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Listed Prime Market  
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## Announcement regarding Disposal of Treasury Stock as Restricted Stock Compensation to Employee

User Local, Inc. (hereinafter “the Company”) hereby announced that at its Board of Directors’ meeting held on June 8, 2022, the Company resolved to dispose treasury stock as the restricted stock compensation plan for our employee (hereinafter the “Disposal”) as follows.

### 1. Outline of the Disposal

(1) Disposal date	24 June, 2022
(2) Class and number of shares to be disposed	130,000 shares of Common stock of the Company
(3) Disposal price	1,687 yen per share
(4) Total value of shares to be disposed	219,310,000 yen
(5) Allottees and number thereof, number of shares to be disposed	45 Employees:130,000 shares
(6) Others	For the disposal of treasury stock, a Extraordinary Report has been submitted as required under the Financial Instruments and Exchange Act.

### 2. Purpose and Reasons of the Disposal

User Local, Inc. has introduced the restricted stock compensation plan for the employees for the purpose of providing incentives to achive sustainable growth in the corporate value and to facilitate their sense of sharing value with shareholders.

Today, the board of directors has decided that 45 eligible empolyees (hereafter "Eligible employees") will be allotted as share-restricted stock compensation, a total of 219,310,000 yen in monetary receivables, and will be allocated 130,000 common stocks of the Company through the Disposal for the purpose of the total monetary receivables of JPY 219,310,000 to be paid as property contributed in kind (the amount of the monetary receivables paid per share: JPY 1,687).

In order to encourage employee to deliver the contribution over the medium and long term, which is one of the objectives of the introduction of this system, the Company has decided to place restrictions on the transfer of these allocated shares, and has set the period for such restrictions as described in (1) below.

The Eligible Employee will pay-in all of the monetary receivables paid by the Company under the Plan as property contributed in kind and receive the common shares to be disposed by the Company in exchange for

the in-kind contribution.

〈Overview of the allocation contract〉

(1) Transfer restriction period

Eligible employees cannot transfer, set pledges, set collateral rights, give gifts, bequests or any other disposition to third parties during the transfer restriction period set forth in ( i ) through ( iv ) below.

i	One quarter of the shares to be allotted	From June 24, 2022 to June 24, 2023
ii	One quarter of the shares to be allotted	From June 24, 2022 to June 24, 2024
iii	One quarter of the shares to be allotted	From June 24, 2022 to June 24, 2025
iv	One quarter of the shares to be allotted	From June 24, 2022 to June 24, 2026

(2) Remove of the transfer restriction

The Company shall remove the transfer restrictions of all the each allotted shares at the time of expiration of the each transfer restriction period, provided that eligible employee have continuously held the position of directors or employee (incl. its subsidiaries).

However, if any eligible employee resign or retires from any position as a director or employee (incl. its subsidiaries) prior to the expiration of the transfer restriction period for any reason that the board of directors deems justifiable, the transfer restrictions shall be released as of the time of resignation or retirement, with respect to the number of the allotted shares calculated according to the prescribed calculation method.

(3) Uncompensated Acquisition by the Company

Upon expiration of the Transfer Restriction Period, the Company may automatically acquire all Allocated Shares for which the transfer restriction has not been lifted without providing compensation.

(4) Management of Shares

Allocated Shares shall be managed in a dedicated account for restricted shares established by the Eligible Employees at Daiwa Securities Co. Ltd. in order to prevent the Allocated Shares from being transferred, pledged as collateral, or otherwise disposed of during the Transfer Restriction Period.

(5) Reorganizations

Until June 24, 2026, in the event a merger agreement in which the Company becomes a dissolved company, or a share exchange agreement, share transfer plan, or any other matters of reorganization with which the Company becomes a wholly owned subsidiary is approved by the General Meeting of Shareholders (or the Board of Directors where approval of the General Meeting of Shareholders is not required in a relevant reorganization case), the Board of Directors of the Company shall lift the transfer restriction on the number of Allocated Shares reasonably calculated as of the moment immediately prior to the business day prior to the effective date of such reorganization.

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

The Disposal will be funded by monetary receivables paid to the allottees 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 the Company on Tokyo Stock Exchange on June 7, 2022 (the business day before the resolution at the Board of Directors), which is JPY 1,687, is taken as the pay-in amount. The amount is the market price immediately prior to the date of the Board of Directors meeting resolution and the Company believes it appropriately and reasonably reflects the Company's corporate value and is not a price particularly favorable to the Eligible Employees unless there is any special circumstance suggesting that dependence on the latest stock price is inappropriate.