



July 10, 2024

For immediate release

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Notice Concerning Issuance of New Stocks as Restricted Stock (RS) Award Plan

kaonavi, inc. (the “Company”) at the Board of Directors meeting held on July 10, 2024, resolved to issue new stocks (the “New Issuance”) as the Restricted Stock Award Plan as described below.

1. Overview of New Issuance

(1) Class and number of stocks to be issued	Common stocks of the Company: 11,600 stocks
(2) Issue price and Total amount of issue price	The New Issuance is for the purpose of issuing common stocks of the Company as compensation for the Company's directors and no payment of money or delivery of property in exchange for such common stocks will be required. * The fair value of such common stocks is 1,621 yen per stock, which is the closing price of common stocks of the Company on the Tokyo Stock Exchange on the business day (July 9, 2024) immediately prior to the Board of Directors meeting held on July 10, 2024, and the total amount of the fair value is 18,803,600 yen, which is the amount of the fair value multiplied by the number of stocks to be issued above.
(3) Scheduled allottees	3 directors (*) 11,600 stocks * Excluding directors who are Audit and Supervisory Committee members and outside directors.
(4) Allotment date	August 1, 2024

2. Purpose and Reason for New Issuance

The Company at the Board of Directors meeting held on May 22, 2020, resolved to adopt a Restricted Stock Award Plan (the “Plan”) as a new compensation plan for directors of the Company (excluding outside directors) in order to provide them with incentives to sustainably enhance the corporate value of the Company and to further promote sharing of value with shareholders.

In addition, at the 14th Annual General Meeting of Shareholders held on June 22, 2022, with the transition to a company with an Audit and Supervisory Committee, it was approved to grant restricted stocks to directors of the Company (excluding directors who are Audit and Supervisory Committee members and outside directors; the same applies hereinafter) based on the Plan, in accordance with the method described in "Overview of the Plan", within 20,000 stocks per year and 50 million yen per year.

The overview of the Plan is as follows.

<Overview of the Plan>

The grant of restricted stock under the Plan shall be made either (i) by means of issuance of new stocks or disposition of treasury stocks as compensation to directors of the Company without requiring payment of money, etc., or (ii) by means of issuance of new stocks or disposition of treasury stocks in return for contribution in kind of all monetary remuneration claims paid to directors by the Company.

The total number of common stocks issued or disposed of under the Plan shall be no more than 20,000 stocks per year and 50 million yen per year.

In issuing or disposing of common stocks under the Plan, the Company will conclude with each director a restricted stock allocation agreement which includes the following matters:

- (i) Each director shall not transfer, create security interest on, or otherwise dispose of the common stocks allocated for the (1) period of two years or more that the Board of Directors sets or (2) period from the date of delivery of such stocks to the date on which the director resigns or retires from director or other position specified by the Board of Directors; and
- (ii) In the event of a violation of laws and regulations, internal rules, the restricted stock allocation agreement, or any other event specified by the Board of Directors as a reasonable cause for the acquisition of such stocks without any consideration, the Company shall acquire the allocated stocks without any consideration.

The Company at the Board of Directors meeting held on July 10, 2024, has resolved to issue 11,600 stocks (the “Allotted Stocks”) of common stocks of the Company, to 3 directors of the Company (the “Eligible Directors”), taking into consideration, among others, the purpose of the Plan and the scope of duties of each Eligible Director.

<Overview of Restricted Stock Allocation Agreement>

On the New Issuance, the Company and Eligible Directors will individually conclude a restricted stock allocation agreement (the “Allocation Agreement”). The overview of the Allocation Agreement is as follows.

(1) Transfer restriction period

An Eligible Director shall not transfer, create security interest on, or otherwise dispose of the Allotted Stocks during a period from August 1, 2024 (allotment date) to July 31, 2027.

(2) Conditions for lifting restrictions on transfer

The transfer restriction shall be lifted on all of the Allotted Stocks at the time of expiration of the transfer restriction period on the condition that the Eligible Director has continued to be in the position of a director and/or employee of the Company and/or its subsidiary during the transfer restriction period; provided, however, that, if the Eligible Director loses any position of a director and/or employee of the Company and/or its subsidiary due to the death or expiration of his/her term of office, or any other reason deemed legitimate by the Board of Directors of the Company during the transfer restriction period, the Company will lift, at the time immediately after the loss, the transfer restriction on the Allotted Stocks in a quantity obtained by multiplying the number, which is obtained by dividing the number of months from the month following the month including the allotment date to the month including the day of the loss by 36, by the number of the Allotted Stocks (if a fraction of less than one share arises as a result of the calculation, such fraction shall be rounded down).

(3) Acquisition by the Company without any consideration

The Company shall automatically acquire the Allotted Stocks, on which the transfer restriction is not lifted at the time (i) of expiration of the transfer restriction period or (ii) immediately after the Eligible Director loses any position of a director and/or employee of the Company and/or its subsidiary during the transfer restriction period.

(4) Management of stocks

The Allotted Stocks shall be managed in a dedicated account of restricted stock established by the Eligible Director

at Daiwa Securities Co. Ltd. during the transfer restriction period so that the Eligible Director will not transfer, create security interest on, or otherwise dispose of the Allotted Stocks during the transfer restriction period.

(5) Treatment in the event of reorganization, etc.

During the transfer restriction period, if a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or share transfer plan through which the Company becomes a wholly-owned company, or other matters related to reorganization, etc. is approved at a general meeting of shareholders of the Company (if approval at a general meeting of shareholders of the Company is not required with respect to such reorganization, etc., the Board of Directors meeting), the Company will, subject to the resolution of the Board of Directors meeting, at the time immediately before the business day preceding the effective date of such reorganization, etc., lift the transfer restriction on the Allotted Stocks in a quantity obtained by multiplying the number, which is obtained by dividing the number of months from the month following the month including the allotment date to the month including the approval date of such reorganization, etc. by 36, by the number of the Allotted Stocks held at such time (if a fraction of less than one share arises as a result of the calculation, such fraction shall be rounded down).