

Translation

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IDOM Inc.

Stock Acquisition Rights by Private Placement and Introduction of a Market Value Issue Stock Acquisition Rights Trust

Tokyo, October 21, 2022—IDOM Inc. (“the Company”) announces that its Board of Directors passed a resolution at a meeting held today to issue 9th stock acquisition rights (the “Stock Acquisition Rights”) by private placement and to introduce an incentive plan (the “Incentive Plan”) using a market value issue stock acquisition rights trust. The market value issue stock acquisition rights trust is a new incentive system in which a trustee holds stock acquisition rights issued at market price, then grants them to beneficiaries that meet conditions on a certain date.

1. Overview of subscription

(1)	Placement date	November 7, 2022
(2)	Number of stock acquisition rights issued	34,000
(3)	Issue price	3,400,000 yen (100 yen per stock acquisition right)
(4)	Number of potential shares due to the issuance	3,400,000 (100 shares per stock acquisition right)
(5)	Amount of funds procured	Total amount: 2,533,000,000 yen (Net amount: 2,526,500,000 yen) (Breakdown) Amount procured by issuance of stock acquisition rights: 3,400,000 yen Amount procured by exercise of stock acquisition rights: 2,529,600,000 yen The net amount represents the result of deducting the estimated amount of issuance cost related to the Stock Acquisition Rights from the sum of the total paid in amount for the Stock Acquisition Rights and the total amount of the price of assets to be vested upon exercise of the Stock Acquisition Rights.
(6)	Exercise price	744 yen per share for each issue (fixed)
(7)	Method of subscription and placement (intended recipient of private placement)	A private allocation of shares to the trustee Kotaeru Trust Co.,Ltd.
(8)	Other	The issuance of the Share Acquisition Rights is intended to strengthen a sense of unity and solidarity among the directors and employees of the Company and its subsidiaries and affiliates (“Directors and Employees”) and to boost their motivation and

		<p>morale as the Company strives to expand its business and increase corporate value.</p> <p>The Company, by using the Incentive Plan, which uses a trust, instead of conventional incentive plans such as stock options that are typically used, can distribute share acquisition rights to the Directors and Employees according to their contribution to the Company, following predetermined guidelines for the delivery of the Share Acquisition Rights ("Delivery Guidelines"). This enables the Company to distribute share acquisition rights based on a fair evaluation of the contribution of the Directors and Employees to increasing the Company's corporate value. We expect that the Incentive Plan can better enhance the Directors and Employees' motivation to contribute to the Company and better attract outstanding people, compared with incentive plans using the existing share acquisition rights.</p> <p>Any transfer of Share Acquisition Rights will require the approval of the Company's Board of Directors.</p> <p>Main conditions for exercise of Share Acquisition Rights</p> <ul style="list-style-type: none"> (i) Share Acquisition Rights Holders may exercise Share Acquisition Rights only if operating profit in the audited consolidated statement of income in the annual securities report for the fiscal year ending February 28, 2025 or the fiscal year ending February 28, 2026 exceeds 30 billion yen. If the concept of the operating profit etc. that is to be referred to changes significantly in connection with changes in the accounting period or in the applicable accounting standards, among other factors, the Board of Directors may specify different indicators to be referred to. (ii) Stock Acquisition Rights Holders must be directors, corporate auditors, or employees of the Company or its subsidiaries or affiliates at the time they exercise their Share Acquisition Rights. Provided, however, that this shall not apply if the Board of Directors of the Company deems there to be a justifiable reason. (iii) No heir of share acquisition rights shall be permitted to exercise the Share Acquisition Rights. (iv) If the total number of issued shares of the Company exceeds the number of shares issuable at such time upon exercise of the Share Acquisition Rights, such exercise of the Share Acquisition Rights shall not be permitted. (iv) Any fraction less than one unit of the Share Acquisition Rights may not be exercised. (v) The exercise of Share Acquisition Rights shall be conditional on the effectiveness of the filings under the Financial Instruments and Exchange Act.
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2. Purpose and Reason for Subscription

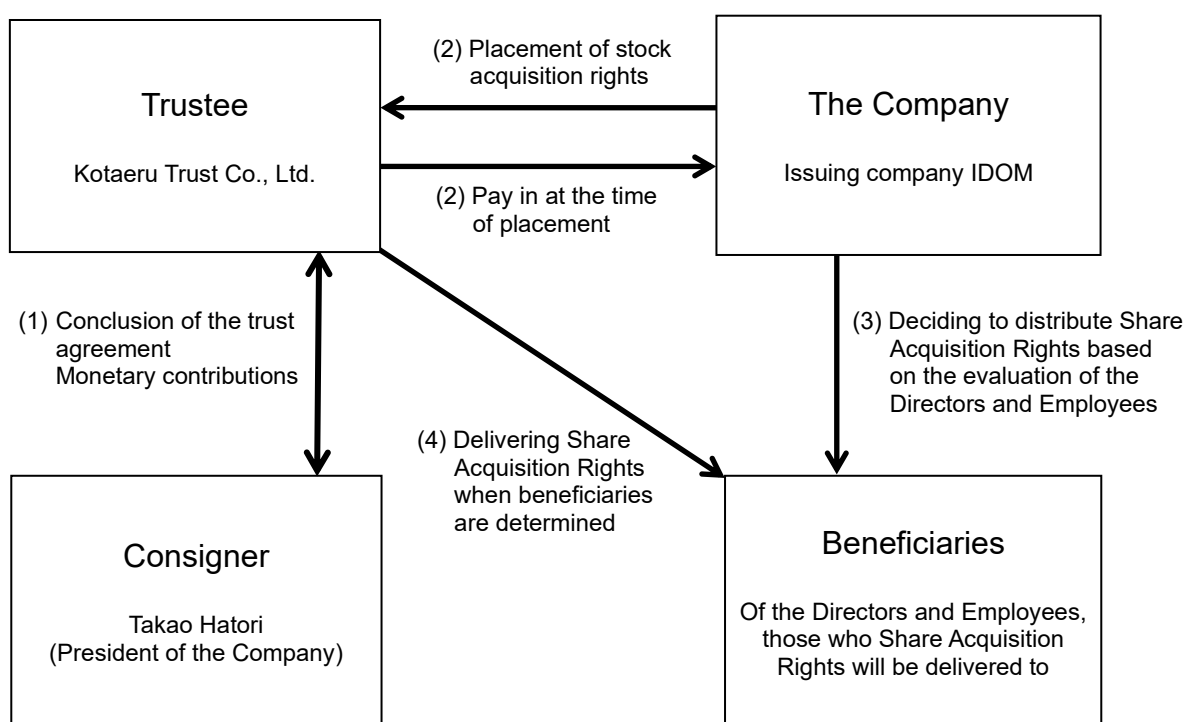
The Company has concluded an agreement on share acquisition rights issuance at market price limited liability trust (hereinafter "the Trust Agreement") with Kotaeru Trust Co., Ltd., based on an idea by Takao Hatori, President of the Company (hereinafter "the Consigner"), to introduce an incentive plan using the Trust (hereinafter "the Incentive Plan"), where the Company is the trust administrator and has the right to designate beneficiaries and issues share acquisition rights to Kotaeru Trust. The idea is to do this in order to maintain or

increase the motivation of the Company's Officers and Employees and ensure the achievement of targets of the medium-term management plan announced in April 2022 by giving incentives to increase corporate value in the medium to long term and setting more ambitious management goals than those set in the medium-term management plan.

<Overview of the Trust Agreement>

Name	20260TL0701221028 Share Acquisition Rights Issuance at Market Price Limited Liability Trust
Consigner	Takao Hatori (President of the Company)
Trustee	Kotaeru Trust Co.,Ltd.
Beneficiaries	Persons designated as Beneficiaries on each trust period maturity date (persons designated through the Beneficiary confirmation procedure)
Trust agreement date (start date of the trust period)	October 28, 2022
Date of delivery of the Stock Acquisition Rights	The end of March 2023 (Note) The Stock Acquisition Rights that are not delivered on the first date of delivery stated above will be delivered to the beneficiaries to be designated by the Company in accordance with the Delivery Guidelines on dates of delivery that will come every three months after the first date of delivery.
Trust period maturity date	April 25, 2023
Purpose of the Trusts	The main purpose of the trusts is to grant the Stock Acquisition Rights to the beneficiaries.
Beneficiary Confirmation Procedures	Under the Trust Agreement, beneficiaries will be designated among the Company's Officers and Employees as of the date of delivery and the number of the Stock Acquisition Rights allotted to each beneficiary will be by determined by the Company in accordance with the Delivery Guidelines. The standard for allocation is stipulated in the Grant Guidelines to be determined on the trust agreement date. The Grant Guidelines are guidelines determined by the Company setting out the scope of the Company's Officers and Employees who will be granted the Stock Acquisition Rights on the maturity date of the trust period, and the number of rights to be granted. The performance of the Company's Officers and Employees is evaluated in accordance with the Grant Guidelines to carry out granting of the Stock Acquisition Rights. The details of the guidelines are as states above in "Purpose and Reason for Introducing the Incentive Plan."

<Schematic Diagram of the Incentive Plan>



3. Rationality of Issuance Conditions, Etc.

(1) Grounds for calculation of pay-in amount and specific details

To determine the issue price of the Share Acquisition Rights, the Company has requested Plutus Consulting Co., Ltd., a third party evaluation organization, to evaluate the Share Acquisition Rights. The third party organization evaluated the Share Acquisition Rights using a Monte Carlo simulation, a commonly used price calculation model, based on the closing price of the Company's stock, 744 yen, on the Tokyo Stock Exchange on the trading day immediately preceding the day of the Board of Director's resolution on the issuance of the Share Acquisition Rights, stock price volatility of 48.04%, a dividend yield of 0.62%, a risk-free interest rate of 0.299%, and conditions specified in the issuing guidelines for the Share Acquisition Rights (exercise price, 744 yen per share, time to maturity, 8.6 years, and performance conditions). The result of the calculation is 100 yen for a Share Acquisition Right.

The Board of Directors of the Company has determined that the issue price for a Share Acquisition Right is appropriate and reasonable and that the issuance is not one with favorable conditions for allottees because the third party evaluation organization has evaluated the price based on assumptions that may affect the price and has calculated the price of a Share Acquisition Right, which reflects the assumptions, using a method generally used. The Board of Directors has determined that the amount to be paid for a Share Acquisition Right is 100 yen, the same amount as the result of the third party organization's calculation.

The exercise price of a Share Acquisition Right has been determined to be 744 yen based on the closing price in the regular trading session of the Tokyo Stock Exchange on the trading day immediately preceding the day of the Board of Director's resolution on the issuance of the Share Acquisition Rights.

The views of all corporate auditors of the Company on the issue price is that the issue price is not favorable for the expected allottees based on the basis of calculation described above, and that the issuance is not one with favorable conditions and as such is legitimate.

(2) Grounds for Judging that the Stock Acquisition Rights Issuance and the Scale of Stock Dilution Are Rational

The exercise of all of the Stock Acquisition Rights would result in the issuance of 3,400,000 shares (34,000 voting rights). This represents a dilution ratio of 3.18% (3.39% of the total number of voting rights) against a denominator of 106,888,000 shares (1,003,741 voting rights), being the total number of the Company's issued shares as of August 31, 2022. The exercise of the Stock Acquisition Rights would thus cause considerable dilution.

However, the stock acquisition rights are to be issued for the purpose of further enhancing the sense of unity and solidarity of the Company's Officers and Employees in the cause of increasing the Company's earnings and expanding corporate value, and further enhancing their motivation and morale. Moreover, issuance is conditional upon the achievement of predetermined targets regarding the market capitalization and performance of the Company, which is expected to increase the Company's corporate value and shareholder value.

In addition, with regard to the total number of issued shares due to the exercise of the Stock Acquisition Rights being 3,400,000, the Company's common stock has a certain degree of liquidity, with an average daily trading volume of approximately 633,000 shares over the past six months.

Due to the above reasons, the Company expects the issuance of the Stock Acquisition Rights to contribute to increasing corporate value and shareholder value, and judges that it will also contribute to the interests of its existing shareholders. For this reason, the Company considers the issue amount and scale of dilution to be rational.