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To Whom It May Concern

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Notice Concerning Introduction of Restricted Stock Compensation Plan

At the meeting of the Board of Directors held today, Toyo Denki Seizo K.K. (hereinafter “Toyo Denki”) revised its system for remuneration for directors (and other officers), and resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”). Accordingly, Toyo Denki hereby announces that it has decided to submit a proposal regarding the Plan to the 164th Annual General Meeting of Shareholders to be held on August 27, 2025 (hereinafter “this General Meeting of Shareholders”).

1. Purpose of the introduction of the Plan

The Plan is designed to provide Directors of Toyo Denki (excluding Outside Directors, hereinafter “Eligible Directors”) with incentives to sustainably increase the corporate value of Toyo Denki and to further share value with shareholders.

Under the Plan, Eligible Directors will receive (i) common stock of Toyo Denki or (ii) monetary claims to acquire common stock of Toyo Denki as remuneration. Therefore, the introduction of the Plan is subject to approval by shareholders at this General Meeting of Shareholders for payment of the said remuneration. At the 145th Annual General Meeting of Shareholders held on August 29, 2006, the maximum amount of remuneration for Directors of Toyo Denki was approved as 240 million yen per year (excluding the amount of employee salaries for Directors who concurrently serve as an employee). At this General Meeting of Shareholders, we plan to request the approval of shareholders for the introduction of the Plan and the establishment of a maximum amount of remuneration for Eligible Directors under the Plan separated from the said maximum amount of remuneration.

2. Overview of the Plan

The remuneration to be paid to Eligible Directors under the Plan shall be (i) common stock of Toyo Denki or (ii) monetary claims as property contributed in kind to acquire common stock of Toyo Denki. Eligible Directors shall receive common stock of Toyo Denki through issuance or disposal in accordance with the resolution by the Board of Directors of Toyo Denki. The total amount of common stock of Toyo Denki or monetary claims to be granted to Eligible Directors under the Plan shall be up to 32 million yen per year (excluding employee salaries for Directors who concurrently serve as an employee). The total number of shares of common stock newly issued or disposed of by Toyo Denki shall be up to 25,000 shares per year (however, in the event of a stock split (including allotment of common stock of Toyo Denki without contribution) or stock consolidation with an effective date on or after the date of the resolution by this General Meeting of Shareholders, the said

total number shall be adjusted to the extent reasonable as necessary based on the split ratio, stock consolidation ratio, or other factors after the said effective date).

In cases where the common stock of Toyo Denki, instead of monetary claims, is granted to Eligible Directors as remuneration under the Plan, the said common stock shall be issued or disposed of as remuneration for Eligible Directors, and it shall not be necessary to pay monetary claims as property contributed in kind in exchange for the said common stock. The amount of common stock of Toyo Denki granted to Eligible Directors shall be calculated as an amount per share of common stock of Toyo Denki to be issued or disposed of as mentioned above based on the closing price of common stock of Toyo Denki on the Tokyo Stock Exchange as of the business day immediately preceding the date of each resolution by the Board of Directors regarding the issuance or disposal of common stock of Toyo Denki (if no trading has been completed on that day, the closing price of the immediately preceding trading shall apply).

On the other hand, in the case where Eligible Directors receive monetary claims as property contributed in kind to acquire common stock of Toyo Denki as remuneration under the Plan, Eligible Directors shall pay all the monetary claims granted to them under the Plan as property contributed in kind, and receive common stock of Toyo Denki through issuance or disposal, in accordance with the resolution of the Board of Directors of Toyo Denki. In this case, the payment amount per share shall be determined by the Board of Directors based on the closing price of common stock of Toyo Denki on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if no trading has been completed on that day, the closing price of the immediately preceding trading shall apply) to the extent that the said amount is not particularly favorable to the Eligible Directors who receive the said common stock.

The specific timing of granting to each Eligible Director and allotment ratio will be determined by the Board of Directors after consulting the Nomination and Compensation Advisory Committee.

The issuance or disposal of common stock of Toyo Denki (hereinafter the “Stock”) and delivery of monetary claims as property contributed in kind under the Plan shall be subject to the conclusion of a restricted stock allotment agreement between Toyo Denki and the Eligible Director that includes provisions to (i) prohibit the Stock from being transferred to a third party, pledged as a collateral, or disposed of in any other forms for a certain period of time (hereinafter the “Restricted Period”), and (ii) allow Toyo Denki to acquire the Stock without compensation in the event that a certain reason arises. The Stock will be managed during the Restricted Period in a dedicated account that will be opened by Eligible Directors with Nomura Securities Co., Ltd. so that the Stock cannot be transferred, pledged as a collateral, or disposed of in any other forms during the Restricted Period.

On the condition that the proposal for the Plan is approved by this General Meeting of Shareholders, Toyo Denki plans to introduce restricted stock compensation for Operating Officers who do not concurrently serve as Directors of Toyo Denki similar to the Plan.