

Company BEENOS Inc.

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## **Notice Regarding the Determination of the Issuance of Stock Acquisition Rights (Unpaid Stock Options)**

*Tokyo, Japan* – 27 May 2021 – BEENOS Inc. (BEENOS) announced the details of the stock acquisition rights issued to the employees of the Company and its subsidiaries in accordance with the provisions of Article 236, Article 238 and Article 240 of the Companies Act in its Board of Directors meeting held on 27 May 2021.

### **I. Purpose for the Offering of Stock Acquisition Rights**

Subscription rights to shares are issued to employees of the Company and its subsidiaries with the aim of further increasing motivation and morale in order to achieve medium-to long-term growth in business performance and increasing corporate value.

### **II. Outline of the Issuance of Stock Acquisition Rights**

#### **BEENOS Inc.'s 14th Stock Acquisition Rights (Unpaid Stock Options)**

##### **1. Number of stock acquisition rights**

491 units

The total number of shares that can be issued by exercising the Stock Acquisition Rights shall be 49,100 shares of BEENOS common stock. In the event the number of shares granted for the Share Acquisition Rights is adjusted according to 3. (1) below, the number shall be calculated by multiplying the adjusted number of shares granted by the number of Stock Acquisition Rights.

2. Cash paid in exchange for stock acquisition rights

No cash payments will be necessary for this stock acquisition rights.

3. The details of the share options

(1) Type and number of stocks to be acquired

The number of shares intended for each stock acquisition right ("Number of Shares Allotted") shall be 100 shares of BEENOS common stock.

The Number of Shares Allotted shall be adjusted according to the following formula in the event that a stock split (including free allocation of common stock; the same shall apply hereinafter) or a share consolidation after the allotment date of the share subscription rights is conducted. However, such adjustments are made only for shares of the Stock Acquisition Rights that were not exercised at that time, and fractional shares resulting from the adjustment shall be rounded down.

Number of Shares Allotted after adjustment = Number of Shares Allotted before adjustment  $\times$  Ratio of stock split (or consolidation)

In addition, the Number of Shares Allotted shall be appropriately adjusted to the extent reasonable in cases where, after the allotment date, a merger, company split or a reduction in the amount of capital is conducted, or in other cases where an adjustment in the Number of Shares Allotted is required.

(2) Value or calculation method of assets to be invested upon exercise of stock acquisition rights

The value of assets to be invested upon the exercise of the Stock Acquisition Rights shall be the amount calculated by multiplying the paid-in amount per share (the "Exercise Price") by the Number of Allotted Shares.

The Exercise Price shall be the higher of (i) the average closing price of the Company's common stock on the Tokyo Stock Exchange on each day of the month preceding the month in which the allotment date of the Stock Acquisition Rights falls (excluding days in which no trading is conducted) multiplied by 1.05 (any fraction less than one JPY will be rounded up) or (ii) the closing price on the allotment date of the Stock Acquisition Rights (or the closing price of the immediately preceding trading day if no trading is conducted). If a stock split or a stock consolidation is conducted after the allotment date, the exercise price will be adjusted according to the following formula, and fractions less than 1 JPY will be rounded up.

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

After the allotment date, if issue new shares are issued or treasury stock at a price below the market price of the Company's common stock (excluding the case of issuance of new shares based on exercise of subscription rights to shares, disposal of treasury stock, and transfer of treasury stock through share exchange) are disposed, the exercise price will be adjusted according to the following formula, and fractions less than 1 JPY will be rounded up.

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

In the formula above, the "number of outstanding shares" shall be the number of common stock minus the number of treasury stock. In the event of disposal of treasury stock related to common stock, the "number of newly issued shares" shall be replaced by the "number of treasury stock to be disposed of."

In addition, in cases where a merger, a company split, or any other cases where adjustment of the exercise price is required takes place after the allotment date, the exercise price may be adjusted within a reasonable range.

(3) Exercise period for the stock acquisition rights

The period during which the Stock Acquisition Rights can be exercised (the "Exercise Period") shall be from 28 May 2023 to 27 May 2031.

(4) Capital and capital reserves to be increased.

- ① The amount of capital to be increased when shares are issued upon the exercise of 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. Any fraction less than 1 JPY resulting from the calculation shall be rounded up.
- ② The amount of additional paid-in capital to be increased in the case of issuing shares upon the exercise of the Stock Acquisition Rights shall be the amount calculated by subtracting the amount of additional paid-in capital provided in ① above from the ceiling on the increase in capital, etc. stated in ① above.

(5) Restrictions on acquisition of the rights through transfer

The acquisition of the Stock Acquisition Rights by transfer shall be subject to approval by resolution of BEENOS Board of Directors.

(6) Conditions of execution of Stock Acquisition Rights

- ① Holders of stock acquisition rights must be directors, corporate auditors or employees of the Company of its subsidiaries at the time of exercising their stock

acquisition rights. However, this shall not apply in cases where the Board of the Directors recognizes that there is a justifiable reason such as resignation due to expiration of term of office, retirement or other reasons.

- ② Exercise of the Stock Acquisition Rights by an inheritor of the Stock Acquisition Rights is not permitted.
- ③ If the exercise of the Stock Acquisition Rights will result in the total number of shares outstanding exceeding the total number of shares that can be issued at the time of exercise, the Stock Acquisition Rights may not be exercised.
- ④ Each Stock Acquisition Right may not be exercised for less than 1 unit.

#### 4. Allotment date of Stock Acquisition Rights

14 June 2021

#### 5. Acquisition of Stock Acquisition Rights

- ① In the event of a merger agreement in which BEENOS is the extinguished company, a split agreement or plan in which BEENOS is a split company, or a share exchange agreement or share transfer plan in which BEENOS becomes a wholly-owned subsidiary, approved by the shareholders' meeting (or by resolution of the Board of Directors if not approved by the shareholders' meeting), the Company may acquire all of the Share Acquisition Rights free of charge as of the date specified separately by the Board of Directors.
- ② If, prior to the exercise of stock acquisition rights by the holders of stock acquisition rights, the exercise of these stock acquisition rights becomes impossible due to the provisions set forth in 3.(6) above, the Company may acquire the Share Acquisition Rights free of charge.

#### 6. Handling of Stock Acquisition Rights in the Conduct of Organizational Restructuring

In cases of a merger (limited to cases where BEENOS is extinguished as a result of a merger), an absorption-type demerger, an incorporation-type demerger, a share exchange or a share transfer (collectively referred as "Reorganization"), the stock acquisition rights of the the companies listed in (a) to (e) of Article 236, Paragraph 1, Item 8, of the Companies Act ("Reorganized Company") shall be delivered, in each of the above cases to the right holder holding the Stock Acquisition Rights remaining at the effective time of the Reorganization (the "Remaining Stock Acquisition Rights") according to the conditions described below. Provided, however, that the foregoing shall be on the condition that delivery of Stock Acquisition Rights of the Reorganized Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, and incorporation-type company split plan, a stock exchange

agreement or a stock transfer plan.

- (1) Number of Stock Acquisition Rights of the Reorganized Company to be delivered

The identical number of Stock Acquisition Rights to the number of the Remaining Stock Acquisition Rights held by the Right Holder shall be delivered respectively.

- (2) Class of shares of the Reorganized Company to be issued or transferred upon exercise of Stock Acquisition Rights

Shall be shares of common stock of the Reorganized Company.

- (3) Number of shares of the Reorganized Company to be issued or transferred upon exercise of Stock Acquisition Rights

Shall be determined in accordance with 3.(1) above, based on the consideration of conditions for the Reorganization and other factors.

- (4) Amount of assets to be contributed upon exercise of Stock Acquisition Rights

Shall be determined in accordance with 3.(2) above, based on the consideration of conditions for the Reorganization and other factors, and multiplying the exercise price after restructuring by the number of shares of the company subject to restructuring as determined in accordance with 6. (3) above.

- (5) Exercise period for the Stock Acquisition Rights

Shall be from commencing date of the Exercise Period stipulated in 3.(3) above, or the effective date of the Reorganization, whichever is later, to expiry date of the Exercise Period stipulated in 3.(3) above.

- (6) Matters concerning the capital and capital reserve to be increased when shares are issued upon exercise of Stock Acquisition Rights

Determine in accordance with 3.(4) above.

- (7) Restriction on acquisition of Stock Acquisition Rights through transfer

Restrictions on acquisition by transfer shall be subject to approval by resolution of the Board of Directors of the company subject to restructuring.

- (8) Conditions for Exercise of Other Stock Acquisition Rights

Determine in accordance with 3.(6) above.

- (9) Reasons and conditions for the acquisition of Stock Acquisition Rights

Determine in accordance with 5. above.

- (10) Other conditions shall be determined in accordance with the conditions of the company subject to restructuring.

## 7. Matters concerning Stock Acquisition Rights certificates related to Stock Acquisition Rights

Stock acquisition rights certificates for the Stock Acquisition Rights will not be issued.

8. Application date

10 June 2021

9. Number of persons to whom the Stock Acquisition Rights are to be allotted

Employees of the Company and its subsidiaries: 96 persons, 491 units

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