

August 4, 2021

To Whom it May Concern:

Company Name: Kanamic Network Co., Ltd.  
 Representative: President & Representative  
 Director, Takuma Yamamoto  
 (Securities Code: 3939, TSE First Section)  
 Contact Point: General Manager, Administration  
 Department, Kenya Wakabayashi  
 (TEL. 03-5798-3955)

**Announcement regarding the completion of pay-in for issuance of convertible bonds maturing 2026 and moving strike warrants expiring 2026**

The Company hereby announces that the pay-in for the following issues (which were issued in accordance with resolutions passed at the meetings of the Board of Directors held on July 15, 2021 and July 19, 2021) has been completed today as scheduled:

1. [Kanamic Network Co., LTD. 1st series Unsecured Convertible Bonds with Stock Acquisition Rights (with inter-bond pari passu clause) with 120% soft call provision] (hereinafter referred to as "Bonds with Stock Acquisition Rights")
2. [Kanamic Network Co., LTD 3rd series Stock Acquisition Rights (Moving Strike Warrants)] (hereinafter referred to as "Stock Acquisition Rights")

For details regarding the aforementioned issuances, please refer to the announcement made on July 15, 2021, titled "Announcement regarding the issuance of convertible bonds maturing 2026 and the issuance of moving strike warrants" and the announcement made on July 19, 2021, titled "Announcement regarding the finalization of the terms of issuance for convertible bonds maturing 2026 and the finalization of the terms of issuance for moving strike warrants expiring 2026".

1. Overview of the Bonds with Stock Acquisition Rights

(1)	Date of allotment	August 4, 2021
(2)	Total number of stock acquisition rights	20
(3)	Amount paid-in for the bonds and stock acquisition rights	Bonds: The amount paid-in will be JPY 100,200,000 per JPY 100,000,000 in face value (JPY 100.2 per JPY 100 in face value of each bond). Stock Acquisition Rights: No monetary payment is required in exchange for stock acquisition rights.
(4)	Number of potential shares upon issuance	2,408,767 Shares (1) The number of potential shares mentioned assumes that the entirety of the Bonds with Stock Acquisition Rights are converted at the initial conversion price. (2) There is no maximum conversion price (3) The number of shares that would be delivered assuming that the entirety of the Bonds with Stock Acquisition Rights are converted at the minimum conversion price (defined below) is 3,252,032 shares
(5)	Amount of funds to be procured	JPY 2,004,000,000

( 6 )	Conversion price	Initial conversion price: JPY 830.3 As stated in the Terms of Issuance document for the Bonds with Stock Acquisition Rights, Paragraph 12-Item (6)-④, there is a possibility that the conversion price may be revised downward (only once). However, if the post-revision conversion price is below 615 yen (hereinafter the “minimum conversion price”), then the minimum conversion price shall be taken as the conversion price.
( 7 )	Allotment method	Third Party Allotment to Credit Suisse Securities Co., Ltd.
( 8 )	Interest rate and due date for redemption	Interest rate : 0.00% Due Date for Redemption : August 4, 2026
( 9 )	Redemption price	JPY 100,000,000 per JPY 100,000,000 in face value
( 1 0 )	Other	<ul style="list-style-type: none"> <li>● There is a 120% soft call provision attached allowing the Company to force redemption from September 4, 2023 onward.</li> <li>● There is a put option provision allowing the holder of the Bonds with Stock Acquisition Rights to force redemption on August 5, 2024.</li> <li>● The Company has entered into a third-party allotment agreement (with the Allottee) pertaining to the Bonds with Stock Acquisition Rights.</li> <li>● The Company has been informed by the Allottee that after the Allottee has been issued the Bonds with Stock Acquisition Rights by third-party allotment, the Allottee may hold them for trading purposes, and the Allottee may repackage them, allowing the equity option portion to be distributed separately from the bond portion.</li> </ul>

## 2. Overview of the Stock Acquisition Rights

( 1 )	Date of allotment	August 4, 2021
( 2 )	Number of stock acquisition rights	48,000
( 3 )	Issue price of the Stock Acquisition Rights	93 yen per stock acquisition right (total amount of 4,464,000 yen)
( 4 )	Amount of funds to be procured	2,936,464,000 yen
( 5 )	Exercise price and conditions of moving strike	The initial exercise price shall be 615 yen. Whenever Stock Acquisition Rights are exercised, the exercise price shall be revised to an amount equivalent to 93%, (calculation shall be made to the second decimal place, then rounded up to one decimal place), of the closing price for the Company’s common stock in the ordinary trading session at the Tokyo Stock Exchange on the trade date immediately preceding the effective date of the exercise request (or, if no closing price is quoted on that date, the closing price of the date immediately preceding that). If, however, this revised exercise price falls below 615 yen (hereinafter the “minimum exercise price”), the exercise price shall become the minimum exercise price.
( 6 )	Allotment method	Third Party Allotment to Credit Suisse Securities Co., Ltd.

<p>(7) Restrictions on Exercise</p>	<p>Through the third-party allotment agreement between the Company and the allottee, the Company agreed to the following pertaining to the Stock Acquisition Rights:</p> <ul style="list-style-type: none"> <li>• Restrictions on exercising Stock Acquisition Rights Except in the case of the prescribed exemptions, the allottee shall not exercise Stock Acquisition Rights such that the total number of common shares of the Company to be acquired by exercise thereof within any calendar month exceeds 10% of the number of the listed shares of the Company as of August 4, 2021 (hereinafter termed "excessive exercise"). Before exercising Stock Acquisition Rights, the allottee shall confirm with the Company in advance to ensure that the said exercise of Stock Acquisition Rights would not result in "excessive exercise", and the Company, in the event of receiving such a confirmation request from the allottee, shall reply immediately.</li> </ul> <p>The Company shall also not allow any others (apart from the allottee) who own market value-linked stock acquisition rights, etc. issued by the Company to commit excessive exercise.</p>
<p>(8) Other</p>	<ul style="list-style-type: none"> <li>● The Company entered into a third-party allotment agreement (with the allottee) pertaining to the Stock Acquisition Rights and agreed to the following: <ul style="list-style-type: none"> <li>• At its discretion, the Company has the right to specify a period during which all (or part) of the Stock Acquisition Rights cannot be exercised (hereinafter referred to as "suspension designation"). In addition, the Company shall be able to lift the suspension designation at any time.</li> <li>• The allottee may not transfer the Stock Acquisition Rights without the approval of the Board of Directors of the Company.</li> </ul> </li> </ul>

(\*) The amount of funds to be procured is calculated by summing the aggregate amount paid-in for the Stock Acquisition Rights and the total value of assets to be contributed upon exercise of the Stock Acquisition Rights and then from this amount subtracting the estimated amount of issuance expenses incurred in relation to the Stock Acquisition Rights. If the exercise price is revised or adjusted, the amount of funds to be procured will increase or decrease. Also, if Stock Acquisition Rights are not exercised within the exercise period, or if the Company cancels Stock Acquisition Rights that it acquires, the above amount of funds to be procured will decrease.

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