

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

June 26, 2026

Company name: Nippon Seiki Co., Ltd.
Name of representative: Keiichi Nagano,
Representative Director,
President & CEO
(Code No.: 7287
TSE Standard Market)
Inquiries: Masashi Torigoe,
Corporate Management
Headquarters, Operating
Officer,
(Telephone: +81-258-24-
3311)

Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Nippon Seiki Co., Ltd. (the “Company”) hereby announces that, at a meeting held on June 26, 2026, its Board of Directors resolved to dispose of the Company’s treasury stock as restricted stock compensation (the “Disposal of Treasury Stock” or “Disposal”). Details are as follows.

1. Overview of the disposal of treasury stock

(1) Date of disposal	July 17, 2026
(2) Type and number of shares to be disposed of:	6,786 shares of common stock of the Company
(3) Disposal price	2,531 yen per share
(4) Total value of disposal	17,175,366 yen
(5) Allottee	4 Directors of the Company (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members): 4,098 shares 6 Operating Officers of the Company: 2,688 shares

2. Purpose and reason for disposal

At the meeting of the Board of Directors of the Company held on May 22, 2024, the Company resolved to introduce a restricted stock compensation plan (the “Plan”) for the Company’s directors excluding outside directors and directors who are Audit and Supervisory Committee Members (the “Eligible Directors”), as a new compensation plan for the Eligible Directors. Under the Plan, shares of the Company’s common stock, which are subject to a certain transfer restriction period and provisions regarding events in which the Company may acquire such shares without consideration etc. will be allotted as restricted stock to the Eligible Directors, with the aim of providing them with an incentive to sustainably enhance the Company’s corporate value and further promoting the sharing of value between

the Eligible Directors and the Company's shareholders.

In addition, at the 79th Annual General Meeting of Shareholders held on June 28, 2024 (the "General Meeting of Shareholders"), the Company obtained approval for the payment of monetary compensation claims of up to JPY 27 million per year, within the existing monetary compensation framework for directors, as monetary compensation to be contributed as property in kind for the acquisition of restricted stock under the Plan, and for the transfer restriction period of the restricted stock to be the period from the date of allotment until the date on which the relevant Eligible Director retires or resigns from all of his or her posts as director and executive officer of the Company, among other matters.

The outline and other details of the Plan are as follows.

[Outline and Other Details of the Plan]

Under the Plan, Eligible Directors shall make in-kind contributions of all the monetary compensation receivables to be granted from the Company and in return receive the Company's common stock that will be issued or disposed of by the Company.

The total amount of monetary compensation receivables to be granted to Eligible Directors under the Plan will be up to 27 million yen per year within the current compensation amount, and the total number of shares of the Company's common stock to be issued or disposed of under the Plan (the "Allotted Shares") will be up to 17,000 shares per year (provided, however, that if any unavoidable event requiring an adjustment to the number of shares occurs, such as a share split, allotment of shares without contribution or share consolidation of the Company's common stock, the number of Allotted Shares may be reasonably adjusted.)

The amount to be paid in per share of the Company's common stock to be issued or disposed of under the Plan shall be determined by the Board of Directors in a range that is not especially advantageous to Eligible Directors who subscribe to the restricted stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of the resolution of the Company's Board of Directors concerning the allotment of the Allotted Shares (if no trading is reported on that day, the closing price on the most recent trading day.)

Regarding the issuance or disposal of its common stock under the Plan, the Company shall enter into a restricted stock allotment agreement (the "Allotment Agreement") with Eligible Directors, the provisions of which shall contain the following items.

- (i) The Eligible Directors may not, during a predefined period, transfer, attach a security interest on or otherwise dispose of the Company's common stock allotted pursuant to the Allotment Agreement.
- (ii) The Company shall acquire said common stock without consideration if certain events occur.

Following the approval resolution at the General Meeting of Shareholders regarding the restricted stock compensation plan for Eligible Directors, the Company's Board of Directors also resolved to introduce a similar restricted stock compensation plan for the Company's Executive Officers (Eligible Directors and Executive Officers of the Company are hereinafter collectively referred to as the "Eligible Directors, etc.".)

Today, by resolution of its Board of Directors, the Company decided to provide a total of 17,175,366 yen in monetary compensation claims (the "Monetary Compensation Claims") to four Eligible Directors and six Operating Officers who will be allotted restricted stock compensation for the period from the General Meeting of Shareholders to the Ordinary General Meeting of Shareholders to be held in the following year (provided, however, if the allottee is an Executive Officer of the Company, this may refer to the Company's fiscal year), and to allot 6,786 shares of the Company's common stock to the Eligible Directors, etc. as restricted stock after they provide all of the Monetary Compensation Claims concerned as contributions-in-kind. The amount of the Monetary Compensation Claims provided to Eligible Directors, etc. is determined by comprehensively taking into account various circumstances, including

the Company's performance and the responsibilities of each Eligible Director, etc. The Monetary Compensation Claims will be provided to Eligible Directors, etc. subject to conditions including that each Eligible Director, etc. executes an Allotment Agreement with the Company that contains the following main points.

3. Overview of the Allotment Agreement

(i) Transfer restriction period:

From July 17, 2026 until the Eligible Director, etc. retires from both positions as a Director and Executive Officer of the Company.

During the restricted period of transfer specified above (the "Transfer Restriction Period"), an Eligible Director, etc. shall not transfer, pledge, offer as security of transfer, donate before death, bequeath or otherwise dispose of the restricted stock allotted to them (the "Allotted Shares") to a third party (the "Transfer Restriction")

(ii) Release of the Transfer Restriction

The Company will lift the Transfer Restriction on all the Allotted Shares at the end of the Transfer Restriction Period if the Eligible Director, etc. who has received an allotment of restricted stock continues to hold the position of Director or Executive Officer of the Company during the period from the date of the General Meeting of Shareholders until the date of the following year's Ordinary General Meeting of Shareholders (provided, however, if the allottee is an Executive Officer of the Company, this may refer to the Company's fiscal year; the "Service Rendering Period").

(iii) Treatment in cases where Eligible Directors, etc. retire or resign during the Service Rendering Period due to expiration of term of office or other justifiable reasons

If the Eligible Director, etc. resigns or retires from the position specified above during the Service Rendering Period for reasons considered to be justifiable by the Board of Directors, the Company will make reasonable adjustments as necessary regarding the number of Allotted Shares on which the Transfer Restriction will be lifted and the timing for lifting the Transfer Restriction.

(iv) Acquisition of restricted stock without consideration

If an Eligible Director, etc. who has received an allotment of the Allotted Shares retires or resigns from both positions as a Director and Executive Officer of the Company before the Transfer Restriction Period expires, except where there are reasons considered to be justifiable by the Board of Directors, the Company will automatically acquire the Allotted Shares without consideration. In addition, if there are any Allotted Shares for which the Transfer Restriction has not been lifted at the time when the Transfer Restriction Period described in (i) above expires pursuant to the provisions regarding the release of the Transfer Restriction described in (ii) above, the Company will automatically acquire such shares without consideration.

(v) Handling in the event of organizational restructuring, etc

In the event of the approval by the General Meeting of Shareholders of a merger agreement under which the Company will cease to exist, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary of another company, or other matters related to organizational restructuring, etc. during the Transfer Restriction Period (in cases in which organizational restructuring, etc. does not require approval by a General Meeting of Shareholders, approval by the Board of Directors), the Company will lift, prior to the effective date of the said organizational restructuring, etc., the Transfer Restriction on the number of Allotted Shares that will be reasonably determined by resolution of the Board of Directors based on the period from the day when the Service Rendering Period commences until the day when the said organizational restructuring, etc. is approved. In the case provided for above, the Company shall naturally acquire the Allotted Shares on which the Transfer Restriction has not yet been lifted without consideration, immediately after the Transfer Restriction has been lifted.

(vi) Management of the Allotted Shares

To ensure that the Allotted Shares cannot be transferred, a security interest in the Allotted Shares cannot be created, and that the Allotted Shares cannot otherwise be disposed of during the Transfer Restriction Period, the Eligible Directors, etc. shall open an exclusive account at a financial instruments business operator (Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) designated in advance by the Company. The shares will be managed in that account until the Transfer Restriction is lifted. In addition, the Company has separately obtained consent from the Eligible Directors, etc. regarding the handling of the shares based on the management of said account.

4. Basis for calculating disposal value and other specific details

The disposal value is set at 2,531 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 25, 2026 (business day preceding the date of resolution of the Board of Directors), to make the disposal value a value that eliminates arbitrariness. This is the market price immediately before the date of resolution of the Board of Directors meeting, which we believe is reasonable and is not deemed an advantageous price.

End