



July 16, 2025

For Immediate Release

Ad-Sol Nissin Corporation  
Toshiaki Shinozaki, Representative Director and President  
(Stock code: 3837, Prime Market of the Tokyo Stock Exchange)  
<Inquiries>  
Norikazu Teramura, Director, General Manager of Administrative Dept.  
(TEL: +81-3-5796-3131)

## **Notice Regarding the Issuance of Stock Compensation-type Stock Options (Stock Acquisition Rights)**

Ad-Sol Nissin Corporation ("the Company") hereby announces that, at its Board of Directors meeting held today, resolved to issue stock-compensation-type stock options (Stock Acquisition Rights), in accordance with the provisions of Articles 236, Article 238 and Article 240 of the Companies Act of Japan, as follows.

### **1. The Reason for Issuing Stock Acquisition Rights as Stock Options**

Stock Acquisition Rights will be issued as stock compensation-type stock options to the Company's directors (excluding external directors) as follows. This initiative aims to enhance the linkage between directors' compensation, business performance, and share value, as well as to enhance motivation and willingness to improve the Company's performance and corporate value over the medium to long term by sharing the benefits and risks arising from the rise and fall in stock prices together with the shareholders.

### **2. Details of Issuance of Stock Acquisition Rights**

#### **(1) Name of the Stock Acquisition Rights**

Eleventh (11th) Issuance of Stock Compensation-type Stock Acquisition Rights of Ad-Sol Nissin Corporation

#### **(2) Class and number of shares underlying the Stock Acquisition Rights**

The class of shares underlying the Stock Acquisition Rights shall be common shares of the Company, and the number of shares underlying each Stock Acquisition Right ("Number of Shares") shall be one (1) share. In the event of a share split (including an allocation of common shares of the Company without contribution; hereinafter the same for references to share splits) or a share consolidation of the common shares of the Company after the allocation date of the Stock Acquisition Rights as defined in (6) below, the Company shall adjust the Number of Shares to be allocated for Stock Acquisition Rights that have not yet been exercised at the time of the consolidation or split by using the following formula.

$$\text{Number of Shares to be allotted after adjustment} = \text{Number of Shares to be allotted before adjustment} \times \text{Ratio of share split or share consolidation}$$

In addition to the above, in the event it becomes necessary to adjust the Number of Shares to be allotted for Stock Acquisition Rights, the Number of Shares to be allotted may be adjusted as deemed necessary by the Company's Board of Directors meeting. Any fraction less than one share arising from the adjustment shall be rounded down.

(3) Total number of Stock Acquisition Rights

33,289 units

The above total number is the planned number to be allocated and if the total number of Stock Acquisition Rights to be allocated decreases, including the case where the number of applications is less than the number of scheduled allocations, the total number of Stock Acquisition Rights will be the number of total allocations.

(4) People entitled to the allocation of the Stock Acquisition Rights and number thereof; Number of Stock Acquisition Rights to be allocated

Company directors (excluding external directors): Four (4) people, 33,289 units

The number of Stock Acquisition Rights to be allocated stated above are the numbers of scheduled allocations, and if the number of applications is less than the number of scheduled allocations, the total number of Stock Acquisition Rights to be allocated will be the number of total applications.

(5) Method for calculating the amount to be paid upon allocation of stock acquisition rights

The amount to be paid upon allocation of each stock acquisition rights shall be the option price per share calculated based on the following figures from ii) to vii) according to the formula of the Black-Scholes model, multiplied by the Number of Shares Granted, with fractions of less than one (1) yen being rounded up to the nearest yen.

$$C = Se^{-\lambda t}N(d_1) - e^{-rt}XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

(i)  $C$  = Option price per share

(ii)  $S$  = Share price: the closing price of the regular trading of the shares of the Company's common stock on the Tokyo Stock Exchange on July 31, 2025 (or the basic price on the trading day immediately following that date, if there is no closing price on that date).

(iii)  $X$  = Exercise price: 1 yen

(iv)  $t$  = Expected residual term: 15 years

(v)  $\sigma$  = Volatility: share price volatility rate calculated based on the closing price of the regular trading of the shares of the Company's common stock on each transaction date from July 6, 2010 through July 31, 2025.

(vi)  $r$  = Risk-free interest rate: interest rate on Japanese government bonds for the remaining years to the maturity corresponding to the expected time to maturity.

(vii)  $\lambda$  = Dividend yield: dividend per share (amount of dividend per share paid for the fiscal year ended March 31, 2025) divided by the share price defined in (ii) above

(viii)  $N(\cdot)$  = Cumulative distribution function of the standard normal distribution

Furthermore, persons entitled to allotment of stock acquisition rights ("Stock Acquisition Right Holders") shall acquire same by offsetting their obligation to pay in the amount for the allotment with their

compensation claims to the Company in lieu of paying said amount to be paid and shall not be required to pay any money.

(6) Date of allotment of the Stock Acquisition Rights

July 31, 2025

(7) Date of payment of consideration in exchange of the Stock Acquisition Rights

July 31, 2025

(8) Amount of property to be contributed upon exercise of the Stock Acquisition Rights

The payment amount per share that may be delivered by exercising each stock acquisition right shall be one (1) yen, and the amount of property to be contributed upon the exercise of each stock acquisition right shall be the amount calculated by multiplying this amount by the Number of Shares granted.

(9) Exercise period of the Stock Acquisition Rights

From August 1, 2025 to July 31, 2055

(10) Conditions for the exercise of the Stock Acquisition Rights

(i) The Stock Acquisition Right Holders may exercise the Stock Acquisition Rights only within ten (10) days from the day immediately following the date on which they lose their position as a director of the Company. However, the Stock Acquisition Rights may be exercised on and after August 1, 2054, even if the Stock Acquisition Right Holders hold the position of a director of the Company.

(ii) Upon the death of Stock Acquisition Right Holders, the heir(s) thereof shall succeed to the Stock Acquisition Rights.

(iii) Regardless of (i) and (ii) above, Stock Acquisition Right Holders and their heirs may exercise the Stock Acquisition Rights only within the specified period in the cases provided for below. However, this shall not apply to the case where the Stock Acquisition Rights of a reorganized company are issued to Stock Acquisition Right Holders in accordance with (14) below.

- In case either a), b), or c) is approved at the Company's General Meeting of Shareholders (or is resolved at the Board of Directors meeting, where a resolution of the General Meeting of Shareholders is not required): Fifteen (15) days from the day following the date on which the approval or decision below was made.

a) A proposal for approving a merger agreement under which the Company becomes the absorbed company

b) A proposal for approving a company split agreement or a company split plan under which the Company becomes the splitting company

c) A proposal for approving a share exchange agreement or a share transfer plan under which the Company is to become a wholly owned subsidiary

(iv) A single Stock Acquisition Right shall not be exercised in part.

(11) Matters regarding capital and capital reserve to be increased due to the issuance of shares upon the exercise of the Stock Acquisition Rights

- (i) The amount of capital to be increased due to the issuance of shares upon exercise of Stock Acquisition Rights shall be one half (1/2) of the maximum amount of increase in the capital, etc. to be calculated according to Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any amount less than one yen arising from such calculation to be rounded up.
- (ii) The amount of capital reserve to be increased due to the issuance of shares upon exercise of Stock Acquisition Rights shall be the amount obtained by deducting the amount of capital to be increased set forth in 1) above, from the maximum amount of increase in the capital, etc. set forth in 1) above.

(12) Restriction on the acquisition of the Stock Acquisition Rights through transfer

Any acquisition of the Stock Acquisition Rights through transfer shall require approval by a resolution of the Board of Directors of the Company.

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

If proposal (i), (ii), (iii), (iv) or (v) listed below is approved at the General Meeting of Shareholders of the Company (or is resolved at the Board of Directors meeting, where a resolution of the General Meeting of Shareholders is not required), the Company may acquire the Stock Acquisition Rights, without consideration, as of the date separately determined by the Board of Directors of the Company.

- (i) A proposal for approving a merger agreement under which the Company becomes the absorbed company
- (ii) A proposal for approving a company split agreement or a company split plan in which the Company becomes the splitting company
- (iii) A proposal for approving a share exchange agreement or a share transfer plan under which the Company is to become a wholly owned subsidiary
- (iv) A proposal for approving an amendment to the Articles of Incorporation to establish a provision that the approval of the Company is required for the acquisition of any of the shares issued by the Company through a share transfer
- (v) A proposal for approving an amendment to the Articles of Incorporation to establish a provision that the approval of the Company is required for the acquisition of the class of shares underlying the Stock Acquisition Rights through a share transfer or that the Company may acquire all shares of that class by a resolution at the General Meeting of Shareholders.

(14) Treatment of Stock Acquisition Rights upon Reorganization

In case that the Company carries out a corporate merger (limited to the case where the Company becomes a disappearing company as a result of the corporate merger), an absorption-type company split or an incorporation-type company split (limited to the case where the Company becomes a split company, respectively), or a share exchange or a share transfer (limited to the case where the Company becomes a wholly-owned subsidiary, respectively) ("Reorganization"), stock acquisition rights of the stock companies listed in (a) to (e) of Article 236, Paragraph 1, Item 8 of the Companies Act ("the Reorganized Company") shall be delivered, in each of the above cases, to holders of the Stock Acquisition Rights remaining immediately before the effective date of Reorganization (for an absorption-type merger, the

effective date on which the absorption-type merger takes effect; for a consolidation-type merger, the date of incorporation of the stock company incorporated in the consolidation-type merger; for an absorption-type company split, the effective date on which the absorption-type company split takes effect; for an incorporation-type company split; the date of incorporation of the stock company incorporated in the incorporation-type split; for a share exchange, the effective date on which the share exchange takes effect; for a share transfer, the date of incorporation of the wholly owning parent company incorporated in the share transfer, the same applies hereinafter) ("Remaining Stock Acquisition Rights"). In such case, any Remaining Stock Acquisition Rights will cease to exist, and the Reorganized Company will newly issue stock acquisition rights. However, the foregoing shall be on the condition that delivery of stock acquisition rights of the Reorganized Company in accordance with each of the following conditions is set forth 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.

(i) Number of stock acquisition rights of the Reorganized Company to be delivered

The same number of stock acquisition rights as the number of Remaining Stock Acquisition Rights held by the Stock Acquisition Rights Holders shall be delivered respectively.

(ii) Type of shares of the company subject to reorganization for the purpose of stock acquisition rights

It shall be common shares of the company subject to reorganization.

(iii) Number of shares of the company subject to reorganization for the purpose of stock acquisition rights

It shall be determined in accordance with (2) above, taking into consideration of the conditions for the organizational restructuring, etc.

(iv) Amount of property to be contributed upon exercise of the stock acquisition rights

The amount of property to be contributed upon the exercise of each stock acquisition right to be delivered shall be the value obtained by multiplying the exercise price after restructuring actions as set forth below by the number of shares of the Reorganized Company subject to stock acquisition rights to be determined in accordance with (iii) above. The exercise price after restructuring actions shall be one (1) yen per share of the Reorganized Company that can be delivered by exercising each stock acquisition right to be delivered.

(v) Exercise period of stock acquisition rights

The period during which stock acquisition rights may be exercised shall be from the commencement date of the exercise period during which stock acquisition rights may be exercised as set forth in (9) above, or the effective date of the Reorganization, whichever is later, to the expiration date of the exercise period during which stock acquisition rights may be exercised as set forth in (9) above.

(vi) Matters regarding capital and capital reserve to be increased due to the issuance of shares upon the exercise of the stock acquisition rights

To be determined in accordance with (11) above.

(vii) Restriction on the acquisition of stock acquisition rights through transfer

Transfer of the stock acquisition rights shall be subject to an approval of the Board of Directors of the Reorganized Company.

(viii) Reasons and conditions for the acquisition of share acquisition rights

To be determined in accordance with (13) above.

(15) Arrangement for fractions of less than one (1) share arising from the exercise of Stock Acquisition Rights

Fractions of less than one (1) share in the Number of Shares to be granted to Stock Acquisition Right Holders who exercised their Stock Acquisition Rights shall be rounded down.

(16) Issuance of certificates for Stock Acquisition Rights

Certificates for Stock Acquisition Rights shall not be issued by the Company.

(Note) English documents are prepared as a courtesy to our shareholders. In the event of any inconsistency between English-language documents and Japanese-language documents, the Japanese-language documents will prevail.