



November 11, 2024

To Our Valued Stakeholders

Company name: SRE Holdings Corporation

Stock code: 2980

URL: <https://sre-group.co.jp/>

Representative: Kazuo Nishiyama,
President & Chief Executive Officer

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Notice Regarding Issuance of Paid Stock Options (Stock Acquisition Rights)

SRE Holdings corporation (hereinafter referred to as “Company”) hereby announces that, at the meeting of the Board of Directors held on November 11, 2025, it resolved to issue paid stock options (Stock Acquisition Rights) as outlined below. These stock Acquisition Rights will be issued to the subscribers at a fair price and for consideration and therefore will not be under particularly favorable conditions; accordingly, shareholder approval is not required. Furthermore, these Stock Acquisition Rights are not granted as compensation to the eligible persons, but will be subscribed based on each individual’s investment decision.

1. Purpose of Issuance of the Stock Acquisition Rights

The purpose of issuing the Stock Acquisition Rights is to further strengthen the commitment of our directors and employees, including the founding president, to improving the Company’s performance and corporate value over the medium to long term. In addition, the issuance aims to provide incentives for share price appreciation and to promote greater value sharing with our shareholders.

These stock acquisition rights may be exercised only upon achieving the performance criteria (operating profit) specified in “2. Outline of Issuance (7) Conditions for Exercise (i).” Such exercise conditions have been set based on the Company’s historical performance trends. By achieving these targets, the Company aims to realize steady and sustainable growth over the medium to long term.

If all of these stock acquisition rights are exercised, the total number of shares of the Company’s common stock to be issued will represent approximately 4.5% of the current total number of issued shares (16,249,135 shares). However, as the exercise of these stock acquisition rights is subject to the achievement of predetermined performance targets, we recognize that meeting these targets will contribute to enhancing the Company’s corporate value and shareholder value. Accordingly, we believe that the issuance of these stock acquisition rights will serve the interests of our existing shareholders and that the impact of share dilution will be reasonable.

2. Outline of Issuance

(1)	Allocation of Stock Acquisition Rights and Number of Rights	Directors: 2 persons – 6,708 units Employees: 11 persons – 607 units
(2)	Type and Number of Shares Underlying Each Right	The number of shares underlying each stock acquisition right (hereinafter referred to as the “Allocated Shares”) shall be 100 shares of the Company’s common stock. If, after the allocation date of the stock acquisition rights, the Company conducts a

	<p>stock split (including a free allotment of shares; the same applies hereinafter) or a reverse stock split, the number of Allocated Shares shall be adjusted according to the following formula:</p> <p>Adjusted Allocated Shares = Pre-adjustment Allocated Shares × Ratio of Split (or Reverse Split)</p> <p>Such adjustment shall apply only to shares underlying stock acquisition rights that have not been exercised at the time of adjustment, and any fraction less than one share resulting from the adjustment shall be rounded down.</p> <p>Furthermore, if, after the allocation date, the Company conducts a merger, corporate split, share exchange, or share transfer, or in other similar cases where adjustment of the Allocated Shares is necessary, the number of Allocated Shares shall be appropriately adjusted within a reasonable scope.</p>
(3)	<p>Total Number of Stock Acquisition Rights</p> <p>7,315 units</p>
(4)	<p>Payment Amount for Stock Acquisition Rights or Method of Calculation</p> <p>The issue price per stock acquisition right shall be 1,300 yen.</p> <p>This amount was determined based on the valuation conducted by Plutus Consulting Co., Ltd., an independent third-party appraisal firm, which considered the Company's share price information and applied the Monte Carlo simulation, a commonly used option pricing model. The Company has concluded that this amount does not constitute a favorable issuance.</p>
(5)	<p>Value of Assets to Be Contributed upon Exercise of Stock Acquisition Rights and Per-Share Amount (Exercise Price)</p> <p>The value of assets to be contributed upon exercise of each stock acquisition right shall be the amount obtained by multiplying the number of Allocated Shares by the per-share payment amount (hereinafter referred to as the "Exercise Price").</p> <p>The Exercise Price shall be 2,818 yen per share.</p> <p>If, after the allocation date of the stock acquisition rights, the Company conducts a stock split or a reverse stock split, the Exercise Price shall be adjusted according to the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up.</p> $\text{Adjusted Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Split (or Reverse Split) Ratio}}$ <p>If, after the allocation date of the stock acquisition rights, the Company issues new shares or disposes of treasury shares at a price below market value (excluding cases of issuance of new shares or disposal of treasury shares resulting from the exercise of stock acquisition rights, or transfer of treasury shares through share exchange), the Exercise Price shall be adjusted according to the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up.</p> $\text{Adjusted Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Number of Shares Already Issued} + \frac{\text{Number of Newly Issued Shares} \times \text{Payment Amount per Share}}{\text{Market Value per Share Before New Issuance}}}{\text{Number of Shares Already Issued} + \text{Number of Newly Issued Shares}}$ <p>In the above formula, "Number of Outstanding Shares" shall mean the total number of issued shares of the Company's common stock minus the number of treasury shares of the Company's common stock. In cases where the Company disposes of treasury shares, "Number of Newly Issued Shares" shall be read as "Number of Treasury Shares Disposed."</p> <p>Furthermore, in addition to the above, if, after the allocation date, the Company conducts a merger, corporate split, share exchange, or share transfer, or in other</p>

	similar cases where adjustment of the Exercise Price is necessary, the Company may make appropriate adjustments to the Exercise Price within a reasonable scope.
(6) Period during which the Stock Acquisition Rights are exercisable	Period during which the Stock Acquisition Rights are exercisable (the “Exercise Period”) is from July 1, 2027 through November 30, 2037
(7) Conditions for the exercise of the Stock Acquisition Rights	<p>1) If, in any of the fiscal years specified in items (a) through (c) below (hereinafter referred to as the “Performance Evaluation Fiscal Year”), the Company’s operating profit exceeds the target level (hereinafter referred to as the “Target Operating Profit”), the holder of the stock acquisition rights may exercise, up to the prescribed percentage (hereinafter referred to as the “Exercisable Percentage”) of the allocated stock acquisition rights, starting from the first day of the month following the submission date of the annual securities report that confirms such condition has been met. Any fractional number of stock acquisition rights less than one shall be rounded down.</p> <p>(a) Performance Evaluation Fiscal Years: Fiscal years ending March 2027 through March 2031 Target Operating Profit: 7.75 billion yen Exercisable Percentage: 33%</p> <p>(b) Performance Evaluation Fiscal Years: Fiscal years ending March 2027 through March 2033 Target Operating Profit: 8.75 billion yen Exercisable Percentage: 66%</p> <p>(c) Performance Evaluation Fiscal Years: Fiscal years ending March 2027 through March 2036 Target Operating Profit: 10.0 billion yen Exercisable Percentage: 100%</p> <p>For the determination of operating profit as described above, reference shall be made to the amount stated in the consolidated statement of income included in the annual securities report submitted by the Company (or the statement of income if a consolidated statement of income is not prepared), plus the amount of goodwill amortization stated in the consolidated statement of cash flows (or the statement of cash flows if a consolidated statement of cash flows is not prepared). If there is a significant change in the concept of the reference indicator due to changes in applicable accounting standards, or if an event such as a major acquisition occurs that has a substantial impact on the Company’s performance and the Board of Directors determines that it is inappropriate to make the determination based solely on the actual figures stated in the annual securities report, the Company may make appropriate adjustments within a reasonable scope to eliminate such impact.</p> <p>2) Holders of the stock acquisition rights shall not be required to be officers or employees of the Company or its affiliates at the time of exercising such rights. However, if the holder has been dismissed or terminated for disciplinary reasons, or if the Board of Directors of the Company determines that it is inappropriate for the holder to retain the stock acquisition rights, the holder shall not be permitted to exercise such rights.</p> <p>3) It is not permitted to inherit the Stock Acquisition Rights.</p>

		<p>4) In the case that, through the exercise of the Stock Acquisition Rights, the total number of issued shares of SRE Holdings exceeds the total number of authorized shares of SRE Holdings, the Right Holder may not exercise the Stock Acquisition Rights.</p> <p>5) The exercise of less than one stock acquisition right shall not be permitted.</p>
(8)	Amount of Increase in Capital and Capital Reserve upon Issuance of Shares through Exercise of Stock Acquisition Rights	<p>1) The amount of capital to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be one half (1/2) of the maximum amount of increases of 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.</p> <p>2) The amount of capital reserve to be increased due to the issuance of shares upon exercise of the 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 increases of the capital, etc. set forth in 1) above.</p>
(9)	Conditions for Acquisition of Stock Acquisition Rights	<p>1) If a merger agreement under which the Company becomes the disappearing company, a corporate split agreement or plan under which the Company becomes the splitting company, or a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is approved at a general meeting of shareholders (or by a resolution of the Board of Directors if shareholder approval is not required), the Company may acquire all of the stock acquisition rights without consideration on the date separately determined by the Board of Directors.</p> <p>2) If, prior to the exercise of rights by the holder, the stock acquisition rights become non-exercisable pursuant to the provisions set forth in item (7) above, the Company may acquire such non-exercisable stock acquisition rights without consideration on the date separately determined by the Board of Directors.</p>
(10)	Transfer Restrictions on Stock Acquisition Rights	The acquisition of stock acquisition rights through transfer shall require approval by a resolution of the Company's Board of Directors.
(11)	Treatment of Stock Acquisition Rights in Corporate Reorganization	<p>If the Company engages in a merger (limited to cases where the Company becomes the disappearing entity), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (collectively referred to as "Corporate Reorganization"), the Company shall, on the effective date of such Corporate Reorganization, grant to the holders of stock acquisition rights the stock acquisition rights of the reorganized company (as defined in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act) under the following conditions, provided that the relevant merger agreement, split agreement or plan, share exchange agreement, or share transfer plan stipulates such issuance in accordance with these conditions.</p> <p>1) Number of stock acquisition rights to be granted by the reorganized company The same number as the stock acquisition rights held by the holder.</p> <p>2) Type of shares underlying the stock acquisition rights of the reorganized company Common shares of the reorganized company.</p> <p>3) Number of shares underlying the stock acquisition rights of the reorganized company To be determined in accordance with item (2) above, taking into account the</p>

		<p>conditions of the corporate reorganization.</p> <p>4) Value of assets to be contributed upon exercise of stock acquisition rights The value of assets to be contributed upon exercise of each stock acquisition right to be granted shall be the amount obtained by multiplying the number of shares underlying such stock acquisition right, as determined in accordance with item (11)(iii) above, by the post-reorganization exercise price, which shall be adjusted based on the conditions of the corporate reorganization and calculated in accordance with item (5) above.</p> <p>5) Exercise period for stock acquisition rights From the later of (i) the first day of the exercise period specified in item (6) above or (ii) the effective date of the corporate reorganization, until the last day of the exercise period specified in item (6) above.</p> <p>6) Increase in capital and capital reserve upon issuance of shares through exercise To be determined in accordance with item (8) above.</p> <p>7) Restrictions on acquisition of stock acquisition rights through transfer Acquisition through transfer shall require approval by a resolution of the Board of Directors of the reorganized company.</p> <p>8) Other conditions for exercise of stock acquisition rights To be determined in accordance with item (7) above.</p> <p>9) Reasons and conditions for acquisition of stock acquisition rights To be determined in accordance with item (9) above.</p> <p>10) Other conditions To be determined in accordance with the conditions of the reorganized company.</p>
(12)	Allocation Date of Stock Acquisition Rights	November 28, 2025
(13)	Matters Regarding Issuance of Stock Acquisition Right Certificates	The Company shall not issue certificates for these stock acquisition rights.
(14)	Payment Date for Stock Acquisition Rights	November 30, 2025