

July 11, 2024

To whom it may concern:

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### **Notification Regarding Issuance of Performance Target-Linked Stock Acquisition Rights (Stock Options with Charge)**

Sansan, Inc. (“the Company”) announces today that, in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act, a resolution has been passed to issue Stock Acquisition Rights to its directors and executive officers. Details of the resolution, which was passed at a Board of Directors’ meeting held on July 11, 2024, are as set out below. The Stock Acquisition Rights will be issued at fair value and not particularly favorable to the individuals to whom they are issued. Thus, the Stock Acquisition Rights will be implemented without obtaining approval from a general meeting of shareholders. In addition, the Stock Acquisition Rights will not be paid as remuneration. Instead, those eligible will be able to opt in as an individual investment decision.

#### **1. Purpose and Reason for Issuance**

The objectives of issuing the Stock Acquisition Rights with charge to directors and executive officers are to further increase their motivation and morale, as well as to further enhance their cohesiveness in order to expand the Company’s shareholder and corporate value over the medium to long term.

The total number of shares of common stock that would increase if all the Stock Acquisition Rights were exercised would be equivalent to 0.06% of the total number of outstanding shares at the end of the fiscal year ended May 31, 2024. However, the Stock Acquisition Rights are subject to the outcome of performance targets set in advance, and the Company recognizes that achieving these targets will contribute to increasing shareholder and corporate value. For this reason, the Company believes that the issuance of the Stock Acquisition Rights will contribute to the benefit of its existing shareholders. Additionally, the Company believes that the effect of stock dilution due to the issuance will fall within an acceptable range.

#### **2. Outline of Issuance**

(1) Name of Stock Acquisition Rights

Sansan Inc. Series 14 Stock Acquisition Rights

(2) Persons to Whom Stock Acquisition Rights Are to Be Allotted, Number of Those Persons, and Number of Stock Acquisition Rights to Be Allotted

The Company's Directors                      5 persons, 310 rights

The Company's Executive Officers        13 persons, 490 rights

(3) Class and Number of Shares to Be Acquired upon Exercise of Stock Acquisition Rights

The class of shares to be issued upon exercise of the Stock Acquisition Rights shall be common stock of the Company, and the number of shares to be issued upon exercise of each of the Stock Acquisition

Rights (“the Number of Granted Shares”) shall be one hundred (100).

The Number of Granted Shares shall be adjusted according to the following formula in the event that, after the allotment date of the Stock Acquisition Rights, the Company conducts a stock split (including the gratis allotment of common stock of the Company; the same shall apply hereinafter) or a stock consolidation.

Number of Granted Shares after Adjustment = Number of Granted Shares before Adjustment × Ratio of Stock Split (or Stock Consolidation)

In addition, the Number of Granted Shares shall be appropriately adjusted to the extent reasonable in the event that, after the allotment date of the Stock Acquisition Rights, the Company conducts a merger, company split or share exchange, or share transfer (“merger, etc.”) that require adjustment of the Number of Granted Shares. Provided, however, that such adjustment shall be made only with respect to the number of shares underlying the Stock Acquisition Rights that have not been exercised at the time of such adjustment, and any fraction less than one share arising from the adjustment shall be rounded down.

(4) Total Number of Stock Acquisition Rights  
800 rights

The total number of shares that are to be issued upon exercise of the Stock Acquisition Rights shall be 80,000 shares of common stock of the Company, and in the event the number of shares to be issued upon exercise of the Stock Acquisition Rights is adjusted pursuant to Paragraph (3) above, the number shall be obtained by multiplying the number of shares to be issued upon exercise of the Stock Acquisition Rights after adjustment by the number of Stock Acquisition Rights.

(5) Amount to Be Paid in Exchange for Stock Acquisition Rights

The amount of money to be paid in exchange for Stock Acquisition Rights shall be JPY18,500. This amount was determined based on the results of a Monte Carlo simulation, which is a general option pricing model, taking into account the stock price and other factors of the Company, by Plutus Consulting Co., Ltd., a third-party valuation institution. Thus, the amount is not particularly favorable to the individuals to whom they are issued.

(6) Value or Calculation Method of Assets to Be Contributed upon Exercise of Stock Acquisition Rights

The value of the assets to be contributed upon the exercise of the Stock Acquisition Rights shall be the amount obtained by multiplying the amount to be paid per share to be issued of JPY1,783 (“the Exercise Price”) by the Number of Granted Shares.

In the event that the Company conducts a stock split, or a stock consolidation, after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted according to the following formula, and any fraction less than one JPY arising from the adjustment shall be rounded up.

$$\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Stock Split (or Stock Consolidation)}}$$

In the event that, after the allotment date of the Stock Acquisition Rights, the Company issues new shares or disposes of treasury shares of the Company’s common stock at a price below the market price (except in the case of a conversion or exercise of securities [including those attached to bonds with stock acquisition rights] that can be converted into the Company’s common stock or convertible securities or which enable the holders thereof to make requests for the delivery of the Company’s common stock), the above Exercise Price shall be adjusted according to the following formula, and any fraction less than one JPY arising from the adjustment shall be rounded up.

$$\begin{array}{ccccccc}
 \text{Exercise Price} & & & & & \text{Number of} & & \text{Amount to} \\
 \text{after} & = & \text{Exercise Price} & & \text{Number of} & \text{New Shares} & \times & \text{Be Paid per} \\
 \text{Adjustment} & & \text{before} & \times & \text{Outstanding} & \text{to Be Issued} & & \text{Share} \\
 & & \text{Adjustment} & & \text{Shares} & & & & \\
 & & & & & \text{Quotation per Share before} & & & \\
 & & & & & \text{Issuance} & & & \\
 & & & & & \hline
 & & & & \text{Number of Outstanding Shares + Number of New} & & & & \\
 & & & & \text{Shares to Be Issued} & & & & \\
 \end{array}$$

In the above formula, the “Number of Outstanding Shares” is the total number of issued common shares of the Company minus the number of treasury shares of common shares held by the Company. When disposing of treasury stock related to the Company’s common stock, the “Number of New Shares to Be Issued” shall be replaced by “Number of Treasury Stock to Be Disposed Of.” In addition, in the event that, after the allotment date of the Stock Acquisition Rights, the Company merges, conducts a gratis allocation of shares, or otherwise requires adjustment of the above exercise price, or should adjustment to the abovementioned exercise price become necessary, the Exercise Price shall be deemed adjustable within an appropriately reasonable range in consideration of the conditions of merger, etc. and the conditions for a gratis allocation of shares.

#### (7) Exercise Period of Stock Acquisition Rights

The period during which Stock Acquisition Rights are exercisable (“the Exercise Period”) is from September 5, 2025, to September 4, 2034 (provided, however, that if the last day is not a Bank Business Day, it shall be the Previous Bank Business Day).

#### (8) Conditions of Exercise of Stock Acquisition Rights

- i. A holder of the Stock Acquisition Rights may exercise his or her Stock Acquisition Rights up to a predetermined percentage of the Stock Acquisition Rights (“the Exercisable Percentage”) allotted to each holder of the Stock Acquisition Rights, only when the net sales in the consolidated profit and loss statement for the fiscal year ending May 31, 2025, exceed JPY43,303 million. In determining the net sales amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company’s Board of Directors.
- ii. Holders of Stock Acquisition Rights are required to be any one of directors, auditors, employees of the Company even at the time of the exercise of Stock Acquisition Rights. Provided, however, that this shall not apply to the case where the Company’s Board of Directors recognizes that there are justifiable reasons such as retirement due to the expiration of the term of office, retirement at the mandatory retirement age, etc.
- iii. In the event that a holder of Stock Acquisition Rights dies, the exercise of the Stock Acquisition Rights by his or her heirs shall not be permitted.
- iv. The pledging of the Stock Acquisition Rights or establishment of a security interest shall not be permitted.
- v. If the total number of issued shares of the Company exceeds the total number of authorized shares

at the time of exercise of the Stock Acquisition Rights, such Stock Acquisition Rights may not be exercised.

vi. Each Stock Acquisition Right may not be exercised for less than one Stock Acquisition Right.

(9) Amount of Stated Capital and Capital Reserve to Be Increased Due to Issuance of Shares upon Exercise of Stock Acquisition Rights

- i. The amount of stated capital to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be one half of the maximum amount of increase in the capital, etc., to be calculated pursuant to Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any amount less than one JPY arising from the calculation to be rounded up.
- ii. The amount of capital reserve to be increased due to the issuance of shares upon exercise of Stock Acquisition Rights shall be the amount obtained by subtracting the amount of increase in stated capital, as specified in the preceding paragraph (9) i. from the maximum amount of increase in capital, etc., as stated in the preceding paragraph (9) i.

(10) Matters Relating to Acquisition of Stock Acquisition Rights

- i. In the event of a merger agreement in which the Company becomes a dissolved company, a split agreement or a split plan in which the Company becomes a split company, or a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, which is approved by a general meeting of shareholders (or by a resolution of the Board of Directors if no approval is required by a general meeting of shareholders), the Company may acquire all of the Stock Acquisition Rights without any charge upon the arrival of a date to be separately specified by its Board of Directors. When acquiring a part of the Stock Acquisition Rights, the part of the Stock Acquisition Rights to be acquired shall be determined by a resolution of the Company's Board of Directors.
- ii. In the event that the exercise of the Stock Acquisition Rights becomes impossible pursuant to the provisions of Paragraph (8) above prior to the exercise by the holder of the Stock Acquisition Rights, the Company may acquire the Stock Acquisition Rights without any charge.

(11) Restrictions on Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights through transfer shall require approval by resolution of the Company's Board of Directors.

(12) Handling of Stock Acquisition Rights upon Reorganization

In cases where the Company conducts a merger (limited to cases where the Company is dissolved as a result of a merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer (an "Act of Structural Reorganization"), the Stock Acquisition Rights of the Stock Company listed in Article 236(1)(viii)(a) to (e) inclusive of the Companies Act ("the Reorganized Company") shall be delivered to the Stock Acquisition Rights holder on the effective date of the Act of Structural Reorganization in each case on the following conditions:

Provided, however, that this shall be limited to the cases where it is stipulated in the absorption-type merger

agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan that the Stock Acquisition Rights of the Reorganized Company shall be delivered in accordance with the following conditions:

- i. Number of Stock Acquisition Rights of the Reorganized Company to Be Delivered

The number of Stock Acquisition Rights held by the holder of shall be the same as the number of Stock Acquisition Rights delivered.

- ii. Class of Shares of the Reorganized Company to Be Issued upon Exercise of Stock Acquisition Rights  
Shares of common stock of the Reorganized Company shall be issued.
- iii. Number of Shares of the Reorganized Company to Be Issued upon Exercise of Stock Acquisition Rights  
Determination shall be made in accordance with Paragraph (3) above based on consideration of conditions for the Act of Structural Reorganization.
- iv. Amount of Assets to Be Contributed upon Exercise of Stock Acquisition Rights  
The investment purpose in exercising each new stock acquisition right is deemed monetary. The amount of assets to be contributed upon exercise of the stock acquisition rights shall be equal in value to the post-reorganization exercise price—obtained by adjusting the exercise price specified in (6) above, taking into consideration, among other matters, the conditions for the Act of Structural Reorganization—multiplied by the number of shares of the Reorganized Company determined in accordance with (12) iii above.
- v. Period during Which Stock Acquisition Rights Are Exercisable  
From the first day of the period during which the New Stock Acquisition Rights can be exercised, as stipulated in (7) above, or the effective date of the Act of Structural Reorganization, whichever is the later, until the expiration date of the period during which the New Stock Acquisition Rights specified in (7) above can be exercised.
- vi. Matters concerning the Capital and Capital Reserve to Be Increased When Shares Are Issued upon the Exercise of Stock Acquisition Rights  
To be determined in accordance with Paragraph (9) above.
- vii. Restriction on Acquisition of Stock Acquisition Rights through Transfer  
Any acquisition of the Stock Acquisition Rights through transfer shall require approval by resolution of the Board of Directors of the Reorganized Company.
- viii. Other Conditions upon Exercise of Stock Acquisition Rights  
To be determined in accordance with Paragraph (8) above.
- ix. Conditions and Provisions for Acquisition of Stock Acquisition Rights  
To be determined in accordance with Paragraph (10) above.
- x. Other conditions shall be determined in accordance with the conditions of the Reorganized Company.

(13) Allotment Date of Stock Acquisition Rights  
September 5, 2024

(14) Due Date for Payment in Exchange for Stock Acquisition Rights  
September 5, 2024

(15) Due Date for Application  
August 26, 2024

(16) Rounding Off of Fractions Generated by Exercising of New Stock Acquisition Rights

If the number of shares to be granted to New Stock Acquisition Rights Holders who have exercised their stock acquisition right produces a fractional number, that fractional portion is to be rounded down.

(17) Matters Related to Stock Acquisition Right Certificates

The Company shall not issue certificates for the Stock Acquisition Rights.