

News Release

Listed company name	Sanwa Holdings Corporation
Representative	Yasushi Takayama Representative Director, President (Securities code: 5929, Prime Section of the Tokyo Stock Exchange)
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## Notice Regarding Disposal of Treasury Stock as Restricted Stock

Sanwa Holdings Corporation (“the Company”) hereby announces that a disposal of treasury stock as restricted stock (the “Disposal of Treasury Stock”) was resolved at the meeting of the Board of Directors held on April 1, 2024. The outline of the disposal is shown in the following table.

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

(1)	Date of payment	April 30, 2024
(2)	Class and number of shares to be disposed of	20,745 shares of common stock of Sanwa Holdings Corporation
(3)	Disposal value	¥2,681 per share
(4)	Total disposal value	¥55,617,345
(5)	Allotted persons	Directors of the Company’s subsidiary: 5 persons, 9,377 shares Executive Officers of the Company’s subsidiary: 11 persons, 11,368 shares

### 2. Purpose and Reasons for Disposal

By a resolution at the meeting of the Board of Directors held on April 1, 2024, the Company, as part of measures to sustainably improving the corporate value of the Sanwa Group, decided to grant a total amount of 55,617,345 yen in monetary compensation claims and, by way of in-kind contribution of the said monetary compensation claims (the amount of monetary compensation claim per share is 2,681 yen), allot 20,745 shares of the common stock of the Company acquired through the Disposal of Treasury Stock (the “Allotted Shares”) to five Directors and 11 Executive Officers of Sanwa Shutter Corporation (“Sanwa Shutter”), a subsidiary of the Company, who meet the prescribed requirements based on a resolution of the Board of Directors of Sanwa Shutter (collectively, the “Allotted Persons”) for the purpose of enhancing motivation of the Directors and Executive Officers of Sanwa Shutter and promoting further value sharing with the shareholders. From the viewpoint of encouraging medium- to long-term and continuous service, etc., the Company has decided to establish a period for the restriction on the transfer of the Allotted Shares with such length determined by the Board of Directors of the Company (the “Transfer Restriction Period”).

The Allotted Persons will pay in all of the monetary (compensation) claims provided as assets contributed in kind and subscribe for the shares of common stock to be allotted by the Company through the Disposal of Treasury Stock. In addition, in conjunction with the Disposal of Treasury Stock, the Company will enter into an allotment agreement with transfer restrictions (the "Allotment Agreement") with the Allotted Persons, which will include, in summary, the following details.

The Allotted Shares will be allotted only to those Allotted Persons who wish to subscribe for them.

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

The Company and the Allotted Persons individually execute 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 April 30, 2024 (date of payment) to the date the Allotted Person retires from a post of both Director and Executive Officer in the Company or Sanwa Shutter.

##### **(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 Person in question continuously held a post of either Director or Executive Officer of the Company or Sanwa Shutter during the period from April 30, 2024 (date of payment) until July 1, 2025 (the "Service Period;" inside which the period from the date of payment until March 31, 2025 is the service offering period). Provided, however, that if the Allotted Person in question loses all posts of Director and Executive Officer of the Company or Sanwa Shutter 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 April 2024 until the month including the date of such loss of post(s) (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, and to exclude arbitrariness, the amount of this payment shall be ¥2,681, which is the closing price of the Company's common shares on the Tokyo Stock Exchange as of March 29, 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.