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To whom it may concern

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Notice of Disposal of Treasury Shares as Restricted Stock Compensation

SPK Corporation (hereinafter referred to as the “Company”) announces that, at the meeting of the Board of Directors held today, it was resolved to conduct a disposal of treasury shares as restricted stock compensation (hereinafter referred to as the “Disposal of Treasury Shares”). The details are as follows.

1. Overview of the Disposal

(1)	Due date of payment	July 18, 2025
(2)	Class and number of shares to be disposed	Common shares of the Company: 6,555 shares
(3)	Disposal price	2,123 yen per share
(4)	Total value of shares to be disposed	13,916,265 yen
(5)	Scheduled recipients	Directors of the Company: Four persons (excluding Directors who act as Outside Directors and Audit and Supervisory Committee members), 6,555 shares

2. Purpose of and Reason for the Disposal

The Company has resolved at the Board of Directors meeting held on May 16, 2024, to establish a restricted stock compensation plan (hereinafter referred to as the “Plan”) for its Directors (excluding Directors who act as Outside Directors and Audit and Supervisory Committee members, hereinafter referred to as the “Eligible Directors”) and its Operating Officers who do not serve as Directors (collectively with Eligible Directors, hereinafter the “Eligible Directors, etc.”) for the purpose of providing incentives to the Eligible Directors, etc. for the sustainable improvement of the Company’s corporate value and further promoting the sharing of value with the Company’s shareholders. Additionally, at the 153rd General Meeting of Shareholders held on June 25, 2024, the Company obtained approval for the following three matters in accordance with the Plan: (1) The total amount of monetary compensation claims paid as a reward for restricted stock to the Eligible Directors is up to 50 million yen per year, with the amount determined to be appropriate in light of the stated purposes; (2) The total number of restricted stock to be allocated to the Eligible Directors in each fiscal year shall be set at a maximum of 30,000 shares per year; and

(3) The transfer restriction period shall be the earlier of the date immediately following the resignation or retirement of each Eligible Director from its position as an officer or employee of the Company or its subsidiaries as specified by the Board of Directors of the Company, or 10 years from the allocated date.

The outline of the Plan is as follows:

[The Outline of the Plan]

The Eligible Directors, etc. will pay in all of the monetary compensation claims provided by the Company pursuant to the Plan as property contributed in kind, and receive the Company's common share, upon issuance or disposal thereof. The total number of common shares that the Company will issue or dispose of to the Eligible Directors pursuant to the Plan shall not exceed 30,000 shares per year. The amount to be paid per share will be based on the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the day of the resolution by the Board of Directors (if no transaction was concluded on that day, the closing price on the most recent trading day immediately preceding that day).

This time, considering the purpose of the Plan, the level of contribution each Eligible Director has made to the Company, the Company's overall performance, the scope of responsibilities held by each Eligible Director, and various other factors, the Company has decided to grant each of the four Eligible Directors a total of 13,916,265 yen in monetary compensation claims (hereinafter referred to as the "Monetary Compensation Claims") and 6,555 shares of common share. This decision aims to promote talented individuals as directors and further enhance the motivation of each Eligible Director.

For the Disposal of Treasury Shares, the four Eligible Directors, who are the planned recipients, will make in-kind contributions of all the Monetary Compensation Claims to the Company according to the Plan. In return, the Eligible Directors will receive shares of the Company's common share that will be disposed of by the Company.

The Monetary Compensation Claims shall be paid on the condition that the Company and each Eligible Director have entered into a restricted stock allocation agreement (hereinafter referred to as the "Allocation Agreement") that broadly includes the following details.

For the purpose of granting incentives to achieve the sustainable improvement of corporate value, which is the objective of the Plan, and to realize the sharing of shareholder value, the transfer restriction period shall be the earlier of the date immediately following the resignation or retirement of each Eligible Director from their positions as an officer or employee of the Company or its subsidiaries as specified by the Board of Directors of the Company, or 10 years from the allocated date. However, if the Director's resignation or retirement occurs before the three-month mark following the fiscal year in which restricted stocks were allocated, the Board of Directors may reasonably adjust the end date of the transfer restriction period.

3. Outline of the Allocation Agreement

(1) Transfer restriction period

From the allocated date until the earlier of each Eligible Director retires or resigns from its position as a Director or Operating Officer at the Company, or a Director, Audit and Supervisory Board Member, or Operating Officer at the Company's subsidiaries, or until July 18, 2035 (the period hereinafter referred to as the "Transfer Restriction Period"), the Eligible Directors are prohibited from transferring, granting security interests in, or otherwise disposing of the restricted stocks allocated to them (hereinafter referred to as the "Allocated Shares") to any third party (this prohibition will be referred to as the "Transfer Restriction").

(2) Lifting of the transfer restrictions

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restriction on all of the Allocated Shares upon the expiration of the Transfer Restriction Period, provided that each Eligible Director has continuously retained its position as a Director or Operating Officer at the Company, or a Director, Audit and Supervisory Board Member, or Operating Officer at the Company's subsidiaries during the Transfer Restriction Period. However, in the event that an Eligible Director retires or resigns from his or her position as a Director or Operating Officer at the Company, or as a Director, Audit and Supervisory Board Member, or Operating Officer at the Company's subsidiaries, before the Transfer Restriction Period ends due to the expiration of the term of office, death, or other valid reasons, the number of Allocated Shares for which the transfer restriction will be lifted, as well as the timing of this lifting, will be adjusted as follows.

(i) Timing of the lifting of transfer restrictions

In the event that an Eligible Director retires or resigns from his or her position as a Director or Operating Officer at the Company, or as a Director, Audit and Supervisory Board Member, or Operating Officer at the Company's subsidiaries due to the expiration of the terms of office, reaching the mandatory retirement age, or other valid reasons (excluding retirement or resignation due to death), the Transfer Restrictions shall be lifted upon the retirement or resignation. In the event of resignation or retirement due to death, the Transfer Restriction shall be lifted as of the date determined separately by the Board of Directors following the death of the relevant Director.

(ii) Number of Allocated Shares subject to the lifting of transfer restrictions

The number of Allocated Shares obtained by dividing the number of months from the month in which the decision regarding the Disposal was made to the month in which the Eligible Director retired or resigned from his or her position during the Transfer Restriction Period (monthly basis) by 12 (if that number exceeds one, it will be rounded down to one), and multiplying it by the number of Allotted Shares held at the time of retirement or resignation as described in (i). (However, any fractional shares of less than one unit of stock resulting from the calculation are omitted.)

(3) Acquisition of Allocated Shares without consideration

When the Transfer Restriction Period expires, the Company will rightfully acquire without consideration the Allocated Shares whose transfer restrictions have not been lifted in accordance with the provisions in (2) above.

(4) Provisions on the management of shares

The Eligible Directors shall open an account designated by the Company with Nomura Securities Co., Ltd. for the purpose of registering or recording the Allocated Shares. They shall keep and maintain the Allocated Shares in the account until the transfer restrictions are lifted.

(5) Treatment in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement in which the Company will be the dissolved company, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or any other matter related to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company in cases where the approval of the General Meeting of Shareholders is not required for the organizational restructuring, etc.), the Company will, by resolution of its board of directors, lift the transfer restriction, with respect to the number of months from the month including the allocation date to the month including the date of the approval, divided by 12 (if that number exceeds one, it will be rounded down to one), multiplied by the number of the Allocated Shares held by the relevant Director on the date of the approval (provided that any fractional shares resulting from the calculation shall be rounded down) on the business day immediately preceding

the effective date of the organizational restructuring, etc.

In this case, the Company shall rightfully acquire without consideration the Allocated Shares whose transfer restrictions have not been lifted on the business day preceding the effective date of the organizational restructuring, etc. in accordance with the above provisions.

4. Basis of Calculation and Specific Details of the Amount to be Paid in

To ensure the payment price is free from arbitrariness, the price for the Disposal of Treasury Shares has been set at 2,123 yen, which is the closing price of the Company's common share on the Prime Market of the Tokyo Stock Exchange on June 24, 2025, the business day immediately preceding the date of the resolution of the Board of Directors. The Company considers this price to be reasonable and not particularly advantageous, as it represents the market price immediately preceding the date of the resolution of the Board of Directors.