July 21, 2026


| | |
|---|---|
| **Company name:** | **Osaki Electric Co., Ltd.** |
| Name of representative: | Yoshihide Watanabe, Chairman and CEO (Securities code:6644; TSE Prime Market) |
| Inquiries: | Ryuichi Ueno, Director and Senior Managing Executive Officer Head of Group Strategy Division (Telephone: +81-3-6694-7140) |


# Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

Osaki Electric Co., Ltd. (the "Company") hereby announces that, at a meeting of its Board of Directors held today (July 21, 2026; the "Allotment Resolution Date"), it resolved to dispose of treasury shares (the "Disposal of Treasury Shares" or the "Disposal") as set forth below.

Details

## I. Outline of the Disposal of Treasury Shares

| | | |
|---|---|---|
| (1) | Disposal date | August 6, 2026 |
| (2) | Class and number of shares to be disposed | Common shares of the Company: 45,064 shares |
| (3) | Disposal price | 1,460 yen per share |
| (4) | Total disposal amount | 65,793,440 yen |
| (5) | Allottees, number of persons, and number of shares to be disposed | Directors of the Company (excluding Outside Directors):<br>3 persons, 27,857 shares<br>Executive Officers not concurrently serving as Directors of the Company:<br>11 persons, 17,207 shares |

## II. Purpose and Reason for the Disposal

The Company resolved at a meeting of its Board of Directors held on May 27, 2021 to introduce a restricted stock compensation plan (the "Plan") as a new compensation program for directors excluding outside directors (the "Eligible Directors") and executive officers who do not concurrently serve as directors (collectively, the "Eligible Directors, etc."), with the objectives of providing incentives for the sustainable enhancement of the Company's medium- to long-term corporate value and further sharing value with shareholders. At the 107th Ordinary General Meeting of Shareholders held on June 25, 2021, shareholders approved the payment of monetary claims of up to 100 million yen per year to the Eligible Directors, etc. as property contributed in kind for the acquisition of restricted stock (the "Restricted Stock Compensation"), the issuance or disposal of up to 100,000 shares of the Company's common stock per year, and the establishment of a transfer restriction period for such restricted stock to be determined by the Board

of Directors of the Company, within a period not exceeding 30 years.
An outline of the Plan is provided below.

**[Outline of the Plan]**
Under the Plan, the Eligible Directors, etc. shall make an in-kind contribution of all monetary claims granted by the Company and, in return, receive shares of the Company's common stock to be issued or disposed of by the Company. The amount to be paid in per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors (or, where approval by a general meeting of shareholders is not required in connection with such organizational restructuring, by the Board of Directors of the Company).
In addition, upon the issuance or disposal of the Company's common stock under the Plan, the Company and the Eligible Directors, etc. shall enter into a Restricted Stock Allocation Agreement. The agreement shall provide, among other things, that (1) the Eligible Directors, etc. may not transfer, create a security interest in, or otherwise dispose of the shares of the Company's common stock allotted under the Restricted Stock Allocation Agreement to any third party during a specified period, and (2) the Company shall acquire such shares without consideration upon the occurrence of certain events.

Based on the deliberation and recommendation of the Nomination and Compensation Committee and after taking into consideration the purpose of the Plan, the Company's business performance and the responsibilities of each Eligible Director, etc., the Company has decided to grant monetary claims in the aggregate amount of 65,793,440 yen (the "Monetary Claims") and 45,064 shares of its common stock. Furthermore, in order to achieve the objective of the Plan, namely the sharing of shareholder value over the medium to long term, the transfer restriction period has been set at 30 years for this allotment.
In the Disposal of Treasury Shares, pursuant to the Plan, 14 Eligible Directors, etc. who are scheduled to receive the allotment will make an in-kind contribution of all of the Monetary Claims to the Company and will receive shares of the Company's common stock (the "Allocated Shares").
An outline of the Restricted Stock Allocation Agreement to be entered into between the Company and the Eligible Directors, etc. in connection with the Disposal of Treasury Shares (the "Allocation Agreement") is set forth in III. below.

## III. Overview of the Allocation Agreement

### 1. Transfer Restriction Period

From August 6, 2026 to August 5, 2056

### 2. Conditions for Lifting Transfer Restrictions

The transfer restrictions on all of the Allocated Shares shall be lifted upon the expiration of the Restriction Period, provided that each Eligible Director, etc. has continuously served as a director of the Company or an executive officer who does not concurrently serve as a director during the Restriction Period.

**3. Treatment upon Retirement of Eligible Directors, etc. Due to Expiration of Term of Office, Death or Other Justifiable Reasons During the Restriction Period**

**(1) Time of Lifting Transfer Restrictions**

If an Eligible Director, etc. resigns or retires during the Restriction Period due to the expiration of his or her term of office, death, or any other justifiable reason, the transfer restrictions shall be lifted immediately upon such resignation or retirement.

**(2) Number of Shares to be Lifted**

The number of shares for which transfer restrictions will be lifted shall be the number obtained by multiplying the number of Allocated Shares held at the time of resignation or retirement as specified in (1) above by the number obtained by dividing the number of months from the month including the Allotment Resolution Date to the month including the date of resignation or retirement of the Eligible Directors, etc. by 12. If such number exceeds 1, it shall be deemed to be 1. However, if the calculation results in a fractional share of less than 1 share, such fraction shall be rounded down.

**4. Acquisition by the Company without Consideration**

The Company shall automatically acquire, without consideration, any Allocated Shares for which the transfer restrictions have not been lifted as of the expiration of the Restriction Period or as of the time of lifting the transfer restrictions specified in 3. above.

**5. Treatment in Organizational Restructuring, etc.**

If during the Restriction Period, a merger agreement under which the Company becomes the dissolved company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to organizational restructuring is approved at a general meeting of shareholders of the Company (or, where approval by a general meeting of shareholders is not required in connection with such organizational restructuring, by the Board of Directors of the Company), the transfer restrictions shall, by resolution of the Board of Directors, be lifted with respect to the number of Allocated Shares obtained by multiplying the number of Allocated Shares held at such time by the number obtained by dividing the number of months from the month including the Allotment Resolution Date to the month including the date of such approval by 12. If the resulting number exceeds 1, it shall be deemed to be 1. However, if the calculation results in a fractional share of less than 1 share, such fraction shall be rounded down. Such lifting of the transfer restrictions shall become effective immediately prior to the close of business on the business day preceding the effective date of such organizational restructuring. In addition, immediately following such lifting of the transfer restrictions, the Company shall automatically acquire, without consideration, all Allocated Shares for which the transfer restrictions have not been lifted.

**6. Management of Allocated Shares**

The Allocated Shares shall be managed in a dedicated account opened by the Eligible Directors, etc. with Nomura Securities Co., Ltd. during the Restriction Period so that the Allocated Shares may not be transferred, pledged as collateral, or otherwise disposed of during the Restriction Period. In order to ensure the effectiveness of the transfer restrictions and other provisions applicable to the Allocated Shares, the Company has entered into an agreement with

Nomura Securities Co., Ltd. regarding the management of the accounts in which the Allocated Shares held by each Eligible Director, etc. are recorded. The Eligible Directors, etc. shall agree to the terms and conditions of such account management.

**IV. Basis for Calculation of the Payment Amount and Details Thereof**

The Disposal of Treasury Shares to the proposed allottees will be made through contributions in kind of the monetary claims granted as restricted stock compensation for the Company's 113th fiscal year under the Plan. In order to eliminate arbitrariness in determining the disposal price, the disposal price has been determined as 1,460 yen per share, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 17, 2026, the business day immediately preceding the date of the resolution of the Board of Directors. The Company believes that this price, which reflects the market price of the Company's shares immediately prior to the date of the Board of Directors' resolution, is reasonable and does not constitute a particularly advantageous price.