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May 12, 2022

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Representative: Masao Ito, President CEO  
Code: 3984, Tokyo Stock Exchange  
Listed Prime Market  
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## **Notice Regarding Purchase of Treasury Stock and Disposal of Treasury Stock as Restricted Stock Compensation to Employee**

User Local, Inc. hereby announced that at its Board of Directors meeting held on May 12, 2022, the Company resolved to ( i ) purchase its treasury stock in accordance with Article 156 of the Companies Act applicable pursuant to Article 165, Paragraph 3 of the same Act and ( ii ) dispose its treasury stock as restricted stock compensation to employee in accordance with Article 199 of the Companies Act applicable.

### I . Purchase of Treasury Stock

#### 1. Reasons of Purchase of Treasury Stock

User Local, Inc. will implement the purchase of treasury stock to exercise a flexible capital policy that responds to changes in the business environment, to improve capital efficiency, and to increase shareholder returns. In addition, the Company will implement the purchase of treasury stock to secure treasury stock to be issued to employees as restricted stock compensation plan (hereafter “the Plan”) with the aim of encouraging employee to sustainably enhance our corporate value.

#### 2. Overview of the purchase of treasury stock

(1) Type of shares to be purchased	Common stock of the company
(2) Maximum number of shares	Up to 100,000 shares (approximately 0.62 % of total number of shares issued,excluding treasury stock)
(3) Maximum value of buyback	Up to 250,000,000 yen
(4) Period of purchase	From May 13, 2022 to June 3,2022 (Japan Standard Time)
(5) Method of purchase	Market purchase on the Tokyo Stock Exchange

Reference;

Treasury stock held by the Company as of April 30, 2022

Total number of stock issued, excluding treasury stock: 15,955,199 shares

Total number of treasury stock: 54,701 shares

## II. Disposal of treasury stock

### 1. Overview of the disposal of treasury stock

User Local, Inc. resolved to dispose its treasury stock at its Board of Directors meeting held on May 12, 2022 as follows. Also, the specific details of the disposal of treasury stock will be determined at its Board of Directors meeting scheduled to be held on June 8 of this year.

(1) Disposal date	To Be Determined
(2) Class and number of shares to be disposed	135,800 shares of common stock of the Company (to be expected)
(3) Disposal Price	The closing price of the common shares of User Local, Inc. on Tokyo Stock Exchange on the business day before the resolution at the Board of Directors (to be expected)
(4) Total disposal value	The amount obtained by multiplying the number of shares in (2) above by the amount in (3) above
(5) Grantees of shares	45 Employee of the Company (to be expected)

Note; Matters that are “To be determined” or “to be expected” will be decided at the Company's Board of Directors meeting scheduled to be held on June 8, 2022.

### 2. Purpose and reasons for the disposal

This disposition of treasury stock is to grant shares of common stock as restricted stock to the Company's employees under the Plan. The Company and the eligible employee will enter into a restricted share allotment agreement equivalent to the one described in the “Notice Concerning Disposal of Treasury Stock as Restricted Stock Compensation dated May 13, 2021.

### 3. Basis and Details of Calculation of the Pay-in Amount

The Disposal of Treasury stock will be funded by monetary receivables paid to the allottee as property contributed in kind. In order to exclude arbitrariness with regard to the pay-in amount, the closing price of the common shares of User Local, Inc. on Tokyo Stock Exchange on the business day before the resolution at the Board of Directors. The amount is the market price immediately prior to the date of the Board of Directors meeting resolution and we believe it appropriately and reasonably reflects the Company's corporate value and is not a price particularly favorable to the allottee unless there is any special circumstance suggesting that dependence on the latest stock price is inappropriate.