



April 21, 2025

To whom it may concern

Company name: Nisshinbo Holdings Inc.
Representative: Yasuji Ishii,
President and Representative Director
(Code No. 3105, Prime Market of Tokyo
Stock Exchange)
Contact: Shuji Tsukatani,
Director and Executive Managing Officer

Notice Concerning Issuance of New Shares as Remuneration in the Form of Restricted Shares

Nisshinbo Holdings Inc. (the “Company”) hereby announces that it has decided, by resolution of its Board of Directors dated today, to issue new shares as remuneration in the form of restricted shares (the “Issuance of New Shares”) as set forth below.

1. Overview of Issuance

(1)	Payment Date	May 20, 2025
(2)	Class and Number of Shares to Be Issued	82,665 shares of the common shares of the Company
(3)	Issue Price	¥822.9 per share
(4)	Total Amount of Issue Price	¥68,025,028
(5)	Scheduled Allottees	<p><u>The Company</u></p> <p>4 Directors (excluding Outside Directors): 15,185 shares</p> <p>50 Managing Officers and employees: 44,200 shares</p> <p><u>The Company’s subsidiaries</u></p> <p>24 Managing Officers: 23,280 shares</p>

2. Purpose and Reason for Issuance

The Company’s Board of Directors, at its meeting held on May 25, 2018, resolved to adopt a restricted share remuneration plan under which Directors (excluding Outside Directors) will receive restricted shares (the “Plan”) so that Directors (excluding Outside Directors) should share furthermore with shareholders merits and risks associated with fluctuation of the market price of the Company’s shares and further enhance the motivation of Directors (excluding Outside Directors) to contribute to the enhancement of share price and the corporate value of the Company.

In addition, at the Company's 175th Ordinary General Meeting of Shareholders held on June 28, 2018, it was approved, among other things, that the total amount of monetary remuneration claims to be paid to Directors (excluding Outside Directors) as remuneration, etc. related to the restricted shares under the Plan shall be set at no more than 40 million yen per year, the total number of restricted shares to be allotted to Directors (excluding Outside Directors) in each fiscal year shall be no more than 50,000 shares, and the period of restriction on the transfer of restricted shares shall be a period between three and five years to be determined by the Board of Directors of the Company.

In accordance with the resolution of the meeting of Board of Directors of the Company held today, it has decided to allot 82,665 common shares of the Company as the specified restricted shares to the scheduled allottees, who are 4 Directors (excluding Outside Directors) and 50 Managing Officers and employees of the Company, and 24 Managing Officers of the Company's subsidiaries (the "Allottees"), for the period from the Company's 182nd Ordinary General Meeting of Shareholders to the Company's 183rd Ordinary General Meeting of Shareholders to be held in March 2026 for the Directors (excluding Outside Directors) of the Company, from April 1, 2025 to March 31, 2026 for the Managing Officers and employees of the Company, and from April 1, 2025 to March 31, 2026 for the Managing Officers of the Company's subsidiaries, for the purpose of remuneration in the form of restricted shares, by delivering through investment in kind a total of 68,025,028 yen in monetary remuneration claims and monetary claims provided by the Company or its subsidiaries. The amount of monetary remuneration claims or monetary claims to each Allottee is determined after comprehensively taking into consideration various matters, including the contribution level of each Allottee to the Company or its subsidiaries. In addition, such monetary remuneration claims or monetary claims will be paid on the condition that each Allottee enters into the assignment agreement of restricted shares (the "Assignment Agreement") with the Company, which includes, in general terms, the following details.

3. Details of the Assignment Agreement

(1) Transfer Restriction Period

From May 20, 2025 to May 20, 2028

During the transfer restriction period prescribed above (the "Transfer Restriction Period"), the Allottees shall not render any disposal at all on the restricted shares allotted to each Allottee (the "Allotted Shares") such as to transfer to any third party, create pawn or transfer collateral, make lifetime gift or gift by will (the "Transfer Restriction").

(2) Acquisition Free of Charge of Restricted Shares

If an Allottee resigns or retires from any position as Director, Managing Officer, or employee of the Company or its subsidiary by the day before the first Ordinary General Meeting of Shareholders of the respective company that falls after the commencement date of the Transfer Restriction Period (or by the day before March 31, 2026 for Managing Officers and employees of the Company and Managing Officers of its subsidiaries), the Company will acquire the Allotted Shares as a matter of course free of charge at the time of such resignation or retirement, excluding the Allottee's death or cases where there is a reason including expiration of term of office or mandatory retirement age, which the Board of Directors deems justifiable.

Furthermore, if, among the Allotted Shares, there are any shares for which the Transfer Restriction has not been released at the time the Transfer Restriction Period expires (the "Time of Expiration") in accordance with the provisions of (3) below, the Company will naturally acquire such shares free of charge immediately following the Time of Expiration.

(3) Release from Transfer Restriction

On the condition that an Allottee has continuously held the position of Director, Managing Officer, or employee of the Company or its subsidiary from the commencement date of the Transfer Restriction Period until the first Ordinary General Meeting of Shareholders of the respective company (until March 31, 2026 for Managing Officers or employees of the Company and Managing Officers of its subsidiaries), the Company will release the Transfer Restriction of all of the Allotted Shares held by the Allottee at the Time of Expiration. If the Allottee resigns or retires from any position as Director, Managing Officer, or employee of the Company or its subsidiary before the termination of the Transfer Restriction Period by the Allottee's death or the reason including expiration of term of office or mandatory retirement age, which the Board of Directors deems justifiable, the Transfer Restriction shall be released with respect to the Allottee's Allotted Shares, which are calculated by the number of months from April 2025 to the month including the day on which the Allottee resigns or retires from any position as Director, Managing Officer, or employee of the Company or its subsidiary divided by 12 (or 1 if the calculation results in a number exceeding 1) multiplied by the number of Allotted Shares held by the Allottee as of such time (any fraction of less than 1 share resulting from the calculation shall be rounded down), at the time immediately following the Allottee's retirement or resignation or at the time immediately following the arrival of the day immediately following the filing date of the Company's semiannual securities report for the fiscal year which includes the payment date, whichever is later. With respect to the Allotted Shares that are not subject to the release from the Transfer Restriction, the Company will naturally acquire them free of charge upon retirement or resignation or at the time immediately following the arrival of the day immediately following the filing date of the Company's semiannual securities report for the fiscal year which includes the payment date, whichever is later.

(4) Provisions Regarding Management of Shares

The Allottees shall complete the opening of an account with SMBC Nikko Securities Inc. through the method specified by the Company to enter and/or record information on the Allotted Shares and shall keep and maintain the Allotted Shares in such account until the Transfer Restriction is released.

(5) Treatment in Connection with Reorganization, etc. of the Company

In the event that proposal for merger agreement in which the Company is an absorbed company, or share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary of the opponent party, reorganization, etc. of the Company is approved at its General Meeting of Shareholders (is approved at its Board of Directors in case the subject reorganization shall not require the approval at its General Meeting of Shareholders) during the Transfer Restriction Period, the Company will release the Transfer Restriction by resolution of the Board of Directors of the Company immediately preceding the business day prior to the effective date of the subject reorganization, etc. with respect to the Allotted Shares calculated by the number of months from April 2025 to the month including the day of the said approval of the proposal divided by 12 (or 1 if the calculation results in a number exceeding 1) multiplied by the number of Allotted Shares held by the Allottees on the day of the said approval (any fraction of less than 1 share resulting from the calculation shall be rounded down).

In such a case, the Company shall, as of the business day immediately prior to the effective date of said reorganization, etc., naturally acquire free of charge all of the Allotted Shares that have not yet been released from the Transfer Restriction on the day pursuant to the above.

4. Basis of Calculation and Specific Details for the Payment Amount

The issue price for the Issuance of New Shares has been set at 822.9 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange as of April 18, 2025, the business day immediately preceding the date of the resolution by the Company's Board of Directors, in order to eliminate arbitrariness in price. This is the market share price immediately prior to the date of the resolution by the Company's Board of Directors, and the Company believes it is reasonable and does not represent a particularly favorable price.