November 9, 2026

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Notice of the Introduction of the Share-based Compensation Plan for the Company Employees

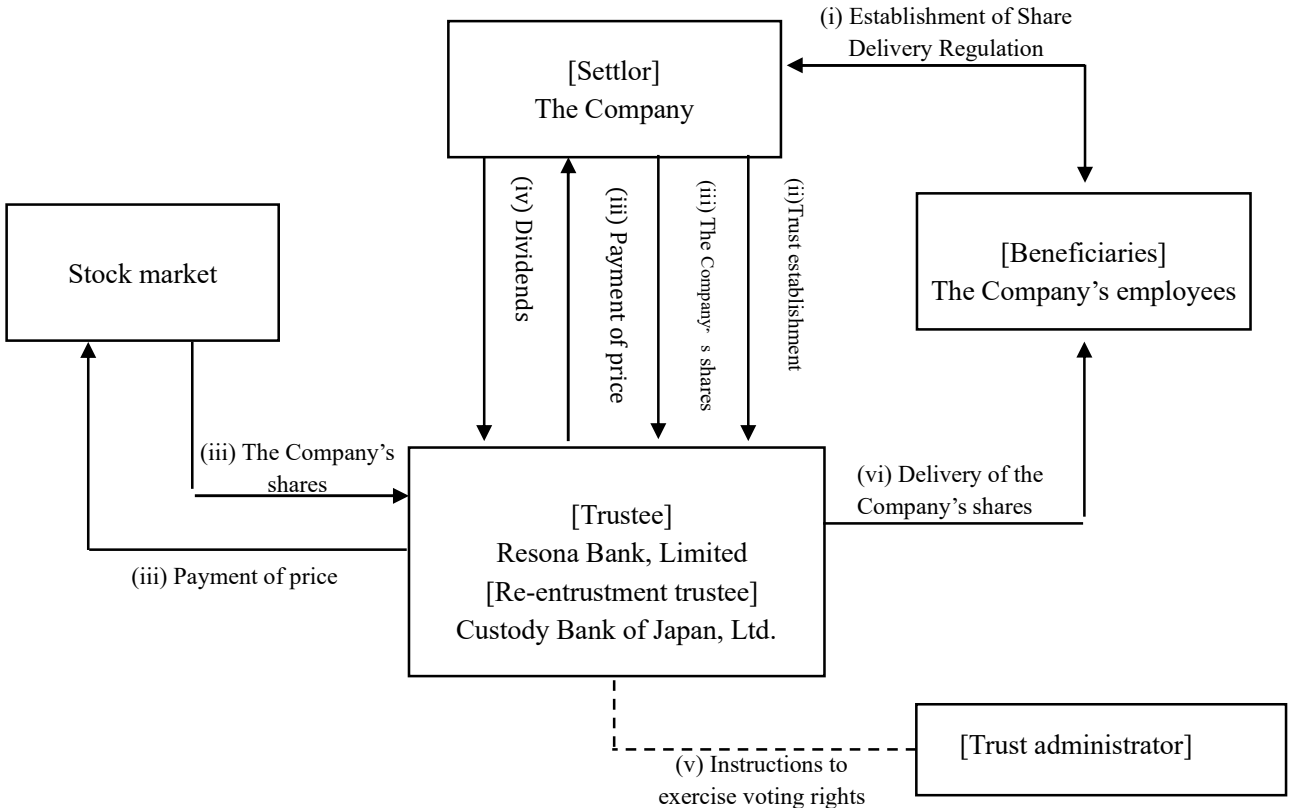
We at Nihon Dempa Kogyo Co., Ltd. (hereafter, the "Company") would like to inform you that resolution was made at the Board of Directors Meeting held on the date mentioned above about the introduction of a new incentive plan for the managerial members out of the Company's employees, the Share-based Compensation Plan for Employees (hereafter, the "Plan").

Details of the Plan

1. Purposes of the introduction of the Plan
   The Company will introduce the Plan as part of its incentive program for the managerial members out of the Company's employees for the purpose of raising their motivation for increasing the Company's medium- to long-term business results and enhancing corporate value as well as raising morale.

2. Overview of the Plan
   Under the Plan, the trust fund to be established based on the Company's contribution of money (hereafter, the "Trust," and the trust agreement concluded with Resona Bank, Limited for the establishment of the Trust shall be referred to as the "Trust Agreement") will acquire the Company's shares and provide such shares and money equivalent to the market price of the shares (hereafter jointly referred to as the "Company's shares, etc.") for the Company's employees who satisfy certain necessary condition for being eligible as beneficiaries of the Plan, based on the regulations for the delivery of shares formulated in advance (hereafter, the "Share Delivery Regulations").
   The Company shall award points to the eligible employees based on the Share Delivery Regulations and, in case where a certain requirement for being a beneficiary, shall grant the Company's shares, etc. in accordance with the number of points awarded, after carrying out the procedure stipulated in advance. As the Company will contribute the whole amount of the money required for the establishment of the Trust, the Company's employees shall bear no such expenses.
   As the introduction of the Plan will allow the Company's employees to receive economic benefit to be resulted from the increase of the price of the Company's shares, etc., it is expected to enhance their will to work with awareness of the share price aiming at increasing business results and, at the same time, for the Company to have greater capacity for retention of employees. In addition, given that the intention of the Company's employees who satisfy condition for being eligible as beneficiaries is reflected in the exercise of voting rights of the Company's shares, etc. which are the trust assets of the Trust, it is also expected to have the effect of raising the awareness of the Company's employees of participation in the corporate management.

3. Structure of the Plan



(i) When introducing the Plan, the Company's Board of Directors shall formulate the Share Delivery Regulations.

(ii) The Company shall contribute money to establish the Trust, in order to carry out the Plan.

(iii) Money contributed to the Trust as stated in (ii) above shall be used to acquire the Company's shares either from the stock market (including off-floor trading) or through subscription for the Company's treasury shares to be sold. At the time of establishing the Trust, shares are purchased from the stock market (including off-floor trading).

(iv) Dividends will be paid for the Company's shares held in the Trust as in the case of other shares of the Company.

(v) Regarding the voting rights of the Company's shares held in the Trust, the trust administrator shall give instructions to the Trustee concerning exercise of such voting rights, etc., and the Trustee shall follow such instructions.

(vi) During the trust period, the Company's employees will be awarded points based on the Share Delivery Regulations as stated in (i) above and, to the Company's employees who satisfy the certain beneficiary requirements as stipulated in the Share Delivery Regulations, the Company's shares, etc. in the number corresponding to the number of points awarded will be granted.

N.B.: In case where, as a result of granting the Company's shares, etc. to the Company's employees who satisfy the beneficiary requirements, no shares of the Company remain in the Trust, it is possible that the Company will contribute additional money to the Trust for acquiring the Company's shares.

4. Overview of the Trust Agreement

(i) Name:	Share Delivery Trust for Employees
(ii) Settlor:	The Company
(iii) Trustee:	Resona Bank, Limited Custody Bank of Japan, Ltd. will be the re-entrustment trustee, as Resona Bank, Limited will conclude a specified, comprehensive trust agreement with Custody Bank of Japan, Ltd.
(iv) Beneficiaries:	The employee(s) of the Company that satisfies/satisfy the beneficiary requirements stipulated in the Share Delivery Regulations.
(v) Trust administrator:	The person to be selected from among the Company's employees.
(vi) Kind of the trust:	Pecuniary trust other than the money trust ("third-party-benefit" trust)
(vii) Date of concluding the Trust Agreement:	November 10, 2026 (planned)
(viii) Date of contributing money:	November 10, 2026 (planned)
(ix) Trust period:	From November 10, 2026 (planned) to the closing of the Trust (a specific closure date shall not be set, as the Trust will continue as long as the Plan continues.)

5. Details of the Company's shares at the time of establishing the Trust
   (i) Kind of the shares to be acquired: Common shares of the Company
   (ii) Amount of money to be contributed to acquire the shares: 66,000,000 yen
   (iii) Total number of shares to be acquired (upper limit): 22,000
   (iv) Period of share acquisition: From November 10, 2026 to December 9, 2026 (planned)
   (v) Method of acquiring the shares: Acquisition from the stock market (including off-floor trading)

END