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November 16, 2022

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 Name of representative: Takahisa Kuno,  
 Representative Director and President  
 (Securities code: 2602; Prime Market of TSE)  
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## **Notice regarding the Disposal of Treasury Stock through Third-party Allotment Due to the Continuation of the Stock-based Remuneration System**

The Nisshin Oillio Group, Ltd. (the “Company”) hereby announces that the Board of Directors resolved today to dispose of its treasury stock as stock-based remuneration (hereinafter referred to as the “Disposal of Treasury Stock”), as described below.

### 1. Outline of the disposal

(1) Date of disposal	December 2, 2022
(2) Class and number of shares to be disposed of	92,800 shares of the common stock of the Company
(3) Disposal value	3,230 yen per share
(4) Total value of shares to be disposed of	299,744,000 yen
(5) Allottee	Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-trustee: Custody Bank of Japan, Ltd. (trust account))
(6) Other	The Disposal of Treasury Stock is contingent upon the filing pursuant to the Financial Instruments and Exchange Act becoming effective.

### 2. Purpose of and reason for the disposal

The Company resolved to introduce a stock-based remuneration system (hereinafter referred to as the “System”) for the purpose of further clarifying the link between the remunerations of the Company’s Directors (excluding Outside Directors, hereinafter the same shall apply) and the Company’s executive officers who have concluded a delegation contract with the Company (hereinafter collectively referred to as the “Directors, etc.”) and stock value of the Company, as well as raising the awareness of the Directors, etc. to contribute to the improvement of business performance over the medium to long term and an increase in corporate value by sharing with shareholders the benefits and risks of stock price fluctuations. The introduction of the System to Directors of the Company was approved at the 146th Annual General Meeting of Shareholders held on June 28, 2018. Additionally, the Company resolved at a meeting of the Board of Directors held on May 11, 2022 to make partial revisions and continue the System, and these revisions to the remuneration of the Company’s Directors were approved at the 150th Annual General Meeting of Shareholders held on June 24, 2022. After making said revisions, the Company has continued the System to date.

For an outline of the System, please refer to the “Notice of Partial Revisions and Continuation of the Stock-based Remuneration System for Directors, etc.” dated May 11, 2022.

The Disposal of Treasury Stock will be made to Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-trustee: Custody Bank of Japan, Ltd. (trust account)), which is the trustee of a trust that was established for introducing the System (hereinafter referred to as the “Trust”).

The number of shares to be disposed of is the equivalent of the number of shares expected to be delivered to the Directors, etc., in accordance with the Share Grant Regulations, which has been revised in conjunction with the partial changes to the System, and upon taking into consideration the changes in the ranks, composition, etc. of the Directors, etc. of the Company during the extended trust period as a result of the continuation of the System, and the scale of dilution will be 0.28% of all shares issued at 33,716,257 shares as of September 30, 2022 (0.29% of the total number of voting rights at 323,111 as of September 30, 2022; both figures have been rounded off to two decimal places).

The Company believes that the System will clarify the link between the remuneration of the Company’s Directors, etc. and stock value of the Company and lead to an increase in corporate value over the medium to long term. The Company has determined that both the number of shares to be disposed of and the scale of dilution of the Disposal of Treasury Stock are reasonable and the effect of the Disposal of Treasury Stock on the secondary market will be minimal.

(Reference) Outline of the trust agreement concerning the Trust

Trustor:	The Company
Trustee:	Sumitomo Mitsui Trust Bank, Limited (Re-trustee: Custody Bank of Japan, Ltd.)
Beneficiaries:	Directors, etc. who have satisfied the requirements for beneficiaries
Trust administrator:	A third party who is independent of the Company and the Company’s Directors and Audit & Supervisory Board Members
Exercise of voting rights:	Voting rights associated with the shares of the Company held in the Trust shall not be exercised throughout the trust period.
Type of trust:	Money held in trust other than a money trust (third-party benefit trust)
Date of the trust agreement:	August 27, 2018
Trust period:	August 27, 2018 to August 31, 2025 (scheduled)
Purpose of the trust:	To deliver the shares of the Company to beneficiaries in accordance with Share Grant Regulations

### 3. Basis for calculating the disposal value and specific details thereof

In light of the recent trends in stock prices and to ensure that the disposal value is free of any arbitrariness, the Company has set the disposal value at 3,230 yen, which is the closing price of its shares on the Tokyo Stock Exchange on November 15, 2022 (the business day immediately preceding the date of the Board of Directors resolution). The reason for adopting the closing price on the business day immediately preceding the date of the Board of Directors resolution is that it is a market price immediately preceding the date of the Board of Directors resolution and it has been determined to be objective and highly reasonable as the basis for calculation.

The deviation rate of this value from the average closing price for the latest one-month period from the business day immediately preceding the Board of Directors resolution (from October 17, 2022 to November 15, 2022) of 3,208 yen (rounded down to the nearest yen) was 0.69%; 0.16% from the average closing price for the latest three-month period (from August 16, 2022 to November 15, 2022) of 3,225 yen (rounded down to the nearest yen); and 1.67% from the average closing price for the latest six-month period (from May 16, 2022 to November 15, 2022) of 3,177 yen (rounded down to the nearest yen) (the deviation rates were calculated by rounding off to two decimal places).

In consideration of the above, the Company believes that the disposal value used in the Disposal of Treasury Stock is not particularly advantageous to the allottee, and thus reasonable.

Furthermore, all four of the Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members) have expressed their opinion that the above disposal value has been calculated based on

reasonable grounds and is legitimate, as it is not particularly advantageous to the allottee.

#### 4. Matters concerning the procedures under the Code of Corporate Conduct

In regard to the Disposal of Treasury Stock, given that (i) the dilution ratio is less than 25% and (ii) the disposal does not involve a change in controlling shareholders, the Company is not required to obtain an opinion from an independent third party and confirm the intent of shareholders, as provided by Rule 432 of the Securities Listing Regulations stipulated by the Tokyo Stock Exchange.