



May 30, 2023

To whom it may concern:

Company name Kitanotatsujin Corporation
Representative Katsuhisa Kinoshita
Representative Director & President
Stock code: 2930
Prime Market, Tokyo Stock Exchange
SAPPORO SECURITIES EXCHANGE
Inquiries Takahito Kudo, Managing Director
Phone number 050-2018-6578 (Direct dial to Department)

Notice of Disposition of Treasury Stock as Restricted Stock Remuneration for Directors

Kitanotatsujin Corporation (the “Company”) hereby announces that at a Board of Directors’ Meeting held on May 30, 2023, a resolution was passed regarding the disposition of treasury stock as restricted stock remuneration (the “Disposal of Treasury Stock” or “Disposal”) without compensation, as described below.

1. Details of Disposal of Treasury Stock

(1) Allotment date	June 30, 2023
(2) Class and number of shares subject to Disposal	48,900 shares of common shares of the Company
(3) Expected allottees	Three (3) Directors of the Company* 48,900 shares * Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors
(4) Other	The Company has filed a Written Notice of Securities regarding the Disposal of Treasury Stock in accordance with the Financial Instruments and Exchange Act.* * Although this Disposal of Treasury Stock is to occur without compensation as remuneration, etc. for Directors (per Article 202-2 of the Companies Act), as a fair valuation, the Company has filed a Written Notice of Securities with an issue price of ¥13,985,400, which is the amount obtained by multiplying the closing price (¥286) of the Company’s common shares on the Tokyo Stock Exchange on the business day (May 29, 2023) preceding the date of resolution of the Board of Directors Meeting held today by the number of shares to be disposed above.

2. Purpose and reasons for Disposal

At a meeting of the Board of Directors held on April 28, 2021, the Company resolved to introduce a Restricted Stock Compensation Plan (hereinafter the “Plan”) for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter, referred to as “Eligible Directors”) as a new remuneration plan in order to provide an incentive to sustainably improve the Company’s corporate value and to further promote the sharing of values between Directors and shareholders.

Based on the Plan, Eligible Directors shall receive common shares of the Company through issuance or

disposal, and the total number of common shares of the Company to be issued or disposed of in this way shall not exceed 100,000 shares per annum (however, if a share split (including a gratis allotment of common shares of the Company) or consolidation of shares is conducted in regard to the Company's common shares, or if other circumstances arise that necessitate an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted stock, the Company shall adjust the total number of shares within a reasonable range) not to exceed ¥50,000 thousand per annum (when granting restricted stock, restricted stocks are issued or treasury shares disposed of as remuneration, etc. for Directors of the Company, and no cash payment shall be required in exchange for the shares available for subscription. As such, the amount of remuneration for Eligible Directors shall be calculated per share based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day)), and that the transfer restriction period of such restricted stock is the period from the issuance dates of the restricted stock to the dates on which Eligible Directors lose the position of Director or any other positions defined by the Board of Directors of the Company, as approved at the 20th Annual General Meeting of Shareholders held on May 25, 2021.

The outline of the Plan is as follows.

<Outline of the Plan>

Under the Plan, Eligible Directors will receive the issuance or disposition of the common shares of the Company; upon the issuance or disposition of the common shares of the Company under the Plan, the Company and Eligible Directors to whom the shares are allotted to will enter into a Restricted Stock Allotment Contract which shall include the following matters.

- (1) Eligible Directors shall not transfer, create a security interest on, or dispose of allotted common shares of the Company during the pre-determined period of time.
- (2) Upon the occurrence of certain events, the Company will acquire such common shares of the Company without compensation.

On this occasion, the Company has resolved at the Board of Directors' Meeting held today to issue a total of 48,900 shares of common shares of the Company (the "Allotted Shares") to three (3) Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors, the "Allottees") without compensation as consideration for their execution of duties as Directors of the Company.

<Outline of the Restricted Stock Allotment Contract>

The Company and the Allottees will enter into a Restricted Stock Allotment Contract (the "Allotment Contract"), the outline of which is as follows.

- (1) Transfer restriction period

Allottees shall not transfer, create a security interest on, or dispose of the Allotted Shares between June 30, 2023 (the allotment date) and the date the Allottee loses his/her position as Director of the Company.

- (2) Conditions to terminating transfer restrictions

The transfer restrictions of all the Allotted Shares shall be terminated at the expiration of the transfer restriction period, on the condition that the Allottee continues to hold the position of Director of the Company during the period from June 2023 to the conclusion of the General Meeting of Shareholders for the fiscal year ending February 29, 2024 (the "Service Provision Period"). However, if the Allottee loses his/her position as Director of the Company during the Service Provision Period due to death or other reasons deemed justifiable by the Board of Directors of the Company, the Company shall, upon expiration of the transfer restriction period, terminate the transfer restriction on the number of Allotted

Shares obtained by multiplying the number of months from June 2023 to and including the month of the date of his/her losing of position divided by 12 (however, if the calculation result exceeds one, the value of this item shall be one) by the number of Allotted Shares (however, any fraction less than one share arising as a result of calculation shall be rounded down).

(3) Acquisition without compensation by the Company

The Company shall, as a matter of course, acquire the Allotted Shares of which transfer restrictions have not been terminated without compensation at the time of expiration of the transfer restriction period or at any other time specified in the Allotment Contract.

(4) Management of shares

To prevent Allottees from transferring, creating a security interest on, or disposing of Allotted Shares during the transfer restriction period, Allotted Shares will be managed in a dedicated account with Daiwa Securities Co. Ltd. opened by each Allottee during the transfer restriction period.

(5) Procedure in the event of corporate restructuring, etc.

If a merger agreement in which the Company will be the absorbed company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or any other matter related to organizational restructuring or the like is approved at the Company's General Meeting of Shareholders (or by the Board of Directors of the Company, where such organizational restructuring or the like does not require approval of the General Meeting of Shareholders of the Company) during the transfer restriction period, the Company shall, by resolution of the Board of Directors of the Company, terminate the transfer restrictions on the number of Allotted Shares obtained by multiplying the number of months from June 2023 to and including the month of the effective date of such corporate restructuring divided by 12 (however, if the calculation result exceeds one, the value of this item shall be one) by the number of Allotted Shares (however, any fraction less than one share arising as a result of calculation shall be rounded down.), immediately before the business day preceding the effective date of such corporate restructuring.

End