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February 10, 2026

Company name:	DOWA HOLDINGS CO., LTD.
Name of representative:	SEKIGUCHI Akira, Representative Director, President and Executive Officer, CEO (Securities code: 5714, Prime Market)
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Notice of Change in Equity-Method Affiliates (Share Transfer) and Recording of Extraordinary Income

DOWA HOLDINGS CO., LTD. (the “Company”) hereby announces that at the meeting of board of directors held today, the Company has resolved to transfer a portion of the shares of its equity-method affiliate, FUJITA KANKO INC. (“FUJITA KANKO”), to NSSK-GAMMA2 G.K. (“NSSK-GAMMA2”), which is funded by investment limited partnerships and Limited Partnership managed or serviced by Nippon Sangyo Suishin Kiko Group (“NSSK”), as detailed below. As a result of this share transfer, FUJITA KANKO will be excluded from our equity-method affiliates.

1. Reason for Share Transfer

Since its establishment in 1955, when it was separated and became independent from our group company that managed and operated the residence and garden of our founder, FUJITA Denzaburo, we have continued to hold shares in FUJITA KANKO as its largest shareholder and have maintained a good relationship.

In this context, after comprehensively considering the optimal allocation of management resources and synergies within the group, we have determined that it is desirable to transfer a portion of our ordinary shares in FUJITA KANKO (“Our FUJITA KANKO Shares”) to an optimal partner that will contribute to the enhancement of FUJITA KANKO’s corporate value. In the Medium-term plan 2027 announced in May 2025, we expressed our goal of “target a 50% reduction in holdings of listed company shares by FY2030.”

Subsequently, after discussions with FUJITA KANKO, we began considering the sale of our shares in FUJITA KANKO to multiple candidates who are expected to create business synergies with FUJITA KANKO. After comparing the price of our shares in FUJITA KANKO, the management strategy of FUJITA KANKO after the share transfer, including growth strategies and support structure, and the certainty of executing the share transfer as proposed by multiple candidates, we concluded that the proposal from NSSK-GAMMA2 was the best option compared to other transfer methods such as market sales. We determined that transferring our shares in FUJITA KANKO to NSSK-GAMMA2 would contribute to the future enhancement of FUJITA KANKO’s corporate value. After negotiating terms with NSSK-GAMMA2, we decided to proceed with the share transfer.

This share transfer is in line with the policy set forth in the Medium-term plan 2027 to “target a 50% reduction in holdings of listed company shares by FY2030.” We will continue to regularly review the continuation of holding the remaining listed shares at Board of Directors meetings.

2. Use of Sale Proceeds

The funds obtained from this share transfer, excluding the amount equivalent to taxes ("Sale Proceeds"), will be prioritized for shareholder returns through dividends and acquisition of own shares. Our shareholder return policy during the period of the Medium-term plan 2027 (fiscal year ending March 2026 to fiscal year ending March 2028) is to set dividends at "a payout ratio of 35% or 150 yen per share, whichever is higher," and to consider acquisition of own shares "based on future funding requirements and the financial conditions."

In line with this policy, we plan to add a special dividend of 100 yen per share to the ordinary dividend for the current period. The special dividend of 100 yen per share (total amount of special dividend: approximately 6.0 billion yen) corresponds to 35% of the amount obtained by deducting the tax equivalent from the extraordinary income of approximately 23.0 billion yen generated from this share transfer. For details, please refer to the "Notice of Revisions of Full Year Consolidated Financial Result Forecasts and Revisions of Cash Dividends Forecasts" announced today.

Regarding acquisition of own shares, we also resolved today to acquire own shares up to a limit of 10.0 billion yen, in line with the shareholder return policy during the period of the Medium-term plan 2027. For details, please refer to the "Notice Concerning Determination of Matters Related to Acquisition of Own Shares" announced today.

The remaining Sale Proceeds will be prioritized for acquisition of own shares during the period of the Medium-term plan 2027 to ensure the achievement of the "ROE of 10% in fiscal year 2027" target set forth in the Medium-term plan 2027.

We will continue to aim for further enhancement of corporate value by realizing appropriate shareholder equity through shareholder returns via dividends and acquisition of own shares.

3. Overview of Equity-Method Affiliate to Be Transferred (as of June 30, 2025)

(1)	Name	FUJITA KANKO INC.	
(2)	Location	2-10-8, Sekiguchi, Bunkyo-ku, Tokyo, Japan	
(3)	Job title and name of representative	Representative Director and President, Executive Officer YAMASHITA Shinsuke	
(4)	Description of business	Hotel and inn business, restaurant business, etc.	
(5)	Share capital	100 million yen	
(6)	Date of establishment	June 12, 1946	
(7)	Major shareholders and ownership ratios	DOWA HOLDINGS CO., LTD.	31.83%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	6.54%
		STATE STREET BANK AND TRUST COMPANY 505018 (Standing Proxy: Mizuho Bank, Ltd.)	4.69%
		GOLDMAN SACHS INTERNATIONAL (Standing Proxy: Goldman Sachs Japan Co., Ltd.)	3.82%
		Meiji Yasuda Life Insurance Company (Standing Proxy: Custody Bank of Japan, Ltd.)	2.51%
		BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing Proxy: MUFG Bank, Ltd.)	1.95%
		JP JPMSE LUX RE NOMURA INT PLC 1 EQ CO (Standing Proxy: MUFG Bank, Ltd.)	1.87%
		Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	1.82%
		BNYM AS AGT/CLTS 10 PERCENT (Standing Proxy: MUFG Bank, Ltd.)	1.64%
		ASAHI BREWERIES, LTD.	1.51%

(8)	Relationship between the Company and said shareholder	Capital relationship	The Company holds 19,071,885 ordinary shares of FUJITA KANKO. FUJITA KANKO holds 1,877,000 ordinary shares of the Company.
	Personnel relationship	One director of FUJITA KANKO is appointed from the Company, and one auditor of FUJITA KANKO concurrently serves as an auditor of the Company.	
	Business relationship	There are certain business transactions, but none of significant importance.	
	Status as a Related Party	FUJITA KANKO is an affiliated company of the Company and is considered a related party.	

(9) Consolidated Business Performance and Financial Condition for Last Three Years

(Millions of yen, unless otherwise noted)

As of / Fiscal year ended	December 31, 2022	December 31, 2023	December 31, 2024
Net Assets	22,740	25,974	25,651
Total Assets	99,962	93,496	94,041
Net Assets per Share (Yen)	586.49	1,299.49	1,966.91
Net Sales	43,749	64,547	76,211
Operating Profit (Loss)	(4,048)	6,636	12,309
Ordinary Profit (Loss)	(4,461)	7,081	12,623
Profit (Loss) Attributable to Owners of Parent	(5,789)	8,114	9,134
Earnings (Loss) per Share (Yen)	(483.05)	677.03	733.53
Dividend per Share (Yen)	Common Share: -	Common Share: -	Common Share: 40
	Preferred Share A: 4,000,000.00	Preferred Share A: 7,932,905.16	Preferred Share A: 10,591,549.64

4. Overview of Transferee

(1) Name	NSSK-GAMMA2 G.K.
(2) Location	Atago Green Hills MORI Tower, 2-5-1, Atago, Minato-ku, Tokyo, Japan
(3) Job title and name of representative	Representative Member (<i>daihyou-shain</i>): NSSK-GAMMA1 G.K. Executive Officer (<i>shokumu-shikkousha</i>): Kiyomi Matsuda
(4) Description of business	<p>1. Investment in the companies engaged in the following businesses or any businesses equivalent thereto:</p> <p>(1) Construction (2) Manufacturing (3) Wholesale and retail trade (4) Finance and insurance (5) Real estate and goods rental and leasing (6) Scientific research and professional and technical services (7) Accommodations, eating and drinking services (8) Living-related and personal services and services for amusement and recreation (9) Education and learning support (10) Medical, health care and welfare (11) Miscellaneous services</p>

	2. Any business incidental to the businesses described in the preceding item.	
(5) Share capital	50,000 yen	
(6) Date of establishment	December 23, 2025	
(7) Member and ownership ratios	NSSK-GAMMA1 G.K. 100%	
(8) Relationship with the Company	Capital relationship	There are no applicable matters.
	Personnel relationship	There are no applicable matters.
	Business relationship	There are no applicable matters.
	Status as a Related Party	There are no applicable matters.

5. Number of Transferred Shares, Transfer Price, and Ownership Status Before and After Transfer

(1) Number of shares owned before the transfer	19,071,885 shares (Voting rights ownership ratio: 31.83%)
(2) Number of shares to be transferred	14,980,000 shares
(3) Transfer price	38,992 million yen
(4) Number of shares owned after the transfer	4,091,885 shares (Voting rights ownership ratio: 6.83%)

6. Schedule

(1) Date of Board of Directors resolution	February 10, 2026
(2) Date of share transfer agreement	February 10, 2026
(3) Date of share transfer execution	February 10, 2026

7. Recording of Extraordinary Income and Future Outlook

As a result of this share transfer, we plan to record extraordinary income (gain on sale of investment securities) of approximately 23.0 billion yen in the full year consolidated financial results for the fiscal year ending March 2026. Based on this, we have revised our full year consolidated financial results forecast and dividend forecast for the fiscal year ending March 2026. For details, please refer to the “Notice of Revisions of Full Year Consolidated Financial Result Forecasts and Revisions of Cash Dividends Forecasts“ announced today.