



July 3, 2025

Company name: I-ne Co., Ltd.  
Name of Representative: Yohei Onishi, President and CEO  
(Securities Code: 4933; Tokyo Stock  
Exchange Prime Market)  
Inquiries: Yoshinori Hara, Director, Executive  
Officer and CFO  
(Telephone: +81-6-6443-0881)

## **Notice Concerning Issuance of Performance Target-linked Paid-in Stock Options (The 8th Stock Acquisition Rights)**

I-ne Co., Ltd. (hereinafter the “Company”) hereby announces that it has resolved, at the meeting of the Board of Directors held on July 3, 2025, to issue the following stock acquisition rights to the Company’s Directors and employees as performance target-linked paid-in stock options (8th stock acquisition rights) pursuant to the provisions of Articles 236, 238, and 240 of the Companies Act. The details are described below. These stock acquisition rights will be issued for consideration at a fair price to recipients, without the approval of the General Meeting of Shareholders of the Company for the reason that their terms are not particularly advantageous. In addition, these stock acquisition rights are not issued as compensation to grantees but are subject to subscription based on each recipient’s individual investment decision.

### **I. Purpose and Reasons for Offering Stock Acquisition Rights as Paid-in Stock Options**

The Company’s corporate philosophy is “‘We are Social Beauty Innovators for Chain of Happiness.’ We’ll keep trying to transform society to be more beautiful to create a chain of happiness in a “Beautiful and innovative manner.” Based on this philosophy, in the Medium-Term Management Plan announced in 2022, the Company announced a long-term vision aiming for net sales of 100 billion yen and an operating margin of 13% between 2028 and 2030. In the Financial Results Briefing for the Fiscal Year Ended December 31, 2024 announced in February 2025, the Company updated its growth strategy and indicators for achieving these targets in light of the current business environment surrounding the Company.

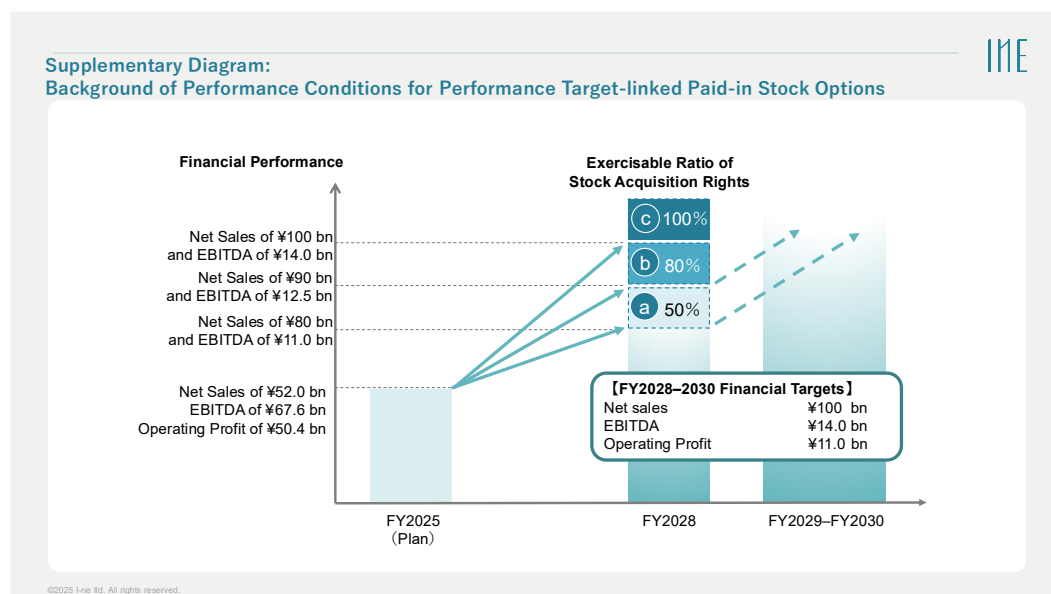
Specifically, in addition to our core business in the hair care and beauty devices categories, we aim to develop new growth pillars, including categories such as skin care, to achieve non-linear growth and expand our business domains through M&A. Following the M&A of Tout Vert Co., Ltd. and Artemis Inc. in 2024, we will continue to actively pursue M&A to increase the likelihood of achieving net sales of 100 billion yen between 2028 and 2030. As a result, we have added EBITDA to our key performance indicators to measure the effectiveness of our growth strategy.

The objective of issuing the stock acquisition rights is to allow the Directors and employees of the Company

to share the benefits and risks of stock price fluctuations with shareholders and to further increase their motivation and morale to contribute to the medium- to long-term expansion of the business performance and the enhancement of corporate value in order to achieve the updated growth strategy and performance targets. In addition, as a condition for exercising these stock acquisition rights, we have set performance targets based on the earliest possible timing within the period from 2028 to 2030 if the single-year performance for FY2028 meets certain criteria. Specifically, as described in II. 4. (6), the exercisable percentage will be 100% only if the performance targets of 100 billion yen in net sales and 14 billion yen in EBITDA are achieved in FY2028. Meanwhile, the condition for achieving an 80% exercisable percentage is that both net sales and EBITDA reach a level whereby the performance targets can be achieved in FY2029, while the condition for a 50% exercisable percentage is that both net sales and EBITDA reach a level whereby the performance targets can be achieved in FY2030. This is to increase the likelihood of achieving the net sales and EBITDA targets by 2030 by raising the awareness of management and employees at an early stage, and accelerating efforts toward achieving the targets. In this way, the stock acquisition rights are performance-linked, with net sales and EBITDA as indicators, and are a mechanism that is directly linked to the Company's non-linear growth and the early improvement of shareholder value.

The total number of the Company's common stock to be increased if all of the stock acquisition rights are exercised, will be equivalent to 1.34% of the total number of the Company's issued shares. However, since the condition for exercise of the stock acquisition rights is the achievement of predetermined performance targets and EBITDA targets for 2028, we recognize that the achievement of these targets will make a significant contribution to improving the Company's corporate value and shareholder value. We therefore believe that setting this performance condition for early achievement will encourage steady progress toward our long-term goals through 2030, which will ultimately contribute to the interests of our existing shareholders, and that the impact on share dilution will be reasonable.

## Supplementary Diagram



## II. Guidelines on Issuance of the 8th Stock Acquisition Rights

### 1. Name of the stock acquisition rights

8th Stock Acquisition Rights

### 2. Number of stock acquisition rights

2,400 units

The total number of shares that can be delivered upon exercise of the stock acquisition rights shall be 240,000 shares of the Company's common stock. If the number of shares granted in relation to the stock acquisition rights is adjusted pursuant to 4. (1) below, the total number shall be the number of shares granted after the adjustment multiplied by the number of stock acquisition rights.

### 3. Amount to be paid in exchange for stock acquisition rights

The issue price per stock acquisition right will be one (1) yen. This amount was determined by PLUTUS CONSULTING Co., Ltd., a third-party appraisal institution, based on the results of a Monte Carlo simulation, a commonly used option price calculation model, taking into consideration the Company's share price and other information, and the Company has determined that this amount does not constitute a favorable issuance.

### 4. Details of the stock acquisition rights

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

The number of shares subject to each stock acquisition right (hereinafter the "Number of Shares Granted") shall be 100 shares of the common stock of the Company.

If the Company conducts a stock split (including a gratis allotment of the Company's common stock; the same applies hereinafter) or reverse stock split of its common stock after the allocation date of stock acquisition rights, the Number of Shares Granted shall be adjusted in accordance with the following formula. However, such adjustment shall only be made to the number of shares subject to stock acquisition rights that have not been exercised at that time, and any fractional shares resulting from the adjustment shall be rounded down.

$$\begin{array}{l} \text{Adjusted Number} \\ \text{of Shares Granted} \end{array} = \begin{array}{l} \text{Unadjusted Number} \\ \text{of Shares Granted} \end{array} \times \begin{array}{l} \text{Ratio of Stock Split} \\ \text{(or Reverse Stock Split)} \end{array}$$

In addition, if the Company undergoes a merger, company split, or reduction in share capital, or if an adjustment to the Number of Shares Granted is necessitated due to other circumstances after the allocation date of stock acquisition rights, the Company may adjust the Number of Shares Granted appropriately within a reasonable range.

#### (2) Value or calculation method of the assets to be contributed upon exercise of stock acquisition rights

The value of the assets to be contributed upon exercise of stock acquisition rights shall be the amount paid per share (hereinafter the "Exercise Price"), multiplied by the Number of Shares Granted.

The Exercise Price shall be 1,560 yen.

If the Company conducts a stock split or reverse stock split after the allocation date of stock acquisition rights, the Exercise Price shall be adjusted in accordance with the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up.

$$\text{Adjusted Exercise Price} = \text{Unadjusted Exercise Price} \times \frac{1}{\text{Ratio of stock split (or reverse stock split)}}$$

In addition, if the Company issues new common shares by way of shareholder allotment, merges with another company, conducts a company split, or engages in any other action after the allocation date of stock acquisition rights necessitating an adjustment of the Exercise Price, the Company may adjust the Exercise Price appropriately within a reasonable range.

(3) Period during which stock acquisition rights may be exercised

The period during which stock acquisition rights may be exercised (hereinafter the “Exercise Period”) shall be from April 1, 2029 to July 30, 2035 (however, if the final day of the Exercise Period is not a bank business day, the immediately preceding bank business day).

(4) Amount of share capital and legal capital surplus that will increase

(i) The amount of increase in share capital when shares are issued through the exercise of stock acquisition rights shall be half of the maximum increase in share capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting. Any fraction less than one yen resulting from the calculation shall be rounded up to the nearest yen.

(ii) The amount of increase in legal capital surplus when shares are issued through the exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of increase in share capital set forth in (i) above from the maximum amount of increase in capital, etc., set forth in (i) above.

(5) Restriction on the acquisition of stock acquisition rights by transfer

Any acquisition of the stock acquisition rights through a transfer must be approved by a resolution of the Board of Directors of the Company.

(6) Conditions for the exercise of stock acquisition rights

(i) The recipient of the allotment of stock acquisition rights (hereinafter the “Stock Acquisition Rights Holder”) may exercise those stock acquisition rights up to a specified percentage of the stock acquisition rights allotted to each Stock Acquisition Rights Holder (any fractional share less than one unit shall be rounded down), provided that the consolidated net sales and EBITDA of the Company for the fiscal year ending December 31, 2028 satisfies the conditions stipulated in (a) to (c) below.

(a) If consolidated net sales exceed 80,000 million yen and EBITDA exceeds 11,000 million, the exercisable percentage shall be 50%

(b) If consolidated net sales exceed 90,000 million yen and EBITDA exceeds 12,500 million, the exercisable percentage shall be 80%

(c) If consolidated net sales exceed 100,000 million yen and EBITDA exceeds 14,000 million, the

exercisable percentage shall be 100%

In determining the abovementioned consolidated net sales, the amount of net sales stated in the consolidated statements of income in the Company's Annual Securities Report (or the statements of income if consolidated statements of income are not prepared; the same applies hereinafter) shall be used. EBITDA shall be the amount obtained by adding depreciation and amortization of goodwill stated in the consolidated statements of cash flows (or the statements of cash flows if consolidated statements of cash flows are not prepared; the same applies hereinafter) to the operating profit stated in the Company's consolidated statements of income included in the Annual Securities Report. In addition, in determining the abovementioned consolidated net sales and EIBITDA, if an event such as a corporate acquisition occurs that has a significant impact on the Company's business performance, and the Board of Directors determines that it is not appropriate to make a determination based on the actual figures stated in the Company's consolidated statements of income and consolidated statements of cash flows, etc., the Company may, within a reasonable scope, eliminate the impact of the corporate acquisition, etc. and adjust the actual figures used in the determination. Furthermore, in the event of significant changes in the concepts of items to be referenced for reasons such as the application of international financial reporting standards or changes in accounting periods, the Board of Directors of the Company shall determine separate indicators to be referenced.

- (ii) Stock Acquisition Rights Holders must be a Director, Member of the Audit and Supervisory Committee, or employee of the Company or its affiliates at the time of exercising stock acquisition rights. However, this shall not apply if the Board of Directors deems there to be a valid reason.
- (iii) Stock Acquisition Rights Holders may not exercise stock acquisition rights if any of the following (a) to (d) apply. However, this shall not apply if the Board of Directors deems there to be a valid reason.
  - (a) The Stock Acquisition Rights Holder is sentenced to imprisonment or a more severe penalty.
  - (b) The Stock Acquisition Rights Holder violates work rules or other internal regulations of the Company or its affiliates, or commits a breach of trust against society, the Company, or its affiliates, and is dismissed or resigns as a result.
  - (c) The Stock Acquisition Rights Holder becomes an officer, executive officer, advisor, employee, etc. of a company or organization other than the Company or its affiliates without being instructed to do so by the Company or its affiliates, or without obtaining prior written consent from the Company or its affiliates.
  - (d) The Stock Acquisition Rights Holder causes or is likely to cause damage to the Company or its affiliates, or if the Board of Directors determines that allowing the exercise of stock acquisition rights would be inappropriate in light of the purpose for which such rights were granted.
- (iv) Heirs of Stock Acquisition Rights Holders shall not be permitted to exercise stock acquisition rights. However, in the event of the death of a Stock Acquisition Rights Holder and stock acquisition rights that are exercisable based on the stipulations in (i) above exist at the time of death, one heir (limited to the spouse or first-degree relative of the deceased Stock Acquisition Rights Holder; hereinafter, the "Eligible

Heir”) may, in accordance with the provisions of the stock acquisition rights allotment agreement entered into by the Company and the Stock Acquisition Rights Holder, exercise such rights in a single transaction within six months from the day following the date of inheritance.

- (v) In the event that a Stock Acquisition Rights Holder falls under any of the circumstances set forth in 6. (2) below, said Stock Acquisition Rights Holder may not exercise the Stock Acquisition Rights. However, this shall not apply if approved by the Board of Directors.
- (vi) In the event that the exercise of stock acquisition rights would cause the total number of issued shares of the Company to exceed the total number of authorized shares at that time, said stock acquisition rights may not be exercised.
- (vii) Stock acquisition rights constituting less than one unit may not be exercised.
- (viii) Other terms and conditions shall be as set forth in the stock acquisition rights allotment agreement to be entered into by the Company and the Stock Acquisition Rights Holder.

#### 5. Allocation date of stock acquisition rights

July 31, 2025

#### 6. Matters concerning the acquisition of stock acquisition rights

- (1) If the Stock Acquisition Rights Holders becomes unable to exercise the stock acquisition rights pursuant to the provisions stipulated in 4. (6) above before exercising the rights, the Company may acquire those stock acquisition rights for no consideration on a date separately determined by the Board of Directors of the Company.
- (2) If a proposal described in a., b., c., d., or e. below is approved at the General Meeting of Shareholders of the Company (or approved by the Board of Directors of the Company if a resolution by the General Meeting of Shareholders is not necessary), the Company may acquire stock acquisition rights for no consideration on a day separately determined by the Board of Directors of the Company.
  - a. Proposal for approval of a merger agreement under which the Company is to be dissolved
  - b. Proposal for approval of a split agreement or split plan under which the Company is to be split
  - c. Proposal for approval of a share exchange agreement or share transfer plan under which the Company is to become a wholly owned subsidiary
  - d. Proposal for approval to change the Company’s Articles of Incorporation to establish provisions concerning the requirement for the Company’s approval with regard to the acquisition of all outstanding shares through a transfer
  - e. Proposal for approval to change the Company’s Articles of Incorporation to establish provisions concerning the requirement for the Company’s approval with regard to the acquisition through a transfer of shares issued upon the exercise of the stock acquisition rights or concerning the acquisition by the Company of all shares issued upon the exercise of stock acquisition rights by resolution of the General Meeting of Shareholders

## 7. Treatment of stock acquisition rights in the event of organizational restructuring

In the event that the Company undergoes a merger (only in cases where the Company is dissolved as a result of the merger), an absorption-type or incorporation-type split (in each case only in cases where the Company is the splitting company), or a share exchange or share transfer (in each case the Company shall issue stock acquisition rights only in cases where the Company is a wholly owned subsidiary) (collectively hereinafter the “Organizational Restructuring”), the Stock Acquisition Rights Holders who hold remaining stock acquisition rights (hereinafter the “Remaining Stock Acquisition Rights”) shall be issued stock acquisition rights of the companies set forth in Article 236, Paragraph 1, Items 8 (a) to (e) of the Companies Act (hereinafter the “Reorganized Company”) in each case immediately prior to the effective date of the Organizational Restructuring (which means, in the case of an absorption-type merger, the date on which the absorption-type merger becomes effective; in the case of a consolidation-type merger, the date on which the company incorporated through the consolidated-type merger is established; in the case of an incorporation-type split, the date on which the absorption-type split becomes effective; in the case of an incorporation-type split, the date on which the company incorporated through the incorporation type split is established; in the case of a share exchange, the date on which the share exchange becomes effective; the date on which the wholly owning parent company incorporated through the share transfer is established; the same applies hereinafter), in accordance with the following conditions. Provided that this applies only if the issuance of stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement or share transfer plan.

(i) Number of stock acquisition rights of the Reorganized Company to be issued

The number of stock acquisition rights to be issued shall be equal to the number of Remaining Stock Acquisition Rights held by each Stock Acquisition Rights Holder.

(ii) Class of shares associated with the stock acquisition rights of the Reorganized Company

The shares shall be common stock of the Reorganized Company.

(iii) Number of shares associated with the stock acquisition rights of the Reorganized Company

The number of shares shall be determined in accordance with 4. (1) above, taking into account the terms of the Organizational Restructuring.

(iv) Value of property to be contributed upon exercise of the stock acquisition rights

The value of the assets invested upon the exercise of each stock acquisition right to be delivered shall be the post-restructuring Exercise Price obtained by adjusting the Exercise Price stipulated in 4. (2) above, taking into account the terms of the Organizational Restructuring, etc., multiplied by the number of shares of the Reorganized Company that is the object of the stock acquisition right determined in accordance with 7. (3) above.

(v) Exercise Period for stock acquisition rights

The Exercise Period shall be from the later of the first day of the Exercise Period as specified in 4. (3)

above or the effective date of the Organizational Restructuring actions, until the last day of the Exercise Period as specified in 4. (3) above.

- (vi) Amount of share capital and legal capital surplus that will increase when shares are issued upon exercise of stock acquisition rights

To be determined in accordance with 4. (4) above.

- (vii) Restriction on the acquisition of stock acquisition rights by transfer

Restrictions on acquisition by transfer must be approved by resolution of the Board of Directors of the Reorganized Company.

- (viii) Other conditions for exercising stock acquisition rights

To be determined in accordance with 4. (6) above.

- (ix) Reasons and conditions for acquiring stock acquisition rights

To be determined in accordance with 6. above.

- (x) Other conditions shall be determined in accordance with the conditions of the Reorganized Company.

#### 8. Matters concerning stock acquisition rights certificates for stock acquisition rights

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

#### 9. Deadline for payment of money in exchange for stock acquisition rights

July 31, 2025

#### 10. Application deadline

July 23, 2025

#### 11. Persons and their number to whom stock acquisition rights are to be allocated

Company Directors	1 persons	321 stock acquisition rights
Company Employees	26 persons	2,079 stock acquisition rights

The above number of persons and number of stock acquisition rights represent the maximum limits, and the actual number of persons and the number of stock acquisition rights may decrease depending on the subscription status for these stock acquisition rights.

#### 12. Treatment of substitutions and other measures under these terms and conditions

In the event that substitutions or other measures become necessary with respect to the provisions of these terms and conditions, the Company may take the necessary measures, including amendments to the provisions of these terms and conditions or other means that it deems appropriate, in accordance with the provisions of the Companies Act and the purpose of the stock acquisition rights.