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News Release
S-POOL

April 11, 2025

To whom it may concern:

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# S-Pool Issues Share Options for Subscription (Paid Stock Options)

S-Pool hereby announces that, at the Board of Directors meeting held on April 11, 2025, a resolution was passed regarding the issuance of share acquisition rights to Executive Directors and employees of S-Pool and to employees of its subsidiaries, pursuant to Articles 236, 238, and 240 of the Companies Act, as described below. Since the share acquisition rights will be issued to the grantees for a fee at a fair price and without advantageous terms, the issuance will be conducted without obtaining approval at a General Meeting of Shareholders. In addition, the share acquisition rights will not be issued as compensation to the grantees, but will be subscribed for based on the individual investment decisions of each grantee.

## I. Purpose and reasons for offering the share options

We will issue the share acquisition rights to Executive Directors and employees of S-Pool and employees of its subsidiaries for a fee in order to further increase their motivation and morale and to further enhance our solidarity as we aim to expand business performance and increase our corporate value over the medium to long term.

The total number of shares of our ordinary shares that would increase if all of the share acquisition rights were exercised would be equivalent to 1.65% of the total number of issued shares. However, the share acquisition rights are conditioned on the achievement of pre-determined performance targets, and we consider that the achievement of such targets will contribute to the enhancement of our corporate value and shareholder value. Therefore, we believe that the issuance of the share acquisition rights will contribute to the interests of our existing shareholders and that the impact of the issuance of the share acquisition rights on share dilution is reasonable.

## II. Outline of issuance of the share acquisition rights

### 1. Number of share acquisition rights

13,000

The total number of shares that may be delivered upon the exercise of the share acquisition rights shall be 1,300,000 shares of our ordinary shares. In the event of any adjustment to the number of shares granted per share acquisition right as stipulated in 3. (1) below, the total number of shares to be delivered shall be calculated by multiplying the adjusted number of shares per share acquisition right to be granted by the total number of the share acquisition rights issued.

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

The issue price per share acquisition right shall be set at 100 yen.

This amount was determined with reference to the results of a valuation conducted by PLUTUS CONSULTING Co., Ltd., an independent third-party valuation firm, using a Monte Carlo simulation model, a commonly used method for option pricing, based on factors including our stock price information.

3. Details of share acquisition rights

(1) Class and number of shares to be issued upon exercise of share acquisition rights

The number of shares to be issued upon exercise of each share acquisition right (hereinafter, the "Number of Granted Shares") shall be 100 shares of our ordinary shares.

The Number of Granted Shares shall be adjusted in accordance with the following formula if we conduct a stock split (including gratis allotment of shares of our ordinary shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the share acquisition rights. However, such adjustment shall be made only with respect to the number of shares to be issued upon exercise of the share 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.

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

In the event that we conduct a merger, a corporate split, or a reduction in the amount of share capital after the allotment data of the share acquisition right, or if the Number of Granted Shares needs to be adjusted in accordance with these cases, the Number of Granted Shares shall be adjusted appropriately to the extent reasonable.

(2) Value of assets to be contributed upon exercise of share acquisition rights or its calculation method

The value of assets to be contributed upon exercise of the share acquisition rights shall be the amount to be paid per share (hereinafter the "Exercise Price") multiplied by the Number of Granted Shares.

The Exercise Price shall be 285 yen.

If we conduct a stock split or reverse stock split after the allotment date of the share acquisition rights, the Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than one yen resulting from such adjustment shall be rounded up to the nearest one yen.

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

Furthermore, if, after the allotment date of the share acquisition rights, we issue new shares or dispose of treasury shares at a price below the market value of our ordinary shares (excluding cases where we issue new shares or dispose of treasury shares based on the exercise of share acquisition rights or transfer treasury shares through a share exchange), the Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than one yen resulting from such adjustment shall be rounded up to the nearest one yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of shares already issued} \times \text{Paid-in amount per share}}{\text{Market value per share before new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

In the above formula, the "Number of shares already issued" shall be the number obtained by deducting the number of treasury shares of our ordinary shares from the total number of issued shares of our ordinary shares, and in the case of disposal of treasury shares of our ordinary shares, "Number of newly issued shares" shall be read as "number of treasury shares to be disposed of."

In addition to the above, if we merge with another company, conduct a corporate split, or need to adjust the Exercise Price in accordance with such other cases after the allotment date of the share acquisition rights, we may appropriately adjust the Exercise Price to a reasonable extent.

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

The period during which the share acquisition rights may be exercised (the "Exercise Period") shall be from March 1, 2029 to February 29, 2032.

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

a) The amount of share capital to be increased in the event of the issuance of shares upon the exercise of the share acquisition rights shall be half of the maximum amount of increase in share capital, etc., as calculated pursuant to Article 17, Paragraph 1 of the Regulation on Corporate Accounting. Any fraction of less than one yen resulting from such calculation shall be rounded up to the nearest one yen.

b) The amount of capital reserve to be increased in the event of the issuance of shares upon the exercise of the share acquisition rights shall be the amount obtained by subtracting the amount of share capital to be increased as set forth in a) above from the maximum amount of increase in share capital, etc., as set forth in a) above.

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

Acquisition of share acquisition rights by transfer shall require approval by a resolution of our Board of Directors.

(6) Conditions for exercise of share acquisition rights

a) In the event that the operating profit in the consolidated statements of income (if the consolidated statements of income is not prepared, the non-consolidated statements of income; the same shall apply hereinafter) stated in the annual securities report for any of the fiscal years ending November 30, 2028 or November 30, 2029 exceeds the amounts set forth in (i) through (ii) below, the person to whom the share acquisition rights are allotted (the "Share Acquisition Rights Holder") may exercise the number of share acquisition rights allotted to each of the Share Acquisition Rights Holders up to the respective specified percentage (the "Exercisable Percentage").

(i) In excess of 4,000 million yen

The Exercisable Percentage: Up to 50% of the allotted share acquisition rights

(ii) In excess of 4,500 million yen

The Exercisable Percentage: Up to 100% of the allotted share acquisition rights

b) The Share Acquisition Rights Holders shall be required to continuously be a Director, Auditor, or employee of S-Pool, or its affiliates from the allotment date to November 30, 2027. However, this shall not apply in the event of retirement from office due to expiration of term of office, mandatory retirement age, or when the Board of Directors recognizes other justifiable reasons.

c) The exercise of the share acquisition rights by the heirs of the Share Acquisition Rights Holders shall not be permitted.

d) If the exercise of the share acquisition rights would cause the total number of issued shares to exceed the total number of authorized shares at that time, such share acquisition rights may not be exercised.

e) The exercise of less than one share acquisition right shall not be permitted.

4. Allotment date of share acquisition rights

April 30, 2025

5. Matters concerning acquisition of share 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 we become a dissolving company, a company split agreement or company split plan whereby we become a splitting company, or share exchange agreement or share transfer plan whereby we become a wholly owned subsidiary, we may acquire all of the share acquisition rights without consideration when the date separately determined by the Board of Directors arrives.

(2) If the Share Acquisition Rights Holders are unable to exercise the share acquisition rights pursuant to the rules set forth in 3. (6) above before exercising the share acquisition rights, we may acquire the share acquisition rights without consideration.

6. Handling of share acquisition rights in the event of organizational restructuring

In the event that we conduct a merger (limited to cases where we cease to exist as a result of the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (collectively, the "Organizational Restructuring"), we may, on the effective date of the Organizational Restructuring, deliver share acquisition rights of the stock company (the "Company Subject to Reorganization") listed in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act to the Share Acquisition Rights Holders in each case under the following conditions. Provided, however, that this shall be limited to cases where it is provided in an 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 share acquisition rights of the Company Subject to Reorganization shall be delivered in accordance with the following conditions.

(1) Number of share acquisition rights of the Company Subject to Reorganization to be issued

The same number of share acquisition rights as the number of share acquisition rights held by the Share Acquisition Rights Holders shall be delivered respectively.

(2) Class of shares of the Company Subject to Reorganization to be issued upon exercise of share acquisition rights

The class of shares to be issued upon the exercise of share acquisition rights shall be ordinary shares of the Company Subject to Reorganization.

(3) Number of shares of the Company Subject to Reorganization to be issued upon exercise of share acquisition rights

The number of shares of the Company Subject to Reorganization to be issued upon exercise of share acquisition rights shall be determined in accordance with 3. (1) above, taking into consideration the conditions of the Organizational Restructuring.

(4) Value of assets to be contributed upon exercise of share acquisition rights

The value of assets to be contributed upon exercise of each share acquisition right to be delivered 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 Company Subject to Reorganization to be issued upon exercise of such share acquisition rights determined in accordance with 6. (3) above, after taking into consideration the conditions, etc. of the Organizational Restructuring.

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

The period during which the share acquisition rights may be exercised shall be from the later date of either the first day of the Exercise Period specified in 3. (3) above or the effective date of the Organizational Restructuring, until the last day of the Exercise Period specified in 3. (3) above.

(6) Matters concerning share capital and capital reserve to be increased when shares are issued due to the exercise of share acquisition rights

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

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

Acquisition of share acquisition rights by transfer shall require approval by a resolution of the Board of Directors of the Company Subject to Reorganization.

(8) Other conditions for exercise of share acquisition rights

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

(9) Reasons and conditions for acquisition of share acquisition rights

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

(10) Other conditions shall be determined in accordance with the conditions of the Company Subject to Reorganization.

7. Matters concerning share acquisition right certificates for share acquisition rights

We shall not issue certificates for the share acquisition rights.

8. Payment date for payment of money in exchange for share acquisition rights

April 30, 2025

9. Application deadline

April 22, 2025

10. Allottees and number of share acquisition rights

| | | |
|---|---|---|
| Executive Directors of S-Pool | 3 | 1,500 |
| Employees of S-Pool | 9 | 3,500 |
| Employees of S-Pool’s subsidiaries | 26 | 8,000 |

End