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To whom it may concern

Company name EXEDY Corporation
Representative Tetsuya Yoshinaga,
Representative Director, President
Code 7278, TSE Prime Market
Contact Hiroshi Toyohara
Representative Director, Senior
Executive Managing Officer,
Executive General Manager of
Corporate Strategy Promotion
Headquarters
TEL +81-72-822-1152

Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

EXEDY Corporation (the "Company") hereby announces that the Board of Directors has decided to dispose Treasury Shares (the "Disposal of treasury shares" or "Disposal"). The details are as follows.

1. Outline of the Disposal

(1) Disposal Date	July 23, 2025
(2) Type and Number of Shares subject to disposal	Common stock of the Company 28,386 shares
(3) Disposal Price	4,115 yen per share
(4) Total Disposal Amount	116,808,390 yen
(5) Allottees and number thereof, number of shares to be disposed	Directors (excluding outside directors and part-time directors); 3 persons 16,530 shares Executive Officer not concurrently serving as directors; 6 persons 11,856 shares
(6) Others	The Company has submitted an extraordinary report regarding the Disposal of Treasury Shares pursuant to the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposition

The Company resolved at the 68th Ordinary General Meeting of Shareholders held on June 26, 2018 to introduce a restricted stock compensation plan(the "Plan") for the purpose of promoting further value sharing between the Company's Directors ,excluding outside directors and non fulltime director, (the "Eligible Directors")and Executive Officers (Collectively "Allottees")and shareholders, and to function as an incentive to continuously improve the Company's medium- and long-term business performance and shareholder value.

The 68th Ordinary General Meeting of Shareholders held on June 26, 2018 approved the following resolution to provide monetary remuneration ("Restricted Stock Compensation") up to 200 million yen per year to the Eligible Directors to be used to acquire of Restricted Stock under the Plan, and to set the period of restricted transfer of shares as a period between 10 years and 30 years to be determined by the Company's Board of Directors Meeting.

The outline and other details of the Plan are as follows.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

【Outline of the Plan, etc.】

The Allottee will contribute all of the monetary compensation claims arising from the Plan as in-kind contribution property and will be issued or disposed of ordinary shares of the Company. Furthermore, the total number of the Company's ordinary shares to be issued or disposed of to Eligible Directors under the Plan shall be limited to 50,000 shares per year.

(In the event of a stock split (including a free allocation of the Company's ordinary shares) or stock consolidation of the Company's ordinary shares, or if other circumstances arise that require an adjustment to the total number of shares of the Company's ordinary shares to be issued or disposed of as Restricted Stock, the total number shall be reasonably adjusted.)

The payment amount per one ordinary share of the Company to be issued or disposed of based on the Plan will be determined by the Board of Directors Meeting within a range that is not particularly advantageous to the Allottees, based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors' resolution that determines the offering terms (or, if no transaction has been conducted on the same day, the closing price on the most recent trading day preceding the transaction).

This time, considering deliberation at the Compensation Committee, the purpose of the Plan, the Company's performance, the scope of responsibilities of each Allottee, and other various circumstances comprehensively, the Company have decided to grant a total of 116,808,390 yen in monetary compensation claims ("Monetary Claims") and 28,386 shares of ordinary stock.

Furthermore, the Plan has a transfer restriction period of 30 years to function as an incentive for sharing and continuously improving shareholder value over the medium to long term.

In the Disposal of treasury shares, based on the Plan, the 9 Allottees who are the scheduled to allotted will contribute all of their Monetary Claims against the Company as in-kind property, and in return, they will receive the Disposal of the Company's ordinary shares.

3. Overview of the Allotment Agreement

1) Transfer restriction period

Allottees may not assign, grant a security interest in, or otherwise dispose of the shares of common stock of the Company allotted to them ("Allotted Shares") under the Allotment Agreement during the period from the date of allotment under the Allotment Agreement until July 23, 2055 ("Transfer restriction period").

2) Conditions for cancellation of restrictions on transfers

The Company will terminate the transfer restriction on all of the Allotted Shares upon the expiration of the transfer restriction period, provided that the Allottees have continuously held the position of director or executive officer of the Company for the duration of the transfer restriction period.

3) Timing of cancellation of transfer restrictions in the event that the Allottees resigns or retires due to expiration of term of office, retirement age, or other justifiable reason during the transfer restriction period

If an Allottees resigns or retires from any position as a director of the Company and an executive officer due to expiration of term of office, retirement age, or other justifiable reason (including retirement or retirement due to death), transfer restrictions will be lifted immediately after the resignation or retirement of their position, etc.

4) Free acquisition by the Company

The Company will naturally acquire the Allotted Shares for which the transfer restrictions are not lifted at the expiration of the Transfer Restriction Period or at the time the transfer restrictions are lifted as specified in 3) above, without consideration.

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5) Stock management

To ensure that the Allotted Shares cannot be transferred, pledged or otherwise disposed of during the Transfer Restriction Period, the Allottees shall take such measures as managing the Shares in a dedicated account opened with Nomura Securities Co., Ltd.,

6) Handling in corporate reorganization, etc.

- (1) During the Transfer Restriction Period, if matters concerning a merger agreement whereby the Company becomes a dissolving company, a share exchange agreement whereby the Company becomes a wholly-owned subsidiary, or any other corporate reorganization or similar matters are approved by the Company's shareholders' meeting (However, if the Corporate reorganization concerning the Company does not require approval from the shareholder's meeting, then it will be the Board of Directors of the Company.), then the Company shall, based on a resolution of the Company's board of directors, lift the transfer restriction on the number of allotted shares reasonably determined, considering the period from the start date of the Transfer Restriction Period to the approval date of such corporate reorganization, etc., prior to the effective date of such corporate reorganization, etc.
- (2) In the case stipulated above (1), the Company shall automatically acquire without consideration any Allotted Shares that remain subject to transfer restrictions immediately after these restrictions have been lifted according to the provisions of (1).

4. Basis for calculating the payment amount and its specific details

This disposition of treasury shares to the Allottees will be made with the monetary compensation claims paid as Restricted Stock Compensation for the Company's 76th fiscal year under the Plan as the contributed assets. The disposal price is set at 4,115 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 24, 2025 (the business day before the date of the Board of Directors' resolution), in order to eliminate arbitrariness. This is the market share price immediately before the date of the Board of Directors' resolution, and the Company believe that this is a reasonable price and does not constitute a particularly advantageous price.

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