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March 26, 2026

Company name: Modalis Therapeutics Corporation
Stock exchange listing: Tokyo Stock Exchange
Code number: 4883
URL: https://www.modalistx.com/en/
Representative: Haruhiko Morita

Notice Regarding Issuance of Stock Options (Share Acquisition Rights)

Modalis Therapeutics Corporation (hereafter, "the Company") hereby announces that at the meeting of the Board of Directors dated as of March 26, 2026, the Company resolved to issue share acquisition rights (hereafter, "Share Acquisition Rights") to the Company's employees and employees of our subsidiaries as described below.

1. Reasons for issuing stock option
   The Company will issue the Rights free of charge for the purpose of increasing incentives for the performance of the company or its subsidiaries (as defined in Article 2(3) of the Company Law) to improve their performance and securing excellent human resources.

2. The name of the Rights
   Company's 18th Series of Stock Option.

3. Number of the Rights
   3 Directors (excluding Directors serving as Audit Committee Members) of the Company, 4 employees of the Company and 14 employees of the Company's subsidiary
   Total 21 persons (9,450 units Acquisition Rights in total)
   The total number stated above is the number of units to be allotted, and when the total number of the stock acquisition rights to be allotted decreases, such as when no application for subscription has been made, the total number of the stock acquisition rights to be allotted shall be the total number of the stock acquisition rights to be issued.

4. The class and number of shares to be issued upon exercising the Rights or the method of calculation. The type of shares shall be common stock of the Company, and the number of units per Rights shall be 100 shares. However, the number of target shares per the Rights may be adjusted in accordance with the following provisions.:
   (1) In the event of a split or consolidation of shares after the grant date for the Rights, the number of shares to be issued upon exercising each Right that remain unexercised, shall be adjusted according to the following formula, with any fraction less than one percent of a share resulting from this adjustment rounded down, and without any cash compensation. For the purpose of these Terms, split ratio shall mean a fraction of which the denominator is the number of shares of common stock outstanding before the split and the numerator the number of shares of common stock outstanding after the split. Consolidation ratio shall mean a fraction of which the denominator is the number of shares of common stock outstanding before consolidation and the numerator the number of shares of common

stock outstanding after consolidation (the same shall apply hereinafter). The number of shares adjusted this way shall apply, in cases of splits of shares, on and after the date following the base grant date under Section 183(2)(1) of the Company Law, and, in cases of consolidations of shares, on and after the date following this effective date.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of the split or consolidation}$$

(2) The Company may adjust by resolution of the Board of Directors the number of shares to be issued upon exercise of each Right, in cases of issuance of shares to shareholders, allotment of shares without compensation, amalgamations or mergers, stock-for-stock exchanges, corporate splits, or when the Company otherwise deems necessary.

(3) In cases of adjustments, the Company shall notify any party holding the Rights (hereinafter referred to as the "Holder") of adjustment, the adjustment event, adjusted number of shares, effective date and any other relevant information as soon as practicable after determination.

5. Amount to be paid in and Date of Grant

The Rights shall be issued without any compensation.

The date of grant is April 14th, 2026.

6. Amount of assets to be invested in upon exercise of the Rights and procedures related thereto.

The value of the asset to be contributed upon exercise of the Share Acquisition Rights shall be the amount calculated as (i) the exercise price per share acquired upon exercise of the Share Acquisition Rights (the "Exercise Price"), multiplied by (ii) the Number of Shares per Right. The Exercise Price shall be the greater of: (a) amount obtained by multiplying the average closing price of the Company's common stock on the Tokyo Stock Exchange on each day of the month immediately preceding the current month (excluding days when there are no transactions) by 1.05(fractions of less than one yen shall be rounded up), or (b) the closing price as of the date of grant (if there is no trading on that day, the first closing price available for the date immediately prior to the said date). :

The amount to be paid upon exercise of each of the Share Acquisition Rights shall be an amount obtained by multiplying the paid-in amount per share to be determined as follows (hereinafter referred to as the "Exercise Price") by the number of shares to be granted.

The Exercise Price shall be the higher of either the amount obtained by multiplying the average closing price of shares of the common stock of the Company on the Tokyo Stock Exchange on each day (excluding days on which there is no trading) of the month immediately preceding the month in which the Share Acquisition Rights will be issued by 1.05 or the closing price of shares of the common stock of the Company on the Tokyo Stock Exchange on the day of allotment of the Share Acquisition Rights (if there is no trading on the day, the closing price on the immediately preceding day shall be used). However, the Exercise Price may be adjusted as specified below.

(1) In the event of a split or consolidation of shares of common stock after the grant date for the Rights, the Exercise Price for each Right that remain unexercised shall be adjusted according to the following formula, with any fraction less than one yen resulting from this adjustment counted as one yen. With respect to the time of application, Section 4 (1) which refers to the adjusted number of shares to be issued upon exercise of each Right shall also mutatis mutandis apply to that of this adjusted Exercise Price.

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

(2) The Rights that remain unexercised shall be adjusted according to the following formula, with any fraction less than one yen resulting from this adjustment counted as one yen, in the event that, after the grant date for the Rights, (i) any shares of common stock (including allotment of shares without compensation, but excluding those issued due

to an event of acquisition of Potential Shares as defined below, amalgamation or merger, stock-for-stock exchange, or corporate split) shall be issued or disposed of with the paid-in capital per share less than the Market Price provided in Section 6 (as adjusted pursuant to Section 6, the same shall apply to Section 6 (2)), or (ii) any Potential Shares (i.e. shares with acquisition rights, shares with acquisition clauses, the rights to subscribe for new shares, bonds with the rights to subscribe for new shares, or other securities or the privilege to acquire shares of common stock upon request by holders or the Company or upon a particular event or certain circumstances) with which shares of common stock may be acquired with the acquisition price per share less than the Market Price provided in Section 6 (including allotment of Potential Shares without compensation) shall be issued. For the purpose of this adjustment, the term "event of acquisition" shall mean a request by holders or the Company or a particular event or certain circumstances which cause the Company to issue shares of common stock in exchange for Potential Shares, and the term "acquisition price" shall mean the amount to be paid, as determined by the Company, per share of common stock due to the acquisition of such Potential Shares or an event of acquisition.

"Market Price" is, in this section, defined as the average share price of Company's common stock at end of each 30 business days (excluding days which share price is not set at end of days) at starting from 45 business day prior to apply adjusted Exercise Price. Average price is calculated by 1/100 yen and any fraction less than 1/10 yen resulting from this adjustment counted as zero yen.

The Exercise Price adjusted in this way shall be applicable (i) on and after the date following the base date for offerings or allotment if such a base date is fixed, or (ii) on and after the date following that effective date (or the end of the period specified under Item 2 of Article 209 of the Company Law) of the issuance of shares of common stock or Potential Shares if a base date is fixed.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{outstanding shares} + \dfrac{\text{Number of shares to be issued} \times \text{paid-in capital per share}}{\text{Market Price}}}{\text{Number of the issued and outstanding shares} + \text{Number of shares to be issued}}$$

The above formula shall be subject to the following;

(a) "Number of the issued and outstanding shares" shall mean the total number of the issued and outstanding shares of common stock in the Company and shares of common stock in the Company on an as-if converted basis for the issued and outstanding Potential Shares (excluding the number of shares and Potential Shares newly issued due to adjustment), as of the date before the effective date of the adjusted Exercise Price, deducted by the number of treasury shares of common stock held by the Company on the same date.

(b) "Number of shares to be issued" shall be read as "number of treasury shares to be disposed of" with regard to the treasury shares to be disposed of by the Company in the event of adjustment due to any such disposition.

(c) "Number of shares to be issued" or "paid-in capital per share" shall be read as the number of shares of common stock in the Company on an as-if converted basis for Potential Shares to be issued or the acquisition price per share of common stock on an as-if converted basis respectively, in the event of adjustment due to the issuance of Potential Shares.

(3) Upon termination of the period in which an event of acquisition of any Potential Shares defined in Section 6 (2)(ii) may occur, the Company shall adjust the Exercise Price by resolution of the Board of Directors, unless any such event of acquisition occurs for all of such Potential Shares.

(4) The Company may adjust the Exercise Price in cases of issuance of shares pursuant to amalgamation or merger, stock-for-stock exchange, corporate split, or when the Company otherwise deems necessary by resolution of the

Board of Directors.

(5) In the event of issuance of shares of common stock or Potential Shares other than pursuant to allotment to shareholders or allotment of shares without compensation, the Board of Directors of the Company shall determine whether or not to make the adjustment under Section 6 (2).

(6) Adjustments under Section 6 shall be subject to notification by the Company to the Holder as soon as practicable after determination of related matters. Any such notification shall include the adjustment, the adjustment event, adjusted Exercise Price of shares, effective date and any other relevant information.

7. Period during which the Rights may be exercised:
From March 27th, 2028, to March 26th, 2036
In the event that the last day is not a business day of the Company, the immediately preceding business day thereof).

8. Requirements for exercising the Rights

(1) The Rights in relation to which any event of acquisition specified in Section 9 in relation to the Rights or the Holder thereof has occurred may not be exercised, unless the exercise is approved by resolution of the Board of Directors. Notwithstanding the foregoing, the Company may declare that the Rights in relation to which an event of acquisition has occurred shall not be exercisable by the resolution of the Board of Directors, and in this case the Rights shall in no event be exercisable. Any decision of the Board of Directors shall be final and binding on the Optionee.

(2) In cases of the Corporate Reorganization set forth in Section 9 (1), if an agreement or plan regarding the Corporate Reorganization does not provide for issuance of rights to subscribe for new shares for the Reorganized Corporation as defined in Section 13, in lieu of the Rights, to the Holder thereof, the Rights shall become unexercisable at twelve o'clock noon on the day immediately before the purchase option under the provision of the Company Law becomes exercisable.

(3) Allocated Rights shall be exercised on a unit basis. No fractional part below one unit of the Rights may be exercised.

(4) The number of shares issued to the Holder upon exercise of the Rights must be a whole number (in the event of a unit share, the whole number multiplied by one unit stock); no shares shall be allocated to any fraction of a single share (in the event of a unit stock, one unit share), and no cash compensation shall be made for such fraction.

(5) If the Holder dies while the Holder is a director or an employee of the Company or its subsidiary, the heir of the Holder may exercise the Rights that are vested and exercisable on the date of death, only within the period of one (1) year (however, in any case, until the expiration date of the exercise period) following such date.

(6) If the Holder becomes disabled physically or otherwise in a way that prevents the Holder from working and, as a result, the Holder ceases to be a director or an employee of the Company or its subsidiary, the Rights that are vested and exercisable on the date on which the Holder ceases to be a director or an employee of the Company or its subsidiary shall be exercisable only within the period of one (1) year (however, in any case, until the expiration date of the exercise period) following such date.

(7) The stock acquisition rights may not be transferred to a third party, pledged as security, or otherwise disposed of without the written consent of the Company.

(8) Other conditions of the exercise of the rights shall be as set forth in the Stock Acquisition Rights Allocation Agreement to be concluded between the Company and the holders of the stock acquisition rights.

9. Event in which the Company may acquire the unvested Rights
The Company may acquire the Share Acquisition Rights, based on each item as below. In the case that the Company acquires the Share Acquisition Rights for which an event for acquisition provided for in the following items has occurred, the Company shall acquire them on a date specifically determined by resolution of the Board of Directors. In addition, the Company may acquire all or part of the Share Acquisition Rights for which an event for acquisition provided for in the following items has arisen, and if the Company acquires part of them, the Share Acquisition Rights to be acquired

shall be determined by resolution of the Board of Directors.

(1) In the event that a resolution required by the applicable laws and regulations or Articles of Incorporation of the Company is approved at a general meeting of the Company (or approved by all the shareholders entitled to vote at a general meeting if required thereby to do so in lieu of approval at a general meeting of the Company, or otherwise approved by the Board of Directors) with respect to mergers or amalgamation on extinction of the Company, corporate splits wherein the Company is split, or stock-for-stock exchanges and/or share transfers wherein the Company becomes fully owned subsidiaries (hereinafter referred to collectively as the "Corporate Reorganization"), then the Company shall be entitled to acquire the unvested Rights without any compensation.

(2) The Company may acquire the Share Acquisition Rights that were not inherited, without compensation, and it shall be sufficient for the Company to notify the legal heirs of right Holders of the Share Acquisition Rights whom the Company considers to be appropriate of the matters stipulated in Article 273, paragraph (2) or Article 274, paragraph (3) of the Companies Act. However, in the case that such notice is deemed unnecessary due to an interpretation of laws and regulations, the Company may omit such notice and acquire the Share Acquisition Rights without compensation.

(3) The Company shall be entitled to acquire the unvested Rights that remain unexercised without compensation 3 months after the Holder loses one of the following positions for the Company's reasons;
   (a) Director of the Company or its subsidiary (as defined in Article 2(3) of the Company Law).
   (b) Employee of the Company or its subsidiary.

(4) The Company shall be entitled to acquire the unvested Rights that remain unexercised without compensation after Holder loses one of the following positions for the Holder's own reasons;
   (a) Director of the Company or its subsidiary.
   (b) Employee of the Company or its subsidiary.

(5) The Company shall be entitled to acquire the Rights that remain unexercised without compensation one (1) year after the Holder dies or becomes disabled physically or otherwise in a way that prevents the Holder from working and, as a result, the Holder loses the following positions:
   (a) Director of the Company or its subsidiary.
   (b) Employee of the Company or its subsidiary.

(6) The Company shall be entitled to acquire the unvested Rights that remain unexercised without compensation, in the event that the Holder;
   (a) is sentenced to imprisonment or a more severe punishment;
   (b) sets up, directly or indirectly, a company engaged in a business competitive with the Company or becomes a director or employee of a company engaged in a business competitive with the Company without the prior written consent of the Company, or upon the occurrence of any other circumstance under which the Holder substantially competes with the Company;
   (c) impairs public confidence in the Company by violating any applicable law or regulation or any other illicit action;
   (d) receives an application for a court order or notification relating to an injunction, provisional injunction or disposition, compulsory execution claimed by a third party, a petition for public auction, or disposition for tax delinquency;
   (e) becomes insolvent or suspended, or has a check, note or draft accepted or drawn by the Holder dishonored;
   (f) becomes a party against whom a petition for bankruptcy, civil reorganization, corporate reorganization, special liquidation or other similar proceeding is filed;
   (g) is revealed to be an antisocial forces (a crime syndicate, gangsters etc), or to have relations with them through funding etc.
   (h) is in breach of these Terms or any other agreement executed by and between the Holder and the Company with respect to the Rights.

(7) The Company shall be entitled to acquire the unvested Rights that remain unexercised without compensation, in the event that the Holder who is or becomes at the time of or after issuance of the Rights a Director, Statutory Auditor or employee of the Company or its subsidiary and either of the following circumstances occur;

(a) Holder falls under an event for disciplinary actions provided for in the Work Rules of the Company or its subsidiary; or

(b) Holder breaches their obligations owing to the Company or its subsidiary, including, but not limited to, a Director's fiduciary duty of loyalty.

10. Transfer of the Rights

Transfer of the stock acquisition rights shall require the approval of the Board of Directors.

11. Certificates for the Rights

No certificates for the Rights shall be issued hereunder.

12. Stated Capital and Capital Reserve increases due to issuance of shares upon exercise of the Rights

The amount of stated capital of the Company to be increased by the issuance of shares upon exercise of the Share Acquisition Rights will be one-half of the maximum amount of increase of stated capital calculated in accordance with Article 17 of the Corporate Calculation Rules. Any amount less than one yen resulting from the calculation will be rounded up to the nearest yen. The amount of capital reserves of the Company to be increased by the issuance of shares upon exercise of the Share Acquisition Rights will be the maximum amount of increase of stated capital described in above less the amount of stated capital to be increased.

13. Corporate Reorganization

The Company implementing the Corporate Reorganization may grant to the Holder rights to subscribe for shares of, as the case may be, surviving or established "corporations" that are desired to be effected by mergers or amalgamation, succeeding or established "corporations" that are desired to be effected by corporate splits, or parent "corporations" of fully owned subsidiaries that are desired to be effected by stock-for-stock exchanges or share transfer (hereinafter referred to collectively as "Reorganized Corporation") in accordance with the following: However, it shall apply only to cases where the agreement or plan in relation to the Corporate Reorganization stipulates that rights to subscribe for shares of the Reorganized Corporation shall be granted in accordance with the following policies.

(1) Number of Rights of the Reorganized Corporation to be issued:
The number of Rights of the Reorganized Corporation to be issued shall be the same number as the Rights described hereunder.

(2) Type of stock of the Reorganized Corporation to be issued:
Stock of the Reorganized Corporation to be issued upon exercise of the Rights shall be common stock.

(3) Number of stock of the Reorganized Corporation to be issued:
Subject to the terms of the Reorganization, determined in accordance with Section 4 above.

(4) Amount of assets to be invested in upon exercise of the Rights and procedures related thereto:
Subject to the terms of the Reorganization, the sum of the number of Rights which may be exercised following the adjustment of the Exercise Price pursuant to Section 6 and such number of the stock of the Reorganized Corporation to be issued pursuant to Section 13 (3) above.

(5) Period during which the Rights may be exercised:
Commencing on the later of the date described in Section 7 above when Rights may be exercised and the effective date of the Reorganization, and ending on the last date described in Section 7 above when Rights may be exercised.

(6) Terms of Exercise and other key terms:

These items shall be described in more detail in the agreement or plan in relation to the Corporate Reorganization, in accordance with those for the Rights.

(7) Transfer of the rights subject to approval of the Board of Directors:
Any transfer of the rights shall require approval of the Board of Directors of the Reorganized Corporation.

(8) Handling in the case of the Corporate Reorganization:
These items shall be described according to this section.