



December 27, 2023

To whom it may concern,

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Representative: Nobuo Domae,  
President and Representative Director  
(Code number 7453, Prime Market of the Tokyo Stock Exchange)  
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### **Notice Regarding Issuance of Stock Acquisition Rights for Subscription (Stock Options with Charge)**

Ryohin Keikaku Co., Ltd. (“the Company”) hereby announces that on December 27, 2023, its Board of Directors resolved the issuance of stock acquisition rights to the executive officers of the Company pursuant to the provisions of Article 236, 238, and 240 of the Companies Act of Japan. The stock acquisition rights will be issued without approval of a general meeting of shareholders as these will be issued with charge to the individuals who are allotted the stock acquisition rights at the price equivalent to the fair value, and the conditions are not particularly favorable. In addition, these stock acquisition rights (hereinafter the “Stock Acquisition Rights”) are not intended as remuneration to the grantees, but will be subscribed based on the individual investment decisions.

#### **I. Purpose of and Reason for Offering of Stock Acquisition Rights**

The stock acquisition rights will be issued with charge towards the Company’s executive officers for the purpose of further increasing their motivation to achieve the performance targets of the “Medium-term Business Plan FY 8/2022 - FY 8/2024” and enhancing the incentive to increase the Company’s stock price.

The total number of shares of the Company’s common stock that would increase if all of the Stock Acquisition Rights were exercised would be equivalent to 0.00002% of the total number of shares issued and outstanding. However, the exercise of the Stock Acquisition Rights is subject to the achievement of performance targets regarding operating profit, return on assets (hereinafter “ROA”), and return on equity (hereinafter “ROE”) for the fiscal year ending August 31, 2024, thus, the Company recognizes that the achievement of these targets will contribute to the enhancement of its corporate value and shareholder value. Therefore, the Company regards the issuance of these Stock Acquisition Rights to be in the best interest of the Company’s existing shareholders and believes that the impact on share dilution will be reasonable.

## II. Outline of the Issuance of Stock Acquisition Rights

### Outline of the Issuance of 2023 Stock Acquisition Rights with Charge

1. Number of stock acquisition rights  
61 units

The total number of shares that may be delivered upon exercise of Stock Acquisition Rights shall be 6,100 shares of the Company's common stock. If pursuant to 3. (1) below, the number of shares underlying the Stock Acquisition Rights is adjusted, said total number of Stock Acquisition Rights shall be the adjusted number of shares underlying the Stock Acquisition Rights multiplied by the number of Stock Acquisition Rights.

2. Money to be paid in exchange for the Stock Acquisition Rights

The issue price per one Stock unit Acquisition Right shall be JPY100. The amount is determined based on and at the same amount as the result of the calculation conducted by PLUTUS CONSULTING Co., Ltd. (hereinafter "Plutus"), a third-party evaluation organization. Plutus used Monte Carlo simulation, a general model for option price valuation, for calculation, based on the closing price of the Company's stock on the Tokyo Stock Exchange on December 26, 2023, which is the trading day preceding the date of the Board of Directors' resolution regarding the issuance of Stock Acquisition Rights, which is JPY2,337.5 per share, the stock price volatility of 36.98%, the dividend yield of 1.71%, the risk-free interest rate of 0.025%, and the conditions stipulated in the Outline of the Issuance of 2023 Stock Acquisition Rights with Charge (exercise price of JPY2,337.5 per share, period until maturity of approximately 2 years, and performance conditions).

In determining this amount, the evaluation organization took into account the assumptions of events that may affect the calculation and used general methods to calculate the price of the Stock Acquisition Rights. For this, the Company referred to the calculation result of said evaluation organization to consider, and as a result determined that the amount is not a particularly favorable amount, since the cash to be paid in exchange for the Stock Acquisition Rights is the same amount as the calculated amount of the Stock Acquisition Rights.

3. Details of the stock acquisition rights.

- (1) Class and number of shares underlying stock acquisition rights

The number of shares underlying one Stock Acquisition Right (hereinafter the "Number of Shares to Be Allotted") shall be 100 shares of the Company's common stock.

Provided, however, that in the event the Company conducts a stock split (including allotment of the shares of the Company's common stock without consideration; hereinafter the same) or a consolidation of shares after the

allotment date of the Stock Acquisition Rights, the Number of Shares to Be Allotted shall be adjusted using the following equation. Such adjustment shall be made only to the number of shares underlying the Stock Acquisition Rights that have not been exercised at said point in time, and any amount less than one share arising from the adjustment shall be rounded down.

$$\text{Number of Shares to Be Allotted after adjustment} = \text{Number of Shares to Be Allotted before adjustment} \times \frac{1}{\text{Share split (or consolidation) ratio}}$$

In addition, if after the allotment date of the Stock Acquisition Rights, the Company undergoes a merger or corporate split, reduces its capital, or if it is necessary to adjust the Number of Shares to Be Allotted in accordance with other such cases, the Number of Shares to Be Allotted shall be appropriately adjusted to a reasonable extent.

- (2) Amount of assets to be contributed upon exercise of the stock acquisition rights and the calculation method  
The price of the assets to be contributed upon exercise of the Stock Acquisition Rights shall be the amount derived by multiplying the amount of payment per share (hereinafter the “Exercise Price”) by the Number of Shares to Be Allotted.

The Exercise Price shall be JPY2,337.5.

In the event the Company conducts a stock split or a consolidation of shares after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted based on the following equation. Any amount less than JPY1 as a result of the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Share split (or consolidation) ratio}}$$

In addition, in the event the Company newly issues shares of its common stock or disposes of its treasury shares at a price below the current quotation (excluding the issuance of new shares and disposal of treasury shares as a result of the exercise of stock acquisition rights, and issuance of new shares and delivery of treasury shares as a result of mergers, company splits, share exchange, and share delivery) after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted using the following equation and any amount less than JPY1 as a result of the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of new shares to be issued} \times \text{Amount to be paid per share}}{\text{Market price per new share to be issued}}}{\text{Number of issued shares} + \text{Number of new shares to be issued}}$$

The “number of issued shares” provided in the above equation is derived by deducting the number of treasury shares

of common stock of the Company from the total number of shares of common stock of the Company issued and outstanding. In the event the Company disposes of its treasury shares of common stock, the “number of new shares to be issued” shall be replaced by the “number of treasury shares to be disposed of.”

Furthermore, other than the above, in the event that it becomes necessary to adjust the Exercise Price after the allotment date of the Stock Acquisition Rights as a result of the Company’s merger with another company, company split, share exchange, or share delivery, or in other similar cases thereto, the Company may appropriately adjust the Exercise Price within the scope deemed reasonable.

(3) Period in which the stock acquisition rights can be exercised

The period in which the Stock Acquisition Rights can be exercised (hereinafter the “Exercise Period”) shall be from December 1, 2024 to January 18, 2026.

(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 (1/2) of the maximum amount of increases of the capital, etc. to be calculated according to Article 17, Paragraph 1 of the Regulations on Corporate Accounting, with any amount less than JPY1 arising from such calculation to be rounded up.
- ii) The amount of capital reserve to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the amount of capital to be increased set forth in i) above, from the maximum amount of increases of the capital, etc. set forth in i) above.

(5) Restriction on the acquisition of the stock acquisition rights through transfer

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

(6) Conditions for the exercise of the stock acquisition rights

- i) If the conditions set forth in items (a) through (f) below are met during the fiscal year ending August 31, 2024, the stock acquisition right holders may exercise the number of the Stock Acquisition Rights within the limit of the ratio set forth in each item (hereinafter the “Exercisable Ratio”) of the Stock Acquisition Rights allotted to each stock acquisition right holder. In addition, in the event that different conditions are met in each of the items (a) through (f) below during the fiscal year ending August 31, 2024, only the highest of the Exercisable Ratios under each condition shall apply. If, as a result of the calculation, the number of exercisable Stock Acquisition Rights of each stock acquisition holder includes a fraction less than one Stock Acquisition Right, such fraction shall be rounded down.
  - (a) Both ROA (the amount of ordinary profit as stated in the Company’s consolidated statements of income (or statements of income if the Company does not prepare consolidated statements of income; hereinafter the same) divided by the amount of total assets as stated in the Company’s consolidated

balance sheets (or balance sheets if the Company does not prepare consolidated balance sheets; hereinafter the same) multiplied by 100; hereinafter the same), and ROE (the number obtained by dividing the amount of earnings per share calculated from the Company's consolidated statements of income and consolidated balance sheets by the amount of net assets per share calculated from the Company's consolidated balance sheets, multiplied by 100; hereinafter the same) are less than 15%, and operating profit (operating profit as shown in the Company's consolidated statements of income; hereinafter the same) is at least JPY60.0 billion (except in case (d))

Exercisable Ratio: 40%

(b) Either ROA or ROE is 15% or more, and operating profit is at least JPY60.0 billion (except in case (e)) Exercisable Ratio: 45%

(c) Both ROA and ROE are 15% or more, and operating profit is at least JPY60.0 billion (except in case (f))

Exercisable Ratio: 50%

(d) Both ROA and ROE are less than 15%, and operating profit is at least JPY75.0 billion

Exercisable Ratio: 80%

(e) Either ROA or ROE is at least 15%, and operating profit is at least JPY75.0 billion

Exercisable Ratio: 90%

(f) Both ROA and ROE are at least 15%, and operating profit is at least JPY75.0 billion

Exercisable Ratio: 100%

If the Board of Directors determines that it is not appropriate to use the actual figures shown in the Company's consolidated statements of income and consolidated balance sheets to determine the above conditions due to a change in applicable accounting standards or the occurrence of a corporate merger or other event that significantly affects the Company's performance, the Company may adjust the actual figures used for the determination to eliminate the effect of such corporate merger or other event within reasonable limits. If share-based remuneration expenses related to the Stock Acquisition Rights are recorded in said consolidated statements of income, the determination shall be made based on operating profit before deducting the share-based remuneration expenses after eliminating the effect of such expenses.

- ii) The stock acquisition right holders may not exercise said Stock Acquisition Rights if (i) they have violated the employment regulations or other internal rules and regulations of the Company or its affiliates, or have committed an act of disloyalty to society, the Company, or its affiliates, and as a result, have been dismissed for disciplinary reasons, resigned, or retired, or if (ii) they have caused or threatened to cause damage to the Company or its affiliates, or the Board of Directors deems it inappropriate to permit them to exercise their rights in light of the purpose for which the Stock Acquisition Rights have been granted.
- iii) In the event of inheritance of a stock acquisition right holder, the legal heir of the stock acquisition right holder (provided, however, that if there are multiple legal heirs, only one legal heir shall be entitled to acquire the stock acquisition rights by division of the estate or by agreement of all legal heirs) may exercise said Stock Acquisition Rights during the Exercise Period.
- iv) In the event that the exercise of Stock Acquisition Rights causes the total number of shares issued and

outstanding of the Company to exceed the total number of issuable shares at said point in time, said Stock Acquisition Rights may not be exercised.

v) Stock Acquisition Rights constituting less than one unit may not be exercised.

4. Date on which the stock acquisition rights will be allocated

January 15, 2024

5. Matters concerning the acquisition of stock acquisition rights

- (1) The Company may acquire all of the Stock Acquisition Rights without compensation at the arrival of the day separately prescribed by the Board of Directors of the Company, in case an agenda of a merger agreement, under which the Company shall be the absorbed company, a company split agreement or a company split plan, under which the Company shall become the splitting company, or a share exchange agreement, a share delivery plan, or a share transfer plan, under which the Company shall be a wholly-owned subsidiary, is approved at a general meeting of shareholders (or, if approval of a general meeting of shareholders is not required, is resolved at the Board of Directors).
- (2) If the stock acquisition right holder comes to be unable to exercise the Stock Acquisition Rights in accordance with the provisions in 3. (6) above, before the right holder exercises its rights, the Company may acquire said unexercised Stock Acquisition Rights without compensation at the arrival of the day separately prescribed by the Board of Directors of the Company.

6. Treatment of the stock acquisition rights upon the acts of structural reorganization

In case the Company conducts a merger (limited to the case where the Company is to be extinguished 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 the “acts of structural reorganization”), stock acquisition rights of the stock companies listed in (a) to (e) of Article 236, Paragraph 1, Item 8 of the Companies Act (hereinafter the “Reorganized Company”) shall be delivered, in each of the above cases, to right holders holding the Stock Acquisition Rights at the effective time of the relevant acts of structural reorganization according to the following conditions. Provided, however, that the foregoing shall be on the condition that delivery of stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan.

(1) Number of stock acquisition rights of the Reorganized Company to be delivered

The identical number of stock acquisition rights to the number of the stock acquisition rights held by right holder shall be delivered respectively.

(2) Class of shares of the Reorganized Company underlying the stock acquisition rights

Shall be shares of common stock of the Reorganized Company.

- (3) Number of shares of the Reorganized Company underlying the stock acquisition rights  
Shall be determined in accordance with 3. (1) above based on the consideration of conditions for the acts of structural reorganization.
  - (4) Amount of assets to be contributed upon exercise of stock acquisition rights  
The amount of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the Exercise Price after the reorganization to be obtained by adjusting the Exercise Price set forth in the provision in 3. (2) above after taking into consideration various factors such as the conditions of the acts of structural reorganization by the number of shares of the Reorganized Company underlying the stock acquisition rights, which is determined pursuant to 6. (3) above.
  - (5) Period during which stock acquisition rights are exercisable  
Shall be from the commencing date of Exercise Period stipulated in 3. (3) above, or the effective date of the acts of structural reorganization, whichever is later, to the expiry date of Exercise Period stipulated in 3. (3) above.
  - (6) Matters concerning the capital and capital reserve to be increased when shares are issued upon exercise of stock acquisition rights  
Shall be determined in accordance with 3. (4) above.
  - (7) Restrictions on acquisition of stock acquisition rights through transfer  
Restrictions on acquisition through transfer shall require the approval through the resolution of the Board of Directors of the Reorganized Company.
  - (8) Other conditions for the exercise of stock acquisition rights  
Shall be determined in accordance with 3. (6) above.
  - (9) Reasons and conditions for the acquisition of stock acquisition rights  
Shall be determined in accordance with 5. above.
  - (10) Other conditions shall be determined in accordance with the conditions of the Reorganized Company.
7. Matters concerning certificates of the stock acquisition rights  
The Company shall not issue certificates of the stock acquisition rights pertaining to the Stock Acquisition Rights.
  8. Date of payment of cash in exchange for the stock acquisition rights  
January 15, 2024

9. Due date for application

January 14, 2024

10. Persons who are to be allotted the stock acquisition rights and the number thereof

One executive officer of the Company, 61 units