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To Whom It may Concern

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Notice Concerning Introduction of a Restricted Stock Compensation Plan

At a meeting of the Board of Directors held today, the Company reviewed its executive compensation plan and resolved to introduce a restricted stock compensation plan (hereinafter the "Plan"). The Company hereby announces that it has decided to submit a proposal for the introduction of this system to the 11th Ordinary General Meeting of Shareholders scheduled to be held on November 29, 2022 (hereinafter the "General Meeting of the Shareholders").

1. Purpose and conditions regarding the introduction of the Plan

(1) Purpose of introduction

The purpose of this plan is to give directors other than those who are members of the Audit and Supervisory Committee of the Company (excluding outside directors, hereinafter referred to as "Eligible Directors") an incentive to continuously improve the corporate value of the Company and to further promote value sharing with shareholders. The purpose of this system is to provide incentives to directors (excluding outside directors, hereinafter referred to as "Eligible Directors") to continuously improve the corporate value of the Company and to promote further sharing of value with shareholders.

(2) Conditions for introduction

The introduction of this system is conditional upon approval of the transition to a company with an Audit Committee at this General Meeting of Shareholders.

In addition, since this plan is to grant restricted stocks to the subject directors as remuneration, etc., or to grant monetary compensation claims for the grant of restricted transferable shares as remuneration, etc., the introduction of this plan is subject to obtaining the approval of shareholders for the grant of such remuneration, etc. at this General Meeting of Shareholders.

The amount of remuneration, etc. for directors of the Company was approved at the Extraordinary General Meeting of Shareholders held on August 30, 2019 as an annual amount not exceeding 65,000 thousand yen (excluding, however, employee salaries for directors who concurrently serve as employees). However, in accordance with the transition to a company with an Audit Committee, the amount of remuneration, etc. for Directors who are not Audit Committee Members and Directors who are Audit Committee Members will be proposed at this General Meeting of Shareholders, and the amount of remuneration, etc. for Directors other than Directors who are Audit Committee Members (excluding Outside Directors, hereinafter referred to as "Eligible Directors") will be proposed separately from the amount of such remuneration. The Company also plans to seek the approval of shareholders for the establishment of a limit of remuneration for Directors other than Directors who are Audit & Supervisory Board Members (excluding Outside Directors, hereinafter referred to as "Subject Directors") under the Plan, separately from the amount of such remuneration.

2. Overview of the Plan

The grant of restricted stock under this plan shall be made either (i) by issuing or disposing of shares of common stock

of the Company without requiring payment of money or delivery of assets as compensation to directors, or (ii) by paying monetary compensation claims to eligible directors and having such monetary compensation claims contributed in kind and issuing or disposing of shares of common stock of the Company.

The total number of shares of the Company's common stock to be issued or disposed of under this plan shall not exceed 80,000 shares per year, and the total amount of compensation shall not exceed 20,000,000 yen per year, which is separate from the amount of monetary compensation (however, if the total number of issued shares of the Company increases or decreases due to a reverse stock split or stock split (including gratis allotment of shares), the maximum number shall be adjusted in accordance with such ratio).

In the case of issuance or disposal of shares of common stock of the Company by the method described in (ii) above, the amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day on which resolution of the Board of Directors regarding issuance or disposal is made (if no transaction is effected on that day, the closing price on the immediately preceding trading day).

In order to realize the sharing of shareholder value over the medium to long term, which is one of the purposes of introducing this plan, the period of restriction on transfer is set by the Board of Directors of the Company to range from 3 years to 10 years. The specific timing and allocation of payments to each eligible director will be determined by the Board of Directors of the Company after deliberation by the Nomination and Compensation Committee and with respect to its opinion.

In granting restricted transferable shares under this plan, a restricted transferable share allotment agreement (hereinafter referred to as the "Allotment Agreement") shall be concluded between the Company and the subject director, which shall include the following items.

- ① The eligible director may not transfer, create a security interest in, or otherwise dispose of the property for a period of 3 to 10 years, as determined by the Board of Directors of the Company.
- ② To acquire such shares without consideration in the event of a violation of laws and regulations, internal rules, or this Allotment Agreement, or for any other reason determined by the Board of Directors of the Company to be appropriate for the Company to acquire such shares without consideration.

End