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Notice Concerning Issuance of Stock Compensation-type Stock Options (Stock Acquisition Rights)

DAIICHIKOSHO CO., LTD. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to conduct an offering of stock acquisition rights as stock compensation-type stock options (stock acquisition rights) to the Company's Directors (excluding Outside and Part-time Directors), Executive Corporate Officers and Senior Corporate Officers (excluding Part-time Corporate Officers and Corporate Officers concurrently serving as Directors) pursuant to the provisions of Articles 236, 238, and 240 of the Companies Act. The details are described below.

1. Reason for issuing stock acquisition rights as stock compensation-type stock options

In order to share the risks and benefits of stock price fluctuations with shareholders and further increase the motivation to enhance long-term business performance and corporate value, stock compensation-type stock options (stock acquisition rights) will be issued to Directors (excluding Outside and Part-time Directors), Executive Corporate Officers and Senior Corporate Officers (excluding Part-time Corporate Officers and Corporate Officers concurrently serving as Directors).

2. Overview of issuance of stock acquisition rights

(1) Each allottee, the number of allottees and the number of stock acquisition rights to be allotted to each allottee

i) Directors of the Company (excluding Outside and Part-time Directors): 4 Directors, 595 rights
ii) Executive Corporate Officers and Senior Corporate Officers of the Company (excluding Part-time Corporate Officers and Corporate Officers concurrently serving as Directors described in i) above): 4 Corporate Officers, 308 rights

(2) Class and number of shares underlying the stock acquisition rights

The class of shares underlying the stock acquisition rights is the common share. The number of such shares (the "number of granted shares") is 100 per right.

In the event that a share split (including the allotment of the Company's common shares without contribution; hereinafter the same applies in the description of share splits) or a consolidation of

shares is implemented after the day on which stock acquisition rights are allotted (the "date of allotment"), the number of granted shares for stock acquisition rights that have not been exercised at the time of the share split or consolidation of shares will be adjusted according to the following equation:

Number of granted shares after adjustment = Number of granted shares before adjustment × Ratio of split or consolidation

In the event that other unavoidable circumstances requiring the adjustment of the number of granted shares arise, the Company has the right to adjust such a number as necessary at a meeting of the Board of Directors.

Any fractions of less than one share arising from the adjustment are rounded down.

(3) Total number of stock acquisition rights

The number shall be 903.

The number indicated above is the number of stock acquisition rights to be allotted. In the event that the scheduled total number is reduced because, for example, an offer to subscribe for stock acquisition rights has not been made, the total number of stock acquisition rights allotted shall be considered the total number of stock acquisition rights to be allotted.

(4) Amount to be paid in for stock acquisition rights

The amount to be paid in for stock acquisition rights is calculated by multiplying the estimated fair value of the stock options per share as calculated using the Black-Scholes model on the date of allotment of stock acquisition rights by the number of granted shares.

The recipient of the allotment of stock acquisition rights (the "Recipient of Stock Acquisition Rights") shall offset the amount to be paid in with the remuneration claims from the Company without any requirement to pay monies.

(5) Value of property to be contributed upon exercise of stock acquisition rights

The value of property to be contributed upon exercise of the stock acquisition rights shall be calculated by multiplying the price per share of the shares eligible to be granted upon exercise of the stock acquisition rights (assumed to be one yen) by the number of granted shares.

(6) Exercise period of stock acquisition rights

From July 10, 2025 to July 9, 2065

(7) Conditions for the exercise of stock acquisition rights

i) During the period as set forth in the preceding point (6), the Recipient of Stock Acquisition Rights as described in (1), i) above may exercise stock acquisition rights only collectively for a limited period of ten days (if the tenth day is a holiday, then until the next business day) from the day after the date on which the Recipient loses his/her status as a Director of the Company.

ii) During the period as set forth in the preceding point (6), the Recipient of Stock Acquisition Rights as described in (1), ii) above may exercise stock acquisition rights only collectively for a limited period of ten days (if the tenth day is a holiday, then until the next business day) from the day after the date on which the Recipient loses his/her status as a Corporate Officer or employee of the Company.

iii) In the event that a Recipient of Stock Acquisition Rights dies, the heir of the Recipient may exercise stock acquisition rights only collectively.

iv) Other conditions are as prescribed in the stock acquisition rights allotment agreement between the Company and the Recipient of Stock Acquisition Rights.

(8) Increases in share capital and legal capital surplus upon the issuance of shares due to exercise of stock acquisition rights

i) In the event of the issuance of shares due to the exercise of stock acquisition rights, increases in the amount of share capital shall be half of the maximum amount of increase in stated capital calculated in accordance with Article 17, Paragraph (1) of the Regulation of Corporate Accounting. Fractions less than one yen will be rounded up.

ii) In the event of the issuance of shares due to the exercise of stock acquisition rights, increases in the amount of legal capital surplus shall be the amount calculated by subtracting the increased share capital provided in the preceding section i) from the maximum increases in stated capital provided in the preceding section i).

(9) Matters concerning the acquisition of stock acquisition rights

i) In the event that a Recipient of Stock Acquisition Rights is prohibited to exercise stock acquisition rights before actually exercising the rights pursuant to the provision of section (7) or the stock acquisition rights allotment agreement, the Company may acquire stock acquisition rights without compensation on a date separately set by the Board of Directors of the Company.

ii) In the event that any of the following proposals a) to e) is approved at an Ordinary General Meeting of Shareholders of the Company (or a meeting of the Board of Directors of the Company if a resolution at a shareholder meeting is not necessarily needed), the Company may acquire stock acquisition rights without compensation on a date separately set by the Board of Directors of the Company.

a) Proposal on approval of merger agreement that dissolves the Company

b) Proposal on approval of split agreement or plan that makes the Company a splitting company

c) Proposal on approval of share exchange agreement or share transfer plan that makes the Company a subsidiary

d) Proposal on approval of an amendment in the Articles of Incorporation to create the provisions therein to the effect that, as a feature of all shares the Company issues, the approval of the Company is required for the acquisition of relevant shares

e) Proposal on approval of an amendment in the Articles of Incorporation to create the provisions therein to the effect that, as a feature of shares underlying the stock acquisition rights, the approval of the Company is required for the acquisition of relevant shares by transfer or that the resolution at an Annual General Meeting of Shareholders is required for the acquisition of all shares

(10) Transfer restrictions on stock acquisition rights

The acquisition of stock acquisition rights by transfer shall be approved by the Board of Directors of the Company.

(11) Handling of stock acquisition rights in the Reorganization

In the event that the Company merges (limited to cases where the Company is dissolved by the merger), conducts an absorption-type company split or an incorporation-type company split (limited to cases where the Company becomes a splitting company), or implements a share exchange or a share transfer (limited to cases where the Company becomes a wholly owned subsidiary) (collectively the "Reorganization"), stock acquisition rights of a corporation described in Article 236, Paragraph (1), item (viii) (a) through (e) of the Companies Act (the "Reorganized Company") will be delivered to stock acquisition right holders of stock acquisition rights remaining (the "Remaining Stock Acquisition Rights") at the time when the Reorganization takes effect (including the date on which the merger takes effect in the case of an absorption-type merger, the date of incorporation of the company incorporated in the consolidation-type merger in the case of a consolidation-type merger, the date on which the absorption-type company split takes effect in the case of an absorption-type company split, the date of incorporation of the company incorporated in the incorporation-type company split in the case of an incorporation-type company split, the date on which the share exchange becomes effective in the case of a share exchange, and the date of formation of the wholly owning parent company incorporated in a share transfer in the case of a share transfer. Hereinafter the same applies). However, this shall apply only when the delivery of stock acquisition rights of the Reorganized Company according to the following conditions is stipulated in the absorption-type merger agreement, the consolidation-type merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement, or the share transfer plan.

i) Number of Reorganized Company's stock acquisition rights to be delivered

The same number of stock acquisition rights as the number of Remaining Share Acquisition Rights held by a Recipient of Stock Acquisition Rights shall be delivered to the Recipient.

ii) Class of Reorganized Company's shares underlying the stock acquisition rights

Common shares of the Reorganized Company

iii) Number of Reorganized Company's shares underlying the stock acquisition rights

Considering the conditions of the Reorganization and other factors, a decision shall be made in accordance with preceding (2).

iv) Value of property to be contributed upon exercise of stock acquisition rights

The value of property to be contributed upon exercise of delivered stock acquisition rights is calculated by multiplying the post-reorganization exercise price determined as described in the following paragraph by the number of shares of the Reorganized Company underlying the stock acquisition rights, which is decided as specified in the preceding section iii). The post-reorganization exercise price is calculated on the assumption that the price per share of the Reorganized Company's shares, which can only be delivered through the exercise of stock acquisition rights granted, is one yen.

v) Period during which stock acquisition rights may be exercised

From the first day of the exercise period of stock acquisition rights as specified in the preceding section (6) or the date on which the Reorganization takes effect, whichever is later, to the last day of the exercise period as specified in preceding section (6).

vi) Matters concerning increases in share capital and legal capital surplus upon the issuance of shares due to the exercise of stock acquisition rights

A decision shall be made in accordance with preceding section (8).

vii) Restrictions on acquisition of stock acquisition rights by transfer

The acquisition of stock acquisition rights by transfer shall require approval by a resolution of the Board of Directors of the Reorganized Company.

viii) Conditions for the exercise of stock acquisition rights

A decision shall be made in accordance with preceding section (7).

ix) Conditions for the acquisition of stock acquisition rights

A decision shall be made in accordance with preceding section (9).

(12) Handling of fractions of less than one share arising from the exercise of stock acquisition rights

In the number of shares to be delivered to the Recipient of Stock Acquisition Rights who has exercised such rights, any fraction of less than one share shall be rounded down.

(13) Date of allotment of stock acquisition rights

July 9, 2025

(14) Issuance of certificates for stock acquisition rights

Certificates for stock acquisition rights will not be issued.