

February 16, 2022

To whom it may concern,

Company Name: Uzabase, Inc.
Names of Representatives: Yusuke Inagaki, Representative Director and Co-CEO
Taira Sakuma, Representative Director and Co-CEO
(Code: TSE Mothers 3966)
Contact: Daisuke Chiba, Chief Financial Officer
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Notice Regarding Introduction of Restricted Stock Unit Plan and Stock Option Plan

Uzabase, Inc. (hereinafter referred to as “the Company”) hereby notifies that in the Board of Directors Meeting held today, it has resolved to revise its compensation plan for directors, officers, and certain employees to introduce a restricted stock unit plan and a stock option plan (hereinafter collectively referred to as “the Plan”). A proposal concerning changes in compensation to the Company’s directors, which is required for the introduction of the Plan, will be submitted to the 14th Ordinary General Meeting of Shareholders scheduled for March 25, 2022.

1. Purpose of the Introduction

In line with the Company’s mid- to long-term goals of maintaining business growth, globalizing operations, and increasing corporate value, the Plan is intended to enable more officers and employees to share the perspectives of entrepreneurs, business owners, and shareholders, as well as to ensure that the Company can secure talented personnel through an attractive scheme and level of compensation in light of local and international standards. In addition, replacing a part of cash-based compensation with stock compensation will positively support the financial position of the Company.

2. Overview of the Plan

The Company will replace a part of the monetary remuneration for certain personnel (hereinafter referred to as “recipients”) designated by the Company, including directors, officers, and certain employees of the Company or its Group companies. Restricted stock units (hereinafter referred to as “RSUs”) and stock options, or either one of the two, will be delivered based on the selection made by each recipient.

RSUs and/or stock options offered under the Plan are planned to be delivered from April 2022.

(1) The RSU plan

The Company will issue units according to the selection made by each recipient within the scope of the Plan. If the recipient fulfills certain criteria such as continued service, the Company will determine the number of shares to be delivered according to the units issued to the recipient and grant a monetary compensation claim required to make in-kind contribution. The recipient receives an allotment of the Company's common stock by contributing the monetary compensation claim in full by the method of in-kind contribution.

To determine the amount of the monetary compensation claim granted to each recipient, a calculated amount referring to the stock price of the Company's common stock on the Tokyo Stock Exchange, while made sure to avoid setting an advantageous price for the recipient, is multiplied by the number of shares to be delivered.

(2) The stock option plan

The Company will issue stock options according to the selection made by each recipient within the scope of the Plan. Recipients who fulfill certain criteria, such as continued service, will be able to exercise the stock options issued to them. Although no monetary payment is required in exchange for the issuance of stock options, the strike price per

share shall be at least the market price of the share at the time of granting the stock options. To determine the ratio of stock options to the compensation amount, the fair value of the stock options calculated by a rational method such as the Black-Scholes model is multiplied by the number of stock options granted to each recipient.

(3) Introduction and background of the selective plan

Within the range of the ratio of RSUs and/or stock options to the compensation amount set for each title, each recipient may set their preferred ratio between monetary remuneration and the calculated amount of RSUs and/or stock options, as well as the ratio between RSUs and stock options.

This aspect of the Plan is designed to support each person in designing their own commitments and working style, in line with the Company's value that creativity delivers the best performance in a free environment.

3. Number of Company Shares to be Delivered under the Plan

The maximum number of Company shares that can be delivered under the Plan each fiscal year, as the result of recipients exercising the RSUs or stock options, is expected to account for approximately 1% of the total number of issued shares of the Company at the beginning of the relevant fiscal year.

End of notice