

Translation

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April 18, 2024

To Whom it May Concern:

Company name: BASE, Inc.  
Representative: Representative Director and CEO Yuta Tsuruoka  
(Code: 4477, Tokyo Stock Exchange Growth Market)  
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**Notice of Issuance of Performance Target-linked Stock Acquisition Rights (Paid-in Stock Options)**

BASE, Inc. (the “Company”) hereby announces that our Board of Directors, at a meeting held on April 18, 2024, resolved to issue stock acquisition rights to our directors and senior executive officers in accordance with Articles 236, 238 and 240 of the Companies Act of Japan, as follows. The stock acquisition rights will be issued to subscribers for a fee at a fair price, with no particularly favorable conditions, and will be implemented without obtaining approval at a general meeting of shareholders. The stock acquisition rights will not be issued as compensation to the grantees but will be underwritten based on the individual investment decisions of each grantee.

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

The Company will issue stock acquisition rights for a fee to its directors and senior executive officers for the purpose of further increasing their motivation and morale and enhancing the cohesiveness of the Company as it aims to expand its business performance and increase its corporate value over the medium to long term in line with the interests of its shareholders.

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 3% of the total number of shares issued and outstanding. However, the Stock Acquisition Rights are conditioned on the achievement of pre-determined performance targets, and the Company recognizes that the achievement of such targets will contribute to the enhancement of the Company's corporate value and shareholder value. Therefore, we recognize that the issuance of these stock acquisition rights will contribute to the interests of our existing shareholders, and we believe that the impact of the issuance of these stock acquisition rights on share dilution is reasonable.

**II. Terms and Conditions of Issuance of Stock Acquisition Rights**

1. Number of stock acquisition rights

34,600 rights

The total number of shares that may be delivered upon exercise of the Stock Acquisition Rights shall be 3,460,000 shares of common stock of the Company, and if the number of shares granted for the Stock Acquisition Rights is adjusted in accordance with 3.(1) below, the number of shares granted after adjustment multiplied by the number of Stock Acquisition Rights.

2. Cash to be paid in exchange for stock acquisition rights

The issue price per one SAR shall be one hundred yen. This amount was determined based on the results of a Monte Carlo simulation, which is a common option pricing calculation model, by Plutus Consulting, Inc. as a third-party valuation institution, taking into consideration the Company's stock price information and other factors.

3. Details of stock acquisition rights

(1) Type and number of shares to be issued upon exercise of stock acquisition rights

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

The number of shares to be issued upon exercise of the stock acquisition rights will be calculated based on the number of shares to be issued upon exercise of the stock acquisition rights after the date of allotment of the stock acquisition rights, in accordance with the following formula. The same shall apply hereinafter) or a reverse stock split after the allotment date of the Stock Acquisition Rights. The number of shares granted shall be adjusted in accordance with the following formula if the Company conducts a stock split (including gratis allotment of shares of common stock of the Company) or a reverse stock split after the allotment date of the Stock Acquisition Rights. However, such adjustment shall be made only with respect to the number of shares to be issued upon exercise of the Stock Acquisition Rights that have not been exercised as of such time, and any fraction of less than one share resulting from such adjustment shall be rounded down.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of split (or consolidation)

In addition, if the Company conducts a merger, corporate split, share exchange, or share delivery after the allotment date of the Stock Acquisition Rights or if the Number of Shares Granted needs to be adjusted in accordance with these cases, the Company may appropriately adjust the Number of Shares Granted to a reasonable extent.

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

The exercise price shall be 271 yen per share.

If the Company conducts a stock split or reverse stock split after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted in accordance with the following formula, and any fraction less

than one yen resulting from the adjustment shall be rounded up to the nearest one yen.

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

If, after the allotment date of the stock acquisition rights, the Company issues new shares or disposes of treasury stock at a price below the market value of the Company's common stock (excluding cases where the Company issues new shares or disposes of treasury stock based on the exercise of stock acquisition rights or issues new shares or delivers treasury stock due to merger, company split, share exchange or share delivery), the exercise price shall be adjusted in accordance with the following formula. (i) The Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up to the nearest one yen.

$$\text{After adjustment exercise price} = \text{Before adjustment exercise price} \times \frac{\text{Already issued number of shares} + \frac{\text{New issue number of shares} \times \text{Per share amount to be paid}}{\text{Market value per share before new issue}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

In the above formula, the "number of shares already issued" shall be the number obtained by deducting the number of shares of treasury stock of the Company's common stock from the total number of shares issued and outstanding of the Company's common stock, and in the case of the disposal of treasury stock of the Company's common stock, "number of newly issued shares" shall be read as "number of treasury shares to be disposed of".

Furthermore, in addition to the above, if the Company conducts a merger, corporate split, share exchange or share delivery after the allotment date of the Stock Acquisition Rights, or in the event that the exercise price needs to be adjusted pursuant to such events, the Company may appropriately adjust the exercise price to a reasonable extent.

(3) Period during which stock acquisition rights may be exercised

The period during which the Stock Acquisition Rights may be exercised (hereinafter referred to as the "Exercise Period") shall be from April 1, 2027, to May 8, 2034.

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

(i) The amount of increase in capital stock in the event of the issuance of shares upon the exercise of these equity warrants shall be half of the maximum amount of increase in capital stock, etc., as calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules. Any fraction of less than one yen resulting from the calculation shall be rounded up to the nearest one yen.

(ii) The amount of capital reserve to be increased in the event of the issuance of shares upon the exercise of the Stock Acquisition Rights shall be the amount obtained by subtracting the amount of capital to be increased as set forth in (i) above from the maximum amount of increase in capital, etc. as set forth in (i) above.

(5) Restriction on acquisition of stock acquisition rights by transfer

Acquisition of the Stock Acquisition Rights by transfer shall require approval by a resolution of the Board of Directors of the Company.

(6) Conditions for exercise of stock acquisition rights

(i) The holders of the share options shall only be entitled to exercise their share options if, in the two fiscal years ending 31 December 2026 to 31 December 2027, the gross profit ( as shown in the Company's consolidated income statement (or income statement if the Company does not prepare a consolidated income statement)) for each of the two fiscal years ending 31 December 2026 to 31 December 2027 satisfies any of the conditions set out in (a) to (c) below, respectively, in each of which the ratio set out in the conditions (hereinafter referred to as the "Exercisable Ratio") shall be (a), (b), and (c). However, if both conditions (b) and (c) are fulfilled, the Exercisable Percentage shall be 66%. The maximum exercisable ratio shall be 100%, and any fraction of less than one subscription right that becomes exercisable shall be rounded down to the nearest one subscription right.

(a) If gross profit for the year ending 31 December 2026 or 2027 exceeds JPY 10,000 million: 100% exercisable ratio.

(b) If gross profit for the year ending 31 December 2026 exceeds 8,455 million: 33% exercisable

(c) If gross profit for the year ending 31 December 2027 exceeds JPY 9,265 million: 33% exercisable.

In determining gross profit in the above, the amount of the consolidated income statement (or income statement if the Company does not prepare a consolidated income statement) included in the annual securities report for the relevant fiscal year filed by the Company under the Financial Instruments and Exchange Law shall be used to determine gross profit, and any changes in applicable accounting standards or events such as acquisitions that have a significant impact on the Company's results shall be taken into account. If the Board of Directors decides that it is not appropriate to make the determination using the actual figures shown in the consolidated income statement of the Company due to a corporate acquisition or other event that has a significant impact on the Company's results, the Company may, to a reasonable extent, eliminate the impact of such corporate acquisition or other event and adjust the actual figures used in the determination.

(ii) Holders of stock acquisition rights must be directors, senior executive officers, executive officers or employees of the Company or its subsidiaries at the time of exercising their stock acquisition rights. However, this shall not apply in cases where the Board of Directors of the Company recognizes the expiration of the term of office, or other justifiable reasons.

(iii) Heirs of the holders of the stock acquisition rights may not exercise the stock acquisition rights.

(iv) If the total number of shares issued by the Company will exceed the total number of shares authorized to be issued at the time of the exercise of the Stock Acquisition Rights, such Stock Acquisition Rights may not be exercised.

(v) No less than one of each Stock Acquisition Right may be exercised.

4. Date of allotment of stock acquisition rights

May 9, 2024

5. Matters concerning acquisition of stock acquisition rights

- (1) In the event that a general meeting of shareholders approves (or if approval by a general meeting of shareholders is not required, the Board of Directors resolves) a merger agreement whereby the Company becomes a dissolving company, a company split agreement or plan whereby the Company becomes a splitting company, or a share exchange agreement, share issuance plan or share transfer plan whereby the Company becomes a wholly owned subsidiary In the event that the Company's Board of Directors separately determines to acquire all of the Stock Acquisition Rights without consideration, the Company may acquire all of the Stock Acquisition Rights without consideration on a date to be separately determined by the Board of Directors.
- (2) If a stock acquisition right holder becomes unable to exercise these stock acquisition rights pursuant to the provisions set forth in 3. (6) above before exercising his/her rights, the Company may acquire such stock acquisition rights that are no longer exercisable without consideration on a date separately determined by the Board of Directors of the Company.

6. Handling of stock acquisition rights in the event of reorganization

If the Company is to be dissolved in a merger (limited to cases where the Company is dissolved due to a merger), absorption-type demerger, incorporation-type demerger, share exchange or share transfer (collectively, the "Reorganization"). In the event that the Company conducts a merger (limited to cases where the Company is dissolved in a merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (collectively, the "Reorganization"), the Company shall grant stock acquisition rights of a stock company listed in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (the "Reorganized Company") to holders of stock acquisition rights on the effective date of the Reorganization in each case. The subscription rights to shares of the Reorganized Company shall be delivered to the holders of the subscription rights to shares of the Reorganized Company in accordance with the following conditions, respectively. However, this shall be limited to cases where it is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that subscription rights to shares of the Reorganized Company shall be delivered in accordance with the following conditions.

(1) Number of stock acquisition rights of the restructured company to be issued

The same number of stock acquisition rights as the number of stock acquisition rights held by the holders of stock acquisition rights shall be delivered respectively.

(2) Class of shares of the Reorganized Company to be issued upon exercise of stock acquisition rights

The shares shall be common stock of the Reorganized Company.

(3) Number of shares of the Reorganized Company to be issued upon exercise of stock acquisition rights

To be determined in accordance with 3. (1) above, taking into consideration the conditions of the restructuring transaction.

(4) Amount of assets to be contributed upon exercise of stock acquisition rights

The value of assets to be contributed upon the exercise of each stock acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price obtained by adjusting the exercise price determined in 3.(2) above by the number of shares of the Reorganized Company to be issued for the stock acquisition rights as determined in accordance with 6.(3) above, after taking into account the conditions, etc. of the Reorganization. (4) The number of shares of the Reorganized Company to be issued upon exercise of the

stock acquisition rights

(5) Period during which stock acquisition rights may be exercised

From the later of the first day of the exercise period specified in 3. (3) above or the effective date of the Reorganization, to the last day of the exercise period specified in 3. (3) above.

(6) Matters concerning capital stock and capital reserve to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights

To be determined in accordance with 3. (4) above.

(7) Restriction on acquisition of stock acquisition rights by transfer

Restrictions on acquisition by transfer shall require approval by a resolution of the Board of Directors of the Reorganized Company.

(8) Other conditions for exercise of stock acquisition rights

To be determined in accordance with 3. (6) above.

(9) Reasons and conditions 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 the Reorganized Company.

Matters related to stock acquisition right certificates for stock acquisition rights

The Company shall not issue any certificates for these stock acquisition rights.

8. date of payment of cash in exchange for stock acquisition rights

May 9, 2024

9. application due date

May 8, 2024

10. Persons to whom stock acquisition rights are allotted and the number of stock acquisition rights

Two (2) directors of the Company 21,625 rights

Three (3) senior executive officers of the Company 12,975 rights

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