

July 24, 2025

Company name: ExaWizards Inc.
Name of representative: Makoto Haruta,
Representative Director and President, CEO
(TSE Code No.4259)
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Executive Officer, Corporate Management
Division Manager, CFO

Notice Regarding the Issuance of Stock Acquisition Rights as Stock Options

ExaWizards Inc. (hereinafter, “the Company”) hereby announces that a meeting of its Board of Directors held on July 24, 2025, resolved to issue stock options (stock acquisition rights) for consideration as described below. These stock acquisition rights will be issued for consideration at a fair price to the allottees, and as the terms are not particularly favorable, the issuance will be implemented without obtaining approval at a general meeting of shareholders. Furthermore, these stock acquisition rights are not granted as compensation to the allottees, but will be allotted based on each individual’s own investment decision.

1. Purpose for issuing Stock Acquisition Rights

The Company is issuing these stock acquisition rights for the purpose of further enhancing the motivation and morale of its directors and employees, and further strengthening its unity, as it aims for medium- to long-term business expansion and enhancement of corporate value.

These stock acquisition rights are subject to exercise conditions requiring that the Company’s consolidated net sales exceed 17.5 billion yen or 20 billion yen. These targets are based on the concept that, in accordance with the medium- to long-term policy presented in the full-year financial results for the fiscal year ended March 2025, the Company can achieve a level exceeding 20 billion yen in consolidated net sales within five years by maintaining growth of 20% or more annually.

Furthermore, as these stock acquisition rights are subject to the achievement of predetermined performance targets as exercise conditions, and the achievement of such targets will contribute to the enhancement of the Company’s corporate and shareholder value, the Company believes that the issuance of these stock acquisition rights will contribute to the interests of its existing shareholders. Moreover, the Company will allocate treasury shares in consideration of share dilution. However, if there are not enough treasury shares for stock acquisition rights, the Company may acquire additional treasury shares or issue new shares as necessary.

2. Details of the Issuance of Stock Acquisition Rights

(1) Allottees and Number of Stock Acquisition Rights to be Allotted	Directors of the Company	3 persons	6,200 Stocks
	Employees of the Company	3 persons	3,400 Stocks
The above numbers of persons and stock acquisition rights represent the maximum limits, and the actual number of allottees and the number of stock acquisition rights to be allotted may decrease depending on the status of applications for these stock acquisition rights.			
(2) Class and Number of Shares to be Issued upon Exercise of Stock Acquisition Rights	The number of shares underlying each stock acquisition right (hereinafter referred to as the “Number of Shares Granted”) shall be 100 shares of common stock of the Company. In the event that the Company conducts a stock split (including gratis allotment of common stock of the Company; the same shall apply hereinafter) or a stock consolidation after the allotment date of these stock acquisition rights, the Number of Shares Granted shall be adjusted according to the following formula. However, such an adjustment shall be made only with respect to the number of shares underlying the stock acquisition rights that have not been exercised at the relevant time, and any fractions of less than one share resulting from the adjustment shall be rounded down. $\text{Adjusted Number of Shares Granted} = \frac{\text{Number of Shares Granted before Adjustment}}{\text{Ratio of Split (or Consolidation)}}$ In addition, in the event that the Company conducts a merger, the		

	company split, or capital reduction after the allotment date of these stock acquisition rights, or in other cases where an adjustment to the Number of Shares Granted is necessary, the Number of Shares Granted shall be appropriately adjusted within a reasonable range.
(3) The Number of Stock Acquisition Rights	9,600 Stocks
(4) Monetary Payment in Exchange for Stock Acquisition Rights	The issue price per stock acquisition right shall be 350 yen. This amount was determined to be equal to the amount calculated by Plutus Consulting Co., Ltd., a third-party valuation institution, using the Monte Carlo simulation, a general option pricing model, taking into consideration the Company's stock price information and other factors. The Company has determined that this amount does not constitute a favorable issuance.
(5) Value of Assets to be Contributed upon Exercise of Stock Acquisition Rights and Exercise Price per Share	<p>The value of assets to be contributed upon exercise of these stock acquisition rights shall be the amount obtained by multiplying the payment amount per share (hereinafter referred to as the "Exercise Price") by the Number of Shares Granted. The Exercise Price shall be 449 yen.</p> <p>In the event that the Company conducts a stock split or stock consolidation after the allotment date of these stock acquisition rights, the Exercise Price shall be adjusted according to the following formula, and any fractions of less than one yen resulting from the adjustment shall be rounded up.</p> $\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Share Split (or Consolidation)}}$ <p>In addition, in the event that the Company issues new shares or disposes of treasury shares of common stock at a price below the market price after the allotment date of these stock acquisition rights (excluding cases of issuance of new shares and disposition of treasury shares upon exercise of stock acquisition rights, and transfer of treasury shares by share exchange), the Exercise Price shall be adjusted according to the following formula, and any fractions of less than one yen resulting from the adjustment shall be rounded up</p> $\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Outstanding Shares} + \frac{\text{Number of New Shares to be Issued} \times \text{Amount to be Paid per Share}}{\text{Market Price per Share}}}{\text{Number of Outstanding Shares} + \text{Number of New Shares to be Issued}}$ <p>In the above formula, "Number of Shares Already Issued" shall mean the number obtained by deducting the number of treasury shares of common stock of the Company from the total number of issued shares of common stock of the Company. In the event that the Company disposes of treasury shares of common stock, "Number of Newly Issued Shares" shall be read as "Number of Treasury Shares to be Disposed of," and "Market Price per Share before New Issuance" shall be read as "Market Price per Share before Disposition."</p> <p>Furthermore, in addition to the above, in the event that the Company merges with another company, conducts a company split, or in other cases where an adjustment to the Exercise Price is necessary after the allotment date of these stock acquisition rights, the Company may appropriately adjust the Exercise Price within a reasonable range.</p>
(6) Exercise period of the Stock Acquisition Rights	The period during which these stock acquisition rights may be exercised (hereinafter referred to as the "Exercise Period") shall be from July 1, 2027 to August 7, 2035.
(7) Exercise Conditions	(i) Persons who have been allotted stock acquisition rights (hereinafter referred to as "Holders") may exercise the respective percentages of stock acquisition rights allotted to each Holder only when the Company's consolidated net sales

	<p>exceed the levels set forth in (a) through (b) below in any fiscal year from the fiscal year ending March 2027 to the fiscal year ending March 2029.</p> <p>(a) If exceeding 17,500 million yen: Exercisable ratio 50% (b) If exceeding 20,000 million yen: Exercisable ratio 100%</p> <p>For the determination of consolidated net sales above, the figures stated in the Company's securities report shall be referenced. In cases where events that significantly impact the Company's performance occur, such as changes in the fiscal year-end, changes in applicable accounting standards, adoption of International Financial Reporting Standards, or corporate acquisitions, and when the Board of Directors determines that it is not appropriate to make determinations based on the figures stated in the Company's consolidated statement of income (or statement of income if no consolidated statement of income is prepared), the Company may make appropriate adjustments within a reasonable range to exclude such impacts.</p> <p>(ii) Holders must be directors, auditors, or employees of the Company, its subsidiaries, or its affiliates at the time of exercising the stock acquisition rights. However, this shall not apply in cases of resignation due to expiration of term, mandatory retirement, or other justifiable reasons as approved by the Board of Directors.</p> <p>(iii) Exercise of these stock acquisition rights by heirs of the Holders shall not be permitted.</p> <p>(iv) These stock acquisition rights may not be exercised if such exercise would cause the total number of issued shares of the Company to exceed the total number of authorized shares at the relevant time.</p> <p>(v) Fractions of less than one unit of these stock acquisition rights may not be exercised.</p>
(8) The amount of capital and capital reserve to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights	<p>(i) The amount of capital to be increased in the case of issuance of shares upon exercise of these 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 Ordinance on Company Accounting. Any fractions of less than one yen resulting from the calculation shall be rounded up.</p> <p>(ii) The amount of capital reserve to be increased in the case of issuance of shares upon exercise of these stock acquisition rights shall be the amount obtained by deducting the amount of capital to be increased as set forth in (i) above from the maximum amount of increase in capital, etc. described in (i) above.</p>
(9) Conditions and Reasons for acquisition of the Stock Acquisition Rights	<p>(i) In the event that a merger agreement under which the Company becomes the dissolved company, a split agreement or split plan for a company split in which the Company becomes the split company, or a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved by the general meeting of shareholders (or by resolution of the Board of Directors in cases where approval by the general meeting of shareholders is not required), the Company may acquire all of these stock acquisition rights without consideration as of the date separately determined by the Board of Directors of the Company.</p> <p>(ii) If the Holders become unable to exercise these stock acquisition rights pursuant to the provisions set forth in (7) above before exercising their rights, the Company may acquire such stock acquisition rights without consideration.</p>
(10) Restriction on the transfer of Stock Acquisition Rights	Any transfer of the Stock Acquisition Rights shall be subject to the approval of the Board of Directors of the Company.

<p>(11) Treatment of Stock Acquisition Rights upon Corporate Reorganization</p>	<p>In the event that the Company conducts a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (each limited to cases where the Company becomes the split company), or share exchange or share transfer (each limited to cases where the Company becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "Reorganization"), the Company shall deliver to the holders of stock acquisition rights, on the effective date of the Reorganization (meaning the effective date of the absorption-type merger for an absorption-type merger, the date of establishment of the newly incorporated company for an incorporation-type merger, the effective date of the absorption-type company split for an absorption-type company split, the date of establishment of the newly incorporated company for an incorporation-type company split, the effective date of the share exchange for a share exchange, and the date of establishment of the wholly-owning parent company for a share transfer), stock acquisition rights of the companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Reorganized Company") in accordance with the following conditions. However, this shall be limited to cases where the delivery of stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan.</p> <ul style="list-style-type: none"> (i) Number of stock acquisition rights of the Reorganized Company to be delivered The same number as the number of stock acquisition rights held by the holders of stock acquisition rights shall be delivered. (ii) Class of shares of the Reorganized Company underlying the stock acquisition rights Common shares of the Reorganized Company. (iii) Number of shares of the Reorganized Company underlying the stock acquisition rights To be determined in accordance with (2) above, taking into consideration the conditions of the Reorganization. (iv) Value of assets to be contributed upon exercise of the stock acquisition rights The value of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the post-reorganization exercise price, which is obtained by adjusting the exercise price set forth in (5) above taking into consideration the conditions of the Reorganization, by the number of shares of the Reorganized Company underlying such stock acquisition rights determined in accordance with (11) (iii) above. (v) Exercise period of the stock acquisition rights From the later of the first day of the exercise period set forth in (6) above or the effective date of the Reorganization, to the last day of the exercise period set forth in (6) above. (vi) Matters concerning the capital and capital reserve to be increased in the case of issuance of shares upon exercise of the stock acquisition rights To be determined in accordance with (8) above. (vii) Restriction on acquisition of stock acquisition rights by transfer Any acquisition by transfer shall require approval by resolution of the Board of Directors of the Reorganized Company. (viii) Other conditions for exercise of the stock acquisition rights To be determined in accordance with (7) above. (ix) Grounds and conditions for acquisition of the stock acquisition rights To be determined in accordance with (9) above.
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	(x) Other conditions shall be determined in accordance with the conditions of the Reorganized Company.
(12) Date of allotment of Stock Acquisition Rights	August 8, 2025
(13) Issuance of Stock Acquisition Right Certificates	The Company shall not issue certificates for Stock Acquisition Rights.
(14) Due date for payment in exchange for Stock Acquisition Rights	August 29, 2025

(End)