



June 25, 2025

Company name: Aichi Tokei Denki Co., Ltd.  
Name of representative: Kenji Kunishima, President and Representative Director, President Executive Officer  
(Securities code: 7723; TSE Prime/NSE Premier)  
Inquiries: Satoru Maruyama, Senior Executive Officer, General Manager of Administration Headquarters  
(Telephone: +81-52-661-5151)

### **Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation**

Aichi Tokei Denki Co., Ltd. (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it resolved to dispose of treasury stock as restricted stock compensation (hereinafter referred to as the “Disposal of Treasury Shares” or the “Disposal”) as described below.

#### 1. Overview of the Disposal

(1) Disposal date	July 15, 2025
(2) Class and number of shares to be disposed	Common shares of the Company : 19,300 shares
(3) Disposal price	2,194 yen per share
(4) Total value of shares to be disposed	42,344,200 yen
(5) Scheduled Allottees	4 Directors of the Company (excluding outside directors) : 12,700 shares 11 Executive Officers of the Company : 6,600 shares
(6) Other	There are no applicable matters.

#### 2. Purpose and Reason for the Disposal

The Company resolved at the Board of Directors meeting held on May 11, 2020, to introduce a restricted stock compensation plan (hereinafter referred to as the “Plan”) for the Company's directors (excluding outside directors, hereinafter referred to as the “Eligible Directors”) with the aim of further aligning their interests with those of shareholders and enhancing their motivation to contribute to the improvement of the Company's corporate value. Furthermore, at the 99th Annual General Meeting of Shareholders held on June 24, 2022, approval was obtained to set the annual compensation for the allocation of restricted stock to Eligible Directors under the Plan at a maximum of 50 million yen, and to limit the total number of common shares issued or disposed of within one year from the date of each annual general meeting of shareholders to 50,000 shares.

Subsequently, the Company resolved at the Board of Directors meeting held today to grant monetary compensation claims totaling 27,863,800 yen to four Eligible Directors as compensation for the allocation of restricted stock for the period from the 102nd Annual General Meeting of Shareholders until the conclusion of the 103rd Annual General Meeting of Shareholders scheduled for June 2026. Additionally, for the period from April 1, 2025, to March 31, 2026, the Company resolved to grant monetary claims totaling 14,480,400 yen (hereinafter collectively referred to as the “Monetary Compensation Claims, etc.” along with the monetary claims) to 11 Executive Officers (hereinafter collectively referred to as the “Allottees” along with the Eligible Directors) as compensation for the allocation of restricted stock. Furthermore, at the Board of Directors meeting held today, it was resolved to dispose of a total of 19,300 shares of the Company's common stock as restricted stock (hereinafter referred to as the “Allocated Shares”) by having the 15 Allottees contribute all of the Monetary Compensation Claims, etc., as in-kind contributions.

To achieve the Plan's objectives of sustainable enhancement of corporate value and long-term value sharing with shareholders, the transfer restriction period is set from the payment date of the Allocated Shares (hereinafter referred to as "the Payment Date") until the later of the date of resignation or retirement from any position as a director, auditor, or executive officer of the Company, or the date on which the Company's securities report for the fiscal year to which the Payment Date belongs (or the semi-annual report if the Payment Date is within six months from the start of the fiscal year) is submitted.

<Summary of the Share Allocation Agreement>

The Company will individually enter into restricted stock allocation agreements with the Allottees, the summary of which is as follows.

(1) Transfer restriction period

The allottees shall not transfer, pledge, gift inter vivos, or otherwise dispose of the restricted stock (hereinafter referred to as the "Allocated Shares") allotted as compensation during the period from the payment date until the date on which the allottee resigns or retires from all positions as a director, Audit & Supervisory Board member, or executive officer of the Company. In the case where the allottee is a director, the restriction period shall be from the payment date until the conclusion of the first ordinary shareholders' meeting of the Company held thereafter. In the case where the allottee is a dedicated executive officer, the restriction period shall be for the compensation pertaining to the period from April 1, 2025 to March 31, 2026.

(2) Conditions for the removal of transfer restrictions

If the allottee is a director, the transfer restriction on all of the allotted shares will be lifted upon the expiration of the transfer restriction period, provided that the allottee has continuously held the position of director, auditor, or executive officer of the Company during the period from the payment date until the conclusion of the first ordinary shareholders' meeting of the Company thereafter. If the allottee is a dedicated executive officer, the transfer restriction on all of the allotted shares will be lifted upon the expiration of the transfer restriction period, provided that the allottee has continuously held the position of director, auditor, or executive officer of the Company during the period from April 1, 2025 to March 31, 2026.

However, if the allottee is a director, in the event that the director resigns or retires for a legitimate reason or due to death by the conclusion of the first ordinary shareholders' meeting of the Company after the payment date (or, if the allottee is a dedicated executive officer, between April 1, 2025 and March 31, 2026), the transfer restrictions on the number of shares calculated by multiplying the number of shares held by the allottee at that time by the number obtained by dividing the number of months from the month following the month including the date of the ordinary shareholders' meeting immediately preceding the payment date to the month including the date of resignation or retirement of the relevant director (or, if the allottee is a dedicated executive officer, from April 2025 to the month including the date of resignation or retirement of the relevant dedicated executive officer) by 12 (provided, however, that if the result exceeds 1, it shall be deemed 1), will be lifted for such number of shares (provided, however, that any fractional shares less than one share resulting from the calculation shall be rounded down).

(3) Reason for gratuitous acquisition

If the allottee resigns or retires during the transfer restriction period without a legitimate reason, the Company shall naturally acquire the allotted shares without compensation.

In addition, if there are any allotted shares for which the transfer restrictions have not been lifted at the time specified in (2) above, the Company shall naturally acquire such shares without compensation.

(4) Treatment in Organizational Restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the transfer restriction period, matters concerning a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring, are approved at the Company's shareholders' meeting (provided, however, that if such approval by the shareholders' meeting is not required for the organizational restructuring, then at the Company's board of directors meeting), the Company may, by resolution of the board of directors, lift the transfer restrictions on all of the allocated shares held by the allottees as follows: for allottees who are directors, the number of shares calculated by multiplying the number of months from the month following the month including the date of the ordinary shareholders' meeting immediately preceding the payment date to the month including the date of such approval (hereinafter referred to as the "Organizational Restructuring Approval Date"), divided by 12 (if this number exceeds 1, it shall be deemed 1), by the number of allocated shares held by the allottee as of the Organizational Restructuring Approval Date (fractions less than one share resulting from the calculation shall be rounded down); for allottees who are executive officers, the number of months from April 2025 to the month including the Organizational Restructuring Approval Date, divided by 12 (if this number exceeds 1, it shall be deemed 1), multiplied by the number of allocated shares held by the allottee as of the Organizational Restructuring Approval Date (fractions less than one share resulting from the calculation shall

be rounded down). The transfer restrictions on all such allocated shares shall be lifted as of immediately prior to the close of business on the business day immediately preceding the effective date of the organizational restructuring. In such case, if there remain any allocated shares for which the transfer restrictions have not been lifted immediately after the lifting of the transfer restrictions, the Company shall automatically acquire such shares without compensation.

(5) Management of shares

The allottee shall open a dedicated account with Mizuho Securities Co., Ltd. in the manner designated by the Company for the shares allotted, and shall keep and maintain all of the allotted shares in such dedicated account until the transfer restrictions are lifted.

3. Basis and specific details for the calculation of the paid-in amount

Regarding the disposition price of this treasury stock, in order to eliminate arbitrariness, it is set at 2,194 yen, which is the closing price of our common stock on the Tokyo Stock Exchange on the business day immediately preceding the directors' meeting (June 24, 2025). This is considered to be the market stock price immediately before the resolution of our directors' meeting and is not deemed to be a particularly advantageous price.