June 24, 2026

Company name: Aichi Tokei Denki Co., Ltd.
Name of representative: Kenji Kunishima,
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(Securities code: 7723; TSE Prime/NSE Premier)
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Notice Concerning Disposal of Treasury Stock as Restricted Stock Compensation

In its meeting held today, the Board of Directors of Aichi Tokei Denki Co., Ltd. (the "Company" hereinafter) resolved to dispose of treasury stock as restricted stock compensation ("Disposal" hereinafter), as described below.

1. Overview of Disposal

(1) Date of disposal	July 15, 2026
(2) Class and number of shares to be disposed of	16,200 shares of Company common stock
(3) Disposal price	2,905 yen/share
(4) Total disposal amount	47,061,000 yen
(5) Planned allottees of disposal	Company Directors (excluding Outside Directors): four persons, 10,600 shares Company internal Executive Officers: 12 persons, 5,600 shares
(6) Other matters	Not applicable

2. Purpose of and reasons for Disposal

To further align the interests of Company Directors (excluding Outside Directors; "Eligible Directors" hereinafter) with the interests of shareholders and further strengthen the motivation of Eligible Directors to contribute to growth in the Company's value, the Company Board of Directors resolved, at its meeting held May 11, 2020, to introduce a restricted stock compensation plan for Eligible Directors ("Plan" hereinafter). In addition, the 99th Annual General Meeting of Shareholders held June 24, 2022, approved various related matters, including capping the annual value provided to Eligible Directors in the form of deleted based on the original restricted stock under the Plan at 50 million yen and capping the total number of shares of common stock issued or disposed of to Eligible Directors within the year following each annual general meeting of shareholders at 50,000 shares.

In today's meeting, the Company Board of Directors resolved to pay monetary compensation claims totaling 30,793,000 yen to four Eligible Directors as compensation for the allocation of restricted stock for the period from the 103rd Annual General Meeting of Shareholders up to the conclusion of the 104th Annual General Meeting of Shareholders to take place for June 2027. Additionally, the Board of Directors resolved to pay monetary claims totaling 16,268,000 yen (alongside the above monetary claims, collectively referred to as the "Monetary Compensation Claims, etc." hereinafter) to 12 internal Executive Officers (alongside the Eligible Directors, collectively referred to as the "Allottees" hereinafter). These claims will be provided as compensation for the allocation of restricted stock for the period from April 1, 2026, through March 31, 2027. That same Board of Directors meeting also resolved to dispose of a total of 16,200 shares of Company common stock as restricted stock ("Allocated Shares" hereinafter) in exchange for in-kind contribution by the 16 Allottees of all of their Monetary Compensation Claims, etc.

To achieve the Plan's objectives—sustained growth in corporate value and sharing value with shareholders over the medium to long term—the period for which transfer of shares is restricted ("transfer restriction period" hereinafter) will be the period from the payment date of the Allocated Shares ("Payment Date" hereinafter) to the Allottee's date of resignation or retirement from any of the positions of Company Director, Auditor, or Executive Officer or the date on which the Company's securities report (or the Company's semiannual report if the Payment Date is within six months from the start of the fiscal year) for the fiscal year in which the Payment Date falls, whichever is later.

<Overview of stock allocation agreements>

The Company will enter into individual restricted stock allocation agreements with each Allottee, as summarized below.

(1) Transfer restriction period

An Allottee shall neither transfer, pledge, dispose inter vivos, or otherwise dispose of the restricted stock granted as compensation ("Allocated Shares" hereinafter) during the period from the payment date to the Allottee's date of resignation or retirement from any of the positions of Company Director, Auditor, or Executive Officer or the date on which the Company's securities report (or the Company's semiannual report if the Payment Date is within six months from the start of the fiscal year) for the fiscal year in which the Payment Date falls, whichever is later. If the Allottee is a Director, the transfer restriction period shall concern compensation pertaining to the period from the Payment Date until the conclusion of the first Annual General Meeting of Shareholders of the Company held thereafter. If the Allottee is an internal Executive Officer, the transfer restriction period shall concern compensation pertaining to the period from April 1, 2026, to March 31, 2027.

(2) Conditions for lifting of transfer restrictions

Transfer restrictions on all allotted shares shall be lifted upon the expiration of the transfer restriction period, provided that the Allottee has held the position of a Company Director, Auditor, or Executive Officer of the Company continuously from the Payment Date until the conclusion of the first Annual General Meeting of Shareholders of the Company held thereafter (if the Allottee is a Director) or from April 1, 2026, through March 31, 2027 (if the Allottee is a internal Executive Officer).

If the Allottee is a Director and resigns or retires for legitimate reasons or ceases to serve due to his or her death before the conclusion of the first Annual General Meeting of Shareholders held after the Payment Date (or, if the Allottee is a internal Executive Officer, resigns or retires for legitimate reasons or ceases to serve due to his or her death during the period from April 1, 2026, to March 31, 2027), the transfer restrictions shall be lifted for the number of shares determined as follows: Multiply the number of allotted shares held by the Allottee by the fraction whose denominator is 12 and the numerator is the number of months, starting with the month following the month in which the date of the Annual General Meeting of Shareholders immediately preceding the Payment Date falls, up to and including the month in which the Director in question resigns or retires (or, if the Allottee is a internal Executive Officer, from April 2026 up to and including the month in which Executive Officer resigns or retires). The result shall not exceed one. Any fractional shares of less than one share resulting from this calculation shall be rounded down.

(3) Grounds for gratis acquisition

If the Allottee resigns, retires, or ceases to serve during the transfer restriction period without legitimate cause, the Company shall, *ipso facto*, acquire the allotted shares free of any obligation to provide compensation.

If any allotted shares exist for which transfer restrictions have not been lifted at the time specified under (2) above, the Company shall, *ipso facto*, acquire such allotted shares free of any obligation to provide compensation.

(4) Handling in cases of reorganization

Notwithstanding the provisions under (1) above, if, during the transfer restriction period, a Company General Meeting of Shareholders (or the Company Board of Directors if the reorganization does not require approval at the General Meeting of Shareholders) has approved a merger in which the Company will become the extinguished company, a share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary, or another reorganization, then effective immediately before the business day preceding the effective date of the reorganization the Company may, by the resolution of the Board of Directors, lift the transfer restrictions on the number of shares determined by multiplying the number of allotted shares held by the Allottee as of the date of approval of the reorganization ("Reorganization Approval Date" hereinafter) by a fraction whose denominator is 12 and whose numerator is, if the Allottee is a Director, the number of months from the month following the month in which the date of the Annual General Meeting of Shareholders immediately preceding the Payment Date falls, up to and including the month in which the Reorganization Approval Date falls; or, if the Allottee is a Director, the number of months from April 2026 to the month including the Reorganization Approval Date. The result shall not exceed one. Any fractional shares of less than one share resulting from this calculation shall be rounded down.

In such cases, should allotted shares remain for which transfer restrictions have not been lifted at the time immediately after release of the transfer restrictions, then the Company shall, ipso facto, acquire such allotted shares free of any obligation to provide compensation.

(5) Management of shares

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

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

To eliminate any arbitrariness in pricing, the disposition price of the treasury stock shall be 2,905 yen, which is the closing price of Company common stock on the Tokyo Stock Exchange as of the business day immediately preceding the Board of Directors meeting (June 23, 2026). Since this is the market stock price immediately before the resolution of the Company Board of Directors, this is considered to be a reasonable and not unduly advantageous price.