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For Immediate Release

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Notice Regarding Introduction of Stock Compensation Plan for Directors (Restricted Stock and Stock Options)

Foodison, Inc. ("Company") hereby announces that at a meeting of the Board of Directors held on May 22, 2024, resolved to propose the introduction of a stock compensation plan, which includes compensation for directors in the form of restricted stock and stock options, at the 11th General Meeting of Shareholders scheduled to be held on June 24, 2024 ("Shareholders' Meeting"), as follows.

1. Content of the Stock Compensation Plan for Directors

The amount of monetary compensation for Directors was approved at an Extraordinary General Meeting of Shareholders held on August 31, 2022, with an upper limit of 200 million yen per year. To incentivize Directors to sustainably enhance corporate value and to further align the interests of directors with those of our shareholders, we are introducing a new stock compensation plan ("Stock Compensation Plan") as a separate framework from the annual 200 million yen compensation cap. Stock Compensation Plan includes compensation for Directors (including external directors, hereinafter the same) in the form of restricted stock compensation ("Restricted Stock Compensation") and stock options as new share subscription rights ("New Share Subscription Rights"). We are seeking the approval of our shareholders for the introduction of Stock Compensation Plan.

Under Stock Compensation Plan, the total amount for Restricted Stock Compensation to be granted to Directors is set to an annual limit of 100 million yen, separate from the annual 200 million yen compensation cap. Additionally, the total number of common shares to be issued or disposed of to the Directors annually will be limited to 50,000 shares (however, if after the approval of this proposal, a stock split or reverse stock split, including stock dividends, occurs or other reasons necessitate adjustments to the total number of common shares issued or disposed of as restricted stock, the total number will be reasonably adjusted).

The Company believes that the value of Restricted Stock Compensation under Stock Compensation Plan, evaluated at market value at the time of the board resolution for allocation, will be within the annual upper limit mentioned above. Furthermore, given that the proportion of the total number of Restricted Stock Compensation issued annually to the total number of issued shares as of March 31, 2024, is 1.10%, and the dilution rate is minimal, we deem the granting of Restricted Stock Compensation to be appropriate.

Regarding New Share Subscription Rights to be granted to Directors under Stock Compensation Plan, the upper limit will be set to 500 rights per year. The Company judges that the proportion of common shares issued upon the exercise of all New Share Subscription Rights to the total number of issued shares is 1.10%, and the dilution rate is minimal, making the granting of New Share Subscription Rights appropriate. The amount for New Share Subscription Rights granted to Directors will be calculated by multiplying the fair value per share subscription right, determined at the allocation date, by the total number of share

subscription rights to be allocated. The fair value per share subscription right will be calculated using a generally accepted valuation method based on applicable conditions as of the allocation date.

The specific distribution of Restricted Stock Compensation and New Share Subscription Rights to each director will be determined by the Board of Directors. The total amount of the value of Restricted Stock Compensation (evaluated at market value at the time of the board resolution for allocation) and the fair value of New Share Subscription Rights allocated to Directors annually will not exceed 100 million yen.

Currently, the Company has four Directors (including two external directors). If Proposal No. 1 is approved as proposed, the number of Directors will increase to five (including three external directors).

2. Specific Details of Restricted Stock Compensation for Directors

a. Maximum Number of Restricted Stock Shares Granted to Directors and Payment Matters

The granting of Restricted Stock Compensation will be conducted based on a resolution by the Board of Directors in one of the following ways:

- ① **Payment by In-Kind Contribution:** Compensating Directors with monetary claims, which they will fully contribute as in-kind property to receive issued or disposed ordinary shares of the Company ("In-Kind Contribution Method").
- ② **Issuance or Disposal Without Payment:** Issuing or disposing of ordinary shares of the Company to Directors as compensation without requiring monetary payment or in-kind contribution.

The total number of ordinary shares to be issued or disposed of annually through this method will be capped at 50,000 shares. However, if a stock split, reverse stock split, or other event requiring adjustment occurs after the approval of this proposal, the total number of shares issued or disposed of as restricted stock will be adjusted reasonably.

For the In-Kind Contribution Method, the payment amount per share will be determined by the Board of Directors based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the business day preceding the board resolution (or the most recent closing price if no transactions occurred on that day), ensuring it is not particularly advantageous to Directors.

The specific allocation and timing of payments to each Director will be decided by the Board of Directors.

b. Overview of Restricted Stock Granted to Directors

Upon granting Restricted Stock Compensation, an allocation agreement ("Allocation Agreement") will be concluded between the Company and the Directors, including approximately the following terms:

- (1) **Transfer Restriction:** The allocated shares ("Allocated Shares") will not be transferable, pledgable, or otherwise disposable during the restriction period, which is set by the Board of Directors to be at least two years or until the Director retires or resigns from the position specified by the Board (excluding cases of immediate reappointment or transition to another specified position).
- (2) **Forfeiture of Shares:** If a Director retires or resigns before the end of the service period defined by the Board (excluding cases of death or reasons deemed justified by the Board), the Company will automatically acquire the Allocated Shares without compensation.
- (3) **Lifting of Restrictions:** Notwithstanding (1), the transfer restrictions will be lifted on all Allocated Shares at the end of the restriction period, provided the Director remains continuously in the position throughout the restriction period. However, if a Director retires or resigns for a justified reason before the end of the service period, the number of shares for which the restriction will be lifted and the timing will be reasonably adjusted as necessary.
- (4) **Early Lifting of Restrictions:** In cases where the Company's shareholders approve a merger agreement in which the Company is the dissolving entity, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly-owned subsidiary, or other organizational restructuring matters during the restriction period, the transfer restrictions will be lifted for a

reasonable number of shares based on the period from the start of the service period to the approval date of such restructuring, prior to the effective date of such restructuring.

- (5) Acquisition of Unreleased Shares: In the cases defined in (4), the Company will automatically acquire without compensation any Allocated Shares whose transfer restrictions have not been lifted immediately after the lifting defined in (4).
- (6) Other Matters: Other details related to the allocation agreement will be determined by the Board of Directors.

3. Specific Details of Stock Options for Directors

a. Maximum Number of Stock Options Granted to Directors and Payment Matters

The maximum number of stock options to be issued within one year from the date of the annual general meeting of shareholders will be limited to 500 options.

b. Overview of Stock Options Granted to Directors

(1) Type and Number of Shares Subject to Stock Options

The shares subject to New Share Subscription Rights will be ordinary shares of the Company and each stock option will grant the right to acquire 100 ordinary shares ("Granted Shares").

If a stock split (including gratis allotment of shares) or reverse stock split of the Company's ordinary shares occurs after the allocation date, the number of Granted Shares will be adjusted according to the following formula. Any fractional shares resulting from the adjustment will be rounded down.

Adjusted Number of Granted Shares = Pre-adjustment Number of Granted Shares multiplied by Ratio of Stock Split or Reverse Stock Split

If the Company undergoes a merger (absorption-type or consolidation-type), company split (absorption-type or incorporation-type), share exchange, or share transfer, or in other unavoidable circumstances, the number of shares subject to the stock options will be reasonably adjusted.

(2) Payment Amount for Stock Options

No monetary payment will be required in exchange for these stock options.

(3) Amount of Assets to Be Contributed Upon Exercise of Stock Options

- i. The assets to be contributed upon the exercise of stock options will be monetary, calculated by multiplying the exercise price by the number of Granted Shares.
- ii. The exercise price per share will be the average closing price of the Company's ordinary shares on the Tokyo Stock Exchange on each day of the month prior to the allocation date (excluding days without transactions), rounded up to the nearest yen. If this price is lower than the closing price on the allocation date (or the most recent closing price if no transactions occurred on that day), the closing price on the allocation date will be the exercise price. In case of a stock split or reverse stock split, the exercise price will be adjusted as follows, with any fraction less than one yen rounded up:

Adjusted Exercise Price = Pre-adjustment Exercise Price divided by Ratio of Stock Split or Reverse Stock Split

Additionally, if an event requiring unavoidable adjustment occurs, such as a gratis allotment of shares, the exercise price will be reasonably adjusted considering the conditions of the allocation.

(4) Exercise Period for Stock Options

The exercise period will be determined by a resolution of the Board of Directors, starting two years after the allocation decision, and ending ten years after (if the final day is not a banking business day, the

period will end on the preceding banking business day).

(5) Restrictions on Transfer of Stock Options

The acquisition of stock options by transfer will require the approval of the Board of Directors.

(6) Conditions for Exercising Stock Options

The stock option holder ("Option Holder") must hold a position such as director, auditor, employee, advisor, or similar status at the Company or its subsidiary at the time of exercising the options. Exceptions are made for cases such as retirement due to term expiration, mandatory retirement, death, or other justified reasons recognized by the Board of Directors.

(7) Acquisition of Stock Options

- i. If the Company's shareholders approve a merger in which the Company is the disappearing entity, a Company split where the Company is the splitting entity, or a share exchange or transfer where the Company becomes a wholly-owned subsidiary, the Company may acquire all stock options without compensation as determined by the Board of Directors.
- ii. If the Option Holder loses the right to exercise the stock options under the conditions stated in (6) before exercising them, the Company may acquire the stock options without compensation.

(8) Other Matters Related to Stock Options

Other details regarding the stock options will be determined by the Board of Directors when deciding the matters related to the issuance of stock options.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.