



June 14, 2024
ACSL Ltd.

Notice Regarding Issuance of Stock Options as Equity Compensation for Directors

At a meeting of the Board of Directors held on June 14, 2024, ACSL Ltd. (ACSL) decided to issue stock options as equity compensation for our directors (excluding external directors) based on the provisions of Article 236, 238 and 240 of the Companies Act. The electronic public notice will be available from June 14, 2024.

I. Reason for issuance of stock options as equity compensation

ACSL decided to issue stock options as equity compensation for our directors (excluding external directors) in order to enhance the incentive for directors to increase ACSL corporate value by sharing not only the benefits of a rise in stock prices but also the risks of a fall in stock prices with shareholders.

II. Outline of the issuance of stock acquisition rights

1. Number of stock acquisition rights

600 units

The total number of shares that can be delivered by exercising the stock acquisition rights shall be ACSL's common stock 60,000 shares. The number of shares to be granted concerning the stock acquisition rights is adjusted in 3.(1), the number of shares after adjustment will be multiplied by the number of stock acquisition rights.

2. Amount to be paid in exchange for the stock acquisition rights

No payment is required in exchange for the stock acquisition rights.

The stock acquisition rights are to be issued as compensation for directors equivalent to the fair value for accounting purposes on the date of allotment, and the fact that no payment is required does not constitute an advantageous issuance.

3. Details of the stock acquisition rights

(1) Type and number of stocks to be acquired

The number of shares for the purpose of each stock acquisition right shall be 100 shares of common stock of ACSL.

The number of shares to be granted shall be adjusted by the following formula when the ACSL splits shares (including free allocation of common shares of ACSL; the same shall apply hereinafter) or reverse stock split after the allotment date of the Stock Acquisition Rights. However, such adjustments shall be made only for the

number of shares of the Stock Acquisition Rights that are not exercised at the time and are for the purpose of the Stock Acquisition Rights, and the fractions less than one share resulting from the adjustment shall be rounded down.

Adjusted number of shares to be granted =

Number of shares granted before adjustment × Split (or merge) ratio

In addition, after the allotment date of the Stock Acquisition Rights, if ACSL merges, splits the company or reduces the amount of capital, or if it is necessary to adjust the number of shares granted in accordance with these cases, within a reasonable range, the number of shares to be granted shall be adjusted accordingly.

- (2) Value of assets to be invested in at the time of the exercise of stock acquisition rights or calculation method

Regarding the value of the assets to be invested when exercising the Stock Acquisition Rights, the payment amount per share issued by exercising the Stock Acquisition Rights shall be 1 yen (hereinafter referred to as "exercise price"), and the amount shall be exercise price multiplied by the number of shares granted.

- (3) Exercise period of Stock Acquisition

The period during which the Stock Acquisition Rights may be exercised (hereinafter referred to as the "exercise period") shall be from July 2, 2026 to June 30, 2034.

- (4) Matters concerning increasing capital stock and additional paid-in capital

① The amount of capital increase in the case of issuing shares by exercising the Stock Acquisition Rights shall be one half of the maximum amount of increase in capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Company Accounting Regulations. If the calculation results in a fraction of less than one yen, the fraction shall be rounded up.

② The amount of additional paid-in capital to be increased in the case of issuing shares by exercising the Stock Acquisition Rights shall be the amount obtained by subtracting the amount of stated capital stated in ① above from the maximum amount of stated capital increase stated in ① above.

- (5) Restriction on acquisition of stock acquisition rights by transfer

The approval of the Board of Directors is required for the acquisition of the rights through transfer.

- (6) Conditions of execution of stock acquisition rights

① Holders of stock acquisition rights must be director, executive officer, auditor or employee of ACSL or its affiliates at the time of exercise of stock acquisition rights. Provided, however, that this does not apply in cases where the Board of Directors deems that there are justifiable reasons such as retirement due to

expiration of the term of office, compulsory retirement, or otherwise.

- ② If the stock acquisition right holder dies, the heirs may exercise it.
 - ③ If the total number of issued shares of ACSL exceeds the total number of authorized shares at the time of the exercise of the Stock Acquisition Rights, the Stock Acquisition Rights may not be exercised.
 - ④ No less than one stock acquisition right may be exercised.
4. Allotment date of stock acquisition rights July 1, 2024.
 5. Matters concerning acquisition of stock acquisition rights
 - (1) In the case of approval by the General Meeting of Shareholders regarding the merger agreement in which ACSL will be the extinguished company, the split agreement or plan for the company split in which ACSL will be the splitting company, or the share exchange agreement or the stock transfer plan in which ACSL will become a wholly owned subsidiary, (if approval by the General Meeting of Shareholders is not necessary, a resolution of the Board of Directors is made), ACSL may acquire all of the Stock Acquisition Rights without charge upon the arrival of the date separately determined by the Board of Directors of ACSL.
 - (2) If the stock acquisition rights cannot be exercised under the provisions of 3.(6) above before the stock acquisition right holder exercises the rights, ACSL may acquire the stock acquisition rights free of charge.
 6. Handling of stock acquisition rights in the event of reorganization

When ACSL conducts a merger (limited to the case where ACSL is extinguished due to the merger), absorption-type company split, new company split, stock exchange or stock transfer (collectively the following "organization restructuring act"), stock acquisition rights of the stock companies listed in Article 236, Paragraph 1, Item 8 (イ) to (ホ) of the Companies Act (hereinafter referred to as "reorganization target companies") shall be issued to the stock acquisition rights holders in each case based on the following conditions on the effective date of the reorganization act. However, it shall be limited to cases in which the acquisition of stock acquisition rights of the reorganized company under the following conditions is specified in the absorption-type merger agreement, the merger agreement, the absorption-type company split plan, the new company split plan, the stock exchange agreement or the stock transfer plan.

 - (1) Number of stock acquisition rights issued by the reorganization target company

Issue the same number of stock acquisition rights as the stock acquisition right holders have.
 - (2) Type of shares of the reorganized company for the purpose of the stock acquisition rights

Common stock of reorganized company.

- (3) Number of shares of the reorganized company for the purpose of stock acquisition rights
The decision shall be made in accordance with 3 (1) above, taking into account the conditions of the reorganization act.
 - (4) Value of property invested upon exercise of stock acquisition rights
The value of assets to be contributed at the time of the exercise of each stock acquisition right to be granted shall be the post-reorganization exercise price obtained by adjusting the exercise price set out in 3.(2) above, taking into account the conditions and other factors of the restructuring transaction, multiplied by the number of shares of the reorganized company to be issued for the purpose of the stock acquisition rights as determined in accordance with 6.(3) above.
 - (5) Period during which stock acquisition rights can be exercised
The later of the first day of the exercise period or the effective date of the Reorganization, as set forth in 3.(3) above the exercise period shall be from the end of the exercise period set forth in 3.(3) above.
 - (6) Matters concerning capital increase and capital reserve when issuing shares by exercise of stock acquisition rights
Determine according to 3. (4) above.
 - (7) Restriction on acquisition of stock acquisition rights by transfer
Restrictions on acquisition by transfer shall require approval by resolution of the board of directors of the restructured company.
 - (8) Other conditions for exercising stock acquisition rights
Determine according to 3. (6) above.
 - (9) Reasons and conditions for acquisition of stock acquisition rights
Determine according to 5 above.
 - (10) Other conditions will be determined according to the conditions of the reorganization target company.
7. Matters concerning stock acquisition rights securities relating to stock acquisition rights
ACSL shall not issue the Stock Acquisition Rights Certificate related to the Stock Acquisition Rights.
 8. Application deadline
June 28, 2024
 9. Number and number of people to receive stock acquisition rights
Qualified persons allotted : Directors who are not audit and supervisory committee members
Number of persons : 3
Number of stock acquisition rights allotted : 600



Attention

This document is an unofficial translation of the timely disclosure on June 14, 2024 by ACSL and this is for reference purpose only. In case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.