

November 16, 2023

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

**Notice of Issuance of Stock Acquisition Rights No.18**  
**(Stock Options with Performance Target & Share Price Conditions)**

RAKSUL INC. (the “Company”) hereby announces that in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act, a resolution has been passed to issue Stock Acquisition Rights to its representative director. This resolution was passed at the Board of Directors meeting held today, and the details are as follows.

This is part of the long-term incentive package for Yo Nagami, Representative Director, President and CEO (hereinafter referred to as “Subject Director”), which was resolved at the Company’s Board of Directors’ meeting held on September 12, 2023, following the approval of Proposal No.3 “Determination of Amount of Remuneration for Allotment of Post-Delivery Restricted Stock Unit for Representative Director, President and CEO” at the 14th Annual General Meeting of Shareholders held on October 26, 2023, which approval was a condition for the resolution. The Stock Acquisition Rights will be implemented without the approval from the General Meeting of Shareholders as they will be issued at fair value with no particularly favorable conditions to the subscriber.

**I. Purpose and Reason for the Issuance**

The Stock Acquisition Rights are to be issued to the Subject Director with charge for the purpose of aligning with shareholders and increasing the Company’s business performance and corporate value over the medium to long term.

Furthermore, if all the Stock Acquisition Rights from this new plan are exercised, there will be a dilution of up to 1.5% of the total number of shares outstanding as of the end of July 2023. However, the Stock Acquisition Rights are contingent on the achievement of predetermined performance target and share price, and achieving these targets will contribute to increasing corporate and shareholder values. For this reason, the Company believes that the issuance of Stock Acquisition Rights is in the interests of our existing shareholders and that the impact of stock dilution due to the issuance will be within an acceptable range. In addition, although a certain amount of stockbased compensation expenses will be recorded as a result of issuance of Stock Acquisition Rights, if the conditions are fulfilled, the existing shareholders will enjoy the benefits of increased corporate value as described above, and if the conditions are not fulfilled, even the stock-based compensation already recorded in the accounting will be recorded as gain in reversal. Therefore the Company has determined that this issuance of Stock Acquisition rights will not materially disadvantage its shareholders.

**II. Outline of the Issuance of Stock Acquisition Rights No.18**

**1. Number of Stock Acquisition Rights**

8,770 rights

The total number of shares to be issued upon exercise of the Stock Acquisition Rights shall be 877,000 shares of common stock of the Company. In the event that the number of shares to be issued upon exercise of the Stock Acquisition Rights is adjusted pursuant to 3(1) below, the number shall be obtained by multiplying the number of shares granted after adjustment by the number of Stock Acquisition Rights.

**2. Amount to be paid in exchange for Stock Acquisition Rights**

The issue price shall be 100 yen per Stock Acquisition Right. This amount was determined based on the results of a Monte Carlo simulation, which is a general option pricing model, calculated by PLUTUS CONSULTING Co., Ltd, a

third-party valuation institution, taking into consideration the stock price and other factors of the Company. Therefore, the issue price is a fair price and is not a favorable issue.

### 3. Details of Stock Acquisition Rights

#### (1) Class and number of shares to be issued upon exercise of the Stock Acquisition Rights

The number of shares to be issued upon exercise of each Stock Acquisition Right (hereinafter referred to as the "Number of Shares Granted") shall be one hundred (100) shares of common stock of the Company.

The Number of Shares Granted shall be adjusted according to the following formula in the event that the Company conducts a stock split (including the gratis allotment of common stock of the Company; the same shall apply hereinafter) or a stock consolidation after the allotment date of the Stock Acquisition Rights. However, such adjustment shall be made only with respect to the number of shares underlying the Stock Acquisition Rights that have not been exercised at the time of such adjustment, and any fraction less than one share arising from the adjustment shall be rounded down.

Number of Shares Granted after adjustment =

$$\text{Number of Shares Granted before adjustment} \times \text{Ratio of stock split (or stock consolidation)}$$

In addition, the Number of Shares Granted shall be adjusted appropriately to a reasonable extent if, after the allotment date of the Stock Acquisition Rights, the Company conducts a merger, company split, share exchange, or share issuance that require adjustment of the Number of Shares Granted.

#### (2) Value or calculation method of assets to be contributed upon exercise of Stock Acquisition Rights

The value of the assets to be contributed upon exercise of the Stock Acquisition Rights shall be the amount obtained by multiplying the amount to be paid per share (hereinafter referred to as the "Exercise Price") by the Number of Shares Granted.

The Exercise Price shall be 1,391 yen.

In the event that the Company conducts a stock split or a stock consolidation after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted according to the following formula, and any fraction less than one yen arising from the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

In addition to the above, the Exercise Price shall be appropriately adjusted to the reasonable extent in the event that, after the allotment date of the Stock Acquisition Rights, the Company conducts a merger, company split, share transfer or share issuance that require adjustment of the Exercise Price.

#### (3) Period during which the Stock Acquisition Rights are exercisable

The period during which the Stock Acquisition Rights are exercisable (hereinafter referred to as the "Exercise Period") is from November 1, 2028 to December 3, 2038.

#### (4) Matters concerning the capital and capital reserve to be increased

##### (i) The amount of capital to be increased due to the issuance of shares upon exercise of the Stock Acquisition

Rights shall be one-half of the maximum amount of increase in the capital, etc. to be calculated pursuant to Article 17, paragraph 1 of the Ordinance on Accounting of Companies, with any amount less than one yen arising from the calculation to be rounded up.

##### (ii) The amount of capital reserve to be increased in the event of issuance of shares upon exercise of Stock Acquisition

Rights shall be the amount obtained by subtracting the amount of increase in capital as specified in (i) above from the maximum amount of increase in capital, etc. as stated in (i) above.

#### (5) Restriction on acquisition of Stock Acquisition Rights through transfer

Any acquisition of the Stock Acquisition Rights through transfer shall require approval by resolution of the Board of Directors of the Company.

#### (6) Conditions for exercising the Stock Acquisition Rights

- (i) A person who has been allotted Stock Acquisition Rights (hereinafter referred to as the "Stock Acquisition Rights Holder") may exercise up to the number of Stock Acquisition Rights equivalent to each predetermined rate of the Stock Acquisition Rights allotted to each holder (the "Exercisable Ratio") only if the adjusted EBITDA and the closing price of the Company's common stock achieve the conditions set forth in (a) through (c) below, respectively, for any fiscal year from August 1, 2027 to July 31, 2033. Any fraction of less than one (1) Stock Acquisition Right that arises in the number of exercisable Stock Acquisition Rights in such Exercise Ratio shall be rounded down.
- (a) When the Adjusted EBITDA exceeds 10 billion yen at least once and the stock price per share for 20 out of 30 consecutive business days exceeds 8,500 yen at least once (the total market value of the shares calculated based on the number of shares outstanding at the time of issue of the Stock Acquisition Rights is approximately 500 billion yen), the Exercisable Ratio shall be 20%.
- (b) When the Adjusted EBITDA exceeds 15 billion yen at least once and the stock price per share for 20 out of 30 consecutive business days exceeds 12,000 yen at least once (the total market value of the shares calculated based on the number of shares outstanding at the time of issue of the Stock Acquisition Rights is approximately 700 billion yen), the Exercisable Ratio shall be 53%.
- (c) When the Adjusted EBITDA exceeds 20 billion yen at least once and the stock price per share for 20 out of 30 consecutive business days exceeds 17,000 yen at least once (the total market value of the shares calculated based on the number of shares outstanding at the time of issue of the Stock Acquisition Rights is approximately 1 trillion yen), the Exercisable Ratio shall be 100%.

Adjusted EBITDA herein shall refer to "Operating Profit (J-GAAP) + Depreciation + Amortization of goodwill + Stock compensation expenses" in the consolidated P/L statement (P/L statement if consolidated P/L is not prepared; the same applies hereinafter) and consolidated cashflow statement (cashflow statement if consolidated cash flow statement is not prepared; the same applies hereinafter) included in the Company's annual securities report. If the Board of Directors of the Company determines that it is not appropriate to use the actual figures reported in the consolidated P/L and cash flow statements due to the occurrence of changes in applicable accounting standards or a large-scale company acquisition, etc., with a significant impact on the Company's business performance, the Company may eliminate the impact of such company acquisition, etc. within a reasonable extent and adjust the actual figures used for determination.

Furthermore, the stock price per share is the closing price of the Company's common stock on the Tokyo Stock Exchange. If the total number of outstanding shares of the Company increases or decreases due to a reverse stock split or stock consolidation (including gratis allotment of shares), it shall be adjusted in the same manner as the Exercise Price in accordance with the ratio of the reverse stock split or stock consolidation.

- (ii) Stock Acquisition Rights Holders must be directors, auditors, employees, or advisors of the Company or its affiliates at the time of exercising their Stock Acquisition Rights described above (i). However, this shall not apply in cases where the Board of Directors of the Company recognizes that there is a justifiable reason such as retirement due to the expiration of the term of office, retirement at the mandatory retirement age, or other reasons.
- (iii) Exercise of the Stock Acquisition Right by the heirs of the Stock Acquisition Right Holders is not permitted.
- However, this provision does not apply in cases where the Board of Directors recognizes other justifiable reasons.
- (iv) If the exercise of the Stock Acquisition Rights causes the total number of issued shares of the Company to exceed its total number of authorized shares, such Stock Acquisition Rights may not be exercised.
- (v) Each Stock Acquisition Right may not be exercised for less than one Stock Acquisition Right.

4. Allotment date of Stock Acquisition Rights  
December 4, 2023

## 5. Acquisition of Stock Acquisition Rights

- (1) In the event that the General Meeting of Shareholders (or the Board of Directors Resolution if no approval is required by the General Meeting of Shareholders) approves a merger agreement, a split agreement, a split plan, a share exchange agreement, or a share transfer plan and the Company becomes a dissolved company, a split company, or a wholly owned subsidiary, the Company may acquire all of the Stock Acquisition Rights without any charge upon the arrival of a date separately specified by its Board of Directors.
- (2) In the event that the exercise of the Stock Acquisition Rights becomes impossible pursuant to the provisions of 3(6) above prior to the exercise by the Stock Acquisition Rights holder, the Company may acquire the Stock Acquisition Rights without any charge upon the arrival of a date separately specified by its Board of Directors.

## 6. Handling of Stock Acquisition Rights upon the Act of Structural Reorganization

In case the Company conducts a merger (limited to the case where the Company is dissolved as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer (hereinafter collectively referred to as "Act of Structural Reorganization"), the Stock Acquisition Rights of the Stock Company listed in Article 236(1)(viii)(a) to (e) of the Companies Act (hereinafter referred to as the "Reorganized Company") shall be delivered to the Stock Acquisition Rights holder on the effective date of the Act of Structural Reorganization in each case according to the following conditions.

However, this shall be limited to the cases where it is stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan that Stock Acquisition Rights of the Reorganized Company shall be delivered in accordance with the following conditions.

- (1) Number of Stock Acquisition Rights of the Reorganized Company to be delivered  
The same as the number of Stock Acquisition Rights held by the Stock Acquisition Rights holder shall be delivered respectively.
- (2) Class of shares of the Reorganized Company to be issued upon exercise of Stock Acquisition Rights  
Shares of common stock of the Reorganized Company shall be issued.
- (3) Number of shares of the Reorganized Company to be issued upon exercise of Stock Acquisition Rights  
Shall be determined in accordance with 3(1) above based on the consideration of conditions of the Act of Structural Reorganization.
- (4) Amount of assets to be contributed upon exercise of Stock Acquisition Rights  
Shall be determined, based on the consideration of conditions of the Acts of Structural Reorganization, by multiplying the amount obtained after the reorganization by adjusting the Exercise Price in accordance with 3(2) above by the number of shares of the Reorganized Company to be issued upon exercise of the Stock Acquisition Rights as determined in accordance with 6(3) above.
- (5) Period during which Stock Acquisition Rights are exercisable  
The period shall be from the commencement date of the Exercise Period stipulated in 3(3) above, or the effective date of the Acts of Structural Reorganization, whichever is later, until the expiry date of the Exercise Period stipulated in 3(3) above.
- (6) Matters concerning the capital and capital reserve to be increased when shares are issued upon the exercise of Stock Acquisition Rights  
To be determined in accordance with 3(4) above.
- (7) Restriction on acquisition of Stock Acquisition Rights through transfer  
Any acquisition of the Stock Acquisition Rights through transfer shall require approval by resolution of the Board of Directors of the Reorganized Company.
- (8) Other conditions upon exercise of Stock Acquisition Rights  
To be determined in accordance with 3(6) above.

(9) Conditions and provisions for acquisition of Stock Acquisition Rights

To be determined in accordance with 5 above.

(10) Other conditions shall be determined in accordance with the conditions of Reorganized Company.

7. Matters concerning certificates of Stock Acquisition Rights

The Company shall not issue certificates of the Stock Acquisition Rights.

8. The due date for the payment in exchange for the Stock Acquisition Rights

December 4, 2023

9. The due date for the application

December 4, 2023

10. The persons to whom and the number of the Stock Acquisition Rights to be allotted

1 (one) director of the Company: 8,770 rights