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Notice Concerning Disposal of Treasury Stock as a Restricted Stock Incentive for the Employee Shareholding Commission

Osaki Electric Co., Ltd. (the “Company”) announces that it resolved at a board meeting held today to dispose of treasury stock as restricted stock (the “Disposal of Treasury stock” or the “Disposal”), with the Osaki Group Employee Shareholding Commission (the “ESC”) as the scheduled allottee, in accordance with the Restricted Stock Incentive Plan for Employee Shareholding Commission (the “Plan”) as follows.

Details

1. Outline of Disposition

(1)	Disposal Date	July 1, 2026
(2)	Class and Number of Shares to be Disposed	Common shares of the Company - 198,000 shares*
(3)	Disposal Price	1,574 yen per share
(4)	Total Amount of Disposal	311,652,000 yen*
(5)	Method of Disposal (the Scheduled Allottee)	Provided that the ESC applies for subscription of shares through a third-party allotment, the number of shares the ESC decided to apply for will be allotted to it within the number of shares to be disposed of as specified in (2) above. (The number of the allotted shares will be the number of shares to be disposed of.) (employee shareholding commission: 198,000 shares) Note that the Company will not accept any application from the Eligible Employees (defined below) for subscription for only a part of the allotted shares.
(6)	Others	For the Disposal of Treasury Stock, an Extraordinary Report has been submitted under the Financial Instruments and Exchange Act.

* The “number of shares to be disposed of” and the “total amount of disposal” are calculated based on the assumption that 110 shares of the Company’s common stock will be granted as restricted stock to each of the 1,800 employees of the Company and its subsidiaries, which is the maximum number of individuals eligible for the Plan. The actual number of shares to be disposed of and the total amount of disposal will be determined based on the number of employees of the

Company and its subsidiaries who agree to the Plan (the “Eligible Employees”: maximum 1,800) upon completion of the promotion of membership in the ESC and confirmation of their consent to the Plan. More specifically, as stated in (5) above, the number of shares determined by the ESC to apply for will be the “number of shares to be disposed of,” and the amount obtained by multiplying it by the disposal price per share will be the “total amount of disposal.” The Company and its subsidiaries will uniformly provide each Eligible Employee with a monetary claim of 173,140 yen, and the Company will uniformly allot 110 shares to each Eligible Employee through the ESC.

2. Purpose of and Reason for the Disposal

The Company at a board meeting held today resolved to introduce the Plan to the Eligible Employees, among employees of the Company and its subsidiaries who are members of the ESC, as a measure to enhance their benefits. By providing the Eligible Employees an opportunity to acquire the Company’s common stock to be issued or disposed of as restricted stock through the ESC to help them build their personal assets and giving them an incentive to keep enhancing the Company’s corporate value, the objective of the Plan is to foster a sense of ownership in the Eligible Employees as members of the Company group and encourage them to further share values with the Company’s shareholders.

The outline of the Plan is as follows:

[Outline of the Plan]

Under the Plan, the Company and its subsidiaries provide the Eligible Employees a monetary claim as a special financial incentive to be granted in the form of restricted stock (the “Special Financial Incentive”). The Eligible Employees then contribute the Special Financial Incentive to the ESC. The ESC makes an in-kind contribution of the Special Financial Incentive, received from the Eligible Employees, to the Company. This will result in the issuance or disposal of the Company’s common stock as restricted stock.

When issuing new shares or disposing of common stock of the Company under the Plan, the per-share payment amount will be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day before the Board resolution. (In the case where no transactions are concluded on such day, the closing price on the immediately preceding trading day shall be used). The price will be set so that it is not particularly advantageous to the ESC (thus to the Eligible Employees).

When issuing or disposing of common stock of the Company under the Plan, the Company and the ESC will enter a restricted stock allotment agreement. This agreement will include provisions to (i) prohibit transfer to a third party, creation of a security interest, or other disposal of the allotted stock for a specific period of time (the “Transfer Restriction”), and (ii) allow the Company to acquire the allotted stock without consideration under certain conditions. Note that the Special Financial Incentive will only be provided to the Eligible Employees if the agreement has been concluded between the Company and the ESC.

Until the Transfer Restriction is lifted, the Eligible Employees will be restricted from withdrawing their membership interests in connection with the restricted stock, which they will hold in proportion to the monetary claim they contributed to the ESC (the “Restricted Stock Equity Interest” or the “RS Equity Interest”), under the Terms of Shareholding Commission and Detailed Shareholding Commission Operation Rules (collectively the “ESC Rules, etc.”)*.

* The ESC, at its board meeting to be held promptly after the resolution for the Disposal of Treasury Stock by the Board of

Directors, will resolve to amend the ESC Rules, etc., prior to the Disposal of Treasury Stock to comply with the Plan. This revision will come into effect once two weeks have passed since the notice was sent out to the members of the ESC in accordance with the ESC Rules, etc., following the board resolution, and less than half of the members of the ESC have raised objections.

For the Disposal of Treasury Stock, in accordance with the Plan, the Company's common stock (the "Allotted Shares") will be disposed of to the ESC when the ESC, which is the allottee, pays, as property contributed in-kind, all of the Special Financial Incentive contributed by the Eligible Employees. The outline of the restricted stock allotment agreement to be entered into by the Company and the ESC (the "Allotment Agreement") on the Disposal of Treasury Stock is described in "3. Outline of the Allotment Agreement" below. The number of shares subject to the Disposal of Treasury Stock will be finalized at a later date as described in the (Note) under 1. above. Still, it is expected to be 198,000 if all 1,800 employees of the Company and its subsidiaries, constituting the maximum number of employees who can be eligible for the Plan, join the ESC, and agree to the Plan.

Based on this planned number of shares to be disposed of, the extent of stock dilution as a result of the Disposal of Treasury Stock will be 0.42% (rounded off to two decimal places; hereinafter the same shall apply to calculation of ratios) to the total number of shares 46,917,180 issued as of September 30, 2025 and 0.44% to the total number of voting rights of 445,645 as of September 30, 2025.

The introduction of the Plan, as a measure to improve the benefits of the Eligible Employees, will create an opportunity for them to acquire the Company's common stock to be issued or disposed of as restricted stock through the ESC. By doing so, the objective of the Plan, in addition to helping the Eligible Employees build their personal assets, is to give them an incentive to keep enhancing the Company's corporate value, and encourage them to further share values with the Company's shareholders. The Company believes that the introduction of the Plan will contribute to the enhancement of the group's corporate value and that the number of shares subject to the Disposal of Treasury Stock and the extent of stock dilution are reasonable, and has concluded that the impact of the Plan introduction on the market will be immaterial even when the extent of stock dilution is taken into consideration.

The Disposal of Treasury Stock will be implemented on the condition that the revision to the ESC Rules, etc. becomes effective by the day prior to the date of disposal pertaining to the Disposal of Treasury Stock and that the Company and the ESC enter into the Allotment Agreement within the specified period of time.

3. Outline of the Allotment Agreement

(1) Transfer Restriction Period

From July 1, 2026 to May 27, 2027

(2) Condition for Lifting the Transfer Restriction

The Transfer Restriction shall be lifted upon the expiration of the transfer restriction period for all Allotted Shares corresponding to the Restricted Stock Equity Interest held by an Eligible Employee who has met the condition of remaining a member of the ESC throughout the transfer restriction period.

(3) Treatment in the Event of Withdrawal from the ESC

If an Eligible Employee withdraws from the ESC during the transfer restriction period due to appointment as an officer, transfer to a company to which the ESC Rules, etc. do not apply, or other reasons deemed appropriate (i.e.,

the Eligible Employee lost the membership or applied for withdrawal, including withdrawal by death), the Company shall lift the Transfer Restriction on all of the Allotted Shares of the number corresponding to the Restricted Stock Equity Interest held by the Eligible Employee as of the date on which the ESC accepted the request for withdrawal (the date of loss of the membership in the case of withdrawal by a loss of membership (or the date of death in the case of withdrawal by death), hereinafter the “Date of Acceptance of Withdrawal Request”) on the Date of Acceptance of Withdrawal Request.

(4) Treatment in the Event of Becoming a Non-Resident

If the Company or its subsidiaries decide that an Eligible Employee becomes a non-resident due to overseas transfer or for other reasons during the transfer restriction period, the Transfer Restriction shall be lifted on the date of such decision (the “Date of Decision of Overseas Transfer, etc.”) on all of the Allotted Shares of the number corresponding to the Restricted Stock Equity Interest held by the Eligible Employee as of the Date of Decision of Overseas Transfer, etc.

(5) Acquisition Without Consideration by the Company

If an Eligible Employee violates a law or regulation or falls under certain circumstances set forth in the Allotment Agreement, the Company shall, as a matter of course, acquire without consideration all of the Allotted Shares of the number corresponding to the Restricted Stock Equity Interest held by the Eligible Employee at the time of such occurrence. In addition, the Company shall, as a matter of course, acquire without consideration the Allotted Shares for which the Transfer Restriction has not been lifted at the time of the expiration of the transfer restriction period or at the time of lifting of the Transfer Restriction set forth in (3) or (4) above.

(6) Management of Shares

The Allotted Shares will be managed in a dedicated account opened by the ESC at Nomura Securities Co., Ltd. during the transfer restriction period to ensure no transfer, creation of a security interest, or other disposal of the Allotted Shares will occur during said period. In addition, pursuant to the provisions of the ESC Rules, etc., the ESC will register and manage the Restricted Stock Equity Interest separately from other membership interests held by the Eligible Employees (the “Ordinary Equity Interest”).

(7) Treatment in the Event of Organizational Restructuring, etc.

If, during the transfer restriction period, a merger agreement in which the Company becomes an extinct company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other matters related to organizational restructuring, etc. are approved at the Company’s general meeting of shareholders (or, if such approval by the general meeting of shareholders is not required for the restructuring, etc., at the Company’s board meeting), then by resolution of the Board of Directors, the Transfer Restriction will be lifted, effective immediately before the close of business on the business day preceding the effective date of the organizational restructuring, etc., on all Allotted Shares of the number corresponding to the Restricted Stock Equity Interest held by an Eligible Employee among the Allotted Shares held by the ESC, as of the approval date.

4. Basis of Disposal Amount Calculation and Details Thereof

The Disposal of Treasury Stock to the ESC as the scheduled allottee is carried out by the Eligible Employees contributing to the ESC, the Special Financial Incentive as the property contributed in kind, which was provided to them for the purpose of granting restricted stock. To eliminate arbitrariness, the disposal amount is set at 1,574 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on February 18, 2026 (the business day prior to the date of the resolution of the Board of Directors). As this is the market share price immediately prior to the date of the resolution of the Board of Directors, the Company believes it is a rational and not particularly advantageous amount.

Note that the deviation rate (rounded off to two decimal places) of this price from the average closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market is as follows.

Period	Average of the Closing Prices (Fractions of one yen are rounded down)	Deviation Rate
One Month (From January 19, 2026 to February 18, 2026)	1,336 yen	17.81 %
Three Months (From November 19, 2025 to February 18, 2026)	1,254 yen	25.52 %
Six Months (From August 19, 2025 to February 18, 2026)	1,255 yen	25.42 %

All four of the statutory auditors (among which two are independent auditors) that attended the board meeting held today have expressed their opinion that the disposal price is not particularly advantageous to the allottee and is legitimate in light of the fact that the purpose of the Disposal of Treasury Stock is to introduce the Plan and that the disposal price is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of the resolution by the Board of Directors.

5. Matters Related to Procedures under the Corporate Code of Conduct

The Disposal of Treasury Stock does not require the procedures for obtaining an opinion from an independent third party or confirming the intentions of shareholders as stipulated in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange since (i) the dilution rate is less than 25%, and (ii) the Disposal of Treasury Stock does not involve the change of a controlling shareholder.

(Reference) Framework of the Plan

- (1) The Company and its subsidiaries will pay a monetary claim to an Eligible Employee as a Special Financial Incentive for granting restricted stock.
- (2) The Eligible Employee will contribute the monetary claim in (1) above to the ESC.
- (3) The ESC will collect the monetary claims contributed in (2) above and pay them to the Company.
- (4) The Company will allot the Allotted Shares to the ESC as restricted stock ("RS" in the diagram below).
- (5) The Allotted Shares will be deposited in a dedicated account opened by the ESC through Nomura Securities Co., Ltd., and withdrawal will be restricted during the transfer restriction period.
- (6) Once the Transfer Restriction is lifted, the Allotted Shares will be transferred to the Ordinary Equity Interest or a securities account in the name of the Eligible Employee.