



March 10, 2022

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Notice Concerning Reduction of Capital Stock

Demae-can Co., Ltd. (the "Company") announces that it has resolved to reduce capital stock at a meeting of its Boards of Directors held today, March 10, 2022, as follows:

Details

1. Purpose of capital reduction

The purpose is to ensure flexibility and mobility of future capital policy and to reduce tax burden. The reduction of capital stock shall be conducted simultaneously with the issuance of the Company's common stock in accordance with the resolution, "Determination of Compensation for the Allotment of Restricted Stock to Directors (excluding Outside Directors), resolved at the 22nd Annual General Meeting of Shareholders held on November 29, 2021 and the resolution passed today by its Board of Directors that the Company allocates its common stock as restricted stock compensation for the period between April 5, 2022 and August 31, 2025 as monetary compensation claims to allottees, and having the allottees deliver all monetary compensation claims by way of contribution in kind. Therefore, it is conducted by the resolution of its Board of Directors in accordance with Article 447, Paragraph 3 of the Companies Act.

2. Method of capital reduction

(1) Amount of capital to be reduced

244,345,815 yen

(2) Method of capital reduction

The Company will transfer the entire amount to other capital surplus after the above procedures for reducing the amount of capital concurrently with the issuance of shares in accordance with Article 447, Paragraph 3 of the Companies Act.

3. Schedule

(1) Resolution by the Board of Directors	March 10, 2022
(2) Public notice of objection by creditors (tentative)	March 17, 2022
(3) Due date for creditors to file objections (tentative)	April 18, 2022
(4) Effective date of capital reduction (tentative)	April 19, 2022

4. Outlook

The reduction of capital stock is a transfer of funds between accounts under "Net Assets", and there will be no change in total net assets, and thus this will have no impact on our business performance. In addition, since the capital reduction will be implemented simultaneously with the issuance of our common stock, the amount of capital will not be reduced compared to that prior to the effective date of the capital reduction.