjusted as necessary. In such a case, the Company shall automatically, without contribution, acquire the Allotted Stock of which the Transfer Restrictions have not been lifted at the expiration of the Restriction Period pursuant to the provision above.

(iv) Treatment upon Organizational Restructuring

If, during the Restriction Period, a proposal regarding a merger agreement under which the Company becomes a dissolving company, a share exchange agreement or share transfer agreement under which the Company becomes a wholly owned subsidiary, or any other organizational restructuring is approved at the Company's General Meeting of Shareholders (or approved by its Board of Directors if an approval regarding the said organizational restructuring at a General Meeting of Shareholders is not required), the Company shall lift the Transfer Restrictions on a reasonably determined number of the Allotted Stock prior to the effective date of said organizational restructuring by a resolution of the Board of Directors, taking into consideration the period between the start of the Restriction Period and the approval date of the said organizational restructuring. In such a case, the Company shall automatically, without contribution, acquire the Allotted Stock for which the Transfer Restrictions have not been lifted at the expiration of the Restriction Period pursuant to the provision above.

In addition, such Restricted Stock are planned to be managed in their dedicated accounts to be opened by Eligible Directors at SMBC Nikko Securities Inc., in order to prevent Eligible Directors from transferring, creating transfer rights by security or disposing in other methods of Restricted Stock to be allotted to them under the Plan, during the Restriction Period.