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Press Release

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(Securities code: 3939, TSE Prime Market)
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Notice Regarding the Acquisition and Cancellation of the 3rd series Stock Acquisition Rights (Moving Strike Warrants)

Kanamic Network Co., Ltd. (hereinafter, the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it resolved to acquire for value all of the Kanamic Network Co., LTD 3rd series Stock Acquisition Rights (Moving Strike Warrants) issued on August 4, 2021 (hereinafter, the “Stock Acquisition Rights”) remaining as of the acquisition date, and to cancel all of the Stock Acquisition Rights immediately after the acquisition. The details are as below.

1. Details of the Stock Acquisition Rights

(1) Name of Stock Acquisition Rights to be acquired and cancelled	Kanamic Network Co., LTD 3rd series Stock Acquisition Rights
(2) Number of Stock Acquisition Rights to be acquired and cancelled	48,000 stock acquisition rights
(3) Acquisition date and cancellation date	February 1, 2023
(4) Acquisition amount	4,464,000 yen (93 yen per Stock Acquisition Right)
(5) Number of Stock Acquisition Rights to remain after cancellation	0 stock acquisition rights

(Note) The number of Stock Acquisition Rights in (2) “Number of Stock Acquisition Rights to be acquired and cancelled” above and the total acquisition amount in (4) “Acquisition amount” above are based on the assumption that no Stock Acquisition Rights are exercised on or after the date of this release.

2. Reasons for the acquisition and cancellation of the Stock Acquisition Rights

On August 4, 2021, the Company issued the Stock Acquisition Rights and the 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, the “Bonds with Stock Acquisition Rights”), in order to raise funds for future investment in M&A.

However, conditions in the funding environment surrounding the Stock Acquisition Rights have been unstable, unlike the funding environment initially expected by the Company, partly owing to the impact of factors such as recent global financial tightening in equity markets that has continued since last year and the resulting economic recession. Accordingly, during the period from the issuance date to the present, the Company’s share price has mostly been below the minimum exercise price, resulting in conditions continuing whereby the Stock Acquisition Rights were not being exercised. Under these circumstances, in view of the fact that the initially expected funding has not materialized, the Company has decided to discontinue the raising of funds through the Stock Acquisition Rights and to acquire and

cancel all of the Stock Acquisition Rights.

On the other hand, the Company has raised funds of 2,004 million yen through payment from the underwriting of the Bonds with Stock Acquisition Rights, and it plans to allocate these funds to future M&A investments.

Furthermore, there is no change to the long-term vision described in the press release dated November 2, 2021, entitled “Kanamic Vision 2030, Medium-term Objectives / Management Plan (2022-2024).”

3. Impact on financial results

The impact of the acquisition and cancellation of the Stock Acquisition Rights on consolidated financial results for the fiscal year under review will be negligible, but the Company will promptly provide notice in the event that matters requiring announcement occur in the future.