

June 20, 2025

Company name: IDEC CORPORATION  
 Name of representative: Toshiyuki Funaki, Chairman and CEO  
 (Securities code: 6652; Prime Market  
 of the Tokyo Stock Exchange)  
 Inquiries: Shinichi Yoshimi,  
 Senior Executive Officer, Strategic  
 Planning  
 (Telephone: +81-6-6398-2500)

## **Notice of Disposal of Treasury Shares Based on Performance-Linked Stock Compensation Plan**

IDEC Corporation announces as follows that its Board of Directors, at a meeting held today, resolved to dispose of treasury stock (hereinafter referred to as the "Disposal of Treasury Stock") as performance-linked stock compensation plan.

### **1. Summary of Disposal**

|  |   |
|--|---|
| (1) Payment date                             | July 18, 2025   |
| (2) Type and number of shares to be disposed | 12,720 shares of common stock of the Company  |
| (3) Disposal price                           | 2,235 yen per share   |
| (4) Total disposal amount                    | 28,429,200 yen  |
| (5) Scheduled recipients of disposal         | Directors of the Company (*): 1 person, 2,780 shares<br>Executive officers of the Company: 8 persons, 9,940 shares<br>*1: Excluding directors who are audit and supervisory committee members and outside directors.<br>*2: Including two retiring members. |
| (6) Other                                    | Of this Disposal of Treasury Shares, for those scheduled to be disposed of to executive officers of the Company, a Written Notice of Securities based on the Financial Instruments and Exchange Act has been submitted.                                     |

### **2. Purpose and Reason for Disposal**

At its 76th Annual General Meeting of Shareholders that convened on June 16, 2023, the Company was granted approval for its proposal to introduce, as a medium- to long-term performance share unit, a plan that grants shares of common stock of the Company in accordance with the likes of the degree of achievement of medium- to long-term financial and non-financial indicators, such as business results (hereinafter referred to as the "PSU Plan"), for directors of the Company (excluding directors who are Audit and Supervisory Committee Members and outside directors) in order to further strengthen directors of the Company (excluding directors who are Audit and Supervisory Committee Members and outside directors)'s sharing of interests with shareholders associated with the changes in the stock price and enhance more than ever their motivation to contribute to the improvement of corporate value as well as of medium- to long-term business performance; to limit the total amount of monetary remuneration claims to be paid as remuneration to directors of the Company (excluding directors who are Audit and Supervisory Committee Members and outside directors) under the PSU Plan to 80 million

yen for each fiscal year; and to limit total number of shares of common stock of the Company to be allocated to directors of the Company (excluding directors who are Audit and Supervisory Committee Members and outside directors) to 40,000 shares for each fiscal year.

An outline of the PSU Plan follows below.

[Outline of the PSU Plan]

• Applicable period

The first applicable period is the two fiscal years ending on March 31, 2025 and running from the fiscal year ending on March 31, 2024, which corresponds to the currently announced (May 13, 2022) Medium-term Management Plan, and thereafter, the PSU Plan may be implemented with the new applicable period being the fiscal year linked to the Medium-term Management Plan beginning with the fiscal year following the last fiscal year of the immediately preceding applicable period.

• Terms and conditions for granting to eligible directors

Upon expiration of the applicable period and upon satisfaction of the following requirements, the Company shall grant shares of common stock of the Company with transfer restrictions to each eligible director, subject to their consent to the contribution in kind, by paying them monetary remuneration claims and having them pay all such monetary remuneration claims as property contributed in kind. The eligible directors to whom shares of common stock of the Company shall be granted and the number of shares to be granted shall be deliberated by the Remuneration Committee after the applicable period and determined by the Board of Directors.

(1) The eligible directors continued to serve as directors, corporate auditors, executive officers or employees of the Company or its consolidated subsidiaries during the applicable period

(2) There were no violations of laws and regulations or certain other acts of misconduct, etc. determined by the Board of Directors of the Company

(3) Other requirements deemed necessary to achieve the purpose of the PSU Plan are fulfilled

However, if there is a director who is newly appointed, if there is a change in the position of a director, or if an eligible director resigns or retires for reasons deemed justifiable, shares of common stock of the Company reasonably adjusted according to the degree of achievement of business results, the tenure of such director, etc. shall be issued or disposed of by resolution of the Board of Directors of the Company. In addition, if an eligible director resigns or retires from the above position due to death during the applicable period or by the date of the first Annual General Meeting of Shareholders after the applicable period, the Company shall pay money in place of shares of common stock of the Company. The amount of money to be paid to such director shall be within the total amount pertaining to the abovementioned monetary claims, and shall be an amount reasonably determined by the Board of Directors of the Company in accordance with the degree of achievement of business results, the tenure of such director, etc.

Today, as performance-linked stock compensation whose applicable period is the two fiscal years ending on March 31, 2024 and March 31, 2025, which corresponds to the Medium-term Management Plan announced on May 13, 2022, the Board of Directors resolved to allocate 12,720 shares of common stock of the Company through the Company paying one director of the Company (excluding directors who are Audit and Supervisory Committee Members and outside directors; hereinafter referred to as the "Eligible Director") who is a scheduled allottee and eight executive officers of the Company (including

two who have resigned; hereinafter collectively referred to as "Allottees") an amount of monetary remuneration claims totaling 28,429,200 yen and the Allottees paying all of such monetary remuneration claims by way of contribution in kind. Note that the amount of monetary remuneration claims to be paid to each Allottee has been determined following comprehensive consideration of various items, including the degree of contribution of each Allottee at the Company. Additionally, the Company will enter into a restricted share allotment agreement that includes the below (hereinafter referred to as the "Allocation Agreement") with the Eligible Director.

### **3. Outline of the Allocation Agreement**

#### **(1) Restricted transfer period**

The period from July 18, 2025 until the Allottee resigns or retires from the position of director, auditor, executive officer, or employee of the Company or its subsidiary

During the transfer restriction period set out above (hereinafter referred to as the "Transfer Restriction Period"), the Allottee may not transfer, create a pledge, create a transfer security interest, make a gift during one's lifetime, make a bequest, or otherwise dispose of the shares with transfer restrictions allocated to the Allottee (hereinafter referred to as the "Allotted Shares") to any third party (hereinafter referred to as the "Transfer Restriction").

#### **(2) Handling of free acquisition**

If Allottees resign or retire from any position as a director, auditor, executive officer, or employee of the Company or its subsidiaries before the end of the Transfer Restriction Period, the Company shall automatically and without consideration acquire the Allotted Shares as of the time of such resignation or retirement, unless the Board of Directors of the Company finds a justifiable reason.

In addition, if any of the Allotted Shares have not had the transfer restriction lifted in accordance with the provisions of the reasons for lifting of transfer restrictions in (3) below at the time when the Transfer Restriction Period expires (hereinafter referred to as the "Time of Expiration of the Period"), the Company shall automatically acquire them without compensation at the time immediately following the Time of Expiration of the Period.

#### **(3) Lifting of transfer restrictions**

The Company will lift the transfer restriction on all of the Allotted Shares held by the Allottee at the Time of Expiration of the Period, provided that the Allottee has continuously held the position of director, auditor, executive officer or employee of the Company or its subsidiary during the Transfer Restriction Period.

#### **(4) Provisions regarding the management of shares**

Allottees shall complete the opening of an account in which the Allotted Shares will be described or recorded at the securities company designated by the Company, using the method designated by the Company, and shall keep and maintain the Allotted Shares in said account until the restriction on transfer is lifted.

#### **(5) Handling in the event of organizational restructuring, etc.**

If, during the Transfer Restriction Period, a merger agreement in which the Company becomes the dissolving company, a share exchange agreement in which the Company becomes a wholly owned subsidiary, a share transfer plan, or any other proposal regarding organizational restructuring, etc., is approved at a general meeting of the Company's shareholders (or, if approval by the Company's general

meeting of shareholders is not required for the relevant organizational restructuring, etc., by the Company's Board of Directors), the Company will, by resolution of the Company's Board of Directors, lift the transfer restriction on a number of Allotted Shares that is reasonably determined based on the period from the first month of the transfer restriction period to the date of approval of the relevant organizational restructuring, etc., at the time immediately before the business day immediately preceding the effective date of the relevant organizational restructuring, etc.

In this case, the Company will, on the business day immediately preceding the effective date of the relevant organizational restructuring, etc., automatically acquire without compensation all of the Allotted Shares for which the transfer restriction has not been lifted as of that date based on the above provisions.

#### **4. Basis for Calculating the Amount to Be Paid and Specific Details**

In order to eliminate arbitrariness from the disposal price for the Disposal of Treasury Stock, the price has been set at 2,235 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of resolution by the Company's Board of Directors (June 19, 2025). This is the market price immediately prior to the date of resolution by the Company's Board of Directors, and we believe that it is a reasonable and not particularly advantageous price.

#### **5. Matters Regarding Procedures under Code of Conduct**

As this Disposal of Treasury Shares (1) has a dilution ratio of less than 25% and (2) does not accompany a change in controlling shareholders, there is no need to conduct procedures to obtain an opinion from an independent third party or confirm shareholder intent as stipulated in Article 432 of the Securities Listing Regulations set forth by the Tokyo Stock Exchange.