June 25, 2021

Company: Katitas Co., Ltd.
Representative: Katsutoshi Arai, President and CEO
Ticker: 8919 (Tokyo Stock Exchange)
Inquiries: Kazuhito Yokota, Director and General Manager of Administration Headquarters
Tel: +81-3-5542-3882

Disposal of treasury stock as restricted stock compensation

At a meeting today, the Company's Board of Directors resolved to dispose of treasury stock as restricted stock compensation (the "Disposal of treasury stock") as described below.

1. Overview of the disposal

(1) Allotment date	July 21, 2021
(2) Type and number of shares for disposal	7,642 shares of stock in Katitas Co., Ltd. (the "Company")
(3) Disposal price	¥3,150 per share
(4) Total disposal price	¥24,072,300
(5) Expected recipients of allotment	6,911 shares to four directors of the Company* 731 shares to one director of a Company subsidiary * Excluding outside directors and other non-executive directors
(6) Other	With regard to the Disposal of treasury stock, the Company has submitted a written notice of securities in accordance with the Financial Instruments and Exchange Act.

2. Objectives and purposes of the disposal

At a meeting on April 27, 2021, the Board of Directors resolved to introduce a new restricted stock compensation plan (the "plan") for directors. The plan's objectives are to provide an incentive to the Company's directors to work for the sustainable enhancement of the Company's medium- to long-term corporate and shareholder value and to further promote shared values with its shareholders. At the 43rd General Meeting of Shareholders, held on June 25, 2021, the Company received approval to grant restricted stock as compensation to directors (excluding outside directors and other non-executive directors with the exception of inside non-executive directors who also serve as executive directors of Company subsidiaries; "eligible directors") within the overall limit of monetary compensation, based on the plan.

An overview of the plan is provided below.

Overview of the plan

The Company shall grant the restricted stock under the plan by way of issuance or disposal of its common stock in exchange for in-kind contributions to all of the monetary compensation claims provided to the eligible directors.

The total number of shares of the Company's common stock to be issued or disposed of under the plan shall not exceed 20 thousand shares per year, and the total amount of monetary compensation paid for the granting of restricted stock shall not exceed ¥40 million per year.

When the Company's common stock is issued or disposed of under the plan, the Company and eligible directors shall enter into a restricted stock allotment agreement, including the following matters:

1) Eligible directors agree not to transfer, establish a security interest on, or otherwise dispose of the common stock allotted under the restricted stock allotment agreement from the date the stock is delivered until the date of their resignation or retirement as director or from other

positions determined by the Board of Directors.

2) The Company shall acquire the stock gratis as a matter of course in the case of a breach of laws, internal rules, the restricted stock allotment agreement, or any other reason deemed sufficient cause by the Company's Board of Directors.

Based on the above, at a meeting today the Board of Directors resolved to dispose of 7,642 shares of the Company's common stock (the "allotted shares") to the four eligible directors of the Company and one director of a subsidiary of the Company (collectively, the "eligible individuals"), taking into account the objectives of the plan and considering the scope of each eligible individual's responsibilities, position, and other factors, in exchange for in-kind contributions to monetary compensation claims totaling ¥24,072,300.

Overview of the restricted stock allotment agreement

In line with the Disposal of treasury stock, the Company shall enter into a restricted stock allotment agreement with each eligible individual, outlined as follows:

(1) Transfer restriction period

Eligible individuals agree not to transfer, establish a security interest on, or otherwise dispose of their allotted shares from July 21, 2021 (the allotment date) until the date the individual retires from office (unless when retiring from office simultaneously assumes another such post or is reappointed, the same shall prevail below) as a director of the Company or a Company subsidiary (collectively, the "Group").

(2) Conditions that waive the restriction on transfer

Eligible individuals shall be released from the restrictions on transfer of all allotted shares at the conclusion of the transfer restriction period, based on the condition of continuously being in a position as a director of the Group during the period from the day of the ordinary general meeting of shareholders of the Company (or the ordinary general meeting of shareholders of a Company subsidiary if the eligible individual is a director of a subsidiary) immediately preceding the allotment date to the day of the ordinary general meeting of shareholders of the Company (or the ordinary general meeting of shareholders of a Company subsidiary if the eligible individual is a director of a subsidiary) on the following year (the "service provision period"). However, if the eligible individual dies or retires from office as director of the Group for some other reason considered appropriate by the Board of Directors during the service provision period, conditions on transfer shall be waived for all the allotted shares.

(3) Gratis acquisition by the Company

At the conclusion of the transfer restriction period, the Company shall as a matter of course acquire gratis those allotted shares that have not been released from transfer conditions.

(4) Share administration

During the transfer period, allotted shares shall be administered in accounts dedicated to restricted stock established for eligible individuals by Daiwa Securities Co., Ltd. so that allotted shares cannot be transferred, have a security interest established on them, or be otherwise disposed of during the transfer restriction period.

(5) Handling of reorganization, etc.

If, during the transfer restriction period, the Company's general meeting of shareholders approves a merger agreement in which the Company is the absorbed company or a share exchange agreement, stock transfer plan, or other organizational restructuring in which the Company becomes a wholly owned subsidiary (or if the Board of Directors approves, if such reorganization does not require approval at the Company's general meeting of shareholders), based on a Board of Directors resolution, the number of months beginning in the month during which the service provision period begins and ending in the month during which the reorganization is approved shall be divided by 12 (if the resulting number exceeds 1, then 1 shall be used), that number shall be multiplied by the number of allotted shares held at that time (fractional shares of less than one share resulting from the calculation shall be discarded), and the transfer restriction for the resulting number of shares shall be waived on the business day immediately preceding the business day corresponding to the effective date of the reorganization.

3. Basis of calculation of paid-in amount and specific details thereof

The Disposal of Treasury Shares will be carried out with the monetary remuneration receivables, which are paid to the eligible directors based on the Plan, as the contributed assets, and the amount to be paid per share is 3,150 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 24, 2021 (business day immediately prior to the date of the resolution

of the Board of Directors), in order to adopt a price that excludes arbitrariness. This price is the market value immediately prior to the date of the resolution of the Board of Directors, and is a reasonable price that properly reflects the Company's corporate value in a state where there are no special circumstances under which the foregoing price should not be relied upon the most recent stock price, and does not fall within a price that is specially advantageous to the eligible individuals.