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April 23, 2025

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Representative: Hidetoshi Soeda, President and Representative Director
(Securities code: 6653; TSE Prime, Fukuoka Stock Exchange)
Inquires: Tsutomu Tanaka, Director and General Manager of Corporate Planning and Development Division
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

SEIKO ELECTRIC CO., LTD. (hereinafter the “Company”) announces that, at the Board of Directors meeting held on April 23, 2025, it resolved to implement the disposal of treasury shares (hereinafter the “Disposal of Treasury Shares” or the “Disposal”) as follows.

1. Overview of the Disposal

(1) Date of disposal	May 16, 2025
(2) Type and number of shares to be disposed of	32,172 shares of the Company’s common stock
(3) Disposal price	¥ 1,128 per share
(4) Total amount of disposal	¥ 36,290,016
(5) Allottees and number thereof; number of disposed shares	17,884 shares for 4 Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) 14,288 shares for 13 Executive Officers not concurrently serving as Directors
(6) Other	In conducting the Disposal of Treasury Shares, the Company has submitted a Written Notice of Securities in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Disposal

At the Board of Directors meeting held on February 25, 2019, the Company resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”) as a new compensation plan for its Directors (excluding Outside Directors) with the aim of providing them medium- to long-term incentives and having them share the shareholder value. In addition, at the 115th Annual General Meeting of Shareholders held on March 27, 2019, it was approved that (i) under the Plan, the Company would grant monetary compensation claims of up to ¥30 million per year as the monetary compensation to be used as property contributed for acquiring shares with transfer restrictions (hereinafter the “Restricted Stock Compensation”); and (ii) the transfer restriction period of these restricted shares would be three years or longer as determined in advance by the Company’s Board of Directors from the date of allotment under the restricted stock allotment agreement or until the relevant Director retires or resigns from all positions of Director and any other roles designated by the Company’s Board of Directors.

In addition, at the 120th Annual General Meeting of Shareholders held on March 27, 2024, it was approved to change the annual amount of Restricted Stock Compensation for the Company’s Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; hereinafter the “Eligible Directors”) to up to ¥50 million in conjunction with the transition to a company with an Audit and Supervisory Committee.

The outline of the Plan is as follows.

Outline of the Plan

The Eligible Directors will pay in all of the monetary compensation claims provided by the Company under the Plan as property contributed in kind and receive shares of the Company’s common stock through the disposal of treasury shares. The total number of shares of common stock disposed of by the Company for the Eligible Directors pursuant to the Plan will be no more than 80,000 shares per year. The amount to be paid in per share will be determined by the Board of Directors within the range of an amount that is not particularly advantageous to the Eligible Directors who will subscribe for the shares of common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the most recent trading day immediately preceding that day if no transaction was concluded on that day).

Furthermore, when disposing of shares of the Company’s common stock under the Plan, the Company and each of the Eligible Directors will enter into a restricted share allotment agreement, which includes provisions prescribing that (i) the Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of shares of the Company’s common stock allotted to them under the restricted share allotment agreement for a certain period of time; and (ii) under certain circumstances, the Company shall make a gratis acquisition of the shares of common stock allotted to them.

The Company has also introduced an equivalent restricted stock compensation plan for Executive Officers not concurrently serving as Directors (hereinafter collectively the “Plan”). Accordingly, the Disposal of Treasury Shares will be implemented as part of the Plan for the Eligible Directors and Executive Officers not concurrently serving as Directors (hereinafter collectively the “Eligible Officers”).

This time, by taking into consideration the purpose of the Plan, the Company’s business performance, the scope of responsibilities of each of the Eligible Officers, and other various circumstances, the Company has decided to grant a total of ¥ 36,290,016 in monetary compensation claims (hereinafter the “Monetary Compensation Claims”) and 32,172 shares of common stock (of which, the total monetary compensation claims to be granted to the four Eligible Directors is ¥ 20,173,152) with the aims of appointing highly capable talent as employees and directors and further enhancing the motivation of each of the Eligible Officers.

In conducting the Disposal of Treasury Shares pursuant to the Plan, the 17 Eligible Officers who are the intended allottees will pay in all of their Monetary Compensation Claims to the Company as property contributed in kind and receive an allotment of shares of the Company’s common stock (hereinafter the “Allotted Shares”). The outline of the restricted share allotment agreement (hereinafter the “Allotment Agreement”) to be executed between the Company and each of the Eligible Officers is described in Item 3 below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

The transfer restriction period is from May 16, 2025 until the date of retirement or resignation from all the positions held, including Director and any other positions specified by the Board of Directors of the Company.

(2) Conditions for lifting the transfer restriction

The transfer restriction on all of the Allotted Shares will be lifted at the end of the transfer restriction period, provided that each of the Eligible Officers continues to hold the position of Director or any other positions specified by the Board of Directors during the period from March 27, 2025 to the date of the Annual General Meeting of Shareholders to be held in the following year (hereinafter the “Service Period”).

(3) Treatment upon resignation of the Eligible Officers due to term expiration, mandatory retirement, or other justifiable reasons during the restricted transfer period

(i) Timing of lifting the transfer restriction

If any of the Eligible Officers retires or resigns from all positions held, including Director and any other positions specified by the Board of Directors, due to the expiration of his or her term of office or mandatory retirement or for other justifiable reasons (excluding cases of resignation

or retirement due to death), the transfer restriction will be lifted as of the time immediately following his or her retirement or resignation. In the case of resignation or retirement due to death, the transfer restriction will be lifted as of the time separately determined by the Board of Directors after his or her death.

(ii) Number of shares subject to the lifting of transfer restriction

The number of shares subject to the lifting of transfer restriction will be determined by multiplying the number of the Allotted Shares held at the time of the relevant resignation or retirement as specified in (i) above and the quotient obtained by dividing the length of the term of office of the Eligible Officers during the Service Period (in months) by 12. If this quotient exceeds one, it will be capped at one. Any fraction less than one share resulting from this calculation will be omitted.

(4) Gratis acquisition of Allotted Shares by the Company

The Company shall automatically make a gratis acquisition of the Allotted Shares for which the transfer restriction remains in effect at the time of the expiration of the transfer restriction period or at the time of the lifting of the transfer restriction as specified in Item (3) above.

(5) Administration of shares

To prevent any transfer, creation of any security interest on, or disposal by other means of the Allotted Shares during the transfer restriction period, the Allotted Shares will be administered during the transfer restriction period in a dedicated account for each of the Eligible Officers opened with Nomura Securities Co., Ltd. To ensure the effectiveness of the transfer restriction pertaining to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the administration of the accounts for the Allotted Shares held by each of the Eligible Officers. Furthermore, the Eligible Officers shall consent to the terms of the administration of such accounts.

(6) Treatment upon organizational restructuring or other significant events

During the transfer restriction period, if any matters with regard to a merger agreement under which the Company will become a dissolving entity, a share exchange agreement or a share transfer plan that results in the Company becoming a wholly owned subsidiary, or any other organizational restructuring are approved by the general meeting of shareholders of the Company (or by the Board of Directors of the Company unless such organizational restructuring or other significant events require approval by the general meeting of shareholders), the transfer restriction will be lifted immediately preceding the business day prior to the effective date of the organizational restructuring, based on the resolution of the Board of Directors. The number of shares for which the transfer restriction is lifted will be determined by multiplying the number of the Allotted Shares held at that time by the quotient obtained by dividing the number of months from the start of the Service Period to the approval date by 12. If this quotient exceeds one, it will be capped at one. Any

fraction less than one share resulting from this calculation will be omitted. In addition, the Company shall automatically make a gratis acquisition of all the Allotted Shares for which the transfer restriction remains in effect as of the time immediately after the transfer restriction is lifted.

4. Basis of calculating the amount to be paid in and specific details thereof

The Disposal of Treasury Shares for the allottees will be carried out by using the monetary compensation claims as property contributed, which were granted as the Restricted Stock Compensation for the Company's 122nd business year under the Plan. To eliminate arbitrariness in determining the disposal price, it has been set at ¥ 1,128, reflecting the closing price of the Company's common stock on the Tokyo Stock Exchange on April 22, 2025, the business day immediately preceding the date of resolution by the Board of Directors. This price represents the market price immediately preceding the date of resolution by the Board of Directors, and we believe it is reasonable and is not particularly advantageous to the allottees.

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