



November 2, 2022

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Corporate name	Demae-can Co., Ltd.
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### Notice Concerning Reduction of Capital Reserve and Appropriation of Surplus

Demae-can Co., Ltd. (the "Company") announces that its Board of Directors, at a meeting held today, resolved to submit a proposal to the 23rd Annual Meeting General of Shareholders scheduled to be held on November 29, 2022 (the "Shareholders' Meeting") regarding the reduction of capital reserve and the appropriation of surplus as follows.

#### Detail

1. Purpose of reduction of capital reserve and appropriation of surplus

The Company is reducing the amount of legal capital surplus and appropriating surplus for the purpose of making up the current deficit in retained earnings brought forward, thereby improving financial soundness, and ensuring flexibility and mobility of future capital policy.

2. Outline of Reduction of Capital Reserve

Pursuant to Article 448, Paragraph 1 of the Companies Act, the amount of capital reserve will be reduced and transferred to other capital surplus.

(1) Amount of capital reserve to be reduced

52,151,814,394 yen out of capital reserve of 52,251,814,394 yen

(2) Amount of other capital surplus to be increased

Other capital surplus 52,151,814,394 yen

3. Outline of Appropriation of Surplus

Pursuant to Article 452 of the Companies Act, the Company will make up the deficit by transferring other capital surplus to retained earnings brought forward as follows, under the condition that the reduction in the amount of capital reserve becomes effective. As a result, the amount of retained earnings brought forward after the transfer will be 0 yen.

(1) Item and amount of surplus to be reduced

Other capital surplus 58,378,398,361 yen

(2) Item and amount of surplus to be increased

Retained earnings brought forward 58,378,398,361 yen

4. Schedule (subject to change)

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|--|-------------------|
| (1) Date of resolution by the Board of Directors:    | November 2, 2022  |
| (2) Date of resolution of the Shareholders' Meeting: | November 29, 2022 |
| (3) Date of public notice of objection by creditors: | November 30, 2022 |
| (4) Final date for objection by creditors:           | January 6, 2023   |
| (5) Effective date:                                  | January 10, 2023  |

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#### 5. Future Outlook

This transaction is a transfer process between accounts in "Net Assets" and there will be no change in the amount of net assets, and thus, there will be no impact on the Company's consolidated and non-consolidated financial results.

This matter is subject to approval at the Shareholders' Meeting.