



June 25, 2025

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Notice Regarding Disposal of Treasury Shares to the Employee Stock Ownership Plan

Alps Alpine Co., Ltd. (the "Company") announces that at a Board of Directors meeting held on June 25, 2025, it resolved to introduce a special incentive scheme (the "Scheme") to grant shares to employees through the Alps Alpine employee stock ownership plan (the "ESOP"). The Company will dispose of treasury shares to the Employee Stock Ownership Plan (the "Disposal of Treasury Shares" or the "Disposal"). Details are as follows.

1. Overview of Disposal

(1) Disposal date	October 31, 2025
(2) Class and number of shares to be disposed of	753,300 shares of the common shares of the Company (Note)
(3) Disposal amount	1,425.0 yen per share
(4) Total disposal amount	1,073,452,500 yen (Note)
(5) Method of disposal (scheduled allottee)	The number of shares applied for determined by the ESOP within the range of the number of shares to be disposed of as stated in (2) above will be allotted to the ESOP on the condition that an application for subscription is made by the ESOP using the third-party allotment method (method of the number of allotted shares will be the same as the number of shares to be disposed of). (Alps Alpine employee stock ownership plan 753,300 shares) The Company will not accept applications from any of the Eligible Members (defined hereinafter) for a portion of the shares to be granted.
(6) Others	The Disposal of Treasury Shares shall be made on the condition that securities registration statements under the Financial Instruments and Exchange Act become effective.

Note: The number of shares to be disposed of and the total disposal amount are based on the assumption that 100 common shares of the Company's stock will be granted to the employees who may be eligible for the Scheme ("Eligible Employees"). The maximum number of Eligible Employees is 7,533. The actual number of shares and total disposal amount will be determined after the conclusion of a promotion to increase ESOP membership and based on the number of ESOP members who are Eligible Employees ("Eligible Members"). As stated in (5) above, the number of shares applied for determined by the ESOP will be the number of shares to be disposed of. The total disposal amount is the number of shares to be disposed of multiplied by the per share disposal amount. The Company will grant 142,500 yen to each Eligible Member and allot 100 shares to each Eligible Member through the ESOP.

2. Purpose and reason for the Disposal

The Company has decided to implement the Scheme to enhance the employee benefits for Eligible Employees. The Company will allow them to acquire the Company's common stock ("the Company's Shares")

through the ESOP. The aim of this opportunity is to help the Eligible Employees build their personal wealth. Furthermore, the Company intends to incentivize Eligible Employees to contribute to the sustainable growth of its corporate value and encourage them to increase the value they share with the Company's shareholders.

In the Scheme, the Company will grant special incentives to each Eligible Member to receive common shares. The Eligible Members will contribute their incentives to the ESOP, which will then pay Company. In return, the Company will allot treasury shares to the ESOP through the third-party allotment method. As stated in the note in 1. Overview of Disposal, the number of shares to be disposed of will be determined at a later date. The Company plans to allocate a maximum of 753,300 shares to the ESOP. The provision of special incentives to Eligible Members is a grant of money, not a monetary claim. Eligible Members will not be required to contribute any money other than the special incentives.

If all 7,533 Eligible Employees for the Scheme join the ESOP, the Company plans to dispose of 753,300 shares. Based on this number of shares to be disposed of, the dilution of shares after the Disposal of Treasury Shares will be 0.34% of the number of outstanding shares as of March 31, 2025, which is 219,281,450. The dilution voting rights will be 0.37% of the total voting rights as of March 31, 2025, which is 2,056,526. (The percentages are rounded to the third decimal place.)

The purpose of the Scheme is to enhance the employee benefits for Eligible Employees. The Company will allow them to acquire the Company's Shares. The goal of this opportunity is to help them build their personal wealth. Furthermore, the Company intends to incentivize Eligible Employees to contribute to the sustainable growth of its corporate value and encourage them to increase the value they share with the Company's shareholders. The Company believes that implementing the Scheme will contribute to the enhancement of the corporate value of the Group. It also believes that the number of shares to be disposed of and the dilution resulting from the Disposal of Treasury Shares to be reasonable. The Company believes that the impact of the disposal of treasury shares, including any dilution, will be minor and insignificant.

3. Basis for and details of the calculation of the amount to be disposed of

The Disposal of Treasury Shares to the ESOP, the scheduled allottee, will take place through the contributions made by Eligible Members. These contributions are special incentives granted to them. The ESOP will use the contributions to pay for the shares allocated to the Eligible Members. The disposal price is set at 1,425 yen, which is the closing price of the Company's common stock in the Prime Market of the Tokyo Stock Exchange on June 24, 2025 (business day preceding the date of resolution of the Board of Directors), to make the disposal price a price that eliminates arbitrariness. This is the market share price immediately before the date of resolution of the Board of Directors, and the Company believes that it is reasonable and does not fall under a price that is particularly favorable.

The deviation rate (rounded off to two decimal places) of this disposal price from the average closing price of the Company's common stock on the prime market of the Tokyo Stock Exchange is as follows:

Period	Average closing price (any amount less than 1 yen is rounded off)	Deviation rate
1 month (May 26, 2025 to June 24, 2025)	1,403yen	1.57%
3 months (March 25, 2025 to June 24, 2025)	1,404yen	1.50%
6 months (December 25, 2024 to June 24, 2025)	1,484yen	-3.98%

The Company's Audit and Supervisory Committee (consisting of four members, including three Outside Directors) has stated that the above disposal amount is not particularly advantageous for the scheduled allottee and is lawful. The committee the intention of the Disposal of Treasury Shares, which is to implement the Scheme, and that the disposal amount corresponds to the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution.

4. Matters related to procedures under the Code of Corporate Conduct

With regard to the Disposal of Treasury Shares, since (i) the dilution rate is less than 25% and (ii) it does not involve the change of the controlling shareholder, there is no need to take procedures for acquiring the opinion of an independent third party and confirming the intention of shareholders as set forth in Article 432 of the listing regulations prescribed by the Tokyo Stock Exchange.

(Reference)

Mechanism of the Scheme

- (i) The Company and the ESOP will enter into an agreement on the disposal and subscription of treasury shares.
- (ii) The Company will provide special initiatives to grant the Company's Shares to Eligible Members.
- (iii) Eligible Members will contribute the special incentives they receive to the ESOP.
- (iv) The ESOP will pay all special incentives contributed by Eligible Members for the third-party allotment.
- (v) The Company will allot treasury shares to the ESOP.
- (vi) The Company's Shares allotted will be allocated and managed based on the equity interests of Eligible Members of the ESOP through Nomura Securities, which is responsible for shareholding administration on behalf of the Company.

Note: Eligible Members may transfer the Company's Shares allocated to them to their personal securities account at their discretion.

