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JPX PRIME

FASF MEMBERSHIP

July 31, 2026

Company name	Tsuzuki Denki Co., Ltd.
Representative	Katsuyuki Yoshida Representative Director, President & CEO
Securities code	8157 (TSE Prime Market)
Contact	Toshihiro Hirai Managing Executive Officer (Tel: +81-50-3684-7780)

Notice Regarding the Disposal of Treasury Shares by Third-Party Allotment

Tsuzuki Denki Co., Ltd. (the "Company") hereby announces that, at the Board of Directors meeting held on July 31, 2026, it resolved to dispose of treasury shares by third-party allotment (the "Disposal of Treasury Shares"), as described below.

1. Outline of the Disposal

(1) Date of disposal	August 20, 2026
(2) Class and number of shares to be disposed of	132,900 shares of common stock
(3) Disposal price	4,265 yen per share
(4) Total disposal amount	566,818,500 yen
(5) Intended allottee	The Master Trust Bank of Japan, Ltd. (Board Incentive Plan [BIP] Trust Account)
(6) Other	Pursuant to the Financial Instruments and Exchange Act, the Company has filed an extraordinary report in connection with the Disposal of Treasury Shares.

2. Purpose of and Reasons for the Disposal

At the Board of Directors meeting held on May 15, 2026, the Company resolved to continue and partially amend the stock compensation plan utilizing the Board Incentive Plan Trust (the "BIP Trust"), which was introduced in fiscal 2017, for the Company's directors (excluding outside directors and non-residents of Japan) and executive officers (excluding non-residents of Japan; collectively, the "Eligible Directors and Officers"), for the purpose of improving the Company's medium- to long-term business performance, enhancing its corporate value, and heightening the Eligible Directors and Officers' awareness of shareholder-oriented management. The proposal was subsequently approved at the

86th Annual General Meeting of Shareholders held on June 26, 2026. For an overview of the BIP Trust, please refer to the “Notice Regarding the Continuation and Partial Amendment of the Stock Compensation Plan for Directors of the Company,” announced on May 15, 2026.

In connection with the extension of the trust term of the BIP Trust, the Company will dispose of treasury shares to The Master Trust Bank of Japan, Ltd. (BIP Trust Account), which is a co-trustee under the Board Incentive Plan Trust Agreement to be entered into between the Company and Mitsubishi UFJ Trust and Banking Corporation (the “Trust Agreement”).

The number of shares to be disposed of represents the number of shares expected to be delivered to the Eligible Directors and Officers during the trust term in accordance with the Share Delivery Regulations. The resulting dilution will be 0.70% of the total number of issued shares (rounded to two decimal places; representing 0.71% of the 187,258 total voting rights as of March 31, 2026).

The Company shares allotted through the Disposal of Treasury Shares will be delivered to the Eligible Directors and Officers in accordance with the Share Delivery Regulations. As the shares allotted through the Disposal of Treasury Shares are not expected to be released into the stock market all at once, the impact on the stock market is expected to be minimal. Accordingly, the Company has determined that the number of shares to be disposed of and the resulting dilution are reasonable.

Outline of the Trust Agreement

Type of trust	Money trust other than money trust with specified single investment (other-beneficiary trust)
Purpose of trust	Granting incentives to Eligible Directors and Officers
Settlor	The Company
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-Trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries	Eligible Directors and Officers who satisfy the beneficiary requirements
Trust administrator	A third party with no conflict of interest with the Company (a certified public accountant)
Trust agreement date	November 21, 2017
Trust term	November 21, 2017 to the end of September 2026 (planned to be extended to the end of September 2029 through amendment of the trust agreement in August 2026)
Plan commencement date	November 21, 2017
Exercise of voting rights	No voting rights will be exercised.

3. Basis for Determining the Disposal Price and Specific Details Thereof

In determining the disposal price, the Company has taken into account recent movements in its share price and, in order to eliminate arbitrariness in determining the disposal price, has set the price in accordance with the “Guidance Concerning Handling of Allotment of New Shares to Third Party, etc.” issued by the Japan Securities Dealers Association. Accordingly, the disposal price has been set at 4,265 yen, the closing price of the Company’s shares on the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) on July 30, 2026, the business day immediately preceding the date of the Board of Directors’ resolution concerning the Disposal of Treasury Shares. The Company adopted this price because it represents the market price immediately prior to the Board of Directors’ resolution and was therefore determined to be highly objective and reasonable as a basis for determining the disposal price.

With respect to the above disposal price, all three of the Company's corporate auditors, including two outside corporate auditors, have expressed the opinion that the basis for determining the disposal price is reasonable and that the disposal price does not constitute a particularly favorable price.

4. Procedures under the Code of Corporate Conduct

As the dilution resulting from the Disposal of Treasury Shares will be less than 25% and there will be no change in the controlling shareholder, the procedures for obtaining an opinion from an independent third party and confirming shareholders' intent, as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, are not required.