



June 22, 2026

To whom it may concern

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Securities code: 6923 (TSE Prime Market)
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**Notice of Disposal of Treasury Stock as Restricted Stock Compensation
to Managing Executive Officers, Executive Officers and Employees of the Company and
Directors of the Company's Domestic Subsidiaries**

Stanley Electric Co., Ltd. (hereinafter the "Company") hereby announces that at a meeting of the Board of Directors held today, the Company resolved to dispose of treasury stock (hereinafter the "Disposal of Treasury Stock" or the "Disposal") as follows pursuant to the "Incentive Plan Utilizing Restricted Stock (hereinafter the "Plan")."

1. Overview of the Disposal

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| (1) | Date of disposal | July 31, 2026 |
| (2) | Type and number of shares to be disposed of | 35,170 shares of common stock of the Company |
| (3) | Disposal price | 3,667 yen per share |
| (4) | Total value of shares to be disposed of | 128,968,390 yen |
| (5) | Allottees of shares, number of allottees, and number of shares to be allotted | 4 Managing Executive Officers of the Company : 1,600 shares 10 Executive Officers of the Company: 2,900 shares 533 Employees of the Company: 29,790 shares 10 Directors of the Company's domestic subsidiaries: 880 shares |
| (6) | Other | An extraordinary report has been filed in accordance with the Financial Instruments and Exchange Act regarding the Disposal of Treasury Stock. |

2. Purpose of and reasons for the Disposal

At a meeting of the Board of Directors held today, in order to strengthen the motivation of the Managing Executive Officers, Executive Officers and certain employees of the Company and Directors of the Company's domestic subsidiaries (hereinafter the "Eligible Employees, etc.") to contribute to boosting the stock price of the Company and to enhance the shareholder value and the corporate value of the Company, the Company resolved to continue the Disposal of Treasury Stock under the Plan for the Eligible Employees, etc. this fiscal year as well.

The overview of the Plan, etc. is as follows.

[Overview of the Plan, etc.]

The Eligible Employees, etc., based on the Plan, shall make in-kind contribution of all the monetary claims to be provided by the Company or its domestic subsidiaries, and shall receive the Company's common stock issued thereto or disposed of therefor. The amount to be paid per share shall be determined by the Board of Directors based on the closing price of a share of common stock of the Company on the

Tokyo Stock Exchange on the business day immediately prior to the date of resolution at each Board of Directors meeting (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day) to the extent that the amount is not particularly advantageous for the Eligible Employees, etc. who receive such common stock.

For the issuance or disposal of the Company's common stock under the Plan, an agreement for allotment of restricted stock shall be entered into between the Company and the Eligible Employees, etc., which shall include the following: (1) the Eligible Employees, etc. may not assign, create a security interest over, or otherwise dispose of in any way to a third party the Company's common stock allotted under the agreement for allotment of restricted stock during a certain restriction period, and (2) the Company shall automatically acquire without contribution such common stock in case where certain events occur.

This time, the Company has decided to grant a total of 128,968,390 yen in monetary claims (hereinafter the "Monetary Claims") and 35,170 shares of common stock, taking into consideration the purpose of the Plan, the Company's business conditions, the scope of the duties of the Eligible Employees, etc. and various circumstances, and with the aim of further motivating the Eligible Employees, etc. In addition, in order to realize the purpose of introducing the Plan, which is to share the shareholder value, the transfer restriction period is set at approximately 2 years and 10 months.

In the Disposal of Treasury Stock, 557 Eligible Employees, etc., who are the expected allottees, will make in-kind contribution of all the Monetary Claims against the Company and will receive the Company's common stock (hereinafter the "Allotted Shares") disposed of therefor, based on the Plan.

Since the monetary claims to be contributed in kind by each of the Eligible Employees, etc. under the Plan will be provided by the Company or its domestic subsidiaries, the wages of the Company's employees will not be reduced as a result of the Disposal of Treasury Stock. Furthermore, the Allotted Shares will be allotted only to the Eligible Employees, etc. who wish to receive them, and accordingly, the Monetary Claims will be extinguished in the event that no application is made to receive such shares.

The overview of the agreement for allotment of restricted stock (hereinafter the "Allotment Agreement") to be entered into between the Company and the Eligible Employees, etc., in connection with the Disposal of Treasury Stock is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 31, 2026 to June 1, 2029

(2) Conditions for removal of transfer restrictions

The restriction on transfer of all the Allotted Shares shall be removed as of the expiration of the transfer restriction period on the condition that the Eligible Employees, etc. continue to remain in the position of Director, Audit & Supervisory Board Member, Managing Executive Officer, Executive Officer, Trustee, Advisor, Business Advisor, employee, rehired employee, part-time employee, or other similar position at the Company or its domestic subsidiaries during the transfer restriction period.

(3) Handling in the event that the Eligible Employees, etc. retire or resign due to the expiration of their term of office, mandatory retirement age or other justifiable reasons during the transfer restriction period

(i) Time of removal of transfer restrictions

In the event that the Eligible Employees, etc. retire or resign from their position of Director, Audit & Supervisory Board Member, Managing Executive Officer, Executive Officer, Trustee, Advisor, Business Advisor, employee, rehired employee, part-time employee, or other similar position at the Company or its domestic subsidiaries due to the expiration of their term of office, mandatory retirement age or other justifiable reasons (including retirement or resignation due to death), the Company shall remove the transfer restrictions immediately after such retirement or resignation of the Eligible Employees, etc.

(ii) Number of shares subject to removal of transfer restrictions

The number of shares subject to removal of transfer restrictions shall be the number of shares obtained by multiplying the number of the Allotted Shares held at the time of the retirement or resignation as set forth in (i) by the number obtained by dividing the number of months from the month following the month that contains the date of the Disposal to the month that contains the date on which the Eligible Employees, etc. retire or resign from their position by 34 (if the number exceeds 1, 1 shall be applied) (any fractions less than 1 share as a result of calculation shall be discarded).

(4) Gratis acquisition by the Company

The Company shall automatically acquire at no cost the Allotted Shares for which the transfer restrictions are not removed as of the expiration of the transfer restriction period or at the time of removal of the transfer restrictions as set forth in (3) above. In the event that the Eligible Employees, etc. retire or resign from the position of Director, Audit & Supervisory Board Member, Managing Executive Officer, Executive Officer, Trustee, Advisor, Business Advisor, employee, rehired employee, part-time employee, or any other similar position at the Company or its domestic subsidiaries during the transfer restriction period due to reasons other than the expiration of their term of office, mandatory retirement age or other justifiable reasons, in the event that certain events specified in the Allotment Agreement occur, or in the event of any other violation of laws and regulations, etc., the Company shall automatically acquire at no cost all the Allotted Shares at the time of such events.

(5) Handling in case of corporate reorganization, etc.

If during the transfer restriction period a proposal regarding an agreement for merger in which the Company will be the disappearing company, an agreement for share exchange (*kabushiki kokan*) or plan for share transfer (*kabushiki iten*) in which the Company will become the wholly owned subsidiary of another entity, or regarding any other corporate reorganization, etc. is approved at a general meeting of shareholders of the Company (or at a meeting of the Board of Directors in the case where approval by the general meeting of shareholders of the Company regarding such corporate reorganization, etc. is not required), the Company shall remove the transfer restrictions with respect to all the Allotted Shares held as of such time by resolution of the Board of Directors, at the point in time immediately before the business day before the date on which such corporate reorganization, etc. becomes effective. In addition, the Company shall automatically acquire at no cost all the Allotted Shares whose transfer restrictions have not yet been removed as of the time immediately after removal of transfer restrictions.

(6) Administration of shares

During the transfer restriction period, the Allotted Shares shall be administrated in the dedicated account opened by the Eligible Employees, etc. at Nomura Securities Co., Ltd. to prevent the assignment, creation of security interest over, or otherwise disposal of such shares during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. on the administration of the account for the Allotted Shares held by each of the Eligible Employees, etc. in order to ensure the effectiveness of the transfer restrictions, etc. of the Allotted Shares. In addition, the Eligible Employees, etc. shall agree to the details of the administration of such account.

4. Basis of calculation of the amount to be paid in and specific details thereof

The Disposal of Treasury Stock to the expected allottees shall be effected upon the contribution in kind of the monetary claims provided to the expected allottees, and in order to eliminate any arbitrary pricing, the disposal price is set at 3,667 yen, which is the closing price of a share of common stock of the Company on the Tokyo Stock Exchange Prime Market on June 19, 2026 (the business day immediately prior to the date of resolution by the Board of Directors). This is the market price of the share immediately before the date of the resolution by the Board of Directors of the Company, and the Company believes that it is reasonable and not a particularly advantageous price.