

**Notice Regarding Disposal of the Treasury Stock
for Restricted Stock Compensation**

DOWA HOLDINGS CO., LTD. (14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo; 36.4 billion yen; President: SEKIGUCHI Akira; the “Company”) hereby announces that a meeting of the Board of Directors held on today, passed a resolution regarding disposal of the Company’s treasury stock for restricted stock compensation (the “Disposal of Treasury Stock”). Details are as follows.

1. Overview of the disposal

(1)	Payment date	August 4, 2023
(2)	Class and number of shares to be disposed of	Common stock of the Company 16,547 shares
(3)	Disposal price	4,530 yen per share
(4)	Total value of disposal	74,957,910 yen
(5)	Persons eligible for stock allocation, number of persons, and number of shares to be allocated	Six Directors (excluding Outside Directors): 8,826 shares Seven executive officers: 7,721 shares
(6)	Others	A security registration statement has been submitted regarding the Disposal of Treasury Stock

2. Purpose of and reason for Disposal of Treasury Stock

The Company passed a resolution at the meeting of the Board of Directors held on May 13, 2022, to introduce a restricted stock compensation plan (the “Plan”) for the purpose of giving incentives to Directors (“Eligible Directors”; excluding Outside Directors) and executive officers (collectively, “Eligible Directors, etc.”) to improve the Company’s corporate value in a sustainable manner as well as raise the degree they share value with shareholders.

The 119th Annual General Meeting of Shareholders held on June 24, 2022, gave approval that, in order to grant restricted stock to Eligible Directors based on the Plan, monetary compensation claims in amounts of no more than 100 million yen per year shall be granted to Eligible Directors and up to 44,000 shares of restricted stock per year shall be granted to them.

Considering the purpose of the Plan, the Company’s operating results, the scope of job

responsibilities of each of Eligible Directors, etc. and various other factors, it was resolved at the meeting of the Board of Directors to grant to Eligible Directors, etc. monetary compensation claims amounting to 74,957,910 yen in total, on the condition that it serves as payment in kind for the Disposal of Treasury Stock, and thus to implement Disposal of Treasury Stock.

To achieve the purpose of the adoption of the Plan, which is to give incentives to Eligible Directors, etc. in working for the sustained improvement of the Company's corporate value and facilitate their sense of sharing value with shareholders, a transfer restriction period shall end on the day when they are retired or resigned from the positions (both as Director and executive officer of the Company. The same shall apply hereunder) as stipulated in 3 below.

3. Outline of the Restricted Stock Allotment Agreement

The Company will conclude an agreement on the allotment of restricted stock with each of the Eligible Directors, etc. (the "Allotment Agreement"). An outline of the Allotment Agreement is as follows.

(1) Period of transfer restrictions

The transfer restriction period shall commence on August 4, 2023, and end on the day when Eligible Directors, etc. are retired or resigned from the positions. During the above period, they shall not transfer, establish a security interest on or otherwise dispose of the allotted Company's Common Stock (the "Allotted Shares").

(2) Lifting the transfer restrictions

On the condition that the Board of Directors finds a justifiable reason for retirement or resignation from the positions, the Company shall cancel the transfer restriction for all Allotted Shares upon the expiration of the transfer restriction period (provided, however, in the case where the Company acquires all or part of the Allotted Shares without consideration in accordance with (3)(ii) below, the remaining portion after the said acquisition).

(3) Acquisition of Allotted Shares without consideration

(i) The Company shall naturally acquire the Allotted Shares without consideration with respect to such Allotted Shares for which the transfer restriction has not been removed upon expiry of the transfer restriction period in accordance with the provisions of (2) above.

(ii) Moreover, if Eligible Directors, etc. retire or resign from the positions during their tenure related to Allotted Shares, the Company shall acquire the Allotted Shares in the number of shares corresponding to the remaining period without consideration. In the event of a violation of law, etc. or other situations stipulated in the Allotment Agreement, the Company shall acquire all or part of the Allotted Shares without

consideration.

(4) Management of shares

The Allotted Shares shall be managed in dedicated accounts at SMBC Nikko Securities Inc. opened by Eligible Directors, etc. to prevent the transfer, establishment of security interest on, or other disposal thereof.

(5) Measures to be taken in relation to organizational restructuring

Notwithstanding (1) above, in the event of approval, during the transfer restriction period, by the general meeting of shareholders of a proposal under which the Company merges with another company that is the surviving entity and thus ceases to exist, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary of another company, or other organizational restructuring, etc. (if the approval of the general meeting of shareholders is not required, the resolution of the Board of Directors), the Company shall cancel the transfer restriction prior to the effective date of the said organizational restructuring, by resolution of the Board of Directors with respect to the number of Allotted Shares reasonably determined based on the period between the commencement date of transfer restriction period and the effective date of the said organizational restructuring. In this case, the Company shall, immediately following such cancellation of transfer restriction, automatically acquire Allotted Shares for which transfer restriction is not lifted, without consideration.

4. Calculation basis of payment amounts and relevant details

To eliminate arbitrariness in the disposal value of the subject shares to be allotted to Eligible Directors, etc., the Company decided to adopt 4,530 yen, which was the closing price on the business day immediately preceding the day of the resolution of the Board of Directors. The Company believes the said disposal value is reasonable because it is not particularly advantageous to Eligible Directors, etc.

Contact for inquiries

DOWA HOLDINGS CO., LTD.
<https://ir.dowa.co.jp/en/ir/contact1.htm>