



July 1, 2024

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Notice of Disposal of Treasury Shares through Third-Party Allotment

NISSO HOLDINGS Co., Ltd. (hereinafter, the "Company") hereby announces that it has decided to introduce a share incentive system (hereinafter, the "Scheme") for the NISSO HOLDINGS Employee Shareholding Association (hereinafter, the "Shareholding Association"), which is the Company's employee shareholding association, for employees of the Nisso Group (hereinafter, the "Group") companies, and has resolved to dispose of treasury shares by way of third-party allotment (hereinafter, the "Treasury Share Disposal" or "disposal") to the Shareholding Association as the allottee, at the Board of Directors' Meeting held on July 1, 2024, as described below.

1. Overview of Disposal

(1)	Date of disposal	December 2, 2024
(2)	Type and number of shares to be disposed of	The Company's common stock: 223,700 shares (Note)
(3)	Disposal value (price)	846 yen per share
(4)	Total disposal value (price)	189,250,200 yen (Note)
(5)	Method of disposal (Scheduled allottee)	Subject to the application for subscription by the Shareholding Association by method of third-party allotment, the number of shares to be subscribed as determined by the Shareholding Association within the range of the number of shares to be disposed of as described in (2) above shall be allotted to the Shareholding Association. (The number allotted will be the number of shares to be disposed of.) (NISSO HOLDINGS Employee Shareholding Association: 223,700 shares) Furthermore, partial applications for the number of shares granted from each Eligible Employee (as defined below) will not be accepted.
(6)	Other	The Treasury Share Disposal is subject to the effectiveness of the Written Notice of Securities pursuant to the Financial Instruments and Exchange Act.

(Note) The "number of shares to be disposed of" and "disposal value (price)" are calculated on the assumption that the shares of the Company's common stock will be granted to 1,226 employees of the Group companies, which is the maximum number of employees eligible for the Scheme. The number of shares to be disposed of and the total disposal value (price) are as follows: after the completion of the promotion of membership to non-members of the Shareholding Association and the confirmation of consent to the Scheme for the members of the Shareholding Association have been completed, the number of employees of the Group companies who agree to the Scheme (hereinafter, the "Eligible Employees") (up to 1,226 employees) and the number of shares to be granted per employee as determined by the Group companies in accordance with the length of service of the employee (1 year to less than 3 years: up to 215 employees (100 shares per employee), 3 years or more: up to 1,011 employees (200 shares per employee)) are expected to

be determined. Specifically, as described in (5) above, the number of shares to be subscribed as determined by the Shareholding Association will be the "number of shares to be disposed of", and the amount obtained by multiplying the number by the disposal value (price) per share will be the "total disposal value (price)".

2. Purpose and Reasons for Disposal

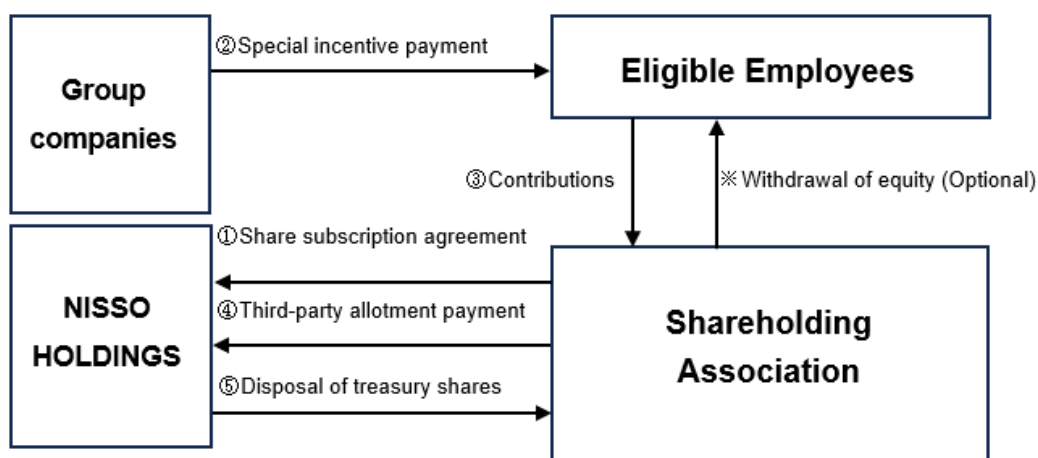
The Company has decided to introduce the Scheme for the purpose of contributing to the enhancement of human capital by promoting the sharing of values with shareholders, raising the awareness of employees to participate in management, and improving employee engagement, in addition to helping the employees of the Group companies to build up their assets as a measure to expand welfare benefits.

This scheme grants special incentives to the Eligible Employees and disposes of treasury shares to the Shareholding Association with the contribution of the special incentives, and is based on the method of third-party allotment. Although the number of shares to be disposed of will be determined at a later date, as described in (Note) under 1. Overview of Disposal, up to 223,700 shares will be disposed of to the Shareholding Association.

Furthermore, the scale of dilution is 0.66% (Rounded to two decimal places. The same shall apply hereinafter in the calculation of the percentage.) of the total number of shares outstanding (issued shares) as of March 31, 2024 (34,024,720 shares) and 0.68% of the total number of voting rights as of March 31, 2024 (327,578 voting rights).

【Structure of the Scheme】

- ① The Company and the Shareholding Association will conclude a share subscription agreement regarding the disposal and subscription of treasury shares.
- ② The Group companies will provide special incentives to the Eligible Employees.
- ③ The Eligible Employees will contribute the special incentives paid to the Shareholding Association.
- ④ The Shareholding Association will collect the special incentives contributed by the Eligible Employees and pay for the third-party allotment.
- ⑤ The Company will dispose of treasury shares to the Shareholding Association.
- ※ The Eligible Employees may voluntarily withdraw the allotted shares of the Company to a securities account in their own name.



3. Basis for Calculation of Disposal Value (Price) and Specific Details Thereof

The Treasury Share Disposal to the Shareholding Association, which is the scheduled allottee, will be conducted by the Eligible Employees who will contribute to the Shareholding Association the special incentives provided to the Eligible Employees for the granting of shares of the Company's common stock. In order to eliminate arbitrariness, the disposal value (price) has been set at 846 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 28, 2024 (the business day immediately preceding the date of resolution of the Board of Directors).

Furthermore, the deviation rate of this price from the average closing price of the Company's shares on the Prime Market of the Tokyo Stock Exchange (rounded to two decimal places) is as follows.

Period (duration)	Closing price average (Rounded down to the nearest yen)	Deviation rate
1 month (May 29, 2024 - June 28, 2024)	837 yen	1.08%
3 months (March 29, 2024 - June 28, 2024)	831 yen	1.81%
6 months (December 29, 2023 - June 28, 2024)	833 yen	1.56%

The 4 Directors (including 4 External Directors) who are Audit and Supervisory Committee Members who attended the Board of Directors' Meeting held today expressed their opinion that the process by which the Company determined that the disposal value (price) was not particularly favorable to the Shareholding Association, the allottee (to which the shares were allotted), was reasonable in light of the fact that the Treasury Share Disposal was intended for the introduction of the Scheme and that the disposal value (price) was the closing price on the business day immediately preceding the date of resolution of the Board of Directors, and that such a determination was appropriate.

4. Matters Concerning Procedures under the Corporate Code of Conduct

Since the Treasury Share Disposal ① has a dilution ratio of less than 25% and ② does not involve a change in controlling shareholders, the Company does not require the acquisition of an opinion from an independent third party or the procedure for confirming the constitutionality of shareholders as stipulated in Article 432 of the Listing Regulations established by the Tokyo Stock Exchange.