



December 22, 2021

To Whom it May Concern:

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Representative: President & Representative  
Director, Takuma Yamamoto  
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### **Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation**

The Company hereby announces that at the meeting of its Board of Directors held today, it resolved to dispose of treasury shares as restricted stock compensation (hereinafter “this Disposal of Treasury Stock” or “this Disposal”). Details are provided as follows:

#### 1. Overview of this Disposal

(1)	Date of Disposal	January 21, 2022
(2)	Class and number of shares to be disposed	Common shares of the company: 35,100 shares
(3)	Disposal price	473 yen per share
(4)	Total value of shares to be disposed	16,602,300 yen
(5)	Recipients of the shares to be disposed, number of recipients, and number of shares	Directors (external directors were excluded): 5 recipients, 12,600 shares Employees: 10 recipients, 22,500 shares
(6)	Other	A notice regarding the disposal of treasury shares has been filed pursuant to the Financial Instruments and Exchange Act

#### 2. Purpose and Reason for this Disposal

The Company, at the meeting of its Board of Directors held on November 2, 2021, resolved to introduce a “Restricted Stock Compensation System” (hereinafter, “the System”) geared to the Company’s directors (excluding external directors and hereinafter referred to as “Eligible Directors”) and certain employees (hereinafter referred to as “eligible employees”). “The System” aims to provide Eligible Employees and Eligible Directors (hereinafter collectively referred to as “Eligible Persons”) with incentive to strive to affect sustainable improvement in the Company’s enterprise value, while also further promoting shared interests with the Company’s shareholders. Furthermore, at the 21st Ordinary General Meeting of Shareholders, which was held on December 22, 2021, approval was obtained to compensate “Eligible Directors” under “the System” in an amount which does not exceed 90 million yen annually, provided that the number of common shares issued or disposed of under “the System” does not exceed 150,000 shares annually and that the shares allotted under “the System” are subject to the terms of a “restricted stock allocation agreement” between the Company and “Eligible Directors” which stipulates a “transfer restriction period” that begins on the date in which the “Eligible Director” is allocated the restricted shares and lasts until the date in which the “Eligible Director” resigns or retires from a certain position or office within the Company or one of its subsidiaries (this position or office being stipulated, in advance, by the Board of Directors).

An overview of “the System” is provided below.

### 【Overview of “the System”】

Under “the System”, “claims to compensation” (which are worth a specified monetary amount) will be paid to “Eligible Persons”, and then the “Eligible Persons” to whom the Company pays the “claims to compensation” will then use the entirety of these “claims to compensation” as “investment assets in kind” to purchase common shares from the Company. The Company will allot the said shares to the “Eligible Persons” through the issuance of new shares or through the disposition of treasury shares. The purchase amount per share (the number by which the monetary value of the “claims to compensation” shall be divided in order to determine the number of shares to be allocated to “Eligible Persons”) will be decided by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the closing price on the most recent trading date if no transactions took place on that date), within an extent that such amount would not be especially beneficial to the “Eligible Persons” allotted such common shares.

Furthermore, upon issuance or disposal of common shares of the Company, it will be required that the Company enter into a restricted stock allocation agreement (hereinafter “the allocation agreement”) with “Eligible Persons”, and the agreement shall stipulate the following: (1) a certain period (hereinafter the “Transfer Restriction Period”) during which transfer of the shares to a third party, posting of the shares as collateral, or any other form of disposal of the shares is prohibited and (2) an allowance for the acquisition of the shares by the Company (without payment for them) in the event certain circumstances arise.

After consultation with the Compensation Committee (a committee which is not required by law / regulation and is maintained voluntarily) and in consideration of various factors (such as the purpose of “the system”, business conditions of the Company, the role of each “Eligible Person”, and other factors), the Company decided, this time around, to grant 16,602,300 yen worth of “compensation claims” (hereinafter “these compensation claims”) / 35,100 shares of ordinary stock to Eligible Persons.

The 15 “Eligible Persons” who are the beneficiaries of this allotment (hereinafter, “these allottees”), will return the entirety of “these compensation claims” to the Company as “investment assets in kind” in exchange for common shares of the Company allotted through the disposal of treasury shares “hereinafter, “this disposal of treasury shares”. In conducting “this disposal of treasury shares” the Company shall enter into a restricted stock allocation agreement with “these allottees” (hereinafter, “this restricted stock allocation agreement”).

### 3. Overview of “this restricted stock allocation agreement”

#### <Provisions Pertaining to “Eligible Directors”>

#### (1) Transfer Restriction Period

The period from January 21, 2022 (this disposal date) and a date which immediately follows the Eligible Director’s retirement from all positions at the Company and its subsidiaries (hereinafter “the position”) at the Ordinary General Meeting of Shareholders upon the conclusion of a term of office.

#### (2) Conditions for lifting the Transfer Restrictions

The Company will lift the transfer restrictions on all of the allotted shares when the “transfer restriction period” concludes (when the Eligible Director resigns or retires at the Ordinary General Meeting of Shareholders upon the conclusion of a term of office), provided that the Eligible Director has held “the position” for the duration of “the service period”, with “the service period” being defined as the period which extends from the date of the Ordinary General Meeting of Shareholders held in 2021 until the conclusion of the Ordinary General Meeting of Shareholders held in 2024.

#### (3) Provision regarding cases in which an “Eligible Director” retires or resigns for justifiable reasons but during “the service period”

If the Board of Directors judges that the Eligible Director resigned or retired from “the position” prior to the conclusion of “the service period” for justifiable reasons (including death), then the transfer restriction on the allotted

shares may be lifted through approval of the Board of Directors.

(4) Forced Reacquisition of the Shares by the Company (without payment for them)

The Company shall, ipso facto, forcibly reacquire the allotted shares (without making any payment for them) if any of the following occurs during “the transfer restriction period”: (1) the Eligible Director resigns or retires from “the position” without justifiable reasons for doing so, (2) the Eligible Director acts in violation of laws or regulations, or (3) there is any other reason for doing so as per a provision stipulated by “this restricted stock allocation agreement”.

(5) Provisions Applicable in the Event of a Corporate Reorganization etc.

If at any point during the “transfer restriction period”, a merger agreement under which the Company will become the acquired (and thereby extinguished) company, a share exchange agreement under which the Company will become a wholly owned subsidiary, or another reorganization etc. has been approved by the General Meeting of Shareholders (or by the Company’s Board of Directors if such reorganization etc. does not require the approval of the General Meeting of Shareholders), then the Company will, prior to the effective date of the reorganization and through a resolution of its Board of Directors, lift the transfer restrictions on the allotted shares.

(6) Management of shares

In order to ensure the effectiveness of transfer restrictions, the allocated shares will be held in dedicated accounts at Nomura Securities Co., Ltd. (opened by the Eligible Directors) so that the allotted shares cannot be transferred, posted as collateral, or disposed of by any other means during the “transfer restriction period”. The Company has signed an agreement with Nomura Securities Co., Ltd. in relation to the management of these accounts and the Eligible Directors have consented to the terms regarding the management of these accounts.

<Provisions Pertaining to “Eligible Employees”>

(1) Transfer Restriction Period

January 21, 2022 to January 21, 2025

(2) Conditions for lifting the Transfer Restrictions

The Company will lift the transfer restrictions on all of the allotted shares when the “transfer restriction period” concludes (when the Eligible Employee resigns or retires at the Ordinary General Meeting of Shareholders upon the conclusion of a term of office), provided that the Eligible Employee has held “the position” for the duration of the “transfer restriction period”.

(3) Provision regarding cases in which an “Eligible Employee” retires or resigns for justifiable reasons but during “transfer restriction period”

If the Board of Directors judges that the Eligible Employee resigned or retired from “the position” prior to the conclusion of “transfer restriction period” for justifiable reasons (including death), then the transfer restriction on the allotted shares may be lifted through approval of the Board of Directors.

(4) Forced Reacquisition of the Shares by the Company (without payment for them)

The Company shall, ipso facto, forcibly reacquire the allotted shares (without making any payment for them) if any of the following occurs during “the transfer restriction period”: (1) the Eligible Employee resigns or retires from “the position” without justifiable reasons for doing so, (2) the Eligible Employee acts in violation of laws or regulations, or (3) there is any other reason for doing so as per a provision stipulated by “this restricted stock allocation agreement”.

(5) Provisions Applicable in the Event of a Corporate Reorganization etc.

If at any point during the “transfer restriction period”, a merger agreement under which the Company will become the acquired (and thereby extinguished) company, a share exchange agreement under which the Company will become a wholly owned subsidiary, or another reorganization etc. has been approved by the General Meeting of Shareholders (or by the Company’s Board of Directors if such reorganization etc. does not require the approval of the General Meeting of Shareholders), then the Company will, prior to the effective date of the reorganization and through a resolution of its Board of Directors, lift the transfer restrictions on the allotted shares.

(6) Management of shares

In order to ensure the effectiveness of transfer restrictions, the allocated shares will be held in dedicated accounts at Nomura Securities Co., Ltd. (opened by the Eligible Employees) so that the allotted shares cannot be transferred,

posted as collateral, or disposed of by any other means during the “transfer restriction period”. The Company has signed an agreement with Nomura Securities Co., Ltd. in relation to the management of these accounts and the Eligible Employees have consented to the terms regarding the management of these accounts.

#### 4. Basis for Calculation of the Disposal Price and Concrete Details regarding the Calculation

In “this disposal of treasury shares”, “these claims to compensation” (which are worth a specified monetary amount and paid as compensation for FY 2022 – FY2024) will be paid to “Eligible Persons”, and then the “Eligible Persons” to whom the Company paid “these claims to compensation” will use the entirety of “these claims to compensation” as “investment assets in kind” to purchase common shares from the Company. The price of disposal will be set at 473 yen, the closing price of the Company’s common stock on the Tokyo Stock Exchange on December 21, 2021 (the day before the pertaining resolution by the Board of Directors). This is the market price for the day directly preceding the Board of Directors meeting and is considered to be a price that is rationale and is not particularly advantageous to Eligible Persons.

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