



April 25, 2025

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Notice Regarding the Granting of Stock Acquisition Rights as Stock Compensation-Type Stock Options

AEON Fantasy Co., Ltd. (the “Company”) hereby announces that at a meeting held on April 25, 2025, the Board of Directors resolved to grant the 18th series of stock acquisition rights as stock compensation-type stock options to the Company’s directors as compensation payable to directors, in accordance with Article 361 of the Companies Act, and to grant them pursuant to Article 236, Article 238 and Article 240 of the Company Act and the Board of Directors held on May 21, 2024, as follows.

Details

1. Reason for Granting Stock Acquisition Rights

This Plan aims to further strengthen the linkage between directors’ compensation and the Company’s business performance and stock value, so that directors share with shareholders not only the benefits of stock price increases but also the risks of falling stock prices. This incentive is designed to enhance their motivation and morale to continuously improve business performance and increase corporate value in the medium- to long-term.

2. Outline of Issuance of Stock Acquisition Rights

(1) Total number of stock acquisition rights

The total number of stock acquisition rights shall be 46.

However, the total number of stock acquisition rights will be determined based on fair value of the stock compensation-type stock options calculated as of the date of allotment (issue date) of the stock acquisition rights and shall remain within the maximum limit of directors’ compensation.

(2) Class and number of shares to be issued upon exercise of stock acquisition rights

The type of shares to be issued upon exercise of stock acquisition rights shall be the common stock of the Company, and the number of shares to be issued upon exercise of each stock acquisition right shall be 100.

If the Company conducts a share split or share consolidation, the number of shares to be issued will be adjusted using the following formula. However, such adjustments shall be made only to the number of shares to be issued upon exercise of stock acquisition rights that remain unexercised at the time of the adjustment, and any fractional shares of less than one share resulting from the adjustment shall be rounded down.

Number of shares after adjustment = Number of shares before adjustment × ratio of share split (or consolidation)

In cases where the Company carries out an absorption-type or incorporation-type merger with another company in which the stock acquisition rights are succeeded, or an incorporation-type or absorption-type split, or in the event of any other similar circumstances requiring adjustments, the Company shall adjust the number of shares as deemed necessary.

(3) Date of allotment of stock acquisition rights

The date of allotment (issue date) of the stock acquisition rights shall be June 21, 2025.

- (4) Issue price of stock acquisition rights
The stock acquisition rights will be issued at fair value for accounting purposes as of the date of allotment.
- (5) Cash payment in exchange for issuance of stock acquisition rights
No monetary payment is required in exchange for the stock acquisition rights as they are issued as director's compensation at fair value for accounting purposes on the allotment date.
- (6) Value of assets to be contributed upon exercise of stock acquisition rights
The amount payable upon the exercise of stock acquisition rights shall be the amount to payable per share to be issued or transferred upon exercise ("Exercise Price") multiplied by the number of shares granted. The Exercise Price shall be 1 yen.
However, if an adjustment is made to the number of shares to be issued per stock acquisition right, the amount payable per share shall be calculated as 1 yen divided by the adjusted number of shares.
- (7) Exercise period of stock acquisition rights
July 21, 2025, to July 20, 2040.
- (8) Other conditions for exercising stock acquisition rights
a. A person to whom stock acquisition rights are allotted ("Stock Acquisition Rights Holder") must hold the position of director or audit and supervisory board member of the Company at the time of exercising the rights. However, even if a Stock Acquisition Rights Holder retires from their position as a director or audit and supervisory board member, they may still exercise their rights within five (5) years from the date of their retirement.

b. Stock acquisition rights must be exercised in full at once and may not be exercised in partial installments.
- (9) Reasons for the lapse and acquisition of stock acquisition rights
a. Stock acquisition rights shall lapse if the exercise period elapses without the Stock Acquisition Rights Holder exercising their stock acquisition rights, or if five years have passed since their retirement, as set forth in the proviso in (8) above, even if within the exercise period.

b. The Company may acquire the stock acquisition rights from Stock Acquisition Rights Holder without compensation if the Board of Directors resolves to do so, such as in cases where the Stock Acquisition Rights Holder commits a serious violation of laws, regulations or the Company's internal rules, or assumes or agrees to assume the position of director or employee of a competitor.
- (10) Prohibition of transfer of stock acquisition rights
Stock Acquisition Rights Holder and their successors defined in (11) below may not transfer their stock acquisition rights or pledge them as collateral.
- (11) Inheritance of stock acquisition rights
If a Stock Acquisition Rights Holder dies, only one of their legal heirs ("Rights Successor") may inherit the stock acquisition rights.
If inheritance procedures have commenced for the Rights Successor, their heirs may not inherit the stock acquisition rights.
- (12) Issuance of certificates for stock acquisition rights
Stock Acquisition Rights Holders and their Rights Successors shall not request the issuance of stock acquisition rights certificates.
- (13) Increase in capital and capital reserve upon the issuance of shares due to exercise of stock acquisition rights
In the event of the issuance of shares due to the exercise of stock acquisition rights, the increase in capital stock shall be half of the sum of the book value and the Exercise Price per share (fractions less than one yen will be rounded up), and the increase in capital reserve shall be the total minus less the increase in capital stock.
- (14) Allottees of stock acquisition rights
Directors of the Company: 4

END

Note: In the press release " Notice Regarding the Granting of Stock Acquisition Rights as Stock Compensation-Type Stock Options " distributed on May 21, 2024, the "Allotment date of stock acquisition rights " has been changed from May 12, 2025, to June 21, 2025, and the " Exercise period of stock acquisition rights " has been changed from "June 10, 2025, to June 9, 2040" to "July 21, 2025, to July 20, 2040."

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