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Issuance of Stock Options (Stock Acquisition Rights) to Company Director

At a Board of Directors meeting held today, YAMADA Consulting Group Co., Ltd. (the “Company”) resolved to offer stock options (stock acquisition rights) to Director of the Company in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act. The details are described below.

1. Reasons for issuing stock acquisition rights as stock options

The objectives of issuing stock acquisition rights as stock options to Director of the Company are to promote management with a focus on the Company’s shareholders and share price in an effort to further enhance its corporate value, and to increase the motivation and morale of Director of the Company in order to improve the consolidated earnings performance of the Group.

2. Outline of the issuance of the stock acquisition rights

- (1) Individuals to whom stock acquisition rights are to be allotted, their number, and the number of stock acquisition rights to be allotted

Director of the Company, 1 person, 5 rights

- (2) Class and number of shares underlying the stock acquisition rights

Common shares of the Company, 2,000 shares

If the Company conducts a stock split or stock consolidation, the number of shares underlying the stock acquisition rights shall be adjusted based on the following formula. However, the adjustment shall be made for the number of shares underlying the stock acquisition rights that remain unexercised at that time, and any fractions of less than one share resulting from the adjustment shall be rounded down.

$$\begin{array}{lcl} \text{Number of shares} & & \\ \text{after adjustment} & = & \text{Number of shares} \times \text{Ratio of stock split or} \\ & & \text{before adjustment} \quad \text{stock consolidation} \end{array}$$

In addition, if the Company undertakes a merger, company split, or share exchange or transfer (collectively referred to as the “Merger, etc.”), or needs to adjust the number of underlying shares for other reasons, it may adjust the number of underlying shares within a reasonable range while considering the conditions of the Merger, etc.

(3) Total number of stock acquisition rights

5 rights

The number of shares underlying each stock acquisition right (the “Number of Shares Granted”) shall be 400 shares.

However, if the number of underlying shares is adjusted as specified in (2) above, a similar adjustment shall be made to the Number of Shares Granted.

(4) Amount of payment for the stock acquisition rights

No payment of money shall be required in exchange for the stock acquisition rights. The stock acquisition rights are granted as incentive compensation for the execution of duties, and the absence of a monetary payment does not constitute a favorable issuance.

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

The amount of assets to be contributed upon the exercise of the stock acquisition rights shall be the amount obtained by multiplying the amount to be paid in per share delivered upon the exercise of each stock acquisition right (the “Exercise Price”) by the Number of Shares Granted.

The Exercise Price shall be the amount obtained by multiplying the average closing price of the Company's common shares in regular trading on the financial instruments exchange for each day (excluding days when no closing price was quoted) of the month preceding the month that includes the allotment date for the share acquisition rights (the “Allotment Date”) by 1.05, and any fractions less than one yen shall be rounded up. However, if the resulting amount is lower than the closing price on the Allotment Date (if no closing price was quoted, the most recent closing price), the closing price on the Allotment Date shall be the Exercise Price.

If the Company conducts a stock split or stock consolidation subsequent to the Allotment Date, the Exercise Price shall be adjusted based on the following formula, and any fractions less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of stock split or stock consolidation}}$$

Furthermore, if, subsequent to the Allotment Date, the Company issues new common shares or disposes of treasury shares at a price below the market value (excluding the exercise of stock acquisition rights), the Exercise Price shall be adjusted based on the following formula, and any fractions less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid in per share}}{\text{Market value per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

In the formula above, the “Number of shares already issued” shall be the number obtained by deducting the number of treasury shares held by the Company from total number of shares issued by the Company. In the case of disposal of treasury shares, the “Number of shares newly issued” and the “Amount to be paid in per share” shall be read as the “Number of treasury shares to be disposed of” and the “Amount to be disposed of per share,” respectively.

Moreover, if, subsequent to the Allotment Date, the Company undertakes Mergers, etc. or other actions requiring adjustment of the Exercise Price, it may adjust the Exercise Price within a reasonable range while considering the conditions of the Merger, etc.

(6) Exercise period for the share acquisition rights

From July 9, 2027 to July 8, 2030

(7) Conditions for exercising the stock acquisition rights

- a. An individual who has been allotted the stock acquisition rights (the “Stock Acquisition Rights Holder”) must also be a director or employee of the Company or its affiliated companies at the time of exercising the rights. However, this shall not apply if the Stock Acquisition Rights Holder has resigned due to the expiration of his or her term as a director of the Company or its affiliated companies, or in the case of mandatory retirement or other justifiable reasons.
- b. Other conditions for exercising the rights shall be as specified in the Stock Acquisition Rights Allotment Agreement concluded between the Company and the Stock Acquisition Rights Holders based on the resolution of the Board of Directors concerning the issuance of stock acquisition rights.

(8) Amount of capital and capital reserve to be increased upon issuance of shares through the exercise of the stock acquisition rights

- a. The amount of capital to be increased upon the issuance of shares through the exercise of the stock acquisition rights shall be half of the maximum amount of capital increase, etc., calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting, and any amount less than one yen arising from the calculation shall be rounded up.
- b. The amount of capital reserve to be increased upon the issuance of shares through the exercise of the stock acquisition rights shall be the amount obtained by deducting the amount of capital to be increased as specified in a. above from the maximum amount of capital increase, etc. in a. above.

(9) Matters concerning the acquisition of the stock acquisition rights

- a. If a proposal for the approval of a merger agreement in which the Company is to become a dissolved company, a proposal for an absorption-type company split agreement or an incorporation-type company split plan in which the Company is to become a split company, or a proposal for a share exchange agreement or share transfer plan in which the Company is to become a wholly owned subsidiary, is approved by the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company, if a resolution by the General Meeting of Shareholders is not required), the Company may acquire the stock acquisition rights at a price determined by the Board of Directors (which may include acquisition without compensation).
- b. If the Stock Acquisition Rights Holder no longer meets the conditions for exercising the stock acquisition rights as specified in (7) above, the Company may acquire the stock acquisition rights without compensation.
- c. If the Stock Acquisition Rights Holder waives the stock acquisition rights, the Company may acquire the stock acquisition rights without compensation.

(10) Restrictions on the transfer of the stock acquisition rights

Any transfer of the stock acquisition rights shall require the approval of the Board of Directors of the Company.

(11) Handling of fractions less than one share arising from the exercise of the stock acquisition rights

If the number of shares to be delivered to Stock Acquisition Rights Holders who have exercised the stock acquisition rights includes fractions less than one share, such fractions shall be rounded down.

(12) Allotment Date for the stock acquisition rights

July 8, 2025

(13) Issuance of stock acquisition rights certificates

The Company shall not issue certificates for the stock acquisition rights.