

**FOR IMMEDIATE RELEASE**

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

Tokyo, July 27, 2022—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 12, 2022
(2) Type and number of shares to be disposed	9,075 shares of the Company’s common stock
(3) Disposition value	1,496 yen per share
(4) Total disposition value	13,576,200 yen
(5) Recipients of disposed shares	71 employees of the Company: 9,075 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 decided to introduce a share-based remuneration system (hereinafter “the System”) to deliver shares with restriction on transfer (hereinafter “Restricted Stocks”) for the purpose of motivating the Company employees to participate in business management through their ownership of the shares of the Company, as well as further encouraging employees to share the same values with the shareholders of the Company.

The Board of Directors held today resolved to allot 9,075 shares of its common stock as specified shares with restriction on transfer. Specifically, the Company will grant 13,576,200 yen of monetary remuneration receivables in total to 71 employees of the Company, who are contemplated allottees (hereinafter “Eligible Allottees”), as restricted stock remuneration for the period from April 1, 2022 to March 31, 2023. Thereafter, the Eligible Allottees will pay all the monetary remuneration receivables so granted in the form of property contributed in kind. This allotment of Restricted Stocks 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 by the relevant Eligible Allottee to the Company. The aforementioned monetary remuneration receivables are paid subject to the respective Eligible Allottees executing an allotment agreement for Restricted Stocks (hereinafter “Allotment Agreement”) with the Company that substantially includes the details mentioned in 3. below.

A transfer restriction period has been set for five years, in order to seek to achieve the purpose of introducing the System to motivate the Company employees to participate in business management through their ownership of Company shares, as well as further encourage employees to share the same values with the shareholders of the Company.

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

#### (1) Restriction period

Period from August 12, 2022 to August 11, 2027.

During the above transfer restriction period (hereinafter “Restriction Period”), no Eligible Allottees shall transfer, create a pledge or mortgage by transfer on, offer as an inter vivos gift, make a bequest of, or otherwise dispose of, the Restricted Stocks allotted to them (hereinafter “Allotted Stocks”) to or in favor of any third parties (hereinafter “Transfer Restrictions”).

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

If an Eligible Allottee resigns or retires from his or her position of employee of the Company or other position designated by the Company prior to expiration of the Restriction Period, the Company shall automatically acquire the Allotted Stocks without contribution upon the resignation or retirement, unless there is a reason deemed valid by the Company.

If there are Allotted Stocks 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 those Allotted Stocks without contribution, immediately after the Expiration.

#### (3) Lifting of Transfer Restrictions

Upon the Expiration, the Company shall lift the Transfer Restrictions on all Allotted Stocks held by an Eligible Allottee at that time, subject to the Eligible Allottee continuing to hold the position of employee of the Company or other position designated by the Company throughout the Restriction Period.

However, if the Eligible Allottee resigns or retires from the position of employee of the Company or other position designated by the Company for any reason deemed valid by the Company prior to expiration of the Restriction Period, then the Transfer Restrictions on the number of Allotted Stocks calculated as follows will be lifted immediately after the resignation or retirement: (a) the number of months beginning April 2022 to the month in which the Eligible Allottee resigns or retires from the position of employee of the Company or other position designated by the Company, 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 Allotted Stocks then held by the Eligible Allottee (any fractional shares less than one share resulting from the calculation will be discarded).

#### (4) Management of stocks

The Eligible Allottees shall complete the opening of an account with SMBC Nikko Securities Inc. to enter or record the Allotted Stocks in a manner designated by the Company and shall keep and maintain the Allotted Stocks in the account until the Transfer Restrictions are lifted.

#### (5) Treatment during reorganization

If, during the Restriction Period, 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 the Reorganization), then the Transfer Restrictions on the number of Allotted Stocks 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 the Reorganization becomes effective: (a) the number of months from April 2022 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 Allotted Stocks held by the 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 the Reorganization becomes effective, automatically acquire without contribution all Allotted Stocks 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, 1,496 yen, which the closing price of shares of the Company's common stock on the Tokyo Stock Exchange on the business day (July 26, 2022) 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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