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May 10, 2023

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Notice Regarding Issuance of New Shares as Restricted Stock Compensation

Demae-can Co., Ltd. (the "Company") announces that it has resolved to issue new shares as a restricted stock compensation in accordance with Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation as follows:

1. Background behind the Restricted Stock Compensation

The Group has continued its efforts to expand the Demae-can business with a view toward attaining its goal of making food delivery part of everyday life. Demae-can continues to evolve to become the life infrastructure in Japan by improving user experience for our users, merchants and drivers to become the "Platform of choice." Based on our corporate mission, "enriching the value of time with technology," the Company would like to use the power of technology to realize its vision, "life infrastructure that connects people's happiness in the local community," for users of its services. The Company will continue to respond quickly to the rapidly changing times and strive to become the No. 1 delivery company, and thus enhancing its corporate value and shareholder value.

The Company has introduced a restricted stock compensation plan to, not only unite the interests of shareholders and the Group's officers and employees, but also enhance more than ever the feeling of ownership of officer and employee in improving the Company's corporate value and shareholder value in the future.

The Company's Compensation Committee is constructed with a majority of its members being outside directors. Its purpose is to deliberate and make recommendations regarding the compensation system for directors from an independent perspective to help establish and maintain the transparency and fairness of the Company's management and compensation systems through its activities. The Company's decision to issue new shares as a restricted stock compensation is a result of such deliberation at the Compensation Committee to better incentivize directors and employees of the Company.

The stock compensation plan is expected to better share interests with shareholders and implement incentives to raise share prices. The Company sets restriction periods regarding transfer with different expiration dates for the restricted stock and lifts these restrictions in stages, which would encourage its officers and employees to take on bold challenges that leads to improvement of corporate value over the long term without focusing only on the short-term increase of the share price. The Company also expects this compensation plan to work as an incentive to retain current outstanding talents and to acquire more talented individuals going forward. Further, the Company has decided to attach performance-linked conditions to the

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restricted stock to be allotted to management, who are required to be strongly committed to sustainably increasing shareholder value over the medium to long term.

2. Outline of the Issue

(1)	Payment date	June 22, 2023
(2)	Class and number of shares to be issued	Common shares of the Company: 666,000shares
(3)	Issue price	414 yen per share
(4)	Total amount to be issued	275,724,000 yen
(5)	Allottees	<ul style="list-style-type: none"> ● 2 directors¹ of the Company 300,000 shares ● 38 employees of the Company 366,000 shares ¹ Excluding outside directors
(6)	Other	This issuance of new shares is subject to the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act of Japan.

3. Purpose and Reason for the Issuance

At the 22nd Ordinary General Meeting of Shareholders held on November 29, 2021, the Company approved the following in order to enable its directors (excluding outside directors; hereinafter "Eligible Directors") to share the benefits and risks of changes in the stock price with shareholders and increase their incentives more than ever to contribute to increasing the stock price and corporate value: (i) To adopt a stock compensation plan (the "Plan") under which the Company will grant restricted shares to the Eligible Directors, (ii) To set the total amount of monetary compensation claims related to restricted shares to be granted to the Eligible Directors under the Plan to no more than 500,000 thousand yen per year, (iii) To set the total number of restricted shares to be allotted to the Eligible Directors to be no more than 500,000 shares per fiscal year, and (iv) To set the restriction period for the granted shares as one year or longer as determined by the Board of Directors.

The Board of Directors today resolved to allocate shares of the Company's common stock as restricted stock compensation for the period between June 22, 2023 and November 30, 2026 to 2 Eligible Directors and 38 employees as allottees, (hereinafter collectively the "Allottees") by having the Allottees deliver all monetary compensation claims by way of contribution in kind. The Company shall comprehensively consider an array of factors, including the degree that each Allottee contributes to the Company, to determine the monetary compensation claims for each Allottee. In addition, this monetary compensation claims shall be paid on the condition that each Allottee enter into an Allotment Agreement with the Company that includes, in general, the following details.

Of the restricted stock allotted under the Plan, the stock allotted to Eligible Directors shall be conditional upon their holding certain positions in the Company or the Company's Subsidiary for a certain period. Regarding the restricted stock to be allotted to certain employees of the Company, the stock shall be allotted on the condition that they continuously hold certain positions in the Company or its affiliates (affiliates as defined in the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements) for a certain period. The stock shall be restricted stock that is subject to conditions regarding continued service which determine the number of shares which are to become unrestricted, and subject to performance-linked conditions which determine the number of shares to become unrestricted in accordance with the degree of the achievement of stock price targets (hereinafter "Restricted Stock I"). The second type of restricted stock to be

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allotted to certain employees of the Company is subject only to conditions regarding continuous service which determine the number of shares to become unrestricted based on the condition that the employees or directors continue to serve in certain positions at the Company or the Company's Subsidiary for a certain period ("Restricted Stock II").

The table below shows the Allottees and the monetary compensation claims, etc. for each type of restricted stock.

Type of restricted stock	The Allottees	Monetary compensation claims	Number of shares
Restricted Stock I	Eligible directors and certain employees	232,875,000 yen	562,500 shares
Restricted Stock II	Employees of the Company	42,849,000 yen	103,500 shares

4. Outline of the Allotment Agreement

I. Restricted Stock I

(1) Transfer restriction period

Regarding the restricted stock allocated to the Allottee, (hereinafter, of the allotted Restricted Stock I, shares of Restricted Stock I with Transfer Restriction Period I-A-① are "Allotted Stock I-A-①," shares of Restricted Stock I with Transfer Restriction Period I-A-② are "Allotted Stock I-A-②," shares of Restricted Stock I with Transfer Restriction Period I-B are "Allotted Stock I-B," shares of Restricted Stock I with Transfer Restriction Period I-C-① are "Allotted Stock I-C-①," shares of Restricted Stock I with Transfer Restriction Period I-C-② are "Allotted Stock I-C-②,"), during the transfer restriction period set forth below, the Allottees may not assign, pledge, create a security interest in a transfer, make a living donation, bequest or any other act of disposition to a third party (hereinafter "Transfer Restriction").

Restricted Stock I	Transfer restriction period	Monetary compensation claims	Number of shares
Restricted StockI-A-①	From June 22, 2023 to November 30, 2025 (hereinafter "Transfer Restriction Period I-A-①")	58,218,750 yen	140,625 shares
Restricted StockI-A-②	From June 22, 2023 to November 30, 2026 (hereinafter "Transfer Restriction Period I-A-②")	58,218,750 yen	140,625 shares
Restricted StockI-B	From June 22, 2023 to November 30, 2025 (hereinafter "Transfer Restriction Period I-B")	46,575,000 yen	112,500 shares
Restricted StockI-C-①	From June 22, 2023 to August 31, 2025 (hereinafter "Transfer Restriction Period I-C-①")	34,931,250 yen	84,375 shares
Restricted StockI-C-②	From June 22, 2023 to August 31, 2026 (hereinafter "Transfer Restriction Period I-C-②")	34,931,250 yen	84,375 shares

(2) Acquisition of restricted shares without compensation

Regarding the Eligible Directors, if the Allottee who has received Restricted Stock I resigns or retires from any position as a director or employee of the Company or the Company's Subsidiary before the expiration of Transfer Restriction Period I-A-①, I-A-②, I-B, I-C-① or I-C-②, or in the case of some employees of the Company, if the Allottee resigns or retires from any position

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as a director or employee of the Company or its affiliates, the Company shall naturally acquire the Allotted Stock I-A-①, I-A-②, I-B, I-C-① or I-C-② without consideration at the time of retirement or resignation, unless there is a justifiable reason acknowledged by the Board of Directors of the Company.

When Transfer Restriction Period I-A-①, I-A-②, I-B, I-C-① or I-C-② expires, if there are any shares of Allotted Stock I-A-①, I-A-②, I-B, I-C-① or I-C-② for which the transfer restrictions have not been lifted in accordance with the reasons for ending the transfer restrictions set forth in (3) below, the Company shall naturally acquire the stock without compensation.

(3) Conditions of lifting of the transfer restrictions

① Allotted Stock I-A-①, I-A-②

On the condition that the Allottee of Restricted Stock I has continuously held the position during Transfer Restriction Period I-A-① or I-A-②, the Company will lift the restrictions on transfer of all or part of Allotted Shares I-A-① or I-A-② held by the Allottees, based on the degree of achievement of target consolidated annual sales target of 50 billion yen for fiscal year ending August 31, 2025 and August 31, 2026 respectively for Allotted Shares I-A-① or I-A-②. (However, if the calculation results in a fraction less than one share, it shall be rounded down.)

Rate of removal of transfer restrictions

Achieving the target Consolidated annual sales will determine the rate of removal of transfer restrictions (however if achievement is above 100%, the rate will be 100%)

② Allotted Stock I-B

On the condition that the Allottee of Restricted Stock I has continuously held the position during Transfer Restriction Period I-B, the Company will lift the restrictions on transfer of all of Allotted Shares I-B held by the Allottees, if the financial results of fiscal year ending August 31, 2025 result in consolidated positive operating profits.

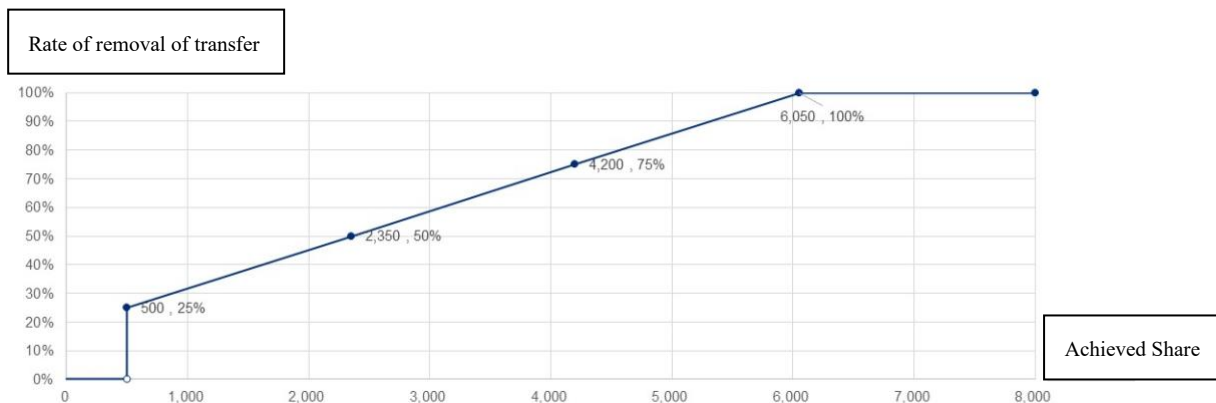
③ Allotted Stock I-C-①, I-C-②

On the condition that the Allottee of Restricted Stock I has continuously held the position during Transfer Restriction Period I-C-① or I-C-②, the Company will lift the restrictions on transfer of all or part of Allotted Shares I-C-① or I-C-② held by the Allottees, after applying the following rate of removal of transfer restrictions in accordance with the degree of achievement of the stock price target determined by the Board of Directors of the Company. (However, if the calculation results in a fraction less than one share, it shall be rounded down.)

Rate of removal of transfer restrictions

During the period from the first day of the last fiscal year of Transfer Restriction Period I-C-① and I-C-② to July 31, one month prior to the expiration date of the last fiscal year, the rate of removal of transfer restrictions will vary as shown in the table below in accordance with the highest value obtained by averaging the closing prices of the Company's common stock on the Tokyo Stock Exchange for each of ten consecutive business days (hereinafter the "Achieved Share Price"). In the event that it is appropriate to adjust the Achieved Share Price due to a merger, the issuance of shares for subscription, a stock split, a reverse stock split, etc., the Company shall make the adjustments deemed necessary to a reasonable extent.

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Method of calculating the rate of removal of transfer restrictions:

$$(\text{Achieved Share Price} - 500) \div 7,400 + 0.25$$

Note: If the Achieved Share Price is less than 500 yen, the rate of removal of transfer restrictions is 0%. If the Achieved Share Price is 6,050 yen or higher, the rate of removal of transfer restrictions is 100%.

(4) Provisions regarding the management of shares

The Allottee of the Restricted Stock I shall open an account at SMBC Nikko Securities Inc. to enter or record the Allotted Stock I-A-①, I-A-②, I-B, I-C-① or I-C-② in the manner designated by the Company, and shall keep and maintain the Allotted Stock I-A-①, I-A-②, I-B, I-C-① or I-C-② in this account until the transfer restriction is lifted.

(5) Handling in the case of organizational restructuring, etc.

If, during Transfer Restriction Period I-A-①, I-A-②, I-B, I-C-① or I-C-②, the Company's general meeting of shareholders approves a proposal on a merger agreement in which the Company is not a surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other proposal concerning organizational restructuring, etc. (provided, however, that if the organizational restructuring, etc. does not require the approval of the Company's general meeting of shareholders, the Company's Board of Directors shall approve such proposal), the transfer restrictions of all of the Allotted Shares I-A-①, I-A-②, I-B, I-C-① or I-C-② held by the Allottees of Restricted Stock I as of the date of the approval may be removed prior to the effective date of the organizational restructuring, etc. in accordance with a resolution of the Company's Board of Directors.

If this occurs, the Company may, at a time immediately after the transfer restrictions are removed in accordance with the above provisions (or, if the transfer restrictions are not lifted in accordance with the above provisions, at a time prior to the effective date of the organizational restructuring, etc. reasonably determined by the Board of Directors of the Company), naturally acquire the Allotted Stock I-A-①, I-A-②, I-B, I-C-① or I-C-② for which the transfer restrictions have not been lifted without compensation.

II. Restricted Stock II

(1) Transfer restriction period

Transfer Restriction apply regarding the restricted stock allocated to the Allottee, (hereinafter, of the allotted Restricted Stock II, shares of Restricted Stock II with Transfer Restriction Period

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II-A are "Allotted Stock II-A," shares of Restricted Stock II with Transfer Restriction Period II-B are "Allotted Stock II-B,").

Restricted Stock II	Transfer restriction period	Monetary compensation claims	Number of shares
Restricted Stock II-A	From June 22, 2023 to August 31, 2025 (Hereinafter "Transfer Restriction Period II-A")	21,424,500 yen	51,750 shares
Restricted Stock II-B	From June 22, 2023 to August 31, 2026 (Hereinafter "Transfer Restriction Period II-B")	21,424,500 yen	51,750 shares

(2) Acquisition of restricted stock without compensation

If the Allottee who has received Restricted Stock II resigns or retires from any position as a director or employee of the Company or its affiliates before the expiration of Transfer Restriction Period II-A or II-B, unless there is a reason that is deemed legitimate by the Board of Directors of the Company, the Company shall naturally acquire the Allotted Stock II-A or II-B without consideration at the time of the retirement or resignation.

When Transfer Restriction Period II-A or II-B expires, if there are any shares of Allotted Stock II-A or II-B for which the transfer restrictions have not been lifted in accordance with the reasons for lifting the transfer restrictions set forth in (3) below, the Company shall naturally acquire them without compensation.

(3) Lifting of the transfer restrictions

On the condition that the Allottee who has received Restricted Stock II has continuously held the position as a director or employee of the Company or its affiliates during Transfer Restriction Period II-A or II-B, the Company will lift the transfer restrictions on all of the Allotted Stock II-A or II-B held by the Allottees of Restricted Stock II. However, if the Allottee of Restricted Stock II resigns or retires from any position as a director or employee of the Company or any of its affiliates before the expiration of Transfer Restriction Period II-A or II-B for reasons that the Board of Directors of the Company deems justifiable, the number of Allotted Stock II-A or II-B for which the transfer restrictions are to be lifted and the timing of the lifting of the transfer restrictions shall be reasonably adjusted as necessary.

(4) Provisions regarding the management of shares

The Allottee who is to receive Restricted Stock II shall open an account at SMBC Nikko Securities Inc. to enter or record the Allotted Stock II-A or II-B in the manner designated by the Company, and shall keep and maintain Allotted Stock II-A or II-B in this account until the transfer restriction is lifted.

(5) Handling in the case of organizational restructuring, etc.

If, during Transfer Restriction Period II-A or II-B the Company's general meeting of shareholders approves a proposal on a merger agreement in which the Company is not a surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other proposal concerning organizational restructuring, etc. (provided, however, that if the organizational restructuring, etc. does not require the approval of the Company's general meeting of shareholders, the Company's Board of Directors shall approve such proposal), the transfer restrictions of all of the Allotted Shares II-A or II-B held by the

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Allottees of Restricted Stock II as of the date of such approval may be removed prior to the effective date of the organizational restructuring, etc. in accordance with a resolution of the Company's Board of Directors.

If this occurs, the Company may, at a time immediately after the transfer restrictions are removed in accordance with the above provisions (or, if the transfer restrictions are not lifted in accordance with the above provisions, at a time prior to the effective date of the organizational restructuring, etc. reasonably determined by the Board of Directors of the Company), naturally acquire the Allotted Stock II-A or II-B for which the transfer restrictions have not been lifted without compensation.

5. Basis and details of calculation of the amount to be paid

The issue price of the new shares to be issued is set at 414 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (May 9, 2023) in order to eliminate arbitrariness. This is the market price of the Company's common stock on the business day immediately preceding the date of the Board of Directors' resolution, and is considered to be a reasonable price and is not considered to be a particularly advantageous price.