



February 9, 2024

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Representative: Eikichi Iida, Chairman and President  
Listing: Tokyo Stock Exchange, Prime Market  
Stock code: 2429  
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### **Notice Concerning Issuance of Stock Acquisition Rights as Tax-qualified Stock Options**

The Board of Directors of World Holdings Co., Ltd. (the “Company”) approved a resolution on February 9, 2024 to submit a proposal to shareholders for approval to give the directors the authority to determine the terms of stock acquisition rights, issued as tax-qualified stock options, to be distributed to directors (excluding outside directors) of the Company and its subsidiaries and employees of the Company and its subsidiaries, in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act. This proposal will be submitted at the shareholders meeting scheduled for March 22, 2024.

#### I. Reason for the need to grant stock options with favorable terms

The stock options are to be granted for the purposes of motivating directors (excluding outside directors) of the Company and its subsidiaries and employees of the Company and its subsidiaries to increase consolidated sales and earnings of the Group as a whole, improving the ability to recruit skilled people, and contributing to the growth of corporate value.

#### II. Recipients of the stock options

Directors (excluding outside directors) of the Company and its subsidiaries and employees of the Company and its subsidiaries

#### III. Need for determining the maximum number of and payment for the stock options with terms that can be determined based on items approved at the shareholders meeting

##### 1. Maximum number of stock options with terms that can be determined based on the proposal to be submitted at the shareholders meeting

The maximum number of stock options is 3,000 as stated in the following item IV.

The maximum number of shares to be issued upon exercise of the stock options allocated to directors (excluding outside directors) is 1,000.

The maximum number of shares of the Company’s common stock that can be granted due to the exercise of the stock options is 300,000, including a maximum of 100,000 shares for stock options exercised by directors (excluding outside directors). If the number of shares granted is adjusted (defined below) as explained in the following item IV 1., the new maximum will be the number of shares granted after adjustment multiplied by the maximum number of stock options.

##### 2. No payment is required for the stock options with terms that can be determined based on the proposal to be submitted at the shareholders meeting

#### IV. Stock option terms that can be determined based on the proposal to be submitted at the shareholders meeting

##### 1. Class and number of shares to be issued upon exercise of the stock options

The class of the shares to be issued upon exercise of the stock options is common stock of the Company, and the number of shares to be issued upon exercise of the stock options is 100 shares for each stock option.

The number of shares granted will be adjusted using the following formula if, after the conclusion of the shareholders meeting, the Company conducts a common stock split (including gratis allocations of common stock of the Company, the same applied hereafter) or a stock consolidation. Any fraction of less than one share resulting from the adjustment is discarded.

$$\text{Number of shares granted after adjustment} = \text{Number of shares granted before adjustment} \times \text{Ratio of stock split or stock consolidation}$$

Furthermore, after the conclusion of the shareholders meeting, if the Company merges with another company or conducts a divestiture or if there are any other similar events that require an adjustment of the number of shares granted, the Company will perform this adjustment in an appropriate manner within reasonable limits.

When the number of shares granted is adjusted, the Company must notify every holder of the stock options in the register of stock options or make a public announcement, of the required items by no later than the day before the adjusted number of shares granted becomes effective. However, if the Company is unable to perform this notification or public announcement by this day, a notice or public announcement must be conducted promptly afterward.

2. Value of assets to be contributed upon the exercise of the stock options

The value of assets to be contributed when a stock option is exercised is the number of shares granted multiplied by the amount paid per share (the “exercise price”).

The exercise price is the higher of (1) 1.05 multiplied by the average closing price for ordinary trading of the Company’s common stock on the Tokyo Stock Exchange for every trading day (except days when the Company’s stock was not traded) in the month prior to the month of the day the stock options were allocated with any fraction of one yen rounded up or (2) the closing price on the day the stock options were allocated (or the nearest prior closing price if the Company’s stock was not traded on the allocation day). However, the exercise price is subject to adjustments as prescribed in the following item 3.

3. Adjustment of the exercise price

(1) If the Company takes an action concerning its common stock described in the following items 1 or 2 on or after the day the stock options are allocated, the adjustment price will be adjusted by using the following applicable exercise price adjustment formula. Any fraction of less than one yen is rounded up.

1) Stock split or stock consolidation

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

2) Issuance of stock or disposal of treasury shares at a price below the market price

(excludes the sale of treasury shares in accordance with Article 194 of the Companies Act (demand for sale of number of shares less than one unit by a shareholder holding less than one unit) and excluding the conversion of securities that are or can be converted into the Company’s common stock or the exercise of stock options (including stock options attached to bonds) with the right to receive the Company’s common stock)

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

- i. In this formula, the number of issued shares is the number of shares of common stock issued after deducting common stock held as treasury shares.
  - ii. If treasury shares are used for the stock distributed when a stock option is exercised, the number of newly issued shares in this formula is instead the number of treasury shares used.
4. Exercise period  
The exercise period begins on the first day of the month following the month two years after the month of the day of the stock allocation and ends on March 22, 2034.
5. Conditions for exercising the stock options  
When a stock option is exercised, the holder of the stock option must be a director or employee of the Company or any of its subsidiaries. However, former directors of the Company or a subsidiary who left because they reached the end of their term of office and former employees of the Company or a subsidiary who left because they reached the mandatory retirement age are exempt from this requirement.
6. Matters pertaining to capital stock and legal capital surplus that would increase upon stock issuance by the exercise of the stock options
  - (1) The increase in capital stock when new shares are issued upon the exercise of stock options is 50% of the maximum limit of a capital increase as calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules. Any fraction of less than one yen arising from the calculation will be rounded up.
  - (2) The increase in legal capital surplus when new shares are issued upon exercise of the stock options is the maximum increase in capital in item (1) above less the increase in capital stock as stipulated in item (1) above.
7. Restrictions on the transfer of stock options  
Transfers of ownership of stock options require the prior approval of the Company's Board of Directors.
8. Conditions for the Company to acquire the stock options
  - (1) When a stock option holder is no longer qualified to exercise a stock option due to the provisions of the item 5 above, the Company can acquire that individual's stock options without compensation.
  - (2) If the shareholders of the Company approve a proposal for a merger in which the Company is dissolved, a proposal for an approval of a company split agreement or an incorporation-type company split plan under which the Company is the splitting company, a contract for an exchange of stock that makes the Company a wholly owned subsidiary or a proposal for a stock transfer plan, the Company can acquire the stock options without compensation.
9. Other terms for the stock options will be determined separately by resolutions of the Company's Board of Directors.
10. Policy for determining terms for distribution of stock options of the restructured company following a reorganization  
If the Company conducts a merger (only when the Company becomes a dissolving company), absorption-type or incorporation-type company split (in either type, only when the Company becomes a splitting company), or a share exchange or transfer (in either case, only when the Company becomes a wholly owned subsidiary) (the "corporate reorganization"), the Company will grant the stock options of the stock company described in Article 236, Paragraph 1, Item 8 (a) to (e) of the Companies Act (the "restructured company"), as appropriate, to any stock option holders who hold the remaining stock options immediately before the date of the implementation of the corporate reorganization (the effective date of the absorption-type merger in the case of an absorption-type merger, the date of establishment of the company established by a consolidation-type merger in the case of a consolidation-type merger, the effective date of the absorption-type company split in the case of an absorption-type company split, the date of establishment of the splitting company in the case of an incorporation-type company split, the effective date of the share exchange in the case of a share exchange, or the date of establishment of the wholly-owning parent

company upon the share transfer in the case of a share transfer; the same applies hereinafter), as appropriate, only to the extent that 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 provided for the issuance of the stock options of the restructured company according to the provisions of the respective items below:

- (1) Number of stock options of the restructured company to be issued  
The same number as the remaining stock options held by the stock option holders.
- (2) Class of shares of the restructured company for the stock options of the restructured company  
Common shares of the restructured company.
- (3) Number of shares of the restructured company for the stock options of the restructured company  
Will be determined in accordance with the provisions of item 1 above, taking into consideration the terms for the corporate reorganization and any other related matters.
- (4) Value of assets to be contributed upon the exercise of the stock options  
The value of assets to be contributed upon the exercise of the respective stock options issued by the restructured company is the amount obtained by multiplying the amount paid in after the restructuring, which is obtained by adjusting the exercise price described in item 2 above by the number of shares of the restructured company for the stock options of the restructured company, which is determined according to item (3) above, taking into consideration the terms for the corporate reorganization and any other related matters.
- (5) Exercise period  
The period starts from either the first date of the exercise period in item 4 above or the effective date of the corporate reorganization, whichever comes later, and expire upon the date of expiration of the exercise period in item 4 above.
- (6) Matters pertaining to capital stock and legal capital surplus that would increase upon stock issuance by the exercise of stock options  
Will be determined in accordance with the provisions of item 6 above.
- (7) Restrictions on the transfer of stock options  
Transfers of ownership of stock options require the prior approval of the Board of Directors of the restructured company.
- (8) Conditions to acquire the stock options  
Will be determined in accordance with the provisions of item 8 above.
- (9) Other conditions for the exercise of stock options  
Will be determined in accordance with the provisions of item 5 above and item 12 below.

11. Agreement on fractions of one share resulting from the exercise of stock options

Any fraction of one share included in the shares issued to the stock option holders who exercise their stock options is discarded.

12. Other conditions for the exercise of stock options

If a stock option holder forfeits the right to exercise a stock option, the holder can no longer exercise the right.