

August 5, 2021

Junya Suzuki

Chairman of the Board, President and CEO

Nissha Co., Ltd.

Exchanges Listed: Tokyo Stock Exchanges, First Section 7915

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Notice Regarding Disposition of Treasury Stock through Third Party Allocation in Connection with the Additional Contribution to the Board Benefit Trust (BBT)

The Board of Directors of Nissha Co., Ltd. (hereinafter, the “Company”) approved a resolution at a meeting held today to engage in disposition of treasury stock through third party allocation (hereinafter, the “Disposition of Treasury Stock”).

1. Overview of Disposition

(1) Timing of Disposition	August 23, 2021 (Monday)
(2) Type and Number of Shares to be Disposed	225,000 shares of common stock
(3) Disposition Price	JPY 1,559 per share
(4) Amount of Funding	JPY 350,775,000
(5) Subscriber	Custody Bank of Japan, Ltd. (Trust E Account)
(6) Miscellaneous	The Disposition of Treasury Stock is conditional to the notification coming into effect as per the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposition

The Company introduced a stock compensation plan called the “Board Benefit Trust (BBT)” (hereinafter, the “Compensation Plan”; and the trust established pursuant to the Trust Agreement executed with Mizuho Trust & Banking Co., Ltd. in connection with the Compensation Plan is referred to as the “Trust”) based on the resolution at the Company’s 97th Ordinary General Meeting of Shareholders held on June 17, 2016, and subsequently continued the Compensation Plan with partial amendments at the Company’s 99th Ordinary General Meeting of Shareholders held on March 23, 2018 and at the Company’s 102nd Ordinary General Meeting of Shareholders held on March 19, 2021. (For the overview of the Compensation Plan please see the Notice Regarding the Introduction of Board Benefit Trust (BBT) dated May 12, 2016, and the Notice Regarding the Introduction of

Board Benefit Trust (BBT) (Detailed Decision) dated August 19, 2016).

The Company has decided to make an additional cash contribution to the Trust (hereinafter, the "Additional Trust") in order for the Trust to acquire shares that are expected to be necessary for the distribution in the future due to the continuation of the Compensation Plan, and to dispose of treasury stock by way of third party allocation to the Trust E Account of Custody Bank of Japan, Ltd. (hereinafter, the "Disposition of Treasury Stock") in order to hold and dispose of shares in the Company for the continuation of the Compensation Plan (Custody Bank of Japan, Ltd. is the sub-trustee that has been delegated by Mizuho Trust & Banking Co., Ltd., the trustee of the Trust).

The number of shares to be disposed of is equal to the number of shares which will be granted to the Directors of Board and Corporate officers of the Company (independent outside directors are not subject to the Compensation Plan) during the trust period under the Policy on Directors' Stock Compensation (for the three fiscal years from the fiscal year ending December 31, 2021 to the fiscal year ending December 31, 2023), and constitutes 0.44% of the 50,855,638 total issued and outstanding shares as of June 30, 2021 (or 0.45% of the 500,065 total voting rights as of June 30, 2021) (rounded to the nearest second decimal place).

(Outline of the Additional Trust)

Date of the Additional Trust: August 23, 2021

Amount of the Additional Trust: JPY 350,775,000

Type of shares to be acquired: Common stock of the Company

Number of shares to be acquired: 225,000 shares

Date of share acquisition: August 23, 2021

Method of share acquisition: Acquisition by subscribing to the Company's disposal of treasury stock (the Disposition of Treasury Stock)

3. Calculation Basis and Specific Details of Disposition Price

The disposition price will be JPY 1,559, which is the closing price for the Company common stock on the Tokyo Stock Exchange on the business day (August 4, 2021) immediately preceding the date on which the Disposition of Treasury Stock is approved by the Board of Directors.

The closing price on the business day immediately prior to the date of resolution by the Board of Directors was chosen because it represents the appropriate corporate value of the Company in the stock market and was judged to be reasonable.

Furthermore, the disposition price of JPY 1,559 is the amount that multiplies JPY 1,575 (rounding off fractions of less than one yen), the average closing price in the most recent one (1) month period from the business day

immediately preceding the date of the Board of Directors' resolution, by 98.98%, the amount that multiplies JPY 1,563 (rounding off fractions of less than one yen), the average closing price in the most recent three (3) month period from the business day immediately preceding the date of the Board of Directors' resolution, by 99.74%, or the amount that multiplies JPY 1,475 (rounding off fractions of less than one yen), the average closing price in the most recent six (6) month period from the business day immediately preceding the date of the Board of Directors' resolution, by 105.69%. As the result of the foregoing considerations, we have judged that the disposition price associated with the Disposition of Treasury Stock is not particularly favorable and is reasonable.

Furthermore, the four Audit and Supervisory Board Members (two of which are Independent Audit and Supervisory Board Members) attending the meeting of the Board of Directors issued an opinion that the foregoing disposition price is not a particularly favorable disposition price.

4. Matters to be related with Procedures as per Code of Corporate Conduct

Since the Disposition of Treasury Stock has a dilutive effect of less than 25% on shares and does not involve a change in a controlling shareholder, procedures for the receipt of the opinion of an entity who has a specific degree of dependence from management and for the confirmation of the intent of shareholders, as provided by Rule 432 of the Tokyo Stock Exchange's Securities Listing Regulations are not necessary.

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