



April 14, 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
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Notice of Disposition of Treasury Stock as Restricted Stock Remuneration for Employees

Kitanotatsujin Corporation (the “Company”) hereby announces that at a Board of Directors’ Meeting held on April 14, 2023, a resolution was passed regarding the disposition of treasury stock as restricted stock remuneration (the “Disposal of Treasury Stock” or “Disposal”) as described below.

1. Details of Disposal

(1) Payment date	June 30, 2023
(2) Class and number of shares subject to Disposal	29,300 shares of common shares of the Company
(3) Disposal price	340 yen per share
(4) Disposal amount	9,962,000 yen
(5) Expected allottees	Ten (10) employees of the Company 29,300 shares

2. Purpose and reasons for Disposal

At a meeting of the Board of Directors held today, the Company resolved to provide ten (10) employees of the Company who satisfy specified requirements (hereinafter the “Eligible Employees”) with monetary claims of 9,962,000 yen in total and to allot to the Eligible Employees 29,300 shares of common shares of the Company through the Disposal of Treasury Stock (hereinafter the “Allotted Shares”) in exchange for the monetary claims of 9,962,000 yen in total to be paid in as in-kind contribution (the monetary claims to be paid in per share of Allotted Shares shall be 340 yen), in order to provide an incentive to sustainably improve the Company’s corporate value and shareholder value over the medium- to long-term and to further promote the sharing of values with shareholders. Transfer restrictions shall be placed on Allotted Shares, which shall remain valid for five (5) years from June 30, 2023 (the payment date), with the aim of encouraging Eligible Employees to continue to work for the Company over the medium- to long-term.

Eligible Employees shall pay in as in-kind contribution all the monetary claims provided and receive the common shares of the Company allotted through the Disposal of Treasury Stock. In addition, to implement the Disposal of Treasury Stock, the Company will conclude with Eligible Employees a Restricted Stock Allotment Contract (the “Contract”), which shall include the following specifications.

Allotted Shares shall be allotted only to the Eligible Employees who desire to receive them.

<Outline of the Contract>

(1) Transfer restriction period

Eligible Employees shall not transfer, create a security interest on, or dispose of the Allotted Shares from June 30, 2023 (the payment date) to June 30, 2028.

(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 Eligible Employee continues to hold the position of an officer or an employee of the Company during the transfer restriction period. However, if the Eligible Employee forfeits the position of an officer or an employee of the Company during the transfer restriction period due to death or other reason deemed legitimate by the Board of Directors of the Company, as of the time immediately after such forfeiture, the Company shall terminate the transfer restrictions on the number of Allotted Shares obtained by multiplying the number of months from July 2023 to and including the month of the date of such forfeiture divided by 60 (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). Additionally, if the Eligible Employee forfeits the position of an officer or an employee of the Company prior to the expiration of the transfer restriction period due to mandatory retirement, the transfer restrictions of all the Allotted Shares shall be terminated as of the time immediately after such forfeiture.

(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 Contract.

(4) Management of shares

To prevent Eligible Employees 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 Eligible Employee 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 July 2023 to and including the month of the effective date of such corporate restructuring divided by 60 (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.

3. Basis for calculation of the amount to be paid in and specifics thereof

The Disposal of Treasury Stock shall be effected upon the contribution in kind of the monetary claims provided for the expected allottees, and the price to be paid in per share of Allotted Shares is set at 340 yen, the closing price of the Company's common shares on the Tokyo Stock Exchange on April 13, 2023 (the working day immediately before the date of the Board of Directors' resolution), in order to exclude arbitrariness. This is the market price of the Company's common shares immediately before the date of the Board of Directors' resolution, and the Company considers this to be a reasonable price that appropriately reflects the Company's corporate value and not a price particularly advantageous for Eligible Employees as long as no special situation exists that indicates that the most recent price of the Company's common shares cannot serve as a basis.

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