



FOR IMMEDIATE RELEASE

Kanamoto Co., Ltd.
Stock Code 9678
Tokyo Stock Exchange Prime Market, Sapporo Stock Exchange
President and CEO Tetsuo Kanamoto
<Contact Information>
Director and Corporate Officer, Division Shun Hirose
Manager, Accounting Division and
General Manager, Public Relations Office
Telephone: +81-11-209-1631

Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Kanamoto Co., Ltd. (the “Company”) hereby announces that, at the Board of Directors’ meeting held today, the Company has resolved to dispose of treasury stock (hereinafter, “Disposal of Treasury Stock” or “Disposal”) as follows.

1. Overview of the Disposal

(1) Disposal date	February 21, 2025
(2) Class and number of shares to be disposed of	The Company’s common stock 24,200 shares
(3) Disposal value	3,165 yen per share
(4) Total value of disposal	76,593,000 yen
(5) Disposal recipients, the number of such recipients and the number of shares to be disposed of	7 Directors of the Company (excluding Outside Directors): 9,800 shares 10 Corporate Officers of the Company: 6,000 shares 29 employees, comprising Administrative Officers, etc.: 8,400 shares

2. Purposes and Reasons for the Disposal

The Company resolved at a meeting of its Board of Directors held on December 28, 2020 to introduce a restricted stock compensation plan (the “Plan”) as a new compensation plan for the Company’s Directors (the “Eligible Directors”), excluding Outside Directors, for the purpose of providing medium to long-term incentives to them and realizing the sharing of shareholder value with them. In addition, the shareholders of the Company approved at the 56th Regular General Meeting of Shareholders held on January 28, 2021 the payment of monetary compensation claims of not more than 100 million yen per year to the Eligible Directors as monetary compensation (hereinafter, “Restricted Stock Compensation”) as property contributed in kind for the acquisition of restricted stock according to the Plan, and that the transfer restriction period for the restricted stock shall be between 3 years and 30 years, as determined by the Board of Directors of the Company.

The outline of the Plan is as follows.

[Outline of the Plan]

The Eligible Directors will pay all of the monetary compensation claims paid by the Company under the Plan as property contributed in kind and will receive shares of the Company’s common stock issued or disposed of by the Company. The total number of shares of common stock to be issued or disposed of by the Company for the Eligible Directors under the Plan shall be not more than 50,000 shares per year, and the amount per share to be paid in for those shares shall be determined by the Board of Directors to the extent that it is not particularly favorable for the Eligible Directors who shall receive such shares based on the closing price of the Company’s common share on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors (or the closing price on the immediately preceding trading day if no trading was conducted on that day).

In addition, upon the issuance or disposal of shares of the Company’s common stock under the Plan, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement, which shall

stipulate, among other restrictions, that (i) the Eligible Directors shall not transfer, create any security interest on or otherwise dispose of the shares of the Company's common stock allotted under the restricted stock allotment agreement for a certain period and (ii) the Company shall acquire such shares of common stock without consideration upon the occurrence of certain events.

Subject to the approval and resolution of the Restricted Stock Compensation for the Eligible Directors, etc. at the Regular General Meeting of Shareholders, the Company has resolved at the Board of Directors of the Company to introduce the same Restricted Stock Compensation for the Company's Corporate Officers not concurrently serving as Directors of the Company as well as certain employees, comprising Administrative Officers, etc. (when referred to collectively with the Eligible Directors, hereinafter, "Eligible Directors, etc.").

This time, taking into consideration the purpose of the Plan, the Company's business conditions, the scope of responsibilities of each of the Eligible Directors, etc., and various circumstances, the Company has decided to appoint talented professionals as officers and employees of the Company and grant a total of 76,593,000 yen in monetary compensation claims (the "Monetary Compensation Claims") and 24,200 shares of common stock to further motivate each of the Eligible Directors, etc. Furthermore, in order to realize the sharing of shareholder value, which is one of the purposes for introducing the Plan, over the medium to long term, the transfer restriction period was determined to be 30 years this time.

For the Disposal of Treasury Stock, 46 Eligible Directors, etc., who are the scheduled allottees, shall pay in all of the Monetary Compensation Claims to the Company under the Plan as property contributed in kind, and shall, in return, receive shares of the Company's common stock (the "Allotted Shares") from the Disposal. The outline of the agreement on the allotment of restricted stock (the "Allotment Agreement") to be entered between the Company and the Eligible Directors, etc. for the Disposal of Treasury Stock is as described in 3 below.

3. Outline of Allotment Agreement

(1) Transfer restriction period

February 21, 2025 – February 21, 2055

(2) Condition for lifting of transfer restrictions

On the condition that an Eligible Director, etc. is in any position recognized as Eligible Directors, etc. throughout the transfer restriction period, the Company shall lift the transfer restriction of all of the Allotted Shares upon expiration of the transfer restriction period for that Eligible Director, etc.

(3) Treatment in cases where an Eligible Director, etc. retires or resigns due to the expiration of the term or office, the reaching of retirement age, or any other justifiable reason during the transfer restriction period

(i) Timing of lifting of transfer restrictions

If an Eligible Director, etc. retires or resigns due to the expiration of their term of office, the reaching of the mandatory retirement age or any other justifiable reason (except in the case of retirement or resignation due to death), the restriction on transfer shall be lifted immediately following the retirement or resignation of that Eligible Director, etc.

(ii) Number of shares subject to lifting of transfer restrictions

The number of shares subject to the lifting of transfer restrictions shall be the number obtained by multiplying the number of Allotted Shares held by the Eligible Director, etc. at the time of their resignation or retirement as specified in (i) above by the number obtained by dividing the period of service (in months) of the Eligible Director, etc. during the transfer restriction period by 12 (if this number exceeds 1, it shall be 1). (Note that any fraction less than 1 share resulting from the calculation shall be rounded down.)

(4) Acquisition by the Company for free of charge

If Eligible Directors, etc. have violated laws and regulations or their action falls under other grounds stated in this Allotment Agreement during the transfer restriction period, the Company shall acquire, by rights, for free of charge, all of the number of the Allotted Shares at that time. Moreover, the Company shall acquire, by rights, for free of charge the Allotted Shares for which the transfer restrictions have not been lifted at the time the transfer restriction period expires, or the time the transfer restriction period is lifted as provided for in (3) above.

(5) Administration of shares

During the transfer restriction period, the Allotted Shares shall be administered in a dedicated account opened at Nomura Securities Co., Ltd. by the Eligible Directors, etc. to ensure that the Eligible Directors,

etc. neither transfer, nor create any security interest on, nor otherwise dispose of the Allotted Shares during such period. The Company has concluded an agreement with Nomura Securities Co., Ltd. in relation to the management of accounts for Allotted Shares held by each Eligible Director, etc. in order to ensure the effectiveness of transfer restrictions pertaining to Allotted Shares. The Eligible Directors, etc. shall consent to the details of the management of such account.

(6) Treatment in the event of organizational restructuring, etc.

In cases where, during the transfer restriction period, a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly owned subsidiary, or other matters regarding organizational restructuring, etc., is approved by a general meeting of shareholders of the Company (however, in cases where such organizational restructuring, etc., does not require approval from a general meeting of shareholders of the Company, by the Board of Directors of the Company), the transfer restrictions shall be lifted, by a resolution of the Board of Directors, as of the time immediately before the business day prior to the effective date of such organizational restructuring, etc., with respect to the number of shares obtained by multiplying the number of the Allotted Shares held as of that time by the number obtained by dividing the number of months from the commencement month of the transfer restriction period to the month including the day of the aforementioned approval by 12 (if this number exceeds 1, it shall be 1). (Note that any fraction less than 1 share resulting from the calculation shall be rounded down.) In addition, the Company shall acquire by rights, for free of charge, all the Allotted Shares for which the transfer restrictions have not been lifted as of the time immediately following the lifting of the transfer restrictions.

4. Basis of calculating the amount to be paid in and other specific details

The Disposal of Treasury Stock to the scheduled allottees shall be made through the in-kind contribution of the monetary compensation claims provided to them for the Restricted Stock Compensation for the 61st fiscal year according to the Plan. The Company determined the disposal value to be 3,165 yen, the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on January 22, 2025 (the business day prior to the date of the resolution of the Board of Directors), in order to eliminate any arbitrariness in such value. As this is the market price immediately prior to the date of the resolution of the Board of Directors, the Company believes that it is rational and not a particularly an advantageous price.

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