



Company name: Diamond Electric Holdings Co., Ltd.
Name of representative: ONO YuuRi, President and CEO
(Securities code: 6699; Standard Market)
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Diamond Electric Holdings Co., Ltd. (“the Company”) hereby announces that, at the meeting of the Board of Directors held today, July 27, 2026, a resolution has been passed to issue new shares as restricted stock compensation (“the Issuance of New Shares”), as described below.

(1)	Payment Date	August 26, 2026	
(2)	Class and Number of Shares to be Issued	107,900 shares of the Company's common stock	
(3)	Issue Price	JPY 474 per share	
(4)	Total Issue Amount	JPY 51,144,600	
(5)	Allottees	Directors who are not Audit and Supervisory Committee Members *1) * 3) 3 39,500 shares Directors who are Audit and Supervisory Committee Members *1) 3 5,000 shares Executive Officers *2) 9 33,540 shares Chief Engineers *2) *3) 4 9,880 shares Directors of Subsidiaries 4 19,980 shares *1) Including External Directors. *2) The Company has entered into delegation agreements with Executive Officers and Chief Engineers. *3) Domestic non-residents are excluded.	

At a meeting of the Board of Directors held on May 24, 2021, the Company resolved to introduce a stock compensation plan (“the Plan”) under which restricted stock would be granted to the Company’s Directors (including External Directors, but excluding Directors who are Audit and Supervisory Committee Members), Directors who are Audit and Supervisory Committee Members (including

External Directors), Executive Officers, Chief Engineers, and Directors of the Company's subsidiaries ("Eligible Directors, etc.")).

The objectives of the Plan are as follows:

- **For Directors of the Company (who are not Audit and Supervisory Committee Members), Executive Officers, Chief Engineers, and Directors of the Company's subsidiaries:** To provide an incentive to promote the sustainable enhancement of the Company's corporate value and foster greater value-sharing with the Company's shareholders.
- **For External Directors (who are not Audit and Supervisory Committee Members):** To further strengthen their awareness of contributing to the Company's sustainable growth and enhancement of its mid- to long-term corporate value, through their advice on management policies and business improvement, as well as their management oversight.
- **For Directors who are Audit and Supervisory Committee Members:** To provide an incentive to help prevent damage to the Company's corporate value and to maintain trust through value-sharing with shareholders.

At the Company's 3rd Annual General Meeting of Shareholders held on June 25, 2021, the following matters were approved under the Plan:

- The total amount of the monetary compensation claims to be paid to the Company's Directors (including External Directors, but excluding Directors who are Audit and Supervisory Committee Members) as compensation in the form of restricted stock shall not exceed JPY 100 million annually (of which up to JPY 4 million is allocated for External Directors), within the existing monetary compensation limit.
- The total number of restricted shares to be allotted to such Directors each fiscal year shall not exceed 40,000 shares (of which up to 1,600 shares are allocated for External Directors).
- The total amount of the monetary compensation claims to be paid to Directors who are Audit and Supervisory Committee Members (including External Directors) as compensation in the form of restricted stock shall not exceed JPY 26 million per year (of which up to JPY 6 million is allocated for External Directors who are Audit and Supervisory Committee Members), within the existing monetary compensation limit.
- The total number of restricted shares to be allotted to such Directors each fiscal year shall not exceed 10,400 shares (of which up to 2,400 shares are allocated for External Directors who are Audit and Supervisory Committee Members).
- The transfer restriction period for the restricted stock shall be the period until Directors, regardless of whether they serve as Audit and Supervisory Committee Members, lose their positions (including cases where the Directors resign or retire, including due to death).

- The Company's existing stock option-based compensation plan shall be abolished.

3. Summary of the Restricted Stock Allotment Agreement

(1) Transfer Restriction Period and Transfer Restrictions

The transfer restriction period for the restricted stock (the "Transfer Restriction Period") shall continue until the Eligible Directors, etc., lose all positions (including cases where the Eligible Directors, etc., resign or retire due to death) as Directors who are not Audit and Supervisory Committee Members, Directors who are Audit and Supervisory Committee Members, Audit and Supervisory Committee Members, Executive Officers, Chief Engineers, or other equivalent positions at the Company or its subsidiaries.

During the Transfer restriction period, the Eligible Directors, etc., shall not transfer, pledge, assign as collateral, make a lifetime gift or bequest of, or otherwise dispose of the allotted restricted stock ("the Allotted Shares") in any manner to any third party (the "Transfer Restrictions").

(2) Conditions for Lifting the Transfer Restrictions

Notwithstanding the provisions in item (1) above, the Company shall lift the Transfer Restrictions on all Allotted Shares held by Eligible Directors, etc., upon the expiration of the Transfer Restriction Period, provided that the Eligible Directors, etc., have continuously served as Directors who are not Audit and Supervisory Committee Members, Directors who are Audit and Supervisory Committee Members, Audit and Supervisory Committee Members, Executive Officers, Chief Engineers, or in other equivalent positions at the Company or any of its subsidiaries during the Transfer Restriction Period.

However, if the Eligible Directors, etc., cease to hold any of the positions set forth above (including cases where the Eligible Directors, etc., resign or retire due to death) before the conclusion of the first Annual General Meeting of Shareholders of the Company held following the grant date of the restricted stock, all of the Allotted Shares held by the Eligible Directors, etc., shall, at that time, be automatically acquired by the Company without consideration.

Furthermore, if, at the time the Transfer Restrictions are to be lifted, less than three months have passed since the end of the fiscal year to which the grant date of the restricted stock pertains, the Company shall also automatically acquire the restricted stock without consideration.

(3) Acquisition of Restricted Stock Without Consideration

Along with the introduction of the plan, the Company has also introduced a claw-back system. If any of the Eligible Directors, etc., engage in material accounting fraud or other violations of laws and regulations, cause a significant loss, or fall under any other circumstances specified in the Restricted Stock Allotment Agreement, the Company shall automatically acquire all or a portion of the Allotted Shares without consideration.

(4) Treatment in the Event of Organizational Restructuring, etc.

If, during the Transfer Restriction Period, a proposal relating to a merger agreement under which the Company will become a non-surviving entity, a stock exchange agreement under which the Company will become a wholly owned subsidiary, a share transfer plan, or any other proposal relating to organizational restructuring, etc., is approved at a General Meeting of Shareholders of the Company (or, at a meeting of the Company's Board of Directors, if the relevant organizational restructuring, etc., does not require approval at a General Meeting of Shareholders of the Company), and provided that the date of such approval falls after the conclusion of the first Annual General Meeting of Shareholders of the Company held following the grant date of the Allotted Shares, the Transfer Restrictions on all the Allotted Shares held by Eligible Directors, etc., shall be lifted as of the time immediately prior to the business day preceding the effective date of the relevant organizational restructuring, etc.

However, if, at the time the Transfer Restrictions are to be lifted, less than three months have passed since the end of the fiscal year in which the restricted stock was granted, the Company shall automatically acquire all the Allotted Shares held by the Eligible Directors, etc., without consideration, as of the time immediately prior to the business day preceding the effective date of the relevant organizational restructuring, etc.

(5) Provisions Regarding Share Management

Eligible Directors, etc., shall open an account at Mizuho Securities Co., Ltd., in the manner specified by the Company, for the purpose of registering or recording the Allotted Shares, and shall hold and maintain the Allotted Shares in this account until the Transfer Restrictions are lifted.

4. Basis for Calculation of the Amount to Be Paid in and Specific Details Thereof

To eliminate arbitrariness in pricing, the issue price for the Issuance of New Shares has been set at JPY 474, which is the closing price of the Company's common stock on the Standard Market of the Tokyo Stock Exchange on the business day (July 24, 2026) immediately preceding the day of the resolution by the Board of Directors of the Company. This price reflects the market value immediately prior to the Board resolution and is considered by the Company to be reasonable and not particularly advantageous.

<i>Note: This document is a translation of the original Japanese version. In the event of any discrepancies in meaning or wording between the English and Japanese versions, the Japanese version shall prevail.</i>
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