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February 27, 2026

To whom it may concern

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Notice Regarding the Disposal of Treasury Stock as Restricted Stock Incentive Plan for Employee Shareholding Association

SENSHU ELECTRIC CO.,LTD. (the “Company”) hereby announces that at a meeting of its Board of Directors held today, it resolved as follows regarding the disposal of treasury stock as restricted stock (hereinafter referred to as “the Disposal of Treasury Stock” or “the Disposal”) to the SENSHU ELECTRIC Employee Shareholding Association (hereinafter referred to as the “Stock Ownership Association”) as the intended assignee, based on the Restricted Stock Incentive Plan for the Employees' Stock Ownership Association (hereinafter referred to as the “Plan”) for the Company's employees.

1. Outline of the Disposal

(1) Disposition date	April 24, 2026
(2) Type and Number of Shares to be Disposed	Common stock of the Company : 30,300 shares (Note)
(3) Disposal Price	6,420 yen per share
(4) Total Disposal Amount	194,526,000 yen (Note)
(5) Disposal Method (Planned Assignment Destination)	Through a third-party allotment (SENSHU ELECTRIC Employee Shareholding Association Stock Ownership Association: 30,300 shares)
(6) Other	Regarding this disposal of treasury stock, we have submitted a special report pursuant to the Financial Instruments and Exchange Act.

(Note) The “number of shares to be disposed of” and “total disposal amount” are calculated assuming that 50 shares of the Company's common stock are granted as restricted stock to each of the 606 Company employees, excluding non-residents in Japan who are potentially eligible for this program. The actual number of shares to be disposed of and the total disposal amount will be determined based on the number of Company employees (excluding domestic non-residents; hereinafter referred to as “Eligible Employees”) who agree to this program, following the completion of membership promotions for non-members of the Stock Ownership Association and confirmation of agreement to this program by members of the Stock Ownership Association.

2. Purpose and reason for the disposal

The Company resolved to provide Eligible Employees participating in this Employee Stock Ownership Plan with an opportunity to acquire restricted shares (common stock) disposed of by the Company through this Plan. This initiative aims to assist employees in building their assets, enhance their awareness of the Company's performance and stock price, promote shared value with shareholders, and increase motivation to enhance corporate value. The outline of this program is as follows.

【Overview of the System】

Under this system, the Company will provide Eligible Employees with a monetary claim (hereinafter referred to as the “Special Incentive Payment”) as a special incentive payment to be granted as restricted stock. Eligible Employees will contribute this Special Incentive Payment to the Stock Ownership Association. The Stock Ownership Association will then make a contribution in kind to the Company using the Special Incentive Funds contributed by the Eligible Employees, thereby receiving the issuance or disposition of the Company's common stock as restricted stock.

The paid-in amount per share of restricted stock shall be determined by the Company's Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the business day preceding the date of the resolution of the Company's Board of Directors concerning the issuance or disposition thereof (hereinafter referred to as the “Board Resolution Date”). If no trading occurred on that date, the closing price on the immediately preceding trading day shall be used. This determination shall be made within the scope that does not result in an amount particularly advantageous to the Stock Ownership Association.

The Company and the Stock Ownership Association shall enter into a restricted stock allocation agreement for the issuance or disposition of the Company's common stock under this program. This agreement shall include the following provisions: (i) a prohibition on the transfer, creation of security interests, or other disposition of the allocated restricted stock to third parties for a specified period (hereinafter referred to as the “Transfer Restriction”); and (ii) the Company's right to acquire the allocated restricted stock without compensation upon the occurrence of certain events. Furthermore, the payment of this Special Incentive Payment to the Eligible Employees shall be conditional upon the conclusion of the aforementioned restricted stock allocation agreement between the Company and the Stock Ownership Association.

Furthermore, with respect to their own interests in restricted shares issued or acquired through disposition by the Stock Ownership Association (hereinafter referred to as “restricted share interests”), Eligible Employees are restricted from drawing restricted shares corresponding to such restricted share interests until the transfer restrictions on the restricted shares are lifted, in accordance with the holding association rules and shareholding system provisions pertaining to this holding association (hereinafter referred to as “the holding association rules, etc.”) (Note).

(Note) The Stock Ownership Association will resolve to amend the holding association rules, etc. to accommodate this Plan at its board meeting scheduled for February 27, 2026, prior to receiving the disposal of treasury shares.

In this disposal of treasury stock, pursuant to the Plan, the Company will dispose of its common stock to the Stock Ownership Association, the intended allottee, by having the Association pay in the entirety of the special incentive payments contributed by the Eligible Employees as in-kind capital contributions. The outline of the restricted stock allocation agreement (hereinafter referred to as the “Allocation Agreement”) to be concluded between the Company and the Stock Ownership Association in connection with this disposal of treasury stock is as described in “3. Outline of the Allocation Agreement” below. The number of shares to be disposed of in this disposal of treasury stock is scheduled to be determined at a later date,

as noted in 1 (Note) above; however, the Company plans to dispose of up to 30,300 shares to the Stock Ownership Association. The dilution effect in the case of the maximum number of shares disposed of under this treasury stock disposal will be 0.17% (rounded to the nearest hundredth, same below) of the total number of issued shares as of October 31, 2025, which is 18,000,000 shares. This represents 0.18% of the total voting rights as of October 31, 2025, and is not material. Therefore, the Company determines that the number of shares to be disposed of and the scale of dilution resulting from this treasury stock disposal are reasonable. Furthermore, considering the scale of dilution, the impact on the market is expected to be minimal.

This disposal of treasury stock will be implemented subject to the condition that the holding association rules, etc. take effect by the day before the payment date for this disposal of treasury stock.

3. Outline of the Share Allotment Agreement

(1) Transfer Restriction Period

From April 24, 2026 to April 23, 2029

(2) Conditions for Lifting Transfer Restrictions

Provided that the Eligible Employee has continuously been a member of this Stock Ownership Association during the transfer restriction period, the transfer restrictions on all of the restricted share interests held by such Eligible Employee shall be lifted upon the expiration of the transfer restriction period.

(3) Handling of Withdrawal from the Shareholding Association

If an Eligible Employee withdraws from the Stock Ownership Association during the transfer restriction period due to retirement (or, if re-employed after retirement, upon completion of the re-employment period), appointment as an officer, or other valid reason (meaning loss of membership status or submission of a withdrawal application, including withdrawal due to death), the Company shall lift the transfer restrictions on all restricted share interests held by such Eligible Employee as of the date the Stock Ownership Association receives the withdrawal application (or, if membership is lost, the date membership was lost; or, in the case of withdrawal due to death, the date of death; hereinafter referred to as the "Withdrawal Application Receipt Date").

(4) Treatment in Cases of Becoming a Non-Resident

If the Company determines that an eligible employee becomes a non-resident due to an overseas transfer or similar circumstances during the transfer restriction period, the transfer restriction on all restricted share interests held by such eligible employee as of the date of such determination (hereinafter referred to as the "Overseas Transfer Determination Date") shall be lifted as of the Overseas Transfer Determination Date.

(5) Acquisition by the Company Without Compensation

If an eligible employee commits a violation of laws or regulations during the Transfer Restriction Period, or if any other specified grounds set forth in this Allocation Agreement apply, the Company shall automatically acquire, without compensation, all restricted share interests held by such Eligible Employee at that time. Furthermore, the Company shall automatically acquire, without compensation, any Restricted Allocation Shares for which the transfer restriction has not been lifted at the expiration of the transfer restriction period or at the time of lifting the transfer restriction as specified in (3) or (4) above.

(6) Management of Shares

During the transfer restriction period, the allocated shares shall be managed in a dedicated account opened by the Stock Ownership Association with Okasan Securities Co., Ltd. to prevent their transfer, the establishment of security interests, or other dispositions. Furthermore, the Stock Ownership Association shall register and manage the restricted share interests separately from the other membership shares held by the Eligible Employees, in accordance with the provisions of the holding association rules, etc.

(7) Treatment in the Event of Reorganization, etc.

During the transfer restriction period, if 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 matters concerning organizational restructuring, etc., are approved by the Company's shareholders' meeting (or, if approval by the Company's shareholders' meeting is not required for such reorganization, by the Company's board of directors), pursuant to a resolution of the Board of Directors, all restricted share interests held by the Stock Ownership Association as of the date of such approval, corresponding to the number of Allocated Shares representing the restricted stock interests held by the Target Employees, shall have their transfer restrictions lifted as of the close of business on the business day immediately preceding the Effective Date of the Reorganization.

4. Basis for Calculating the Disposal price and Specific Details Thereof

The disposal of treasury shares to the designated Stock Ownership Association will be carried out by Eligible Employees contributing to the association using the Special incentive Payments provided to them as capital assets for the grant of restricted stock. To eliminate arbitrariness in the disposal price, it has been set at 6,420 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on February 26, 2026 (the business day preceding the Board Resolution Date). This represents the market share price immediately prior to the Board resolution date and is considered reasonable and not particularly advantageous.

The deviation rate of this disposal price from the average closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market (rounded to the nearest hundredth) is as follows:

Period	Average Closing Price (rounded down to the nearest yen)	Deviation Rate
1 month (January 27, 2026 – February 26, 2026)	6,166 yen	4.12%
3 months (November 27, 2025 – February 26, 2026)	5,651 yen	13.61%
6 months (August 27, 2025 – February 26, 2026)	5,051 yen	27.10%

Our Audit and Supervisory Committee (composed of three outside directors) has expressed the opinion that the disposal amount is lawful and does not constitute an amount particularly favorable to the assignee, Stock Ownership Association, considering that this disposal of treasury stock is intended to introduce the Plan and that the disposal price is the closing price of our common stock on the Tokyo Stock Exchange Prime Market on the business day preceding the date of this Board of Directors resolution.

5. Matters Concerning Procedures Under the Corporate Code of Conduct

This disposal of treasury stock does not require obtaining an opinion from an independent third party or conducting procedures to confirm shareholder intent as stipulated in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange, because:

- (i) The dilution rate is less than 25%.
- (ii) It does not involve a change in the controlling shareholder.