

Company name: RAKSUL INC.
 Representative: Yo Nagami
 Representative Director, President and Group CEO
 (TSE Prime Market Code No. 4384)
 Contact: Masaru Sugiyama
 Group CFO, SVP of Finance & Sustainability

Notice Concerning the Issuance of New Shares as Post-Delivery Stock-Based Remuneration

RAKSUL INC. (the “Company”) hereby announces that a resolution was passed to issue new shares (hereinafter referred to as the “New Share Issuance”) as post-delivery stock-based remuneration (hereinafter referred to as the “Stock Remuneration”) under the remuneration system of restricted stock units (hereinafter referred to as the “RSU”) at the Board of Directors meeting held today. The details are as follows:

1. Overview of the issuance

(1)	Allocation Date	December 5, 2025
(2)	Class and Number of Shares to be Issued	67,700 common shares of the Company
(3)	Expected Allottees	One Representative Director of the Company
(4)	Issue Price and Total Amount of Issuance	New Shares Issuance will be provided free of charge as remuneration for directors (Article 202, Paragraph 2 of the Companies Act). A fair value has been calculated based on the amount (95,050,800 yen) obtained by multiplying the closing price (1,404 yen) of the Company’s common stock on the Tokyo Stock Exchange on December 4, 2023, at the time of grant of RSUs, by the number of shares (67,700 shares) issued above.
(5)	Others	An Written Notice of Securities under the Financial Instruments and Exchange Act has been filed with respect to this issuance of new shares.

2. Purpose and reason for issuance

As announced in the “Notice Concerning Determination of Long-Term Incentive Package for Representative Director, President & CEO” dated November 16, 2023, the Company passed a resolution to introduce a stock compensation plan to grant RSU (hereinafter referred to as the “Plan”) for its eligible Representative Director, President and Group CEO Yo Nagami (hereinafter referred to as “Representative Director”). This is intended to promote further value sharing with our shareholders, as well as to provide strong leadership in achieving discontinuous growth to realize our vision. We are now issuing new shares as stock compensation due to the vesting of a portion of the aforementioned restricted-stock-based remuneration. There are no transfer restrictions or other encumbrances on the common shares of the Company to be delivered through this New Share Issuance.

3. Summary of the Plan

(1) Summary

The Plan is a post-delivery type stock-based compensation plan under which the rights to the shares are granted to the Representative Director only when certain conditions are met each year and the rights for the portion granted for the fiscal year are vested as compensation for the performance of his duties during the 10 fiscal years from FY2023 (August 1, 2023 to July 31, 2024), when he assumed the position of Representative Director, President and Group CEO, to FY2032 (August 1, 2032 to July 31, 2033). The conditions under which the shares are to be delivered are that the Representative Director shall

continuously hold office as Representative Director, President and Group CEO until the end of the relevant fiscal year (hereinafter referred to as the “Service Conditions”) and that he shall achieve the performance condition previously determined by the Remuneration Committee (hereinafter referred to as the “Performance Conditions”); provided, however, that the specific number of units to be granted for each fiscal year shall be determined by a resolution of the Company’s Board of Directors.

(2) Details of Remuneration

(i) Calculation Method for Remuneration

The Company shall grant RSUs to the Representative Director for the 10 fiscal years from FY2023 to FY2032. The maximum number of units to be granted per fiscal year is 87,700 units (equivalent to 87,700 shares), representing approximately 0.15% of the Company’s total outstanding shares of 58,476,092 (As of July 31, 2023). Only if both the Service Conditions and Performance Conditions have been satisfied for each fiscal year, will the rights be vested at the conclusion of the Annual General Meeting of Shareholders for the relevant fiscal year.

The Performance Conditions established by the Board of Directors in response to the proposal by the Remuneration Committee are as follows.

[Performance Conditions]

Consolidated gross profit growth for the subject fiscal year shall be more than 15% YoY.

However, if the Board of Directors of the Company recognizes by a resolution that the year’s growth rate is less than 15% due to acquisitions, etc., made in the previous fiscal year of the relevant fiscal year, an average annual growth rate of more than 15% for two years shall suffice.

Upon the vesting of RSU, the Company shall, at the first Board of Directors’ meeting held after the vesting, decide to issue new shares or dispose of treasury shares in the number of the Company’s common stock equivalent to one share per RSU for the relevant fiscal year, which shall be delivered to the Representative Director without compensation. After the gratis delivery of shares, if the performance for the relevant fiscal year is revised and the revised performance does not satisfy the Performance Conditions, the Company may request the return of the delivered shares.

In principle, RSU for each fiscal year shall expire if the Service Conditions are not fulfilled, however, as an exception, if the position of Representative Director, President and Group CEO is forfeited for reasons deemed justifiable by a resolution of the Board of Directors of the Company, the Board of Directors shall separately determine the percentage of shares to be issued in consideration of the percentage of the tenure of the Representative Director during the relevant fiscal year.

In the event of a loss of the position of Representative Director, President and Group CEO due to death (including death before vesting), RSU for the relevant fiscal year shall be paid in cash, converted at the market value of the Company’s shares at the time of death, to the successor in title designated from among his heirs.

In addition, in the event of approval of a merger in which the Company becomes a dissolving company, a split-off type corporate split in which the Company becomes a split company, a share exchange in which the Company becomes a wholly owned subsidiary, a share transfer, a reverse stock split, or other means in which the Company becomes private, settlement shall be made in the amount of money reasonably calculated under certain conditions.

(ii) Upper Limit of Remuneration under the Plan

The total number of shares to be delivered to the Representative Director under the Plan through RSU for the 10 fiscal years between FY2023 and FY2032 shall be 877,000 shares or less. However, if the total number of outstanding shares of the Company increases or decreases due to a reverse stock split or a stock split (including the allotment of shares without compensation) after the resolution of the General Meeting of Shareholders and before the delivery of shares, the ratio shall be adjusted according to the ratio of the reverse stock split or stock split.

(iii) Reasons for Forfeiture of the Right to Receive Remuneration under the Plan

The Representative Director shall forfeit the right to receive remuneration under the Plan in the event of certain

misconduct as determined by the Board of Directors or resignation for certain reasons as determined by the Board of Directors, and in the event of such misconduct, the Company may demand the Representative Director to return the shares already delivered.