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April 14, 2023

Company: DyDo Group Holdings, Inc.
Representative: Tomiya Takamatsu, President
(Code 2590 on the Tokyo Stock Exchange Prime Market)
Inquiries: Makiko Mihara, General Manager of Corporate Communication Department

Notice regarding disposal of treasury stock for restricted-stock-based compensation

At today's meeting of the Board of Directors, it was determined that DyDo Group Holdings would dispose of treasury stock in the following manner.

1. Stock disposal

(1) Date of disposal	May 12, 2023
(2) No. of shares and stock classification	2,300 ordinary shares in the company
(3) Per share value	4,880 yen per share
(4) Total value	11,224,000 yen
(5) Recipients and no. of shares	Directors of DyDo Group Holdings, Inc.(excl. outside directors and non-full-time directors): 2 individuals, 600 shares Corporate officers who are not also directors of DyDo Group Holdings, Inc.: 1 individuals, 100 shares Directors of group subsidiaries (excl. outside directors and non-full-time directors): 10 individuals, 1,000 shares Corporate officers who are not also directors of group subsidiaries: 6 individuals, 600 shares
(6) Other	In line with the Financial Instruments and Exchange Act, we have submitted a securities notice regarding this disposal of stock.

2. Objective and reasons for the disposal

At a meeting of the Board of Directors held on March 4, 2022, the Board decided to introduce a new compensation system, namely a restricted-stock-based compensation system. The new system will apply to directors of DyDo Group Holdings who are neither outside directors nor non-full-time directors (“applicable directors”), corporate officers who are not also directors (with applicable directors, collectively “DGH directors, etc.”) directors of wholly owned subsidiaries who are neither outside directors nor non-full-time directors, and corporate officers at wholly owned subsidiaries who are not also directors (all four groups collectively referred to as “applicable directors, etc.”). The objective of this new system is both to provide applicable directors, etc., with an incentive to achieve sustainable increases in corporate value, and to better share that value with all shareholders. Furthermore, at the 47th Annual General Meeting of Shareholders on April 15, 2022, approval was granted for the following: Based on this new system, a fund used to acquire the restricted stock (“the fund”) for applicable directors will be provided for monetary claims up to a maximum of 100 million yen per annum with no more than 10,000 ordinary shares in the company issued or disposed of. The period for restricted stock shall run from the day on which the ordinary shares are allotted, in accordance with restricted-stock allotment contracts concluded between DyDo Group

Holdings and applicable directors, to the point immediately following the executive stepping down from a position at DyDo Group Holdings or a subsidiary set by the Board of Directors.

For an overview and other information* about this new compensation system, please refer to Proposal 6 submitted at the 47th Annual General Meeting of Shareholders: Determination of Compensation for Granting Restricted Shares to Directors.

3. Calculation basis for payment and specifics

The disposal of this treasury stock for planned allotment will make use of the fund, in the form of monetary claims, that will be provided to purchase restricted-stock (in compensation) for FY2023 in line with this system. To ensure the disposal amount is not arbitrary, the final value of the ordinary shares in the company will be 4,880 yen on the Tokyo Stock Exchange's Prime Market as of April 13, 2023 (the business day prior to the day of which the Board of Directors made its decision). That is the market value directly prior to the decision, and is considered to be a rational, and not particularly advantageous, value.

Note: This news release is taken from the Japanese-language original published on the same day, but omits the overview of the system and specific details regarding the restricted-stock allotment contracts concluded between DyDo Group Holdings and applicable directors, etc., based on this system. An outline of the details omitted here can be found in Proposal 6, as announced in the Notice of Convocation of the 47th Annual General Meeting of Shareholders.