

April 15, 2024

Company Name: Open House Group Co., Ltd.  
Representative: Masaaki Arai, President and CEO  
Securities code: 3288, TSE  
Contact: Kotaro Wakatabi, Senior Managing Director and CFO

## **Notice Regarding Issuance of Stock Compensation-Type Stock Options (Stock Acquisition Rights)**

Open House Group Co., Ltd. (hereinafter the "Company") has resolved at the Board of Directors meeting held on April 15, 2024, to issue stock acquisition rights as stock options to our executive officers and employees, as well as the employees of our wholly owned subsidiaries. We would like to inform you as follows.

### 1. Reason for Issuance of Stock Acquisition Rights as Stock Options

The issuance of stock acquisition rights as stock options to our executive officers and employees as well as the employees of our wholly owned subsidiaries, is intended to increase motivation towards improving the Group's consolidated performance and to share the aspiration to enhance the value of our stock.

### 2. Details of Issuance of Stock Acquisition Rights

#### (1) Name of the Stock Acquisition Rights

Open House Group Co., Ltd. 11th Stock Acquisition Rights

#### (2) Total Number of Stock Acquisition Rights

1,452 units.

The total number above is the scheduled number for the allotment, and the stock acquisition rights will be allocated under the condition that the allottees apply for their respective allocated number of rights as resolved by the Board of Directors. However, if the number of applications does not reach the planned allocation, the number of allocations will be set to the actual allocation number of applications.

#### (3) Persons Entitled to Allotment of Stock Acquisition Rights and Number Thereof; Number of Stock Acquisition Rights to be Allotted

Company executive officers	8 persons	56 units
Company employees	61 persons	240 units
Employees of wholly owned subsidiaries	318 persons	1,156 units

(4) Class and Number of Shares Underlying Stock Acquisition Rights

The class of shares underlying the stock acquisition rights shall be common shares, and the number of shares that are the object of each stock acquisition right (hereinafter referred to as the "Number of Shares Granted") shall be 100 shares. Our common shares are fully voting shares, with no limitations on their rights, and they represent our standard shares. The unit share number is 100 shares.

However, after the date of which stock acquisition rights are allotted (hereinafter referred to as the "Allotment Date"), we effect a stock split (including gratis allotment of our common shares; hereinafter the same shall apply to the description of the stock split), or reverse stock split with respect to our common shares. The number of granted shares shall be adjusted according to the following formula, and any fractions less than one share resulting from the adjustment shall be rounded down.

$$\begin{array}{rcccl} \text{Number of Shares} & & \text{Number of Shares} & & \text{Ratio of share split or} \\ \text{Granted after adjustment} & = & \text{Granted before} & \times & \text{share consolidation} \\ & & \text{adjustment} & & \end{array}$$

In addition to the above, if an unavoidable reason necessitates adjusting the number of shares granted, the Company's Board of Directors may adjust the number of shares granted within a reasonable range. Furthermore, any fraction less than one share resulting from the above adjustment shall be rounded down.

(5) Date of Allotment of Stock Acquisition Rights

May 23, 2024

(6) Method of Calculation for Amount to be Paid Upon Allocation of Stock Acquisition Rights

The amount will be determined by multiplying the option price per-share option price, which is calculated based on the Black-Scholes model on the allotment date of the Stock Acquisition Rights, by the number of granted shares (fractions of less than one yen are rounded off).

Black-Scholes model:

$$C = Se^{-qT}N(d) - Xe^{-rT}N(d - \sigma\sqrt{T})$$

Here

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

(a) Option price per share (C)

(b) Share price ( $S$ ): the closing price of the common stock of the Company in regular trading on the Tokyo Stock Exchange on May 23, 2024 (if there is no closing price, the base price of the following trading day).

(c) Exercise price ( $X$ ): The amount will be calculated by multiplying the average closing price of our common stock in ordinary trading on the Tokyo Stock Exchange on each day of the month preceding the month of the allotment date of the stock acquisition rights (excluding days when no trading occurs) by 1.05, with any fractions of less than one yen rounded up. However, if this amount is less than the closing price on the allotment date (or the most recent closing price prior to that day if there is no closing price on the allotment date), the closing price on the allotment date will be used.

(d) Expected remaining period ( $T$ ): 6 years

(e) Volatility ( $\sigma$ ): The stock price fluctuation rate calculated based on the closing price of our common stock in ordinary trading on the final trading day of each week from May 23, 2018 to May 23, 2024.

(f) Risk-free interest rate ( $r$ ): The interest rate on Japanese government bonds with remaining years corresponding to the expected remaining period.

(g) Dividend yield ( $q$ ): Dividends per share (dividends for the fiscal year ended September 2023) divided by the share price as set forth in (b) above.

(h) Cumulative distribution function of the standard normal distribution ( $N$ )

The amount calculated in accordance with the above is the fair value of the stock acquisition rights and does not fall under the category of favorable issuance. The person who receives the allotment of the stock acquisition rights will offset it with the salary claims they have against the Company instead of making a monetary payment.

(7) Value of Assets to be Contributed Upon Exercise of Stock Acquisition Rights

The value of asset to be contributed upon the exercise of each stock acquisition right is determined by multiplying the number of granted shares by the amount of payment per share (hereinafter referred to as the "exercise price") as determined below.

The exercise price is determined by multiplying the average closing price of our common shares on the Tokyo Stock Exchange on each day (excluding days when no transactions are made) of the month preceding the month of the allotment date of the stock acquisition rights by 1.05, and any fraction less than one yen is rounded up. However, if this amount is less than the closing price on the allotment date (or the most recent closing price prior to that date if there is no closing price on that date), the closing price on the allotment date will be used.

In addition, after the allotment date of the stock acquisition rights, if a stock split or consolidation is carried out for our common shares, the exercise price will be adjusted according to the following formula, and any fraction less than one yen resulting from the adjustment will be rounded up.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

Furthermore, after the allotment date of the stock acquisition rights, if the Company issues new shares or disposes of treasury shares at a price below market value for our common shares (excluding the issuance of new shares based on the exercise of the Stock Acquisition Rights and the disposal and transfer of treasury shares by stock exchange), the exercise price will be adjusted according to the following formula. Any fraction less than one yen resulting from the adjustment will be rounded up.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Payment amount per share}}{\text{Market value per share}}}{\text{Number of issued shares} + \text{Number of newly issues shares}}$$

In the above formula, the "number of issued shares" refers to the number obtained by deducting the number of treasury shares related to our common shares from the total number of our issued common shares. In the case of disposing of treasury shares, the "number of newly issued shares" should be read as the "number of shares disposed of", and the "payment amount per share" should be read as the "disposal amount per share".

Furthermore, after the allotment date of the stock acquisition rights, if the Company merges, splits, or requires adjustment of the exercise price in cases similar to these, the exercise price will be adjusted as necessary and reasonable.

(8) Exercise Period for Stock Acquisition Rights

This will be from May 24, 2026, to April 15, 2034.

(9) Conditions for Exercise of Stock Acquisition Rights

(a) The stock acquisition rights holder is required to be a director or employee of the Company or our subsidiary, or hold a similar position, at the time of exercising the stock acquisition rights. However, this does not apply if the individual has retired due to the expiration of their term of office or mandatory retirement, or if the Board of Directors recognizes that there is a legitimate reason.

(b) In the event of the death of a stock acquisition rights holder, the heir may inherit the stock acquisition rights. However, in such a case, the heir may exercise the stock acquisition rights

only within six months from the date of the stock acquisition rights holder's death.

(10) Matters Related to the Increase in Capital and Capital Reserves Upon the Exercise of the Stock Acquisition Rights

- (a) The amount of capital increase when issuing shares through the exercise of stock acquisition rights shall be half of the limit of capital increase calculated in accordance with Article 17, Paragraph 1 of the Company Accounting Rules, and fractions less than one yen resulting from the calculation shall be rounded up.
- (b) The amount of capital reserve to be increased in cases where shares are issued as a result of the exercise of Share Options shall be the amount obtained by subtracting the amount of capital increase specified in (a) from the capital increase limit amount stated in (a).

(11) Conditions for Acquisition of Stock Acquisition Rights

In case that a resolution for the approval of any of the proposals (a) to (e) below are adopted at the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors, if resolution at a General Meeting of Shareholders is not required), stock acquisition rights may be acquired free of charge on a date separately determined by the Board of Directors.

- (a) Proposal for approval of a merger agreement under which the Company shall be a dissolving company.
- (b) Proposal for approval of a demerger agreement or demerger plan under which the Company shall be a split company.
- (c) Proposal for approval of a share exchange agreement or share transfer plan under which the Company shall be a wholly-owned subsidiary.
- (d) Proposal for approval of amendment to the Articles of Incorporation that stipulate the requirement of approval of the Company on acquisition of any of the shares issued by the Company by transfer.
- (e) Proposal for approval of the Company on acquisition of class of shares to be issued upon exercise of stock acquisition rights by transfer or the provisions that allow the Company to acquire all of the shares of said class by a resolution at a General Meeting of Shareholders.

In addition, if the holder no longer satisfies the conditions for exercising stock acquisition rights pursuant to the provisions of (9), the Company can acquire the stock acquisition rights free of charge on a date separately determined by the Board of Directors of the Company.

(12) Matters Concerning the Details of the Delivery of Stock Acquisition Rights Under Organizational Restructuring

In the event that the Company undergoes a merger (limited to cases where the Company becomes a dissolving company), performs an absorption-type demerger or an incorporation-type demerger (limited to cases in which the Company becomes a split company), or conducts a share

exchange or a share transfer (in cases which the Company becomes a wholly-owned subsidiary) (hereinafter referred to as "Organizational Restructuring"), the stock acquisition rights remaining immediately before the effective date of the organizational restructuring actions (hereinafter referred to as "Remaining Stock Acquisition Rights") described in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act of Japan (hereinafter referred to as "Reorganized Company") shall be granted to each Stock Acquisition Rights Holder. However, the condition is that the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, stock exchange agreement, or stock transfer plan stipulates that the stock acquisition rights of the reorganized company will be delivered in accordance with the following items.

- (a) Number of stock acquisition rights of the reorganized company to be delivered  
The number that equals the remaining stock acquisition rights held by the holders shall be delivered, respectively.
- (b) Class of shares of the reorganized company underlying the stock acquisition rights  
Common shares of the reorganized company.
- (c) Number of shares of the Reorganized Company underlying the stock acquisition rights  
To be determined in accordance with (4) above, taking into consideration the terms, conditions, etc. of the reorganization.
- (d) Value of assets to be invested upon exercise of stock acquisition rights  
The value of the assets to be invested upon the exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the number of shares of the reorganized company, which are the subject of the stock acquisition rights determined in accordance with (c) above. The adjusted exercise price after the reorganization, considering the conditions of the organizational restructuring in the above item (7).
- (e) Exercise period of stock acquisition rights  
The exercise period will start from the later date of the commencement date of the period during which the stock acquisition rights can be exercised as set forth in the above item (8) and the effective date of the  
and will end on the expiration date of the period during which the stock acquisition rights can be exercised as set forth in the above item (8).
- (f) Matters regarding increase in capital and capital reserves when shares are issued by exercising stock acquisition rights  
To be determined in accordance with (10) above.
- (g) Restriction on acquisition of stock acquisition rights through transfer  
The acquisition of stock acquisition rights through transfer requires the approval of the reorganized company.
- (h) Conditions for exercise of stock acquisition rights  
To be determined in accordance with (9) above.

- (i) Provisions on acquisition of stock acquisition rights  
To be determined in accordance with (11) above.

(13) Regarding the Transfer of Stock Acquisition Rights

The transfer of stock acquisition rights requires the approval of the Board of Directors.

(14) Issuance of Stock Acquisition Rights Certificates

Stock acquisition rights certificates will not be issued.