



September 19, 2025

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Notice Regarding Stock Options (Stock Acquisition Rights)

AXXZIA Inc. ("the Company") hereby announces that it has resolved to submit a proposal regarding the approval of amount and terms of stock-option remuneration for the directors—excluding outside directors (hereinafter, "eligible directors")— to the 14th Ordinary General Meeting of Shareholders to be held on October 24, 2025 (hereinafter referred to as the "General Meeting") at the Board of Directors meeting held on September 19, 2025.

1. Reason for submitting a proposal
The purpose of this proposal is to incentivize the sustainable enhancement of the Company's corporate value and to promote greater value sharing with shareholders by issuing stock options (stock acquisition rights) to the eligible directors.
2. Details of proposal to be submitted
At the Ordinary General Meeting of Shareholders held on October 23, 2015, shareholders approved an annual remuneration limit of 500 million yen for directors. Separately from this amount, the Company is seeking approval to grant stock options (in the form of share acquisition rights) to eligible directors within an annual limit of 150 million yen.
3. Details and numerical limit on share acquisition rights
 - (1) Total number of share acquisition rights and the type and number of underlying shares
 - Total number of share acquisition rights:
The total number of share acquisition rights to be granted shall not exceed 276 per year.
 - Type and number of shares underlying each right
The shares underlying the share acquisition rights shall be ordinary shares of the Company. Each share acquisition right shall entitle the holder to acquire 1,000 ordinary shares (the "allotted share count").
If, after the allotment date (i.e., the date on which these share acquisition rights are granted), the Company conducts a stock split (including gratis allotments of ordinary shares; the same shall apply hereinafter) or a share consolidation, the number of shares subject to these share acquisition rights shall be adjusted using the following formula:
$$\text{Adjusted share count} = \text{Pre-adjustment share count} \times \text{Stock split or share consolidation ratio}$$

Such adjustments shall apply only to share acquisition rights that remain unexercised at the time of the relevant corporate action. Any fractional shares resulting in less than one one-hundredth (0.01) of a share shall be rounded down and disregarded.
The adjusted share count shall apply from the day immediately following:
(i) the record date specified in Article 183, Paragraph 2, Item (i) of the Companies Act, in the case of a stock split;

- (ii) the effective date (or the record date, if one is set) in the case of a gratis allotment; or
- (iii) the effective date of the share consolidation, in the case of a share consolidation.

In addition, if the Company conducts a merger, share exchange, company split, or any other comparable corporate action after the allotment date that necessitates an adjustment to the number of shares granted per share acquisition right, such number shall be adjusted appropriately.

(2) Payment for share acquisition rights

No payment shall be required in exchange for these share acquisition rights.

(3) Assets to be contributed upon exercise of share acquisition rights

The value of assets to be contributed upon exercise of these share acquisition rights shall be the amount obtained by multiplying the amount paid per share (the “exercise price”) by the number of shares to be allotted.

The exercise price shall be calculated by multiplying 1.05 by the average closing price of the Company’s ordinary shares in regular trading on the Tokyo Stock Exchange for each trading day (excluding non-trading days) in the month preceding the month that includes the allotment date.

Any fraction of less than one yen shall be rounded up.

However, if the resulting amount is less than the closing price on the allotment date (or, if no trading occurs on that date, the closing price on the most recent trading day prior thereto), the exercise price shall be equal to that closing price.

If, following the allotment date, the Company conducts a stock split, share consolidation, or other comparable corporate action, the exercise price shall be adjusted in accordance with the following formula. Any fraction of less than one yen resulting from the adjustment shall be rounded up.

The effective date of the adjusted exercise price shall follow the same timing as the effective date for the adjusted number of shares, as set forth in item (1).

Adjusted exercise price = Exercise price before adjustment × 1 / Ratio of stock split or reverse stock split

If, after the allotment date of these share acquisition rights, the Company issues new ordinary shares or disposes of treasury shares at a price below market value (excluding any gratis allotment of shares; any issuance or disposal resulting from the exercise of these share acquisition rights; or any transfer of treasury shares through a share exchange), the exercise price shall be adjusted using the following formula. Any fraction of less than one yen resulting from such adjustment shall be rounded up.

For the purposes of this clause, “market price” refers to the average of the closing prices in regular trading of the Company’s ordinary shares on the Financial Instruments Exchange over the 30 trading days beginning on the 45th trading day prior to the effective date of the adjusted exercise price, excluding any days without a closing price.

This average shall be calculated to the second decimal place below one yen, with the second decimal place rounded down (truncated).

The adjusted exercise price resulting from the above adjustment shall apply from the day following the record date for the offering or allotment of shares, if such a record date has been set.

If no record date has been set, the adjusted exercise price shall apply from the day following the effective date of the issuance or disposal. However, where Article 209, Paragraph 1, Item (ii) of the Companies Act applies, the effective date shall be deemed to be the final day of the period specified therein.

Adjusted exercise price = Exercise price before adjustment × [(Number of outstanding shares + Number of newly issued shares × amount paid per share ÷ Market price before new issue) ÷ (Number of outstanding shares + Number of newly issued shares)]

In the above formula, “number of outstanding shares” refers to the total number of the Company’s issued shares, excluding the number of treasury shares of the Company’s ordinary stock.

In cases where treasury shares of the Company's ordinary stock are disposed of, the term "number of newly issued shares" shall be read as "number of treasury shares to be disposed of."

In addition to the foregoing, if, after the allotment date of the share acquisition rights, the Company (i) merges with another company, (ii) conducts a share exchange, (iii) carries out a company split, or (iv) otherwise engages in a corporate action analogous to any of the above that necessitates an adjustment to the exercise price, such adjustment may be made within a reasonable range by resolution of the Company's Board of Directors.

If the Company issues or disposes of shares through a method other than a shareholder allotment or a gratis allotment of shares and resolves not to make an adjustment, then no adjustment pursuant to this section shall be applied.

(4) Exercise period for share acquisition rights

The exercise period for the share acquisition rights shall be determined by resolution of the Company's Board of Directors, within a range beginning on the date that is two years after the date of the Board resolution determining the offering terms, and ending on the date that is ten years after such resolution.

However, if the final day of the exercise period falls on a non-business day for banks, the immediately preceding bank business day shall be deemed the final day.

(5) Transfer restrictions on the share acquisition rights

The acquisition of these share acquisition rights through transfer shall be subject to approval by the Company's Board of Directors.

(6) Conditions governing the exercise of these share acquisition rights

① The number of share acquisition rights that a holder may exercise during each of the periods listed in items (i) through (iv) below shall be limited to the number specified for each respective period. However, if the resulting number includes a fraction of less than one (1), such fraction shall be rounded down.

(i) From October 25, 2030 through October 24, 2031: up to one fourth (25%) of the allocated Rights

(ii) From October 25, 2031 through October 24, 2032: cumulatively (including any rights exercised in [i]), up to one half (50%) of the allocated rights

(iii) From October 25, 2032 through October 24, 2033: cumulatively (including any rights exercised in [i] and [ii]), up to three fourths (75%) of the allocated rights

(iv) On or after October 25, 2033: all allocated rights (including any rights exercised in [i], [ii], and [iii])

② As a general rule, a holder of share acquisition rights must, at the time of exercising such rights, hold a position as either a director or an employee of the Company or one of its affiliated companies.

However, the Company may permit exercise even if this condition is not met.

③ If any of the following events occurs, the holder of share acquisition rights shall not be permitted to exercise such rights.

However, the Company may permit exercise notwithstanding the occurrence of such events.

(i) The holder is sentenced to imprisonment or a more severe legal penalty

(ii) The holder competes with the Company or a company in its corporate group by directly or indirectly establishing a competing company or by assuming office as an officer or employee thereof, regardless of title; however, this restriction shall not apply where prior written approval from the Company has been obtained

(iii) The holder damages the credit or reputation of the Company or a company in its corporate group through violation of laws or other wrongful acts

(iv) The holder becomes subject to asset seizure, provisional asset seizure, provisional asset disposition, compulsory execution or auction, or suffers distraint for delinquent public imposts

(v) The holder has ceased making payments on, or becomes unable to pay, debts or obligations or a bill of exchange or check drawn or accepted by the holder is dishonored

(vi) A petition for bankruptcy, civil rehabilitation, or any similar procedure is filed with respect to

the holder

(vii) The holder is found to be a member of, maintain a relationship or involvement with, or have funded “antisocial forces”

(e.g., boryokudan, members or quasi-members thereof, boryokudan-affiliated companies, corporate racketeers, or any other groups or individuals pursuing economic gain by means of violence, intimidation, or fraudulent methods).

h. If the holder’s conduct qualifies as a “disciplinary offense” under the work rules applicable to him or her at the Company or any company in its corporate group

④ Exercise of these share acquisition rights shall not be permitted for heirs of right holders

⑤ If, due to the exercise of these share acquisition rights, the total number of issued shares in the Company would exceed the total number authorized at that time, such exercise shall not be permitted.

⑥ The exercise of fractions of share acquisition rights shall not be permitted.

(7) Events and conditions permitting the Company to acquire these share acquisition rights

① If shareholder approval (or, where shareholder approval is not required, a resolution of the Board of Directors) is obtained for (i) a merger agreement under which the Company will be absorbed; (ii) a company split agreement or split plan under which the Company will be split; or (iii) a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, the Company may acquire all of these share acquisition rights without compensation on a date separately determined by the Company’s Board of Directors.

② If any written agreement under which more than 50% of the Company’s outstanding shares are to be transferred simultaneously or effectively simultaneously to a specific third party (including any existing shareholders of the Company) is concluded, the Company may acquire share acquisition rights without compensation.

③ If the Company approves a shareholder’s demand for the sale of shares, etc. (as defined in Article 179-3(1) of Japan’s Companies Act), the Company may acquire share acquisition rights without compensation.

④ If, prior to their exercise, the rights of a right holder become non-exercisable pursuant to the provisions of item six ([6] Conditions governing the exercise of these share acquisition rights) above, the Company may acquire such Share Acquisition Rights without compensation.

(8) Other details

All other terms associated with the offering of these share acquisition rights shall be determined via a separate resolution of the Company’s Board of Directors.

Subject to the approval of this proposal, the Company intends to apply the same Plan described above to its employees (in certain managerial positions). The details of the issuance will be immediately announced once it is resolved by the Board of Directors.