



February 25, 2026

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Notice Regarding the Introduction of the Employee Stock Ownership Plan (ESOP) Support Trust and Determination of Details

Nihon Dempa Kogyo Co., Ltd. (the Company) hereby announces that, at the Board of Directors meeting held on February 25, 2026, the Company resolved on the introduction of the Employee Stock Ownership Plan (ESOP) Support Trust (hereafter referred to as the “Plan”); the agreement to be concluded with Resona Bank, Ltd. in connection with the Plan shall be referred to as the “Trust Agreement,” and the trust to be established based on the Trust Agreement as the “Trust”) for the purpose of further improving the welfare system for employees as well as giving them incentives for increases of the Company’s medium- and long-term corporate value, along with the details of such introduction.

Detailed explanation

1. Purpose of introducing the Plan

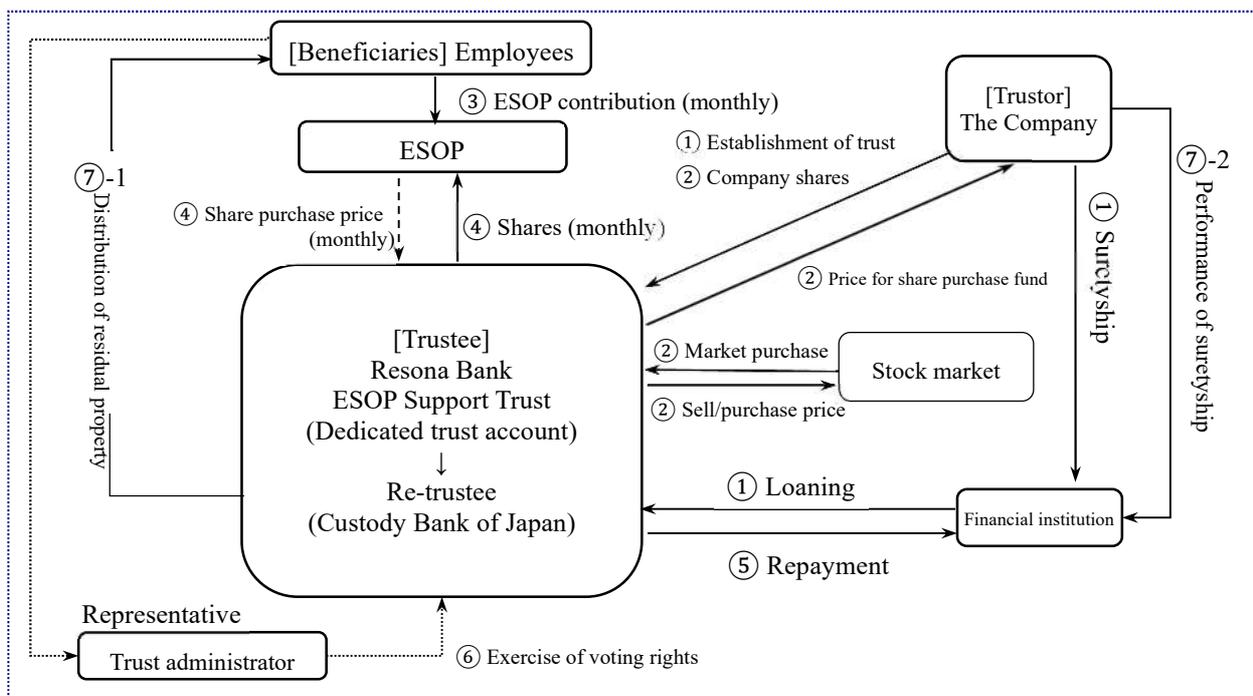
The Plan is intended to further improve the welfare system for employees and, at the same time, to increase the Company’s corporate value in medium to long terms by enhancing the employees’ awareness of stock price and their work motivation, through stably providing the Company’s shares to the Employee Stock Ownership Plan and distributing the profits obtained by management of the trust property to them.

2. Outline of the Plan

The Plan is a welfare system for employees which has been constructed taking into account the ESOP (Employee Stock Ownership Plan), a remuneration system for employees widely accepted in the U.S. as a kind of incentive plans for employees, the “Report on the New Scheme for Holding the Shares of their own Company” which the Ministry of Economy, Trade and Industry released on November 17, 2008, and others. The Company will establish a trust with the employees participating in the Nihon Dempa Kogyo Employee Stock Ownership Plan (hereafter referred to as the “Company’s ESOP”) who satisfy certain requirements as the beneficiaries, and the Trust will purchase the Company shares in the number of shares the Company’s ESOP is expected to purchase during the term of trust, within a purchase period determined in advance. After this, the Trust will sell the Company shares to the Company’s ESOP on a previously-determined day of

each month. When the trust terminates, if there are trust profits resulting from stock price rises, etc., there will be pecuniary distribution to the Company employees who satisfy beneficiary requirements. In case liabilities remain in connection with the trust property as losses on sale arise due to stock price declines, the Company shall satisfy the obligation for the bank in a lump sum, based on the suretyship clause of the loan for consumption agreement with special clause limiting the obligations to those covered only by the trust property.

3. The structure of the Plan



* If no Company shares remain in the trust as a result of selling to the ESOP, the trust terminates before the maturity of the trust term.

At the opening of the Plan	①	The Company establishes the trust account for the ESOP Support and the Trust receives loans from the financial institution for purchasing shares (and the Company guarantees the liabilities concerning such loans).
	②	The dedicated trust account purchases common shares of the Company with the loans in the number of shares the Company's ESOP is expected to purchase during the trust term by way of disposing treasury shares (third-party allocation) or by transactions in the market (including the off-hour trading).
During management	③	Employees pay the contribution for the Company's ESOP each month.
	④	The Company's ESOP purchases shares from the dedicated trust account each month for a certain period.
	⑤	The dedicated trust account repays the loan to the financial institution using the proceeds from sales of shares, etc.
At the time of termination	⑥	The voting rights of the dedicated trust account are exercised by the trust administrator.
	⑦-1	If the dedicated trust account has residual property after repaying loans due to stock price rises: ⇒Property is distributed among beneficiaries (i.e., employees) following the method originally prescribed.
	⑦-2	If the dedicated trust account has the fund insufficient for repayment of loans due to stock price declines: ⇒The Company performs the suretyship for the financial institution.

4. Outline of the Trust Agreement

- ① Kind of the trust: Specific money trust managed independently (third-party-benefit trust)
- ② Objectives of the trust: Stable and continuous provision of the Company shares to the Company's ESOP and improvement of the welfare system for employees who satisfies requirements for beneficiaries
- ③ Trustor: The Company
- ④ Trustee: Resona Bank, Ltd.
Resona Bank, Ltd. will conclude the specific comprehensive trust agreement with the Custody Bank of Japan, Ltd., which will be the re-trustee.
- ⑤ Beneficiaries: Participants in the Company's ESOP who satisfy the requirements for beneficiaries.
- ⑥ Date of conclusion of the Trust Agreement: February 26, 2026
- ⑦ Term of the trust: From February 26, 2026 through March 30, 2029 (planned)
- ⑧ Exercise of voting rights: The Trustee exercises the voting rights of the Company shares following the trust administrator's instructions which reflect the status of voting right exercise by the Company's ESOP.

5. Details of the purchases of the Company shares at the time of establishing the Trust

- ① Kind of the shares purchased: Common shares of the Company
- ② Total value of the shares purchased: 120,000,000 yen
- ③ Period during which the shares are purchased: From March 2, 2026 through May 1, 2026
- ④ Method of purchasing the shares: Purchases on the stock exchange markets (including the "ToSTNeT" market)