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Issuance of Stock Options

Pursuant to the provisions of Article 236, Article 238 and Article 239 of the Companies Act, at a meeting of its Board of Directors held on September 25, 2023, Visional, Inc. (the “Company”) has resolved that proposals to request approval for the issuance of stock acquisition rights gratis as stock options to employees of the Company, and Directors, Corporate Auditors, and employees of the Company’s subsidiaries and the entrustment of decisions concerning subscription requirements of those stock acquisition rights to the Board of Directors will be submitted to the Fourth Ordinary General Meeting of Shareholders to be held on October 25, 2023. The details are as follows:

I. Reason for the need to solicit subscribers to stock acquisition rights under particularly favorable terms

The solicitation to employees of the Company and directors, auditors, and employees of the Company’s subsidiaries is for the purpose of acquiring exceptional human resources for the Company group and helping to increase the corporate value of the Company group overall by providing further incentive and motivation to improve the Company group’s performance.

II. Upper limit on the number of stock acquisition rights and the need for monetary payment for which offering terms may be determined based on the authorization by the resolution of the Company’s General Meeting of Shareholders

1. The upper limit for stock acquisition rights for which offering terms may be determined based on this authorization

The upper limit of stock acquisition rights whose details are stipulated in III below shall be 1,500. The upper limit on the number of shares granted with exercise of stock acquisition rights shall be 150,000 shares of common stock of the Company, and if the number of shares granted (defined below) is adjusted as stipulated in III-1 below, the upper limit shall be the number of granted shares after adjustment multiplied by the maximum number of stock acquisition rights stated above.

2. No monetary payment shall be required for stock acquisition rights whose offering terms may be determined based on this authorization.

III. Details of stock acquisition rights whose offering terms may be determined based on the authorization by the resolution of the Company’s General Meeting of Shareholders

1. Class and number of shares granted upon exercise of stock acquisition rights

The class of shares granted upon exercise of stock acquisition rights shall be common stock of the Company, and the number of shares granted upon each exercise of stock acquisition rights (hereinafter referred to as the “Number of Shares Granted”) shall be 100 shares. However, if the Company conducts a stock split of common stock of the Company (including gratis allotment of common stock of the Company; the same applies to stock splits below) or a reverse stock

split of common stock of the Company after the day stock acquisition rights are allotted (hereinafter referred to as the “Allotment Date”), the Number of Shares Granted shall be adjusted with the following formula, and any fraction less than one share resulting from such adjustment shall be disregarded.

$$\begin{array}{l} \text{Number of Shares} \\ \text{Granted after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Number of Shares} \\ \text{Granted before} \\ \text{adjustment} \end{array} \times \text{Ratio of stock split or reverse stock split}$$

If the Company conducts a merger, company split, share exchange, or share transfer (hereinafter referred to collectively as “Merger, etc.”) or it otherwise becomes necessary to adjust the Number of Shares Granted, the Number of Shares Granted may be adjusted within a reasonable scope after the conditions, etc. of the Merger, etc. are considered.

2. Value of property contributed upon exercise of each stock acquisition right

The value of property to be invested when exercising one unit of stock acquisition rights shall be the amount calculated by multiplying the payment amount per share which can be delivered when exercising stock acquisition rights (the “Exercise Price”) to be determined as follows, by the number of shares to be granted. The Exercise Price shall be the average value of closing prices of the Company’s shares on the Tokyo Stock Exchange for each day (excluding days on which no trading was reported) of the month immediately before the month to which the Allotment Date of the stock acquisition rights belongs, with any fractions less than one yen rounded up. However, if the amount obtained is lower than the closing price on the Allotment Date of the stock acquisition rights (if no trading was reported, the closing price on the day immediately before that day), the closing price on the Allotment Date of the stock acquisition rights shall be used as the Exercise Price.

3. Adjustment of the Exercise Price

- (1) If the Company conducts (i) or (ii) below for the Company’s common stock after the Allotment Date, the Exercise Price in each case shall be adjusted by the following formula (the “Exercise Price Adjustment Formula”) and any fractions less than one yen resulting from the adjustment shall be rounded up.

- (i) In the case that the Company conducts a stock split or a reverse stock split

$$\begin{array}{l} \text{Exercise Price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Exercise Price} \\ \text{before adjustment} \end{array} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

- (ii) In the case that the Company issues new shares of the Company’s common stock or disposes of its treasury shares at a price below the market value (excluding a case of issuing new shares by exercising stock acquisition rights) after the Allotment Date of stock acquisition rights, the above Exercise Price shall be adjusted by the following formula and any fractions less than one yen resulting from the adjustment shall be rounded up.

$$\begin{array}{l} \text{Exercise} \\ \text{Price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Exercise} \\ \text{Price} \\ \text{before} \\ \text{adjustment} \end{array} \times \frac{\begin{array}{l} \text{Number} \\ \text{of already} \\ \text{issued} \\ \text{shares} \end{array} + \frac{\begin{array}{l} \text{Number of} \\ \text{newly issued} \\ \text{shares} \end{array} \times \begin{array}{l} \text{Payment amount} \\ \text{per share} \end{array}}{\begin{array}{l} \text{Market value per share} \\ \text{Number of already} \\ \text{issued shares} \end{array} + \begin{array}{l} \text{Number of newly issued} \\ \text{shares} \end{array}}$$

- i. The “market value” used in the above Exercise Price Adjustment Formula shall be the average of the closing prices (including indicative prices; the same applies below) for 30 trading days (excluding days when no trading occurs) beginning 45 trading days prior to the effective date of the adjusted Exercise Price (hereinafter referred to as the “Effective Date”) stipulated in (2) below. The average price is calculated to the first decimal place by rounding the second decimal place of amounts less than one yen.
- ii. The “number of already issued shares” used in the above Exercise Price Adjustment Formula shall be the total number of shares of common stock issued by the Company as of the record date if there is one, or, if not, as of the day one month prior to the Effective Date, less the number of shares of common stock held by the Company as treasury shares.
- iii. If the Company disposes of treasury shares, then “number of newly issued shares” shall be replaced with “number of treasury shares disposed of” in the Exercise Price Adjustment Formula.

(2) The Effective Date of the adjusted Exercise Price shall be determined as follows.

- (i) If adjustment is conducted in accordance with (1)-(i) above, the adjusted Exercise Price, in the case of a stock split, shall take effect on the day following the record date of the stock split (or, if there is no record date, the date the stock split goes into effect), and in the case of a reverse stock split, shall take effect on or after the day the reverse stock split goes into effect. However, if a stock split is conducted on the condition that a proposal to decrease the amount of surplus and increase share capital or legal capital surplus is approved by the Company's General Meeting of Shareholders and the record date for the stock split is prior to the date of the close of the meeting, the adjusted Exercise Price shall be applied retroactively to the day following the record date beginning on the day after the date of the close of meeting. In the case stipulated in the above exception, the number of shares of common stock in the Company issued to holders of stock acquisition rights who exercised those rights between the day after the record date of the stock split and the day of the close of the General Meeting of Shareholders (the number of shares that may be acquired by exercise of the corresponding stock acquisition rights hereinafter referred to as the "Pre-split Number of Shares") shall be adjusted using the following formula, and any fraction less than one share resulting from such adjustment shall be disregarded.

$$\text{Number of shares newly issued} = \frac{(\text{Exercise Price before adjustment} - \text{Exercise Price after adjustment}) \times \text{Pre-split Number of Shares}}{\text{Exercise Price after adjustment}}$$

- (ii) If adjustment is conducted in accordance with (1)-(ii) above, the Exercise Price after adjustment shall take effect beginning the day (if there is a record date, then beginning the day after that date) following the payment date for that issuance or disposal (if a payment period has been specified, then the final day of that period).
- (3) In addition to the cases stipulated in (1)-(i) and (ii) above, if after the Allotment Date a gratis allotment of another class of shares is made to ordinary shareholders, or shares of another company are allocated to ordinary shareholders as stock dividend, and in other such cases where the Exercise Price needs to be adjusted, the Company may adjust the Exercise Price within a reasonable scope upon considering the terms of the allotment or dividend, etc. and other such matters.
- (4) When the Exercise Price is adjusted, the Company shall inform holders of stock acquisition rights of necessary matters, or publicly announce them, by the day prior to the Effective Date. However, if notification or announcement cannot be made by the day prior to the Effective Date, notification or announcement shall be promptly made thereafter.

4. Exercise period for stock acquisition rights

The exercise period shall be from the day on which two years have elapsed after the day on which issuance of stock acquisition rights is resolved through the day on which 10 years have elapsed after the day on which said issuance is resolved.

If the first day of the exercise period falls on a holiday of the Company, the first day shall be the business day following the first day and if the final day of the exercise period falls on a holiday of the Company, the final day shall be the business day immediately before the final day.

5. Conditions for exercise of stock acquisition rights

- (1) A stock acquisition right holder who has lost their position as a director, auditor, or employee of the Company or one of the Company's subsidiaries may not exercise the stock acquisition rights; except where the Company deems that there is any reasonable cause for loss of said positions.
- (2) A stock acquisition rights holder shall be required to be judged by the Company that he/she has not caused any harm to the Company due to his/her default of obligation and/or unlawful acts and the relation of trust between the Company or its subsidiary and the holder is not judged to be lost at the time of his/her exercise of stock acquisition rights.
- (3) Transferring the stock acquisition rights, establishing a pledge or other security interest, or otherwise disposing of the stock acquisition rights is not permitted.
- (4) In the case of death of a stock acquisition right holder, their successor is not permitted to exercise the stock acquisition rights.
- (5) Other conditions for allotment of the stock acquisition rights shall be determined by a contract to be concluded between the Company and the person to whom stock acquisition rights will be allotted, based on resolutions of

the General Meeting of Shareholders and the Board of Directors concerning issuance of stock acquisition rights.

6. Restriction on transfer of stock acquisition rights

Any acquisition of stock acquisition rights by transfer shall require approval of the Board of Directors of the Company.

7. Terms for acquisition of stock acquisition rights

If any of the following events occurs, the Company may acquire the stock acquisition rights gratis; provided that in the case of (1) or (4), the acquisition date shall be separately determined by a resolution of the Company's Board of Directors.

- (1) A proposal to approve a merger contract under which the Company becomes a dissolved company, a proposal to approve a split contract or split plan under which the Company becomes a split company or a proposal to approve a share exchange contract or share transfer plan under which the Company becomes a wholly-owned company has been approved at the Company's General Meeting of Shareholders (or by a resolution of the Company's Board of Directors, if a resolution of the General Meeting of Shareholders is not required).
- (2) A stock acquisition right holder no longer falls under the conditions for the exercise of stock acquisition rights.
- (3) A stock acquisition right holder has waived all or part of the stock acquisition rights in a written form designated by the Company.
- (4) In addition to the preceding paragraphs, the Company's Board of Directors meeting has resolved to acquire all or part of the stock acquisition rights.

8. Treatment in the case of reorganization, etc.

If the Company conducts a merger (limited to the case where the Company is dissolved by merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer (collectively the "Reorganization Activities"), the stock acquisition rights of stock companies as listed in (a) to (e) of Article 236, Paragraph 1, Item 8 of the Companies Act (the "Reorganized Company") shall be delivered, in each of the above cases, to stock acquisition right holders holding the stock acquisition rights remaining at the time immediately before the effective date of the "Reorganization Activities" (the "Remaining Stock Acquisition Rights") in accordance with the following conditions. In this case, the Remaining Stock Acquisition Rights shall be extinguished and the Reorganized Company shall issue new stock acquisition rights; provided that delivery of stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in an absorption-type merger contract, a consolidation-type merger contract, an absorption-type company split contract, an incorporation-type company split plan, a share exchange contract, or a share transfer plan.

- (1) Number of stock acquisition rights of the Reorganized Company to be delivered
The same number of the rights as the stock acquisition rights held by stock acquisition right holders of the Remaining Stock Acquisition Rights shall be delivered respectively.
- (2) Class of shares of the Reorganized Company for the purpose of stock acquisition rights
Shares of common stock of the Reorganized Company.
- (3) Number of shares of the Reorganized Company for the purpose of stock acquisition rights
Determined in accordance with 1 above, taking into account conditions for the Reorganization Activities, etc.
- (4) Value of property invested in exercising stock acquisition rights
The value of property invested in exercising the respective stock acquisition rights to be delivered shall be the amount obtained by multiplying the Exercise Price after a reorganization obtained by adjusting the Exercise Price determined in 2 above by the number of shares of the Reorganized Company for the purpose of such stock acquisition rights determined in accordance with (3) above, taking into account conditions for the Reorganization Activities, etc.
- (5) Period during which stock acquisition rights can be exercised
From the first day of the period during which stock acquisition rights can be exercised stipulated in 4 above or the effective date of the Reorganization Activities, whichever comes later, through the expiration date of the period during which stock acquisition rights can be exercised stipulated in 4 above.
- (6) Matters concerning share capital and legal capital surplus to be increased upon issuance of shares through exercise of stock acquisition rights
It shall be determined in accordance with 9 below.
- (7) Restriction on acquisition of stock acquisition rights by transfer
Any acquisition of stock acquisition rights by transfer shall require the approval of the Reorganized Company.
- (8) Conditions for acquisition of stock acquisition rights
It shall be determined in accordance with 7 above.
- (9) Conditions for exercise of stock acquisition rights
It shall be determined in accordance with 5 above.

9. Amounts of share capital and legal capital surplus to be increased upon issuance of shares through exercise of stock acquisition rights
 - (1) The amount of share capital to be increased upon issuing new shares through the exercise of stock acquisition rights shall be one-half of the maximum amount of an increase in share capital, etc., calculated pursuant to Article 17, paragraph 1 of the Rules of Corporate Accounting and any fractions less than one yen resulting from the calculation shall be rounded up.
 - (2) The amount of legal capital surplus to be increased upon issuing new shares through the exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of share capital to be increased set forth in (1) above from the maximum amount of an increase in share capital, etc., as stated in (1) above.

10. Other details

Other matters related to stock acquisition rights shall be stipulated by resolution of the Company's Board of Directors at its meeting convened separately.

End