

November 14, 2024

Company name: RAKSUL INC.  
Representative: Yo Nagami  
Representative Director, President & Group CEO  
(TSE Prime Market Code No. 4384)  
Contact: Masaru Sugiyama  
SVP & Group CFO

**Announcement Regarding Issuance of New Shares as Restricted Stock-Based Compensation**

RAKSUL INC. (the “Company”) hereby announces that a resolution was passed to issue new shares as restricted stock-based compensation (hereinafter referred to as the “New Share Issuance”) at the Board of Directors meeting held today. The details are as follows:

1. Overview of the issuance

(1) Allocation Date	December 4, 2024
(2) Class and Number of Shares to be Issued	14,100 common shares of the Company
(3) Expected Allottees	4 directors of the Company (excluding Representative Director and Directors who are Audit & Supervisory Committee members)
(4) Issue Price and Total Amount of Issuance	New Shares Issuance will be provided free of charge as remuneration for directors (Article 202, Paragraph 2 of the Companies Act). A fair value has been calculated based on the amount (17,427,600 yen) obtained by multiplying the closing price (1,236 yen) of the Company’s common stock on the Tokyo Stock Exchange on November 13, 2024, the business day immediately preceding the date of the resolution of the Board of Directors, by the number of shares (14,100 shares) issued above.

2. Purpose and reason for issuance

The Company passed a resolution at the Board of Directors meeting held on September 12, 2019 to introduce a restricted stock-based compensation plan for its eligible directors, excluding directors who are Audit & Supervisory Committee members (hereinafter referred to as the "Plan"). The decision was made in order to provide them with incentives aligned with the sustainable enhancement of its corporate value, with an intent to further enhance their motivation to contribute to increasing its share price and corporate value.

The Company also obtained approval from its shareholders at the 10th General Meeting of Shareholders held on October 17, 2019 and at the 14<sup>th</sup> General Meeting of Shareholders held on October 26, 2023, to set the total amount of monetary receivables or free distribution of shares as remuneration regarding restricted stock-based compensation granted to eligible directors, excluding Audit & Supervisory Committee members, to be up to 500MM yen a year (of which up to 50MM yen granted for outside directors, excluding employee salaries for directors who concurrently serve as employees). Approval was also secured for the stipulation that the maximum amount of restricted stock to be allotted per each fiscal year shall be 266,000 shares (of which 26,000 shares to be allotted for outside directors) for directors who are not members of the Audit & Supervisory Committee, and that the restriction period of the restricted stock shall be a period of three years or more as stipulated by the Board of Directors.

Based on the Plan, the Board of Directors resolution was passed today that 14,100 common shares of the Company shall be granted to 4 eligible directors of the Company (hereinafter referred to as "Allotees") as restricted stock-based compensation for the period between the 15th General Meeting of Shareholders and the 18th General Meeting of Shareholders. The number of restricted stock for each Allotees is determined based on a comprehensive consideration of various matters including the

degree of contribution by Allottees to the Company.

### 3. Overview of the Allotment Agreement

The Company plans to enter into a Restricted Stock Allotment Agreement with the allottee, the contents of which are outlined below.

#### (i) Restriction period

During the period from the date of allotment to December 3, 2027 (hereinafter referred to as the "Restriction Period"), the allottee may not transfer, pledge, grant a security interest in, or make a living donation or bequest to any third party with respect to the restricted transferable shares.

#### (ii) Acquisition of restricted stock without contribution

If an Allottee retires or resigns from any position of director, advisor, or employee of the Company or its affiliated companies before the expiration of the Restriction Period, the Company shall automatically acquire the Allotted Stock without contribution upon such retirement or resignation except if there are reasons deemed legitimate by the Board of Directors. The Company shall also automatically acquire the Allotted Stock without contribution for which the transfer restrictions have not been lifted at the expiration of the Restriction Period (hereinafter referred to as "Restriction Expiration") pursuant to reasons for lifting transfer restrictions stipulated in (iii) below.

#### (iii) Lifting of transfer restrictions

The Company shall lift the transfer restrictions of all the Allotted Stock held by an Allottee upon the expiration, provided that the Allottee has remained in a position of director, advisor or employee of the Company or of its affiliated companies during the entire Restriction Period. If, however, an Allottee retires or resigns from the position of director, advisor, or employee of the Company or its affiliated companies before the expiration of the Restriction Period for reasons deemed legitimate by its Board of Directors, the transfer restrictions shall be lifted as described below. However, in any case, if the retirement or resignation is due to medical treatment, care or nurturing of family members, expiration of term of office, or reaching retirement age, the transfer restrictions shall be lifted immediately after such retirement or resignation. The number of shares for which the transfer restrictions are lifted under this provision shall be calculated by subtracting from the number of shares held by the Allottee, the number obtained by multiplying the number of Allotted Shares by the number of months from December 2024 to and including the month in which the Allottee retires or resigns from all positions as director, advisor, and employee of the Company and its affiliated companies, divided by 36 (however, if the result of the calculation exceeds 1, it shall be 1), and rounding down any fraction less than one share.

1. If the retirement or resignation occurs between the day three months after the end of the fiscal year in which the allotment date falls and the day before the expiration of the Restriction Period:

The transfer restrictions shall be lifted immediately after such retirement or resignation.

2. If the retirement or resignation occurs before the day three months after the end of the fiscal year in which the allotment date falls:

The transfer restrictions shall be lifted on the day three months after the end of the fiscal year in which the allotment date falls.

#### (iv) Provisions on management of shares

Allottees shall open an account with SMBC Nikko Securities Inc. to state or record the Allocated Shares in a way designated by the Company and keep and retain the Allocated Shares in the said account until the transfer restrictions are lifted.

#### (v) Treatment upon organizational restructuring

If, during the Restriction Period, a proposal regarding a merger agreement under which the Company becomes a dissolved company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary,

or any other organizational restructuring is approved at its General Meeting of Shareholders (or approved by its Board of Directors if an approval regarding the aforementioned organizational restructuring at a General Meeting of Shareholders is not required), the transfer restrictions shall be lifted by a resolution of the Board of Directors immediately before the business day preceding the effective date of such organizational restructuring for the number of Allocated Shares calculated by dividing the number of months from December 2024 until the said approval, including the month of the approval, by 36 (if the result is larger than 1, it shall be rounded down) multiplied by the number of Allocated Shares in possession of the eligible director at the time (any fraction less than 1 share shall be rounded down).

In such case, for the shares which restrictions have not been lifted on the business day preceding the effective date of such organizational restructuring, the Company shall automatically acquire the Allotted Stock without contribution.