

News Release

Listed company name	Sanwa Holdings Corporation
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## Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation for Directors and Executive Officers

Sanwa Holdings Corporation (“the Company”) hereby announces that a disposal of treasury stock as restricted stock compensation (the “Disposal of Treasury Stock”) was resolved at the meeting of the Board of Directors held on June 26, 2024. The outline of the disposal is shown in the following table.

### 1. Outline of the Disposal of Treasury Stock

(1)	Date of payment	July 12, 2024
(2)	Class and number of shares to be disposed of	16,417 shares of common stock of the Company
(3)	Disposal value	¥ 2,923.5 per share
(4)	Total disposal value	¥ 47,995,099.5
(5)	Allotted persons	Directors* of the Company: 3 persons, 12,997 shares Executive Officers of the Company: 2 persons, 3,420 shares  *Part-time Directors, Outside Directors and Directors serving as Audit and Supervisory Committee Members are excluded.

### 2. Purpose and Reasons for Disposal

At the meeting of the Board of Directors held on May 14, 2021, the Company resolved to introduce the restricted stock compensation plan (the “Plan”) to Directors of the Company (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members; the “Eligible Directors”) as a new compensation plan for the purpose of providing incentives to sustainably improve the corporate value of the Company and promoting further value sharing with the shareholders. And at the 86<sup>th</sup> Ordinary General Meeting of Shareholders held on June 22, 2021, it was approved that the Company, in accordance with the Plan, provides monetary compensation claims of 80 million yen or less per annum to Eligible Directors, separately from the existing monetary compensation quota, as property to be contributed in kind for the granting of restricted stock, and sets a period from the date of delivery of restricted stock to the timing they lose their position as Director of the Company or any other positions determined by the Board of Directors of the Company as transfer restriction period for the restricted stock (the “Transfer Restriction Period”). In addition, the total number of shares of common stock of the Company to be issued or disposed of for the Eligible Directors in accordance with the Plan shall be no more than 120,000 shares per annum.

This time, at the meeting of the Board of Directors held on June 26, 2024, in consideration of the purpose of the Plan, business performance of the Company, scope of the responsibility and other circumstances, the Company resolved to grant a total amount of 47,995,099.5 yen in monetary compensation claims (the “Monetary Compensation Claims”) to three Eligible Directors (excluding Part-time Directors) and two Executive Officers of the Company (the “Eligible Executive Officers,” and collectively with Eligible Directors, “Allotted Persons”), and, by way of in-kind contribution of the Monetary Compensation Claims (the amount of monetary compensation claim per share is 2,923.5 yen), allot a total of 16,417 shares of the common stock of the Company (the “Allotted Shares”).

#### **<Overview of the Restricted Stock Allotment Agreement>**

The Company and the Allotted Persons individually execute a restricted stock allotment agreement (the “Allotment Agreement”). The overview of the Allotment Agreement is as follows:

##### **(1) Transfer Restriction Period**

An Allotted Person shall not transfer, grant a security interest in, or otherwise dispose of Allotted Shares during the period from July 12, 2024 (the “Date of Payment”) to the date the Allotted Person retires from a post of both Director and Executive Officer in the Company.

##### **(2) Conditions of Termination of the Transfer Restrictions**

The Company shall terminate the transfer restrictions for all Allotted Shares upon the expiration of the Transfer Restriction Period provided that the Allotted Persons in question continuously held a post of either Director or Executive Officer of the Company during the period from the Date of Payment until July 1, 2025 (the “Service Period”; inside which, the period from the Date of Payment until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2025 is the service period for Eligible Directors, and the period from the Date of Payment until March 31, 2025 is the service period for Eligible Executive Officers.). Provided, however, that if the Allotted Person in question loses all posts of Director and Executive Officer of the Company due to death, expiry of office, resignation or other reason which the Board of Directors considers justifiable during Service Period, at the time of expiration of the Transfer Restriction Period, transfer restrictions shall be terminated for a certain number of the Allotted Shares. That certain number of Allotted Shares shall be calculated by dividing the number of months from July 2024 until the month including the date of such loss of post(s) for Eligible Directors (provided, however, that the month shall be the previous month if the date is less than 15), or the number of months from April 2024 until the month including the date of such loss of post(s) for Eligible Executive Officers (provided, however, that the month shall be the previous month if the date is less than 15) by 12 (provided, however, that this number shall be deemed to be 1 if the calculation returns a value exceeding 1), and then multiplying the result by the number of the Allotted Shares (provided, however, that if the calculated number of Allotted Shares for which transfer restrictions are to be terminated contains a fractional component, that fractional component shall be dropped from that number of shares).

##### **(3) Acquisition without Compensation by the Company**

The Company shall, as a matter of course, acquire the Allotted Shares for which the transfer restrictions have not

been terminated at the time which is specified in the Allotment Agreement, including the time of expiration of the Transfer Restriction Period, without compensation.

(4) Administration of Stocks

To prevent any Allotted Person from transferring, creating a security interest on, or disposing of Allotted Shares during the Transfer Restriction Period, Allotted Shares will be administered in a dedicated account with Daiwa Securities Co., Ltd. opened by each Allotted Person during the Transfer Restriction Period.

(5) Procedure in the Event of Organizational Restructuring, etc.

If a merger agreement in which the Company will be the absorbed company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or any other matter related to organizational restructuring or the like is approved at the Company's General Meeting of Shareholders (or by the Board of Directors of the Company, where such organizational restructuring or the like does not require approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors of the Company, terminate the transfer restrictions for all Allotted Shares, in the end of the day prior to the effective date of such organizational restructuring or the like.

**3. The Basis for Calculating the Amount to Be Paid and Related Specific Details**

The Disposal of Treasury Stock will be conducted with the monetary compensation claims provided to the Allotted Persons as the capital contribution in accordance with the Plan, and to exclude arbitrariness, the amount of this payment shall be ¥ 2,923.5, which is the closing price of the Company's common shares on the Tokyo Stock Exchange as of June 25, 2024 (the business day preceding the date of the resolution of the Board of Directors). Since this is the market share price immediately preceding the date of the resolution by the Board of Directors and there are no special circumstances that the latest stock price cannot be referred, the Company believes that it is reasonable amount appropriately reflecting the Company's corporate value and does not constitute an especially advantageous amount to the Allotted Persons.