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July 25, 2023

To whom it may concern

Company name: JMDC Inc.
Representative: Ryo Noguchi,
President and CEO
(TSE Prime Market, Stock Code: 4483)
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Notice of Issuance of Share Subscription Rights (Stock Options Offered for Value)

JMDC Inc. (the "Company") announces that at the meeting of the Board of Directors held on July 25, 2023, its Board of Directors resolved to issue share subscription rights to its directors, executive officers and employees as well as directors and employees of its subsidiaries in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act as specified below. This project will be implemented without the approval of the General Meeting of Shareholders because share subscription rights will be issued to subscribers for value at a fair price, rather than under particularly favorable conditions. Share subscription rights will not be offered as remuneration for eligible persons, but to those who will subscribe to such rights according to their own investment decisions.

I. Objectives of and reasons for offering share subscription rights

To “Realize a Sustainable Healthcare System with the Power of Data and ICT,” the JMDC Group is accelerating its business expansion with a business model that involves building data infrastructure by providing services in the field of healthcare for improving health and increasing healthcare efficiency, and using the data to evolve its service content. The utilization of digital technologies in the healthcare sector is increasing, driven by the spread of COVID-19. This change in the environment provides opportunities for the JMDC Group to expand its services and make business investments to accumulate data. The JMDC Group aims to seize these opportunities that are growing exponentially and build momentum to raise its business stage by several levels.

Amid these circumstances, the Company believes that retaining and attracting competent people in and outside the JMDC Group and further boosting their motivation and morale are essential for expanding its business into new areas beyond existing ones and increase profits through this

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expansion. To this end, the Company has decided to issue share subscription rights for value to its directors, executive officers and employees as well as directors and employees of its subsidiaries

The total increase in the number of the Company's Common shares upon the exercise of all share subscription rights represents 1.04% of the total number of issued shares as of the end of June 2023. However, the share subscription rights can only be exercised on the condition that a pre-determined performance goal has been achieved, so the Company recognizes that the issuance of these rights will contribute to the attainment of its medium-term goals, thereby helping to enhance its corporate value and shareholder value. For this reason, it also recognizes that the issuance of these rights will contribute to the interests of existing shareholders from a medium- to long-term perspective and that its effects on the dilution of its shares are reasonable.

II. Procedures for the issuance of share subscription rights

1. Number of share subscription rights

6,520

The total number of common shares of the Company to be delivered upon the exercise of the share subscription rights is 652,000. If the number of shares granted for share subscription rights is adjusted as specified in Section 3.(1) below, the total number of shares to be delivered upon the exercise of share subscription rights shall be adjusted to the number obtained by multiplying the number of shares granted after adjustment by the number of share subscription rights.

2. Amount to be paid in exchange for share subscription rights

The issue price of one share subscription right shall be 1,000 yen. The amount was determined by referring to the results of the calculation that PLUTUS CONSULTING Co., Ltd., a third-party evaluation institution, obtained using Monte Carlo simulations, a commonly-used option pricing model, based on factors such as the Company's share price information.

3. Details of share subscription rights

(1) Type and number of shares to be delivered upon the exercise of share subscription rights

The number of the Company's common shares to be delivered upon the exercise of one share subscription right (the "Number of Shares Granted") shall be 100.

The Number of Shares Granted shall be adjusted using the formula indicated below if the Company splits or combines its shares (including any allotment of the Company's common shares without contribution; the same applies hereinafter) after the allotment date of the share subscription rights. However, such adjustment shall be made only for the number of shares underlying the share subscription rights that remain unexercised at the time of the share split or combination, and any fractions of one share resulting from the adjustment shall be rounded down.

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Number of Shares Granted after adjustment = Number of Shares Granted before adjustment × Split (or combination) ratio

If the Company effects a merger with another company, a company split, a reduction in share capital, or otherwise needs to adjust the Number of Shares Granted in cases similar to these after the allotment date of share subscription rights, the adjustment shall be made properly within a reasonable range.

(2) Value of the property to be contributed upon the exercise of share subscription rights or the method of calculating the value

The value of the property to be contributed upon the exercise of share subscription rights shall be the amount obtained by multiplying the amount paid per share (the "Exercise Price") by the Number of Shares Granted.

The Exercise Price shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the allotment date of the share subscription rights (or the closing price of the immediately preceding trading day if no trading has been effected).

If the Company splits or combines its shares after the allotment date of share subscription rights, the Exercise Price shall be adjusted using the formula shown below, and any fractions of one yen resulting from the adjustment shall be rounded up.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Split (or combination) ratio}}$$

If the Company issues new common shares or disposes of its treasury stock at a price lower than the market price (excluding the issuance of new shares and disposal of treasury stock based on the exercise of share subscription rights, and transfer of treasury stock due to share exchange) after the allotment date of share subscription rights, the Exercise Price shall be adjusted using the formula shown below, and any fractions of one yen resulting from the adjustment shall be rounded up.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Number of already issued shares} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Market price per share before new issuance}}}{\text{Number of already issued shares} + \text{Number of newly issued shares}}$$

In the formula shown above, the number of already issued shares refers to the number obtained by deducting the number of common shares held as treasury stock from the total number of issued common shares; and if the Company’s common shares held in treasury are disposed of, the number of newly issued shares shall be replaced by the number of disposed treasury shares.

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In addition to the case cited above, if the Company effects a merger with another company, a company split, a reduction in share capital, or otherwise needs to adjust the Exercise Price in cases similar to these after the allotment date of share subscription rights, the Company may adjust the Exercise Price properly within a reasonable range.

(3) Period during which share subscription rights may be exercised

The period during which the share subscription rights may be exercised (the "Exercise Period") shall be from July 1, 2026 to July 31, 2032.

(4) Matters related to the increase in share capital and capital reserve

1) The amount of increase in share capital when new shares are issued upon the exercise of share subscription rights shall be half the maximum amount of increase in share capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting. Any fractions of one yen resulting from the calculation shall be rounded up.

2) The amount of increase in capital reserve when new shares are issued upon the exercise of share subscription rights shall be the amount obtained by deducting the amount of increase in share capital provided in 1) above from the maximum amount of increase in share capital, etc. stated in 1) above.

(5) Restrictions on acquisition of share subscription rights through transfer

Any acquisition of share subscription rights through transfer shall require approval based on a resolution of the Company's Board of Directors.

(6) Conditions for exercising share subscription rights

1) Persons who have been allotted share subscription rights ("Holders of Share Subscription Rights") may exercise them only if the condition specified below is met.

A The Company's consolidated EBITDA exceeds 15 billion yen in any of the four business years between the business year ending March 2026 and the business year ending March 2029. (“Consolidated EBITDA” refers to the amount obtained by deducting the amount of "other income" from, and adding the amount of "other expenses" to, the amount of "operating profit" stated in the consolidated statement of income contained in the annual securities report or audited financial statements, plus the amount of "depreciation and amortization" stated in the consolidated statement of cash flows.)

2) Holders of Share Subscription Rights are not required to be a director, executive officer, or employee of the Company or its subsidiary at the time when the condition specified in Section 3.(6)1) above for share subscription rights is met or when they exercise share subscription rights. However, if Holders of Share Subscription Rights are not a director, executive officer, or employee of the Company or its subsidiary for a certain period of time between August 10, 2023 and March 31, 2025, or if the Company's Board of Directors deems it inappropriate for them to own such rights,

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including cases in which they are removed from office or subjected to disciplinary dismissal, they shall not be able to exercise their share subscription rights.

3) In case of succession with respect to a Holder of Share Subscription Rights, the legal heir of the Holder of Share Subscription Rights may exercise the share subscription rights held by the Holder of Share Subscription Rights during the Exercise Period (however, if there are two or more such legal heirs, only one person who is specified to acquire the share subscription rights according to the partition of the estate or by agreement of all the legal heirs may exercise the rights).

4) If the exercise of share subscription rights causes the total number of issued shares of the Company to exceed the number of its authorized shares at the time of the exercise, those share subscription rights may not be exercised.

5) Fractions of one share subscription right may not be exercised.

4. Allotment date of share subscription rights

August 10, 2023

5. Matters related to the acquisition of share subscription rights

(1) If a merger agreement under which the Company becomes a defunct company, an agreement or plan for a company split under which the Company becomes a split company, or a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved by the General Meeting of Shareholders (or by resolution of the Board of Directors if the approval of the General Meeting of Shareholders is not required), the Company may acquire all of the share subscription rights free of charge upon arrival of the day separately specified by its Board of Directors arrives.

(2) If a Holder of Share Subscription Rights becomes unable to exercise the share subscription rights in accordance with the provisions of Section 3.(6) above before exercising them, the Company may acquire them free of charge.

6. Handling of share subscription rights in case of organizational restructuring

If the Company merges with another company (limited to the case in which it becomes defunct through the merger), undergoes an absorption- or incorporation-type split, or conducts a share exchange or transfer (collectively referred to as "Organizational Restructuring"), the share subscription rights of relevant stock companies listed in (a) through (e) of Article 236, Paragraph 1, Item 8 of the Companies Act shall be respectively delivered to Holders of Share Subscription Rights under the conditions set forth below on the effective date of the Organizational Restructuring. However, this applies only if the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement, or share transfer plan stipulates that share subscription rights for the relevant stock company shall be issued under the conditions set forth below.

(1) The number of share subscription rights of the relevant stock company to be delivered

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The same number of share subscription rights as those owned by Holders of Share Subscription Rights shall be issued.

(2) Type of shares of the relevant stock company to be delivered upon the exercise of share subscription rights

The type of shares shall be common shares in the relevant stock company.

(3) Number of shares of the relevant stock company to be delivered upon the exercise of share subscription rights

The number shall be determined in accordance with Section 3.(1) above while taking into account the conditions of the Organizational Restructuring.

(4) Value of the property to be contributed upon the exercise of share subscription rights

The value of the property to be contributed upon the exercise of share subscription rights shall be the amount obtained by multiplying the post-restructuring Exercise Price, which is obtained by adjusting the Exercise Price specified in Section 3.(2) above in consideration of factors such as the conditions of the Organizational Restructuring, by the number of shares in the relevant stock company to be delivered upon the exercise of share subscription rights, as determined under Section 6.(3) above.

(5) Period during which share subscription rights may be exercised

The period shall be from the first day of the Exercise Period stipulated in Section 3.(3) above or the effective date of the Organizational Restructuring, whichever comes later, until the last day of the Exercise Period stipulated in Section 3.(3) above.

(6) Matters related to the increase in share capital and capital reserve when new shares are issued upon the exercise of share subscription rights

These matters shall be determined in accordance with Section 3.(4) above.

(7) Restrictions on acquiring share subscription rights through transfer

Restrictions on acquiring share subscription rights through transfer shall be that the acquisition shall require approval based on a resolution of the Board of Directors of the relevant stock company.

(8) Other conditions for exercising share subscription rights

These conditions shall be determined in accordance with Section 3.(6) above.

(9) Reasons and conditions for obtaining share subscription rights

These reasons and conditions shall be determined in accordance with Section 5. above.

(10) Other conditions shall be determined according to the conditions set by the relevant stock company.

7. Matters related to certificates for share subscription rights

The Company shall not issue certificates for the share subscription rights.

8. Date of payment to be made in exchange for share subscription rights

August 10, 2023

9. Persons eligible to the allotment of share subscription rights and their number

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6,520 share subscription rights for 55 directors, executive officers and employees of the Company as well as directors and employees of the Company's subsidiaries.

The numbers mentioned above indicate the upper limits, and the numbers of persons who have actually been allotted share subscription rights and the number of share subscription rights that are actually allotted may decrease depending on factors such as the state of applications for the subscription to such rights.