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May 7, 2025
HENNGE K.K.
(Securities Code: 4475, TSE Growth)

Notice Regarding Issuance of Stock Options (Stock Acquisition Rights)

HENNGE K.K. (hereinafter the "Company") announces that the Board of Directors resolved today to issue stock acquisition rights as stated below (hereinafter the "Stock Acquisition Rights") to employees of the Company and the Company's subsidiary pursuant to the provisions of Articles 236, 238, and 240 of the Companies Act.

I. The Reasons for Issuance of Stock Acquisition Rights
Stock Acquisition Rights will be issued to give an incentive aiming at promoting long-term business growth and enhancing enterprise value as well as aligning the values with those of shareholders.

II. Guidelines on Issuance of Stock Acquisition Rights

1. The name of Stock Acquisition Rights
HENNGE K.K. the 7th Series of Stock Acquisition Rights

2. Number of Stock Acquisition Rights
3,007 units
The total number of shares that may be delivered upon exercise of Stock Acquisition Rights shall be 300,700 shares of the Company's common stock. If the number of shares underlying 1 Stock Acquisition Right is adjusted in accordance with 4. below, the total number of Stock Acquisition Rights shall be obtained by multiplying the adjusted number of shares underlying 1 Stock Acquisition Right by the number of Stock Acquisition Rights above.
The above total number of the Stock Acquisition Rights allocated is an expected amount, and if the total number of the Stock Acquisition Rights to be allocated is decreased, such as when no Stock Acquisition Rights has been subscribed for, the total number of the Stock Acquisition Rights to be allotted shall be the total number of the Stock Acquisition Rights to be issued.

3. Amount of payment for Stock Acquisition Rights
No cash payment is required for the Stock Acquisition Rights.

4. Class and number of shares underlying Stock Acquisition Rights
The class of shares that may be delivered upon exercise of the Stock Acquisition Rights shall be common stock of the Company, and the number of shares that may be delivered (hereinafter the "Number of Granted Shares") per 1 Stock Acquisition Right shall be 100 shares.
However, if the Company splits or consolidates shares of its common stock, or allots the common stock of the Company without consideration (hereinafter collectively "Stock Split, etc.") after the date on which the proposal was resolved (hereinafter the "Resolution Date"), the Number of Granted Shares shall be adjusted by the following

formula and fractions less than 1 share arising as a result of such adjustment shall be rounded off.

Adjusted Number of Shares Granted

=Number of Shares Granted before adjustment × Ratio of Stock Split, etc.

The provisions of 6. (2) A. shall apply mutatis mutandis to the date on which the said Number of Granted Shares after adjustment shall be applied.

If, after the Resolution Date, the Company's shares are subject to a merger or corporate split, or if it is necessary to adjust the Number of Granted Shares in accordance with other such cases, the Company may adjust the Number of Granted Shares to a reasonable extent. In the event that the Company changes the number of shares to constitute 1 unit of shares of the Company's common stock (excluding cases involving a Stock Split, etc.; the same shall apply hereinafter with respect to changes in the number of shares constituting 1 unit of shares) after the Resolution Date, the Company may reasonably adjust the Number of Granted Shares in accordance with the ratio of such change in the number of shares to constitute 1 unit of shares for the Stock Acquisition Rights whose issuance is resolved by the Board of Directors on and after the effective date of such change in the number of shares to constitute 1 unit of shares.

When adjusting the Number of Granted Shares, the Company shall notify each holder of the Stock Acquisition Rights set forth in the Stock Acquisition Rights register (hereinafter the "Stock Acquisition Rights Holder") or give public notice of necessary matters by the date immediately preceding the application date of the Number of Granted Shares after adjustment. However, if the Company is unable to notify the Stock Acquisition Rights Holders or give public notice thereof by the date immediately preceding the application date, the Company shall notify the Stock Acquisition Rights Holders or give public notice thereof promptly thereafter.

5. Value of the assets to be contributed upon exercise of Stock Acquisition Rights

The value of the assets to be contributed upon exercise of each Stock Acquisition Right shall be the amount obtained by multiplying the amount to be paid-in for 1 share to be delivered by exercising such Stock Acquisition Rights (hereinafter the "Exercise Price") by the Number of Granted Shares.

The Exercise Price shall be the higher of the price obtained either the average closing price (hereinafter the "Closing Price") in ordinary trading of the Company's shares of common stock on the Tokyo Stock Exchange for each day (excluding any day on which no trade is executed) of the month preceding the month in which the day that the Stock Acquisition Rights were allotted (hereinafter the "Allotment Date") (any fraction less than 1 Japanese yen shall be rounded up) or the Closing Price of the Allotment Date (or the Closing Price immediately preceding trading day when there is no Closing Price.) However, the Exercise Price shall be subject to adjustment as set forth in 6. below.

6. Adjustment of Exercise Price

(1) If the Company takes any actions shown in A. or B. below with respect to the common stock of the Company after the Allotment Date, the Company shall adjust the Exercise Price by using the corresponding formula (hereinafter the "Exercise Price Adjustment Formula") set forth below. Any fraction less than 1 Japanese yen resulting from the adjustment shall be rounded up:

A. Stock split or reverse stock split

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Split or reverse split ratio}}$$

B. Issuance of new shares of disposal of treasury shares at a price lower than the market price (excludes sales of treasury shares pursuant to the provision of Article 194 of the Companies Act (Demand for the sale of shares less than 1 unit by a holder of shares less than 1 unit), conversion of securities convertible into the Company's common stock or convertible securities, or exercise of the Stock Acquisition Rights (including those attached to bonds with the Stock Acquisition Rights) that may demand delivery of the Company's common stock.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of new shares to be issued} \times \text{Amount to be paid-in per share}}{\text{Market price per share}}}{\text{Number of issued shares} + \text{Number of new shares to be issued}}$$

i. The "Market price" in the abovementioned Exercise Price Adjustment Formula shall be the average price of Closing Price (including indicative prices; hereinafter the same shall apply) of ordinary trading of shares of common stocks of the Company on a financial instruments exchange (if the shares of common stock of the Company are listed on two or more financial instruments exchanges, the main financial instruments exchange considered to be the most appropriate by taking into account the trading volume and the ratio of the pricing, etc. of the shares of common stock of the Company for the period specified in this sub-item) for a period of 30 trading days (excluding days with no Closing Price) commencing on the 45th trading day prior to the application date of the Exercise Price after adjustment. The average price shall be calculated to two decimal places and rounded to one decimal place.

ii. The "Number of issued shares" in the abovementioned Exercise Price Adjustment Formula shall be the total number of issued shares of common stock of the Company as of the date one month prior to the application date if no record date is prescribed, or as of the record date if any, less the number of treasury shares of common stock of the Company.

iii. In the case of disposal of treasury shares, the "Number of new shares to be issued" shall be read as the "Number of treasury shares to be disposed of."

(2) The date on which the Exercise Price after adjustment shall be applied will be as prescribed below.

A. When adjustment is made pursuant to (1) A. above, the Exercise Price after adjustment shall be applied, in the case of a stock split, on and after the day following the record date of such stock split (or, if no record date is set, on and after the effective date of such stock split), and in the case of reverse stock split, on and after the effective date of such reverse stock split. However, if a stock split is made based on the condition that a proposal to increase share capital or capital surplus by reducing the amount of retained earnings is approved at the General Meeting of the Shareholders, and the record for the stock split is set at the date prior to the conclusion of such General Meeting of the Shareholders, the Exercise Price after adjustment shall apply on and after the day following the date of the conclusion of such General Meeting of the Shareholders and retroactively applied from the day following such record date.

In the case provided for in the proviso above, the number of shares of common stock of the Company to be issued to the Stock Acquisition Rights Holders who have exercised their Stock Acquisition Rights (the number of shares to be issued upon exercise of such Stock Acquisition Rights shall hereinafter be referred to as the "Number of Shares Exercised Prior to the Stock Split") from the day following the record date for the stock split to the closing date of the General Meeting of the Shareholders shall be adjusted according to the following formula. Any fraction of less than 1 share resulting from the adjustment shall be rounded down.

$$\text{Number of new shares issued} = \frac{(\text{Exercise Price before adjustment} - \text{Exercise Price after adjustment}) \times \text{Number of Shares Exercised Prior to the Stock Split}}{\text{Exercise Price after adjustment}}$$

B. In the case of adjustment in accordance with (1) B. above, the Exercise Price after adjustment shall be applied on the date following the payment date or after (or, if a payment period is set, the last day of the payment period) for the relevant issuance or disposal (or if there is a record date, on the day following such record date or after.)

(3) In addition to the cases set forth in (1) A. and B. above or if it is appropriate to adjust the Exercise Price after the Allotment Date, such as in the case of gratis allotment of other class shares to common shareholders or a dividend distribution of shares of other companies to common shareholders, the Exercise Price may be adjusted within a reasonable range after considering the conditions of such allotment or dividend, etc.

(4) When adjusting the Exercise Price, the Company shall give notice or make a public notice of the necessary matters to the Stock Acquisition Rights Holders by the day before the date of application. However, if the Company is unable to give such notice or public notice by the day before the date of application, it shall give notice or make a public notice promptly thereafter.

7. Period during which Stock Acquisition Rights may be exercised
Period during which Stock Acquisition Rights may be exercised is from May 8, 2028 to December 31, 2031.

8. Matters concerning increase in share capital and capital surplus by issuing of shares upon exercise of Stock Acquisition Rights

(1) Amount of increase in share capital by issuing shares upon exercise of the Stock Acquisition Rights will be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, where any resultant fraction less than 1 Japanese yen will be rounded up.

(2) Amount of increase in capital surplus by issuing shares upon exercise of the Stock Acquisition Rights will be the upper limit of capital increase as described in (1) above minus the amount of increase in share capital set out therein.

9. Restriction on acquisition of Stock Acquisition Rights through transfer
Acquiring the Stock Acquisition Rights through transfer shall require the approval by resolution of the Company's Board of Directors.

10. Conditions for acquisition of Stock Acquisition Rights
The Company may acquire a part or all of the Stock Acquisition Rights on a date separately prescribed by the Board of Directors of the Company without any consideration if any of the proposals listed in item (1), (2), (3), (4), (5) or (6) below is approved at the General Meeting of the Shareholders of the Company (if no resolution at a shareholders meeting is required, when the matter has been resolved by the Company's Board of Directors.)

(1) a proposal for approval of a merger agreement pursuant to which the Company will become an absorbed company;
(2) a proposal for approval of a corporate split agreement or corporate split plan pursuant to which the Company will become a splitting company;
(3) a proposal for approval of a share exchange agreement or a share transfer plan pursuant to which the Company will become a wholly-owned subsidiary;
(4) a proposal for approval of a share delivery plan pursuant to which the Company will become a wholly-owned subsidiary;
(5) a proposal for approval of an amendment to the Article of Incorporation of the Company to provide that the acquisition by transfer of all classes of shares issued by the Company is subject to the Company; or
(6) a proposal for approval of an amendment to the Article of Incorporation of the Company to provide that the acquisition by transfer of the shares covered by the Stock Acquisition Rights is subject to the approval of the Company, or that all of the shares of such class may be acquired by the Company by a resolution of a shareholders meeting of the Company.

In addition to the above, the Company may acquire a part or all of such Stock Acquisition Rights without any compensation in the event that the Stock Acquisition Rights become exercisable pursuant to the provisions of 11. below.

11. Conditions for exercising Stock Acquisition Rights

(1) The Stock Acquisition Right Holder must be a director, company auditor, executive officer, executive managing officer or employee of the Company or a subsidiary of the Company at the time of exercise of the Stock Acquisition Rights.

(2) Regardless of (1) above, the Stock Acquisition Rights Holder may not exercise the Stock Acquisition Rights if the person meets any conditions below.

1. In the case that the Stock Acquisition Rights Holder is not in the position of director, auditor, executive officer, corporate officer, or employee of the Company or its subsidiary during the period from the allotment date to the time of the exercising the Stock Acquisition Rights. However, this shall not apply in cases where the Board of Directors of the Company deems that there is a justifiable reason, such as secondment, retirement due to the expiration of term of office, or mandatory retirement age.
2. In the case that the Stock Acquisition Rights Holder is sentenced to imprisonment or a severer penalty.
3. In the case that the Stock Acquisition Rights Holder is filed with a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings or other similar proceedings.
4. In the case that the Stock Acquisition Rights Holder is subject to a petition for seizure, provisional seizure, provisional disposition, compulsory execution, or auction, or is in arrears with respect to taxes and public dues.
5. In the case that the Stock Acquisition Rights Holder carries out any violation of laws or internal rules of the Company or its subsidiary, or an act regarded as discreditable to the Company or its subsidiaries.
6. In the case that the Stock Acquisition Rights Holder causes damage or threat of damage to the Company or its subsidiary.

(3) Stock Acquisition Rights constituting less than 1 unit may not be exercised.

(4) Heirs of a Stock Acquisition Rights Holder may not exercise the Stock Acquisition Rights.

12. Decision policy of extinguishment of Stock Acquisition Rights and delivery of Stock Acquisition Rights of the Reorganized Company in case of reorganization

In the event that the Company has carried out a merger (limited to a case where the Company will be extinguished as a result of the merger), absorption-type company split or incorporation-type company split (limited to a case where the Company will be a splitting company), share exchange or share transfer (limited to a case where the Company will be a wholly owned subsidiary) (hereinafter, collectively referred to as "Reorganization"), the Stock Acquisition Rights on the date when the company that falls under any of sub-items (a) to (e) in Item 8, Paragraph 1, Article 236 of the Companies Act (hereinafter the "Reorganized Company") shall be delivered to a holder of remaining Stock Acquisition Rights (hereinafter the "Remaining Stock Acquisition Rights") on the date when the Corporate Reorganization comes into effect (on the effective date of absorption merger in the case of absorption-type merger, on the establishment date of the consolidation-type merged company in the case of consolidation-type merger, on the effective date of the effective date of the

stock transfer and the same applied for other Reorganization), in accordance with the terms and conditions set out below. In such case, Remaining Stock Acquisition Rights shall be extinguished and the Reorganized Company shall issue the Stock Acquisition Rights newly. However, the foregoing shall be on the condition that delivery of Stock Acquisition Rights of the Reorganized Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement or a share transfer plan.

(1) Number of Stock Acquisition Rights of the Restructured Company to be delivered
The Restructure Company shall deliver the Stock Acquisition Rights, the number of which will equal the number of the Stock Acquisition Rights held by the holder of the Remaining Stock Acquisition Rights.

(2) Class of shares of the Restructured Company to be issued upon the exercise of the Stock Acquisition Rights
Common stock of the Restructured Company.

(3) Number of shares of the Restructured Company to be issued upon the exercise of the Stock Acquisition Rights
To be decided according to 4. above after taking into consideration the conditions, etc. of the Organizational Restructuring.

(4) Value of the assets to be contributed upon the exercise of the Stock Acquisition Rights
The value of assets to be contributed upon exercise of each Stock Acquisition Right to be delivered shall be determined by multiplying the number of shares of the Surviving Company underlying the said Stock Acquisition Rights to be calculated according to (3) above by the post-corporate reorganization Exercise Price obtained through the adjustment of the Exercise Price in accordance with 5. above, taking into account the terms and conditions of the Corporate Reorganization, etc.

(5) Exercise period of the Stock Acquisition Rights
Starting from the later of either the first date of the exercise period of the Stock Acquisition Rights as stipulated in 7. above or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of the Stock Acquisition Rights as stipulated in 7. above.

(6) Matters concerning increase in share capital and capital surplus to be increased by the issuance of shares by the Restructured Company upon the exercise of the Stock Acquisition Rights
To be determined in accordance with 8. above.

(7) Restriction on acquisition of the Stock Acquisition Rights by transfer
Acquisition of the Stock Acquisition Rights by transfer will be subject to the approval of the Board of Directors of the Restructured Company.

(8) Reasons for the acquisition of Stock Acquisition Rights

To be determined in accordance with 10. above.

(9) Conditions for exercise of Stock Acquisition Rights
To be determined in accordance with 11. above.

13. Rules pertaining to fractions of less than 1 share arising from the exercise of the Stock Acquisition Rights
Fractions of less than 1 share in the number of shares to be delivered to the Stock Acquisition Rights Holders who exercised the Stock Acquisition Rights will be discarded.

14. Matters concerning certificates of Stock Acquisition Rights
The Company shall not issue certificates of the Stock Acquisition Rights.

15. Date of issuance of Stock Acquisition Rights
July 1, 2025

16. Number of employees to have the allotment of the Stock Acquisition Rights granted and number of allotment of the Stock Acquisition Rights

Employees of the Company	329 persons, 2,955 units
Employees of the Company's subsidiary	6 persons, 52 units

17. The places (locations for) accepting or brokering claims for the exercise of Stock Acquisition Rights
The Company's Business Administration Division (Or the division in charge of such business from time to time)

18. The places handling the payments for the exercise of the Stock Acquisition Rights
(1) The place handling the payments for domestic residents shall be as follows.
Shibuya-ekimae Branch, Sumitomo Mitsui Bank (Or the successor bank of such bank or the successor branch of such branch from time to time)

(2) The place handling the payments for overseas residents shall be as follows.
Shibuya-Chuo Branch, Mizuho Bank (Or the successor bank of such bank or the successor branch of such branch from time to time)

19. Other necessary decisions regarding the issuance and allotment of the Stock Acquisition Rights shall be left entirely up to the Representative Director, President and CEO.