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Company BEENOS Inc.
President and Group CEO Shota Naoi
(TSE Prime Code: 3328)
Contact Director and Executive Managing Officer Taisuke Miura
Telephone +81-3-6859-3328

Notice of Issuance of Stock Acquisition Rights (Paid-in Stock Options)

Tokyo, Japan – 20 June 2024 – BEENOS Inc. (BEENOS) announces that it has resolved to issue stock acquisition rights to the Directors and Executive Officers of the Company and its subsidiaries pursuant to the provisions of Articles 236, 238, and 240 of the Companies Act, as described below in its Board of Directors meeting held on 20 June 2024. This issuance of stock acquisition rights will be carried out without obtaining the approval of the General Meeting of Shareholders because it is a paid-in capital issue at a fair price to those who subscribe for stock acquisition rights and is not particularly advantageous. Additionally, the stock acquisition rights are not intended as compensation for the eligible persons but are underwritten based on the individual investment decisions of each party.

I. Purpose and Reason for Offering of Stock Acquisition Rights

The Company will issue stock acquisition rights to Directors, Executive Officers, and other key personnel of the Company and its subsidiaries to further enhance motivation, morale, and cohesiveness, aiming to expand business performance and increase corporate value over the medium to long term.

The total number of ordinary shares of the Company to be issued upon full exercise of the stock acquisition rights will be equivalent to 1.2% of the total number of issued shares. However, these stock acquisition rights, issued for value to the Directors and Executive Officers, include a stipulation that all remaining stock acquisition rights must be exercised if the closing price of the Company's ordinary shares falls below 30% of the exercise price even once within a specified period. This scheme ensures that the Directors and Executive Officers, who are granted these stock acquisition rights, share the risk of stock price fluctuations with existing shareholders by assuming responsibility for any significant decline in the Company's stock price.

The Company resolved at the Board of Directors meeting in 2020 to issue the 12th

stock acquisition rights for value. The issuance of these stock acquisition rights will be made to individuals appointed as Executive Officer or higher after the resolution. Therefore, there is no overlap with officers who were subject to the 12th stock acquisition rights.

Based on the above reasons, the Company recognizes that the issuance of the stock acquisition rights will further increase the commitment of officers and contribute to the long-term interests of existing shareholders. The Company believes that the impact on the dilution of shares is reasonable.

II. Outline of Issuance of Stock Acquisition Rights

Outline of the 16th Issuance of Stock Acquisition Rights

1. Number of Stock Acquisition Rights

1,500 units

The total number of shares to be delivered upon exercise of the stock acquisition rights shall be 150,000 ordinary shares of the Company. If the number of shares granted for the stock acquisition rights is adjusted in accordance with 3. (1) below, the total number shall be the number obtained by multiplying the adjusted number of shares granted by the number of the stock acquisition rights.

2. Money to be paid in exchange for Stock Acquisition Rights

The issue price per stock acquisition right shall be 100 JPY. This amount was determined based on the results calculated by Plutus Consulting Co., Ltd., a third-party evaluation organization. The calculation considered the Company's stock price information and other relevant factors, using the Monte Carlo simulation, a widely recognized option pricing model. This matter involves the issuance of new share options to subscribers at a fair price on a paid basis, without offering particularly favorable conditions.

3. Details of Stock Acquisition Rights

(1) Class and number of shares to be issued upon exercise of Stock Acquisition Rights

"The number of shares to be issued upon exercise of each stock acquisition right (the 'Number of Granted Shares') shall be 100 common shares of the Company.

If the Company conducts a stock split (including gratis allotment of the Company's common shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the stock acquisition rights, the Number of Granted Shares shall be adjusted according to the following formula. Provided,

however, that such adjustment shall be made only to the number of shares subject to the stock acquisition rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of split (or consolidation)"

After the date of allotment of the stock acquisition rights, in the event that the Company undergoes a merger, split, reduction of capital stock, or any other similar event where an adjustment of the Number of Granted Shares is required, the Number of Granted Shares shall be appropriately adjusted to a reasonable extent.

(2) Value or calculation method of assets to be contributed upon exercise of Stock Acquisition Rights

The amount of assets to be contributed upon the exercise of the stock acquisition rights shall be the amount calculated by multiplying the amount to be paid in per share (the 'Exercise Price') by the Number of Granted Shares.

The Exercise Price will be set at 1.01 times the closing price on the day of the allocation of these new share options (or the closing price of the most recent trading day prior, if no trades were executed on the allocation day), with any fractions of a yen rounded up.

If the Company conducts a stock split or reverse stock split after the date of allotment of the stock acquisition rights, the exercise price shall be adjusted according to the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

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

In addition, if the Company issues new shares or disposes of treasury stock at a price lower than the market price with respect to the Company's common shares after the date of allotment of the stock acquisition rights (excluding the cases of the issuance of new shares and the disposal of treasury stock based on the exercise of the stock acquisition rights, and the transfer of treasury stock by share exchange), the exercise price shall be adjusted by the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{Adjusted Exercise price} = \text{Exercise price Before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of Shares Newly issued}}{\text{Market price per share before new issue}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}} \times \text{Per share Amount to be paid}$$

In the above formula, the 'number of shares already issued' shall be the number obtained by deducting the number of treasury stock shares relating to the Company's common shares from the total number of issued shares relating to the Company's common shares, and in the case of disposal of treasury stock relating to the Company's common shares, 'number of shares newly issued' shall be read as 'number of treasury stock shares to be disposed of.'

In addition to the above, in the event that the Company merges with another company, conducts a company split, or is required to adjust the exercise price in a manner similar to the above, the Company may adjust the exercise price appropriately to a reasonable extent.

(3) Period during which Stock acquisition rights may be exercised

The period during which the Stock acquisition rights may be exercised (the "Exercise Period") shall be from 8 July 2024 to 7 July 2034.

(4) Matters concerning the Capital stock and capital reserves to be increased

(i) The amount of increase in capital stock in the event of issuance of shares upon exercise of the stock acquisition rights shall be one-half of the maximum amount of increase in capital stock, etc., calculated in accordance with Article 17, Paragraph 1 of the Rules of Corporate Accounting. Any fraction of less than one yen resulting from the calculation shall be rounded up.

(ii) The amount of capital reserve to be increased by the issuance of shares upon exercise of the stock acquisition rights shall be the amount obtained by subtracting the amount of capital stock to be increased set forth in (i) above from the maximum amount of increase in capital stock, etc. set forth in (i) above.

(5) Restriction on acquisition of Stock acquisition rights by transfer

Acquisition of the Stock acquisition rights by transfer shall require approval by a resolution of the Board of Director of the Company.

(6) Conditions for the exercise of Stock acquisition rights

(i) If the closing price of the Company's common shares on the stock exchange falls below the price calculated by multiplying the exercise price by 30% at least once during the period from the allotment date of the stock acquisition rights to the end of the exercise period, the holders of the stock acquisition

rights must exercise all the remaining stock acquisition rights at the exercise price by the maturity date of the exercise period. Provided, however, that this requirement shall not apply to the following cases:

- (a) If it is found that the information disclosed by the Company contains material misstatements;
 - (b) In the event that it is found that the Company did not properly disclose material facts that should be disclosed in accordance with laws, regulations, and the rules of the Stock Exchange
 - (c) In the event that the Company is delisted, goes bankrupt, or there is a major change in the circumstances assumed at the time of the issuance of the share acquisition rights;
 - (d) If the Company engages in any other conduct that is objectively deemed to seriously damage the confidence of the holders of stock acquisition rights.
- (ii) The exercise of the stock acquisition rights by the heirs of the holders of the stock acquisition rights shall not be permitted.
 - (iii) If, as a result of the exercise of the stock acquisition rights, the total number of issued shares of the Company exceeds the total number of authorized shares at that time, the stock acquisition rights may not be exercised.
 - (iv) Less than one stock acquisition right may not be exercised.

4. Allotment Date of Stock acquisition rights

8 July 2024

5. Matters concerning the acquisition of Stock acquisition rights

In the event that a merger agreement under which the Company is the disappearing company, a company split agreement or a company split plan concerning a company split under which the Company is the splitting company, or a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary is approved by the General Meeting of Shareholders (or by a resolution of the Board of Directors if the approval of the General Meeting of Shareholders is not required), the Company may acquire all of the stock acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.

6. Handling of Stock acquisition rights in the Event of Reorganization

In the event that the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer

(hereinafter collectively referred to as the "Act of Structural Reorganization"), the Company shall deliver the stock acquisition rights of the stock companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company") to the holders of stock acquisition rights on the effective date of the Act of Structural Reorganization under the following conditions. Provided, however, that this shall be limited to cases where it 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 that stock acquisition rights of the Restructured Company will be delivered in accordance with the following conditions:

(1) Number of Stock Acquisition Rights of the Restructured Company to Be Delivered:

The same number of stock acquisition rights as the number of stock acquisition rights held by each stock acquisition right holder shall be delivered.

(2) Type of Shares of the Restructured Company to Be Issued Upon Exercise of Stock Acquisition Rights:

Ordinary shares of the Restructured Company

(3) Number of Shares of the Restructured Company to Be Issued Upon Exercise of Stock Acquisition Rights:

To be determined in accordance with section 3. (1) above, considering the conditions of the Organizational Restructuring.

(4) Value of property to be contributed upon exercise of Stock acquisition rights:

The amount of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the exercise price after reorganization, which is obtained by adjusting the exercise price specified in section 3. (2) above, by the number of shares of the Restructured Company to be issued upon exercise of the stock acquisition right, which is determined in accordance with section 6. (3) above, considering the conditions, etc. of the Organizational Restructuring.

(5) Period during which Stock acquisition rights may be exercised:

From the later of the first day of the exercise period set forth in section 3. (3) above or the effective date of the Organizational Restructuring to the last day of the exercise period set forth in section 3. (3) above.

(6) Matters Concerning Capital Stock and Capital Reserves to Be Increased in the Event of Issuance of Shares Upon Exercise of Stock Acquisition Rights:

To be determined in accordance with 3. (4) above.

(7) Restriction on Acquisition of Stock Acquisition Rights by Transfer:

Restrictions on acquisition by transfer shall require approval by a resolution of the board of directors of the Restructured Company.

(8) Other Conditions for the Exercise of Stock Acquisition Rights:

To be determined in accordance with 3. (6) above.

(9) Reasons and Conditions for the Acquisition of Stock Acquisition Rights:

To be determined in accordance with 5 above.

(10) Other Conditions:

To be determined in accordance with the conditions of the Restructured Company.

7. Matters Related to Stock Acquisition Right Certificates for Stock Acquisition Rights:

The Company shall not issue stock acquisition right certificates for the stock acquisition rights.

8. Payment Date of Money in Exchange for Stock Acquisition Rights:

July 8, 2024

9. Application Date:

July 4, 2024

10. Persons to Whom Stock Acquisition Rights Will Be Allotted and the Number thereof:

Directors and Executive Officer of the Company and its subsidiaries: 7 persons
1,500 units

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