

**FOR IMMEDIATE RELEASE**

## **Notice on Disposition of Treasury Shares as Restricted Stock Remuneration**

Tokyo, July 27, 2023 — Maxell, Ltd. (TSE: 6810, hereinafter “the Company”) announced that the Board of Directors held today has made resolution on disposition of the treasury shares as restricted stock remuneration (hereinafter “Disposition of Treasury Shares”), as follows.

### **1. Outline of disposition**

(1) Payment date	August 23, 2023
(2) Type and number of shares to be disposed	18,693 shares of the Company’s common stock
(3) Disposition value	1,565 yen per share
(4) Total disposition value	29,254,545 yen
(5) Recipients of disposed shares	1 executive officer of the Company: 156 shares 106 employees of the Company: 18,537 shares
(6) Other	The Company has submitted a Written Notice of Securities under the Financial Instruments and Exchange Act in connection with the Disposition of Treasury Shares.

### **2. Purpose and reason of disposition**

The Company has introduced a share-based remuneration system (hereinafter “the System”) to deliver shares with restriction on transfer (hereinafter “Restricted Stock”) for the purpose of motivating executive officers and employees of the Company to participate in business management through their ownership of the shares of the Company, as well as further encouraging them to share the same values with the shareholders of the Company.

The Board of Directors held today resolved to allot 18,693 shares of the Company’s common stock as specified. Specifically, the Company will grant 29,254,545 yen of monetary remuneration receivables in total to 1 executive officer of the Company (hereinafter “Eligible Executive Officer”) and 106 employees (hereinafter “Eligible Employees”), who are contemplated allottees (hereinafter collectively referred to as “Eligible Allottees”), as remuneration in the form of Restricted Stock for the period from April 1, 2023 to March 31, 2024. Thereafter, Eligible Allottees will contribute all the monetary remuneration receivables

so granted as property contributed in kind. This allotment of Restricted Stock will be implemented by means of disposition of treasury shares.

The amount of monetary remuneration receivables payable to each Eligible Allottee has been determined by comprehensively taking into account various matters such as the level of contribution to the Company by the relevant Eligible Allottee. The aforementioned monetary remuneration receivables are paid subject to the respective Eligible Allottees executing an allotment agreement for Restricted Stock (hereinafter “Allotment Agreement”) with the Company that substantially includes the details mentioned in 3. below. There are two types of Restricted Stock under the System, consisting of “Restricted Stock I” allotted to the Eligible Executive Officer and “Restricted Stock II” allotted to Eligible Employees.

In order to seek to achieve the purpose of introducing the System to motivate Eligible Allottees to participate in business management through their ownership of the shares of the Company, as well as to further encourage them to share the same values with the shareholders of the Company, for Restricted Stock I, the restriction period is set to be from the date of delivery of Restricted Stock until the date on which the Eligible Executive Officer ceases to hold a position as executive officer or employee of the Company, or any other position designated by the Company, due to resignation or retirement, and for Restricted Stock II, the restriction period is set to be five years.

### **3. Outline of Allotment Agreement**

#### (1) Restriction period

During the following restriction period, Eligible Allottees shall not transfer to a third party, create a pledge or mortgage over, offer as a gift inter vivos, provide as a legacy, or otherwise dispose of any Restricted Stock I or II allotted to them (hereinafter “Transfer Restrictions”).

##### i. Restricted Stock I

Period from August 23, 2023 to the date on which the Eligible Executive Officer ceases to hold a position as executive officer or employee of the Company, or any other position designated by the Company, due to resignation or retirement (hereinafter “Restriction Period I”).

##### ii. Restricted Stock II

Period from August 23, 2023 to August 22, 2028 (hereinafter “Restriction Period II”).

#### (2) Acquisition of Restricted Stock without contribution

If an Eligible Allottee ceases to hold a position as executive officer or employee of the Company, or any other position designated by the Company, due to resignation or retirement prior to expiration of Restriction Period I or II, the Company shall automatically acquire Restricted Stock I or II without contribution upon the resignation or retirement, unless the Company deems the reason for the resignation or retirement to be valid.

If there is Restricted Stock I or II on which Transfer Restrictions have not been lifted at the expiration of the restriction period (hereinafter “Expiration”) pursuant to any of the Transfer Restriction lifting events set forth in (3) below, the Company shall automatically acquire the Restricted Stock I or II without contribution, immediately after Expiration.

### (3) Lifting of Transfer Restrictions

Upon Expiration, the Company shall lift Transfer Restrictions on all Restricted Stock I or II held by an Eligible Allottee at that time, subject to the Eligible Allottee continuing to hold the position of executive officer or employee of the Company or any other position designated by the Company throughout Restriction Period I or II.

However, if an Eligible Allottee ceases to hold a position as executive officer or employee of the Company, or any other position designated by the Company, due to resignation or retirement for any reason deemed valid by the Company prior to expiration of Restriction Period I or II, then Transfer Restrictions on the number of shares of Restricted Stock I or II calculated as follows will be lifted immediately after the resignation or retirement: (a) the number of months from April 2023 to the month in which the Eligible Allottee ceases to hold a position as executive officer or employee of the Company, or any other position designated by the Company, due to resignation or retirement, divided by 12 (if the quotient resulting from the calculation exceeds 1, then the quotient shall be deemed to be 1), multiplied by (b) the number of shares of Restricted Stock I or II then held by the Eligible Allottee (any fractional shares less than one share resulting from the calculation will be discarded).

### (4) Management of stock

Eligible Allottees shall complete the opening of an account with SMBC Nikko Securities Inc. to enter or record Restricted Stock I and II, respectively, in a manner designated by the Company and shall keep and maintain Restricted Stock I and II in the account until Transfer Restrictions are lifted.

### (5) Treatment during reorganization

If, during Restriction Period I or II, a proposition relating to a merger agreement in which the Company is absorbed, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization or other similar procedures (hereinafter “Reorganization”) is approved at the Company’s General Meeting of Shareholders (or at the Board of Directors in cases where approval at the Company’s General Meeting of Shareholders is not required in relation to Reorganization), then Transfer Restrictions on the number of shares of Restricted Stock I or II calculated as follows will be lifted by a resolution of the Board of Directors of the Company immediately before the business day immediately prior to the date on which Reorganization becomes effective: (a) the number of months from April 2023 to the month in which the approval is given, divided by 12 (if the quotient

resulting from the calculation exceeds 1, then the quotient shall be deemed to be 1), multiplied by (b) the number of shares of Restricted Stock I or II held by Eligible Allottees on the date of approval (any fractional shares less than one share resulting from the calculation will be discarded).

In that case, the Company shall, as of the business day immediately prior to the date on which Reorganization becomes effective, automatically acquire without contribution all Restricted Stock I or II on which Transfer Restrictions have not been lifted on that day pursuant to the above provision.

#### **4. Basis of calculation and specific details of amount to be paid in**

To eliminate any arbitrariness in the disposition value in the Disposition of Treasury Shares, 1,565 yen, which is the closing price of shares of the Company's common stock on the Tokyo Stock Exchange on the business day (July 26, 2023) immediately prior to the date of resolution at the Board of Directors of the Company, is used as the disposition value. The value is the Company's market stock price immediately prior to the date of resolution of the Board of Directors, which the Company considers is a rational value and not particularly favorable.

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