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## Notice of the Disposal of Treasury Shares as a Restricted Stock Incentive for the Employee Stock Ownership Association

Inaba Denki Sangyo Co., Ltd. (hereinafter referred to as the “Company”) resolved, at the meeting of the Board of Directors held today, to dispose of treasury shares (hereinafter referred to as the “Disposal of Treasury Shares”) as restricted stock with the Inaba Denki Employee Stock Ownership Association (hereinafter referred to as the “Stock Ownership Association”) as the planned allottee based on the restricted stock incentive plan for the Employee Stock Ownership Association (hereinafter referred to as the “Plan”) as follows.

### 1. Overview of the disposal

(1) Payment date	July 6, 2026
(2) Class and number of shares to be disposed	59,700 common shares of the Company (Note)
(3) Disposal price	2,681 yen per share
(4) Total disposal price	160,055,700 yen (Note)
(5) Method of disposal (planned allottee)	By third-party allotment (Inaba Denki Employee Stock Ownership Association: 59,700 shares)
(6) Other	The Company has submitted an extraordinary report regarding the Disposal of Treasury Shares based on the Financial Instruments and Exchange Act.

(Note) The “number of shares to be disposed of” and the “total disposal price” are the maximum values, and the actual number of shares to be disposed of and total disposal price will be determined according to the number of Stock Ownership Association members after enrollment in the Stock Ownership Association has been promoted and members’ agreement to the Plan has been confirmed.

### 2. Purpose of and reasons for the disposal

The Company has resolved to introduce the Plan to employees with titles who are members of the Stock Ownership Association and agree to it (hereinafter referred to as “Eligible Employees”) for the purpose of further enhancing motivation and morale to contribute to the improvement of the Company’s corporate value and further promote the sharing of value with shareholders. In addition, the Plan will help Eligible Employees build their assets by providing opportunities to acquire the restricted stock issued or disposed of by the Company through the Stock Ownership Association, as a measure to enhance welfare benefits.

### 3. Overview of the Plan

Under the Plan, the Company will provide Eligible Employees with monetary claims (hereinafter referred to as the “Special Incentive”) as a special incentive to allot restricted stock. Eligible

Employees shall contribute the Special Incentive to the Stock Ownership Association. The Special Incentive contributed by the Eligible Employees will be contributed in kind to the Company by the Stock Ownership Association, which will receive the issuance or disposal of the Company's common shares as restricted stock.

The amount to be paid for the restricted stock shall be determined by the Board of Directors of the Company based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors concerning the issuance or disposal of the restricted stock (hereinafter referred to as the "Date of the Board of Directors Resolution") (or the closing price of the Company's most recent trading day if there is no trading on that day), to the extent that the amount is not particularly favorable to the Stock Ownership Association.

The Company and the Stock Ownership Association shall, upon the issuance or disposal of the Company's common shares under the Plan, enter into a restricted stock allotment agreement that includes (i) the prohibition on transfers to a third party, establishment of security interest, or any other disposal of the allotted restricted stock for a certain period (hereinafter referred to as the "Transfer Restriction" in 3.) and (ii) if certain events occur, the Company shall acquire the allotted restricted stock without consideration. In addition, the payment of the Special Incentive to the Eligible Employees will be made on the condition that the restricted stock allotment agreement is concluded between the Company and the Stock Ownership Association.

In addition, in accordance with the Inaba Denki Employee Stock Ownership Association rules and administrative regulations, etc. (hereinafter referred to as the "Stock Ownership Association Rules, etc.") related to the Stock Ownership Association, regarding one's interest in the restricted stock acquired by the Stock Ownership Association through issuance or disposal (hereinafter referred to as the "Restricted Stock Equity Interest"), Eligible Employees will be restricted from withdrawing restricted stock pertaining to their Restricted Stock Equity Interest until the Transfer Restriction on the restricted stock are lifted.

For the Disposal of Treasury Shares, based on the Plan, the Stock Ownership Association, which is the planned allottee, will pay all the Special Incentive contributed by the Eligible Employees as property contributed in kind and will receive the Company's common shares that will be disposed of. The restricted stock allotment agreement (hereinafter referred to as the "Allotment Agreement") concluded between the Company and the Stock Ownership Association in connection with the Disposal of Treasury Shares is outlined in "4. Overview of the Allotment Agreement" below. The number of shares to be disposed of in the Disposal of Treasury Shares is expected to be determined at a later date as described in (Note) of 1. above, but the Company plans to dispose of a maximum of 59,700 shares to the Stock Ownership Association. Based on this maximum number of shares to be disposed of, the dilution rate resulting from the Disposal of Treasury Shares will be 0.05% (rounded to the second decimal place; the same will be applied hereinafter) of the total number of issued shares of 113,659,600 shares as of April 30, 2026.

#### 4. Overview of the Allotment Agreement

##### (i) Transfer restriction period

July 6, 2026 - June 22, 2029

During the transfer restriction period (hereinafter referred to as the "Transfer Restriction Period") set forth above, the Stock Ownership Association, which is the planned allottee, may not transfer, establish a security interest on, or otherwise dispose of (hereinafter referred to as the "Transfer Restriction") the Company's common shares allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares").

##### (ii) Acquisition of restricted stock without consideration

The Company shall automatically acquire all the Allotted Shares for which the Transfer Restriction has not been lifted without consideration immediately after the expiration of the Transfer Restriction Period (hereinafter referred to as the "Expiration of the Period"). In this case, the Company shall notify the Stock Ownership Association and the Eligible Employees of its intention to acquire the Allotted Shares without consideration and the number of the Allotted Shares to be acquired without consideration. The Stock Ownership Association shall deduct the

portion of the Restricted Stock Equity Interest held by the Eligible Employees at that time that corresponds to the Allotted Shares subject to the acquisition without consideration in accordance with the provisions of the Stock Ownership Association Rules, etc.

The Company shall automatically acquire the Allotted Shares for which the Transfer Restriction is not lifted in accordance with the treatment in (iv) below corresponding to the Restricted Stock Equity Interest held by the Eligible Employees to whom the treatment in (iv) below is applied, without consideration, immediately after the lifting of the Transfer Restriction prescribed in (iv) below. In this case, the Company shall notify the Stock Ownership Association and the Eligible Employees that the Company will acquire the Allotted Shares without consideration and the number of the Allotted Shares to be acquired without consideration. The Stock Ownership Association shall deduct the portion of the Restricted Stock Equity Interest held by the Eligible Employees to whom the treatment in (iv) below is applied that corresponds to the Allotted Shares subject to the acquisition without consideration in accordance with the provisions of the Stock Ownership Association Rules, etc.

(iii) Lifting of the Transfer Restriction

The Company will lift the Transfer Restriction on all the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employees who satisfy the conditions at the Expiration of the Period, on the condition that the Eligible Employees have been members of the Stock Ownership Association continuously during the Transfer Restriction Period. In this case, the Company shall notify the Stock Ownership Association that the Transfer Restriction will be lifted and the number of Allotted Shares for which the Transfer Restriction will be lifted. In accordance with the provisions of the Stock Ownership Association Rules, etc., the Stock Ownership Association shall transfer the portion of the Restricted Stock Equity Interest held by the Eligible Employees who satisfy these conditions that corresponds to the Allotted Shares for which the Transfer Restriction has been lifted to the members' interest held by the Eligible Employees in relation to the shares acquired by the Stock Ownership Association not under the Plan (hereinafter referred to as "Ordinary Equity Interest").

(iv) Treatment in the event of withdrawal of membership from the Stock Ownership Association

If an Eligible Employee withdraws from the Stock Ownership Association during the Transfer Restriction Period due to reasons such as appointment as an officer (excluding cases where membership of the Stock Ownership Association is not lost), mandatory retirement, or retirement at the convenience of the Company deemed valid by the Board of Directors of the Company (in cases of loss of membership or application for withdrawal, including withdrawal due to death; the same applies hereinafter), the Company shall lift the Transfer Restriction on the number of Allotted Shares obtained by multiplying the number of Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employee as of the day on which the Stock Ownership Association accepted the Eligible Employee's withdrawal application (in the case of withdrawal due to loss of membership or death, the day on which the Company becomes aware of the loss of membership or death; hereinafter referred to as the "Withdrawal Application Date") by the number obtained by dividing the number of months from April 2026 to the month that includes Eligible Employee's Withdrawal Application Date by 12 (if the result of the calculation is more than 1, it will be set as 1), on the next business day following the Withdrawal Application Date (any fraction of less than 1 share resulting from the calculation shall be rounded down). In this case, the Company shall notify the Stock Ownership Association that the Transfer Restriction will be lifted and the number of the Allotted Shares for which the Transfer Restriction will be lifted, and the Stock Ownership Association shall transfer the portion of the Restricted Stock Equity Interest held by the Eligible Employees that corresponds to the Allotted Shares for which the Transfer Restriction has been lifted to the Ordinary Equity Interest of the Eligible Employees in accordance with the provisions of the Stock Ownership Association Rules, etc.

(v) Provisions on management of shares

The Allotted Shares will be managed in a dedicated account opened by the Stock Ownership Association with SMBC Nikko Securities Inc. during the Transfer Restriction Period to ensure the Transfer Restriction is performed. In addition, the Stock Ownership Association shall

separately register and manage the Restricted Stock Equity Interest and the Ordinary Equity Interest held by the Eligible Employees with respect to the Allotted Shares in accordance with the provisions of the Stock Ownership Association Rules, etc.

(vi) Treatment in the event of reorganization, etc.

If, during the Transfer Restriction Period, a proposal relating to a merger agreement under which the Company is to be dissolved, a share exchange agreement or share transfer plan under which the Company is to become a wholly-owned subsidiary, or any other reorganization, etc. is approved at the Company's General Meeting of Shareholders (or at the Company's Board of Directors meeting in the event that such reorganization, etc. does not require approval at the Company's General Meeting of Shareholders), the Company shall, by resolution of the Company's Board of Directors, lift the Transfer Restriction on the number of Allotted Shares obtained by multiplying the number obtained by dividing the number of months from April 2026 to the month that includes the date of such approval by 12 (if the result of the calculation is more than 1, it will be set as 1) by the number of Allotted Shares which is the number corresponding to the Restricted Stock Equity Interest held by the Eligible Employees among the Allotted Shares held by the Stock Ownership Association on the approval date (any fraction of less than 1 share resulting from the calculation shall be rounded down), immediately prior to the business day preceding the effective date of such reorganization, etc.

In this case, the Company shall automatically acquire all the Allotted Shares for which the Transfer Restriction is not lifted in accordance with the Restricted Stock Equity Interest held by the Eligible Employees on the business day immediately preceding the effective date of the reorganization, etc. without consideration.

5. Basis for calculation of payment amount and specific details

To eliminate arbitrariness, the disposal price for the Disposal of Treasury Shares is set to 2,681 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the Date of the Board of Directors Resolution (May 14, 2026). This is the market share price immediately prior to the Date of the Board of Directors Resolution and is considered reasonable.

The deviation rate of this price from 2,671 yen (rounded down to the nearest yen; the same will be applied hereinafter for simple average closing prices), which is the simple average closing price of the Company's common shares on the Tokyo Stock Exchange for one month (from April 15, 2026 to May 14, 2026) up to the business day preceding the Date of the Board of Directors Resolution, is 0.37% (rounded to the second decimal place; the same will be applied hereinafter in the calculation of the deviation rate), the deviation rate from 2,695 yen, which is the simple average closing price of the Company's common shares on the Tokyo Stock Exchange for three months (from February 15, 2026 to May 14, 2026) up to the same business day, is -0.52%, and the deviation rate from 2,626 yen, which is the simple average closing price of the Company's common shares on the Tokyo Stock Exchange for six months (from November 15, 2025 to May 14, 2026) up to the same business day, is 2.09%. Therefore, the Company determined that this price does not fall under a particularly favorable price. Please note that calculating the deviation rate is based on stock prices that reflects the share split effective on December 1, 2025.

The Audit and Supervisory Committee of the Company (5 Directors (including 4 Outside Directors) who are Audit and Supervisory Committee members) expressed its opinion that the process by which the Company determined that the disposal price above does not fall under the category of an amount to be paid that is particularly favorable to the Stock Ownership Association, which is the allottee, is reasonable and that such determination is lawful, taking into account that the Disposal of Treasury Shares is for the purpose of introducing the Plan and that the disposal price is the closing price on the business day immediately preceding the Date of the Board of Directors Resolution.

6. Matters relating to procedures under the Corporate Code of Conduct

As (i) the dilution rate is less than 25% and (ii) there is no change in controlling shareholders, the Disposal of Treasury Shares does not require procedures to obtain an opinion from an independent

third party or to confirm the intent of shareholders as prescribed in Article 432 of the Listing Regulations of the Tokyo Stock Exchange.

(Reference)

[Structure of the Plan]

- (i) The Company provides monetary claims to the Eligible Employees as a Special Incentive.
- (ii) Eligible Employees contribute the monetary claim mentioned in (i) above to the Stock Ownership Association.
- (iii) The Stock Ownership Association will collect the monetary claim contributed in (ii) above and pay it to the Company.
- (iv) The Company will allocate the Allotted Shares to the Stock Ownership Association.
- (v) The Allotted Shares will be deposited in the Restricted Stock Equity Interest account of the Stock Ownership Association through SMBC Nikko Securities Inc., and withdrawal during the Transfer Restriction Period will be restricted.
- (vi) After the Transfer Restriction is lifted, the Allocated Shares can be withdrawn in the same manner as the Ordinary Equity Interest of the Stock Ownership Association.

