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February 25, 2025

Company name: INTRANCE CO., LTD.

Stock exchange listing: Tokyo Growth

Stock code number: 3237

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Notice Regarding the Issuance of Share Acquisition Rights (Paid-in Stock Options)

Intrance Co., Ltd. (the "Company") hereby announce that our Board of Directors, at a meeting held today, resolved to issue share acquisition rights ("SARs") to our directors as follows, in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act. Please note that these rights will be issued to those who will receive the SARs at a fair price and for a fee, and since the terms are not particularly favorable, it will be implemented without obtaining approval from the general meeting of shareholders. In addition, these SARs will not be issued as compensation to the allottees, but will be underwritten based on each individual's investment judgment.

1. Overview of the Development

The Company will issue SARs to its directors for a fee in order to further increase their motivation and morale and to further enhance the cohesiveness of the Company as it aims to expand its business performance and increase its corporate value over the medium to long term.

The SARs are subject to conditions that oblige the allottee to exercise the SARs in the event that the Company's share price falls below a certain level.

This will make the allottee of the SARs assume a certain level of responsibility, thereby restraining corporate activities that may cause a decline in the share price. In addition, By having our directors share the risk of share price fluctuations with our shareholders, we can provide an incentive to increase our share price, which is the original effect of SARs.

The reason for setting the triggering level of the exercise condition at 60% of the exercise price is that, in consideration of the share price volatility over the past year and other factors, the Company has determined that it should take responsibility through the exercise obligation if the Company's share price level falls below 60% of the exercise price.

Based on the above, the company recognizes that the issuance of the SARs will contribute to the interests of our existing shareholders. If all of the SARs are allocated and exercised, the dilution ratio to the Company's 46,552,784 outstanding shares as of today would be 1.93% (rounded to two decimal places), and the Company believes that the impact on the dilution of shares is reasonable.

2. Terms and Conditions for Issuance of SARs

For details, please refer to the attached “Terms and Conditions of the 9th Issue of SARs (Paid-in Stock Options)”.

[Attachment]

Outline of the Issuance of Share Acquisition Rights

1. Name of the SARs

INTRANCE Co., Ltd. 9th Series SARs

2. Application Period

March 13, 2025

3. Allocation Date

March 14, 2025

4. Fee Payment Date

March 13, 2025

5. Class and number of shares to be issued upon exercise of SARs

The type of shares to be issued upon exercise of the SARs shall be the common shares of the Company. The number of shares to be issued upon exercise of each SARs ("Number of Shares Granted") shall be 100 shares.

However, that the Number of Shares Granted shall be adjusted according to the formula below in the case the Company conducts a share split or a share consolidation of ordinary shares after the date of resolution to issue share acquisition rights. However, such adjustment is only applicable to the number of shares underlying the SARs that have not been exercised at that point in time, with any fraction less than one share arising from the adjustment being omitted.

$$\text{Number of Shares Granted after adjustment} = \text{Number of Shares Granted before adjustment} \times \text{Ratio for share split or share consolidation}$$

In addition, after the allotment date of the SARs, if the Company deems it necessary, the Company may adjust the number of shares granted to a reasonable extent.

6. Total number of SARs to be offered

9,000 units

7. Amount to be paid in per SARs

Amount to be paid in per SARs: ¥100

8. Value of assets to be issued or transferred upon exercise of the SARs

- (1) The property to be contributed upon the exercise of each SARs shall be in cash, the value of which shall be the Exercise Price multiplied by the Number of Granted Shares.
- (2) The amount of money per share of the Company's common share to be contributed upon exercise of the SARs (hereinafter referred to as the "Exercise Price") shall initially be 108 yen.

9. Adjustment of exercise price

- (1) If the Company conducts a share split or reverse share split of the Company's common share after the allotment date of the SARs, 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.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times 1 / \text{Ratio for stock split or stock consolidation}$$

- (2) In the event that the Company issues new shares or disposes of treasury share at a price below the market value after the allotment date of the SARs (excluding cases where the Company issues new shares or disposes of treasury share by exercising the share acquisition rights or transfers treasury shares through a share exchange), the exercise price shall be adjusted in accordance with the following formula. In this case, the Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up to the nearest one yen.

$$\begin{array}{c}
 \text{Exercise price} \\
 \text{after adjustment}
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 =
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 \text{Number of} \\
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 +
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 \text{Number of newly} \\
 \text{issued shares}
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 \text{Payment amount} \\
 \text{per share}
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 }{
 \begin{array}{c}
 \text{Number of shares already} \\
 \text{issued}
 \end{array}
 +
 \begin{array}{c}
 \text{Number of newly issued shares}
 \end{array}
 }
 \times
 \begin{array}{c}
 \text{Market price per share before new issuance}
 \end{array}$$

In the above formula, the “number of shares already issued” shall be the number obtained by deducting the number of shares of treasury share held by the Company from the total number of shares issued by the Company.

- (3) After the allotment date of the SARs, if the Company deems it necessary, the Company may adjust the Exercise Price to a reasonable extent.
10. Period during which the SARs can be exercised (exercise period)
- The period during which SARs may be exercised shall be from March 17, 2025 to March 16, 2029. (However, if March 16, 2029 is not a bank business day, then until the preceding bank business day)
11. Other Conditions for Exercise of SARs
- (1) If the holder of the SAR dies between March 17, 2025 and March 16, 2029, his/her heirs may not exercise the SAR.
- (2) Holders of the SARs may not exercise the SARs in the event of any of the following events. However, this shall not apply in cases where the Board of Directors of the Company reasonably agrees to treat the SARs otherwise, except in the cases of items (i), (iii) and (ix) below.
- (i) In the case of Rights holder is sentenced to imprisonment or severer punishment.
- (ii) In the case of Rights holder directly or indirectly establishes a company engaged in business that competes with the Company, or assumes the position of director or other officer or employee of such a company, or otherwise competes with the Company in any name (except in cases where the right holder has obtained the prior written approval of the Company)
- (iii) In the case of Rights holder violates laws and regulations or commits other wrongful acts that damage the Company's credibility.
- (ix) In the case of Rights holder has received a petition for seizure, provisional seizure, provisional disposition, compulsory execution or auction, or has received a disposition for delinquent payment of taxes and public dues.
- (x) In the case of Right holder stops making payments or becomes insolvent, or when a bill or

check drawn or accepted by the right holder is dishonored.

- (xi) In the case of Rights holder has filed a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings, or other similar proceedings, or has filed such a petition himself/herself.
- (xii) In the case of Rights holder violates the employment regulations and is subject to disciplinary action.
- (xiii) In the case of Rights holder violates the duty of fidelity, etc. that he/she should fulfill as an officer.
- (ix) In the case of there is a suspicion that the Right holder falls under the category of antisocial forces or anti-market forces, or has fallen under any of these categories within the past five years.

12. Acquisition of the SARs

- (1) In the event that a proposal for a merger agreement under which the Company becomes a dissolving company, or a proposal for a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary is approved at a general meeting of shareholders (or resolved by the Board of Directors if no resolution at a general meeting of shareholders are required), or a shareholder requests the convocation of such a general meeting of shareholders in the event that the Board of Directors of the Company separately determines the date of acquisition, the Company shall acquire all of the SARs without consideration upon the arrival of such date. However, if the Board of Directors of the Company decides to acquire the SARs with consideration, the Company may acquire all of the SARs with consideration at an amount determined by the Board of Directors of the Company.
- (2) In the event that a SARs Holder lacks the conditions for exercising his/her rights in accordance with Paragraph 11, or in any other case where the SARs Holder waives the SARs and the Company agrees, the Company may acquire such SARs without consideration upon the arrival of a date separately determined by the Board of Directors.
- (3) If the Board of Directors of the Company separately sets a date for acquisition, the Company shall acquire all or part of the SARs without consideration upon the arrival of such date. In the event that the Company acquires a portion of the SARs, the portion of the SARs to be acquired shall be determined by a resolution of the Board of Directors of the Company.

13. Compulsory Exercise of SARs

If the average closing price of the Company's common share on a financial instruments exchange for 21 consecutive business days falls below the exercise price multiplied by 60% at any time between the date of allocation and the end of the exercise period of the SARs, the SARs Holder shall exercise all remaining SARs before the end of the exercise period. However, this shall not apply if the holder does not meet the conditions for holding the SARs described in Paragraph 11.

14. Transfer of the SARs

Any acquisition of the SARs by transfer shall require the approval of the Board of Directors of the Company.

15. Capital and capital reserve to be increased when shares are issued upon exercise of these SARs

- (1) The amount of increase in capital share in the event of the issuance of shares upon the exercise of these equity warrants shall be the maximum amount of increase in capital share, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules multiplied by 0.5, with any fraction of less than one yen resulting from the calculation being rounded up to the nearest yen.
 - (2) The amount of capital reserve to be increased in the event of the issuance of shares upon the exercise of these SARs shall be the maximum amount of increase in capital share, etc. less the amount of capital share to be increased as set forth in (1) above.
16. Method of requesting the exercise of these SARs
- (1) In the case of exercising the SARs, the SARs Holder shall give notice of the matters necessary for the exercise request to the Exercise Request Acceptance Desk designated by the Company during the period during which the SARs may be exercised as set forth in Paragraph 10.
 - (2) When exercising these SARs, in addition to the notice of request for exercise set forth in the preceding item, the full amount of the value of the property to be contributed upon exercise of these SARs shall be transferred in cash to the account designated by the Company at the payment handling location designated by the Company.
 - (3) The request to exercise the SARs shall become effective on the date when all matters necessary for the exercise request are notified to the designated place for receipt of exercise requests and the full amount of the value of the assets to be contributed upon exercise of the SARs is credited to the account specified in the preceding item.
17. Treatment of SARs in the event of Organizational Restructuring
- In the case of the Company conducts a merger (limited to the case where the Company is dissolved as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer, share acquisition rights of the share company as listed Article 236, Paragraph 1, Item 8 of the Companies Act (the “Restructured Company”) shall be delivered in each of the above cases to Rights Holders. In this case, the remaining SARs shall be extinguished. However, this is limited to cases where the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, stock exchange agreement, or stock transfer plan stipulates that SARs of the reorganized company will be delivered in accordance with the following conditions.
- (1) Number of share acquisition rights of the Restructured Company to be delivered
The same number of SARs as the remaining SARs held by the SARs Holders shall be delivered.
 - (2) Class of shares of the Restructured Company underlying the SARs
Common share of the reorganized company.
 - (3) The number of shares of the reorganized company that is the object of SARs or the calculation method
The decision will be made in accordance with Paragraph 5, taking into account the conditions of the reorganization act, etc.
 - (4) The value of assets to be invested upon exercise of SARs or its calculation method
The amount shall be the amount obtained by multiplying the amount by which the exercise price

has been reasonably adjusted pursuant to Paragraphs 8 and 9, taking into account the conditions, etc. of the reorganization act, by the number of shares of the Reorganized Company that is the object of the SARs determined in accordance with Item (3) above.

(5) Period during which the share acquisition rights are exercisable

The exercise period shall be from the later of the starting date of the period during which the SARs can be exercised as stipulated in Paragraph 10 or the effective date of the organizational restructuring act until the expiration date of the period during which the SARs can be exercised as stipulated in Paragraph 10.

(6) Conditions for exercising SARs

To be determined in accordance with Section 11.

(7) Reasons and conditions for acquiring SARs

To be determined in accordance with Section 12.

(8) Restrictions on transfer of SARs

The acquisition of SARs through transfer must be approved by the board of directors of the reorganized company (the reorganized company must If the company is not a company with a board of directors, a general meeting of shareholders) will be required.

(9) Matters regarding increased capital and capital reserves in the case of issuing shares due to exercise SARs

To be determined in accordance with Section 15.

(10) Other conditions will be determined in accordance with the conditions of the reorganized company.

18. Non-issuance of SARs certificates

The Company will not issue SARs certificates with respect to the SARs.

19. Arrangements for fractions of less than 1 share resulting from the exercise of the SARs

If there is a fraction less than one share in the number of shares to be delivered to the SARs Holder who exercises the SARs, this shall be rounded down.

20. Reasons for calculating the amount to be paid for the SARs and the value of the assets to be invested upon exercise thereof

Considering the terms and conditions stipulated in the issuance guidelines and the SARs allotment agreement concluded with the SARs holders, Nasu Evaluation Co., Ltd., a third-party valuation organization, calculated the price using a Monte Carlo simulation, which is a general price calculation model. As a result, the amount to be paid for each SARs was set at 100 yen, which is the same amount as the calculation result.

Furthermore, the amount of the assets to be contributed upon exercise of the SARs shall be as described in Paragraph 8, and the exercise price per SAR shall be set at 102.86% of the price on the day before the resolution date, which is 10,800 yen (rounded to two decimal places) per SAR, after taking into consideration the paid-in price of the SARs.

21. Other

- (1) In the case of necessity to change the terms or take other measures in the provisions of these Issuance Guidelines, the Company may take the necessary measures in accordance with the provisions of the Companies Act and the purpose of the SARs in any manner it deems

appropriate, such as changing the provisions of these Issuance Guidelines.

(2) Other necessary matters regarding the issuance of SARs shall be left to the discretion of the Company's Board of Directors.

22. The persons to whom and the number of the SARs to be allotted

4 directors of the company: 9,000 rights (900,000 shares)

The number of eligible persons listed above is the expected number at the time of issuance of the SARs and is subject to change. Furthermore, the number of SARs allotted above indicates the upper limit of the number of SARs to be issued, and may decrease depending on the number of applications, etc.