

December 23, 2025

To All:

Company Name: FOOD & LIFE COMPANIES LTD.
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Securities Code: 3563, Prime Market of the Tokyo Stock Exchange
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Granting of Stock Options for Share-Linked Remuneration with Stock Price Conditions

FOOD & LIFE COMPANIES LTD. (the “Company”) hereby announces that at a Board of Directors meeting held on December 23, 2025, the Company resolved to grant the following share acquisition rights to Directors (excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) and Corporate Officers (collectively, “Eligible Directors, etc.”) as stock options for share-linked remuneration with stock price conditions, the details of which are as follows.

1. Purpose of granting stock options for share-linked remuneration (share acquisition rights)

By further linking the compensation of Eligible Directors, etc. to the Company’s business performance and stock price, the Company aims to sustainably increase its corporate value and further promote shared value between management and shareholders. As such, the Company will grant new stock options for share-linked remuneration as a medium- to long-term incentive.

2. Outline of the issuance of stock options for share-linked remuneration (share acquisition rights)

(1) Name of the share acquisition rights

28th Issue of FOOD & LIFE COMPANIES LTD. Share Acquisition Rights

(2) Total number of share acquisition rights

602

The number above is the expected total number of share acquisition rights to be allotted. If the total number of share acquisition rights to be allotted decreases, the total number of share acquisition rights to be allotted will be deemed the total number of share acquisition rights to be issued.

(3) Number of persons to whom share acquisition rights will be allotted, as well as the number of rights to be allotted

Company Directors	1	(175 units total)
Corporate Officers of the Company	15	(427 units total)

(4) Class and number of shares to be issued upon exercise of the share acquisition rights

The class of shares to be issued upon exercise of share acquisition rights shall be common stock of the Company, and the number of shares to be issued per share acquisition right shall be 400 shares of common stock of the Company (hereinafter, “Number of Granted Shares”). However, if the Company carries out a stock split (including free allotment of common stock of the Company, the same shall apply hereafter) or a share consolidation of its common stock after the allotment date of the share acquisition rights, the Number of Granted Shares will be adjusted in accordance with the following formula.

$$\begin{array}{c} \text{Number of Granted Shares after adjustment} \\ = \\ \text{Number of Granted Shares before adjustment} \times \text{Ratio of split or consolidation} \end{array}$$

If, after the allotment date of the share acquisition rights, the Company undergoes a merger, company split, or reduction in the amount of capital, or if any unavoidable event arises that necessitates adjustment to the Number of Granted Shares in a similar manner, the Number of Granted Shares shall be adjusted appropriately to the extent reasonable.

(5) Amount of assets to be contributed upon exercise of share acquisition rights

The value of the assets to be contributed upon exercise of each share acquisition right shall be the payment amount of 1 yen per share to be issued by exercising share acquisition rights multiplied by the Number of Granted Shares.

(6) Exercise period for share acquisition rights

The period shall be from January 15, 2026 to January 14, 2066.

(7) Conditions for exercise of share acquisition rights

A holder of the share acquisition rights may exercise the share acquisition rights in a lump sum only during the respective exercise period, and only during the period up to 10 days from the day following the day on which they lose their position as a Director or Corporate Officer of the Company or one of its subsidiaries (if the 10th day falls on a holiday, then the immediately preceding business day).

The number of share acquisition rights that may be exercised will be the number obtained by multiplying the number of share acquisition rights allotted by the vesting rate calculated based on the graph below in accordance with the relative TSR (calculated in accordance with the formula below). In the event that an Eligible Director, etc. loses their position as a Director or Corporate Officer of the Company or one of its subsidiaries prior to the date on which three (3) years have elapsed from the allotment date, the vesting rate shall be calculated by multiplying the vesting rate calculated based on the graph below by the number of months in office from the allotment date (rounded down to the nearest month) divided by 36. Any fraction of less than one (1) in the number of share acquisition rights exercisable by Eligible Directors, etc. shall be rounded down.

[Relative TSR formula]

Relative TSR (%) = Absolute TSR / TOPIX growth rate

Absolute TSR = {Share price at end of period + Total dividends} /
Share price at beginning of period

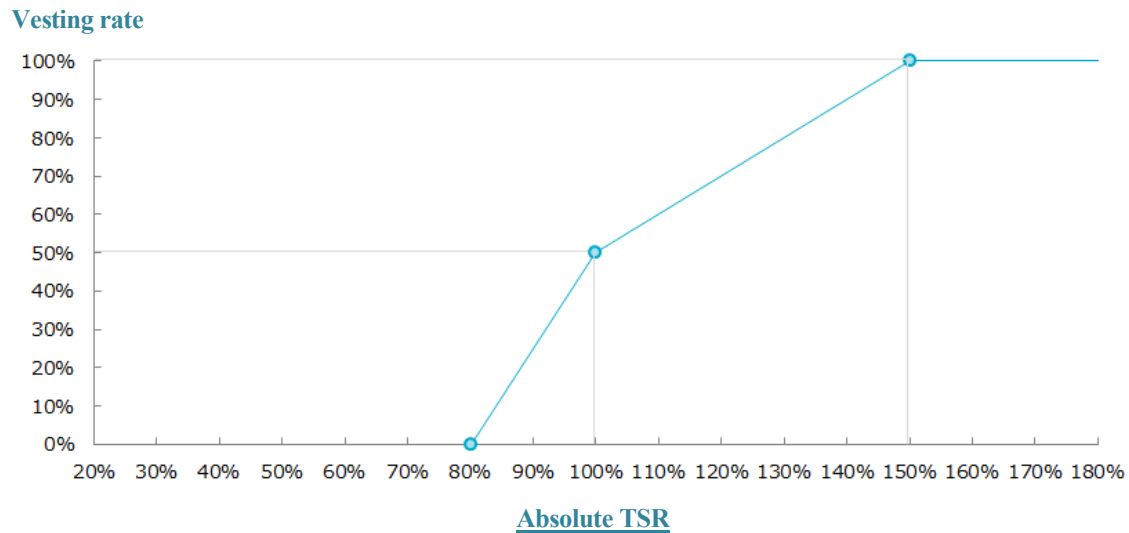
- | | | |
|--|---|--|
| Share price at
end of period | : | The average closing price of the Company's common stock on the Tokyo Stock Exchange for each day of the month (excluding days on which no transactions are made, the same shall apply hereafter) preceding the month in which three (3) years have passed from the allotment date (or, if the Eligible Director, etc. loses their position as a Director or Corporate Officer of the Company or one of its subsidiaries prior to the date three (3) years from the allotment date, the date on which they lose their position. The same shall apply hereafter) |
| Share price at
beginning of
period | : | The average closing price of the Company's common stock on the Tokyo Stock Exchange for each day of the month in which the allotment date falls |
| Total
dividends | : | Total amount of dividends per share of the Company's common stock for the period from the allotment date to three (3) years from the allotment date |

TOPIX growth rate = TOPIX at end of period / TOPIX at beginning of period

- | | | |
|------------------------------------|---|---|
| TOPIX at end
of period | : | The average closing price of the Tokyo Stock Price Index (TOPIX, the same shall apply hereafter) for each day of the month preceding the month in which three (3) years have elapsed since the allotment date |
| TOPIX at
beginning of
period | : | The average closing price of TOPIX for each day of the month in which the allotment date falls |

In the above calculations, the average closing price is rounded to one decimal place.

Vesting rate graph



However, the minimum vesting rate shall be between 16.60% and 27.66% (hereinafter, “Minimum Vesting Rate”), depending on the position of the person who receives the share acquisition rights. The Minimum Vesting Rate will be adjusted if the individual resigns within one (1) year from the date of assuming the position.

In addition, the Minimum Vesting Rate will apply if the absolute TSR falls below 1 (100%) or the share price at the end of the period is lower than the share price at the beginning of the period.

(8) Amount of capital and capital reserves to be increased when shares are issued upon the exercise of share acquisition rights

- a) The amount of increase in capital when shares are issued upon the exercise of share acquisition rights shall be half of the maximum increase in capital, etc., as calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting, with any fraction less than one (1) yen resulting from the calculation being rounded up to the nearest yen.
- b) The amount of increase in capital reserves when shares are issued upon the exercise of share acquisition rights shall be the amount obtained by subtracting the amount of increase in capital set forth in a) from the maximum increase in capital, etc. set forth in a) above.

(9) Matters concerning acquisition of share acquisition rights

- a) If any of the following proposals are approved by a General Meeting of Shareholders (or if approval at the General Meeting of Shareholders is not required, a resolution passed by the Board of Directors), the Company may acquire all of the share acquisition rights without compensation on a date separately determined by the Board of Directors; a merger agreement in which the Company disappears, a division agreement or plan in which the Company is being split, a share exchange agreement or share transfer plan in which the

Company becomes a wholly owned subsidiary, an amendment to the Articles of Incorporation that requires the Company's approval for the acquisition of all shares issued by the Company through transfer, an amendment to the Articles of Incorporation stating that the acquisition of the class of shares that are subject to share acquisition rights through transfer shall either require approval by the Company, or that the Company may acquire all of such class of shares by resolution of the General Meeting of Shareholders, a consolidation of shares for the class of shares that are subject to share acquisition rights (limited to cases where the number obtained by multiplying the number of shares constituting one unit of shares for the relevant stock by the stock consolidation ratio results in a fraction less than 1), or a request for the sale of share by a special controlling shareholder.

- b) If a share acquisition rights holder is unable to exercise their share acquisition rights before exercising share acquisition rights in accordance with the provisions set forth in 2.(7) above, the Company will acquire the share acquisition rights without compensation.

(10) Restrictions on transfer of share acquisition rights

Acquisition of share acquisition rights by transfer shall require approval by a resolution of the Company's Board of Directors.

(11) Handling of share acquisition rights at the time of reorganization

In the event of a merger in which the Company disappears, an absorption-type or incorporation-type company split in which the Company is being divided, or a share exchange or share transfer in which the Company becomes a wholly owned subsidiary (collectively, "Organizational Restructuring"), the Company may, on the effective date of the Organizational Restructuring, issue share acquisition rights for the companies listed in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (hereinafter, "Restructured Company") to the holders of share acquisition rights based on the following conditions. However, this shall be limited to cases where it 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 that share acquisition rights of the Restructured Company shall be delivered in accordance with the following conditions.

- a) Number of share acquisition rights of the Restructured Company to be issued
The number of share acquisition rights to be issued will be equal to the number of share acquisition rights held by each share acquisition rights holder.
- b) Class of shares of the Restructured Company to be issued upon exercise of share acquisition rights
The shares will be common stock of the Restructured Company.
- c) Number of shares of the Restructured Company to be issued upon exercise of share acquisition rights
The amount will be determined in accordance with 2.(4) above, taking into consideration the terms and conditions of the Organizational Restructuring.

d) Amount of assets to be contributed upon exercise of share acquisition rights

The value of the assets to be contributed upon the exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price obtained by adjusting the exercise price determined in 2.(5) above by the number of shares of the Restructured Company to be issued for such share acquisition rights determined in accordance with this paragraph c), taking into account the terms and conditions, etc., of the Organizational Restructuring.

e) Period during which share acquisition rights may be exercised

The exercise period will begin from the later of either the first day of the exercise period specified in 2.(6) above or the effective date of the Organizational Restructuring, until the last day of the exercise period specified in 2.(6) above.

f) Matters concerning capital and capital reserves to be increased when shares are issued upon the exercise of share acquisition rights

These will be determined in accordance with 2.(8) above.

g) Restriction on the acquisition of share acquisition rights by transfer

Restrictions on acquisition by transfer shall require approval by a resolution of the Restructured Company's Board of Directors.

h) Other conditions for exercise of share acquisition rights

These will be determined in accordance with 2.(7) above.

i) Reasons and conditions for acquiring share acquisition rights

These will be determined in accordance with 2.(9) above.

j) Other terms and conditions will be determined in accordance with the terms and conditions of the Restructured Company.

(12) Amount to be paid in for share acquisition rights

The payment amount for the share acquisition rights will be equal to the fair value of the share acquisition rights calculated by a Monte Carlo simulation, a common option pricing calculation model, on the allotment date of the share acquisition rights. The amount calculated above will be the fair price of the share acquisition rights and will not constitute a favorable issuance. In addition, the Company will pay monetary compensation equivalent to the total amount to be paid for the share acquisition rights to those who are allocated share acquisition rights as Directors and Corporate Officers of the Company, and will offset the right to claim such monetary compensation against the obligation to pay the payment amount for the share acquisition rights.

(13) Allotment date for share acquisition rights

January 14, 2026

(14) Handling of share acquisition rights certificates when they are issued

No share acquisition rights certificates will be issued.