



July 16, 2025

To whom it may concern,

Company name: SANYO DENKI CO., LTD.  
Representative: Shigeo Yamamoto  
Representative Director  
Chairman of the Board and CEO  
(Code number: 6516,  
Tokyo Stock Exchange Prime Market)  
Contact: Masaki Iwayama  
Executive Operating Officer  
for Business Administration  
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## Notice regarding the disposal of treasury shares as stock compensation with transfer restrictions

SANYO DENKI hereby announces that at its board of directors meeting held today, it has resolved to dispose of treasury shares as stock compensation with transfer restrictions (hereinafter referred to as the "Disposal of Treasury Shares") as follows:

### 1. Overview of the disposal

(1) Payment date	August 7, 2025
(2) Type and total number of shares to be disposed of	Number of common company shares: 8,144
(3) Disposal value	9,770 yen per share
(4) Total value of shares to be disposed of	79,566,880 yen
(5) Expected allocation recipients	Company directors (excluding outside directors): Four directors (4,021 shares) Company operating officers: Nine officers (4,123 shares)

### 2. Objectives and reasons for the disposal

As announced in the "Announcement of Abolition of Retirement Benefits for Directors and Corporate Auditors Plan and Introduction of Stock Compensation with Transfer Restrictions Plan" on May 17, 2022, the Company provides directors (excluding outside directors, hereinafter referred to as "Eligible Directors") with incentives to continuously improve the corporate value of the Company. As such, we resolved to introduce a Stock Compensation with Transfer Restrictions Plan (hereinafter referred to as the "Plan") at the board of directors meeting held on May 17, 2022.

Against this background and taking into account the objectives of the Plan, the Company's business performance, and various other circumstances, the Company decided to pay a total of 79,566,880 yen in monetary remuneration claims (hereinafter referred to as "Monetary Compensation Claims") to eligible directors (hereinafter referred to as "Eligible Directors, etc.") and Company operating officers, who are scheduled to receive an allotment of shares. In addition, at the board of directors meeting held today, the 13 Eligible Directors, etc., who are scheduled to receive an allotment of shares, will pay all of the Monetary Compensation Claims to the Company as property contributed in kind, based on the Plan, and the 8,144 common shares held by the Company (hereinafter referred to as the "Allotted Shares") will be allotted. Additionally, in order to achieve a medium- to long-term sustainable increase in corporate value, which is the objective of introducing the Plan, the transfer restriction period is set until the date of retirement or resignation from the position of director, auditor, or operating officer of the Company.

<Overview of stock allotment contract>

The Company will individually enter into a contract for the stock allotment with transfer restrictions with Eligible Directors, etc. The outline is as follows.

- (1) Transfer restriction period  
Eligible Directors, etc. may not transfer, set up a security interest, make inter vivos gifts, or otherwise of the Allotted Shares from the date of payment of the Allotted Shares to the latest of either the date of retirement or resignation from any position as a director, auditor, or operating officer of the Company or the filing date of the annual securities report (or a semi-annual report if the payment date is within six months after the start of the Company's business year) for the business year to which the payment date of the Allotted Shares belongs (hereinafter referred to as the "Transfer Restriction Period").
- (2) Conditions subsequent to transfer restrictions  
With a condition that Eligible Directors, etc. continue to hold the position of a director or operating officer of the Company during the period starting from the payment date of the Allotted Shares to the conclusion of the ordinary general meeting of shareholders of the Company held immediately after the payment date, in the event that a person retire or resign due to a justifiable reason from any of the positions of director, auditor, or operating officer of the Company, the transfer restriction on all of the Allotted Shares held by the Eligible Directors, etc. will be terminated when the Transfer Restriction Period expires.  
However, if Eligible Directors, etc. retire or resign due to a justifiable reason during the period starting from the payment date of the Allotted Shares to the conclusion of the ordinary general meeting of shareholders of the Company held immediately after the payment date, transfer restrictions will be terminated for the number of shares among the Allotted Shares held by the Eligible Directors, etc., obtained by multiplying the number of months from the month that includes the date of the Ordinary General Meeting of Shareholders immediately preceding the payment date to the month that includes the date of retirement or resignation of the Eligible Directors, etc., divided by 12 (however, if the result of the calculation exceeds 1, it shall be 1) by the number of Allotted Shares held by Eligible Directors, etc. at the time (however, if the calculation results in a fraction of less than one share, it shall be rounded down).
- (3) Rationale for free acquisition of allotted shares  
If Eligible Directors, etc. retire or resign without a justifiable reason during the period starting from the payment date of the Allotted Shares to the conclusion of the ordinary general meeting of shareholders of the Company held immediately after the payment date, the Company will acquire the Allotted Shares free of charge.

Furthermore, if there are any Allotted Shares for which the transfer restrictions have not been terminated when the transfer restrictions are terminated as stipulated in (2) above, the Company will acquire them free of charge.

(4) Handling at the time of organizational restructuring, etc.

Notwithstanding the provisions stated in (1) above, during the Transfer Restriction Period, if matters related to a merger agreement under which the Company will be dissolved, a share exchange agreement under which the Company will become a wholly owned subsidiary, a share transfer plan, and other types of organizational restructuring, etc. are approved by the Company's general meeting of shareholders (however, if the reorganization, etc. does not require the approval of the Company's General Meeting of Shareholders, this shall be the board of directors of the Company), transfer restrictions will be terminated immediately before the business day before the effective date of the reorganization, etc. for the number of shares obtained by multiplying the number of months from the month including the date of the ordinary general meeting of shareholders immediately preceding the payment date to the month including the date of the approval resolved in the board of directors meeting (hereinafter referred to as the "date of approval for organizational restructuring, etc."), divided by 12 by resolution of the board of directors of the Company (however, if the number exceeds 1, it shall be 1) by the number of Allotted Shares held by Eligible Directors, etc. on the date of approval of organizational restructuring, etc. (however, if the calculation results in a fraction of less than one share, it shall be rounded down). In such cases, if there are any Allotted Shares for which the transfer restrictions have not been terminated immediately after the transfer restrictions are terminated, the Company will acquire them free of charge.

(5) Stock management

Eligible Directors, etc. shall open a dedicated account with Mizuho Securities Co., Ltd. using the method specified by the Company to enter or record the Allotted Shares, and store and keep all the Allotted Shares in the account until the transfer restrictions are terminated.

3. Calculation base of paid amount and its specific details

For the purpose of eliminating arbitrariness, the disposal value for the Disposal of Treasury Shares will be set at 9,770 yen, which was the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the board of directors meeting (July 15, 2025). This was the market share price immediately before the resolution of the board of directors of the Company, and we trust it is reasonable and not particularly advantageous.