(Translation)

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News Release

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Notice Concerning Disposal of Treasury Stock as Restricted Stock Compensation

HAGIWARA ELECTRIC HOLDINGS CO., LTD. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of treasury stock as restricted stock compensation (the "Treasury Stock Disposal"). The details are as follows.

1. Overview of the Disposal

(1)	Disposal date	July 25, 2025
(2)	Class and number of shares to be disposed	3,885 shares of common stock of the Company
(3)	Disposal value	¥3,250 per share
(4)	Total disposal value	¥12,626,250
(5)	Recipients of disposed shares	Directors* of the Company; four persons, 3,885 shares * Excluding Directors who are Audit & Supervisory Committee Members and outside Directors.

2. Purpose and Reason for the Disposal

Aiming to have the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors; hereinafter "Eligible Directors") share the benefits and risks of share price fluctuations with shareholders and further increase their motivation to contribute to raising the share price and improving corporate value, the Company resolved, at the meeting of the Board of Directors held on May 11, 2018, to introduce a stock-based compensation plan (the "Plan") under which Restricted Stock ("Restricted Stock") is granted to the Eligible Directors. In addition, at the 61st Annual General Meeting of Shareholders held on June 28, 2018, matters related to the Plan were approved, such as the total amount of monetary compensation claims provided to the Eligible Directors under the Plan as compensation, etc. related to the Restricted Stock shall be no more than ¥100 million per year, the total number of Restricted Stock allotted to the Eligible Directors in each fiscal year shall be no more than 90,000 shares and the transfer restriction period of the Restricted Stock shall be 30 years.

As the Restricted Stock compensation for the period from the Company's 68th Annual General Meeting of Shareholders to the Company's 69th Annual General Meeting of Shareholders scheduled to be held in June 2026, the Company resolved today, based on a resolution of the Company's Board of Directors, to allot 3,885 shares of common stock of the Company as the designated Restricted Stock by providing ¥12,626,250 in monetary compensation claims to four of the Company's Eligible Directors who are the planned allottees (the "Allottees") and having the Allottees pay all of the said monetary compensation claims as property contributed in kind. The amount of the monetary compensation claims provided to each of the Allottees is determined after giving comprehensive consideration to various matters including each Allottee's level of contribution to the Company. In addition, the said monetary compensation claims are provided to each Allottee on certain conditions, such as entering into an agreement with the Company on the allotment of Restricted Stock that includes the content

outlined below (the "Allotment Agreement").

To realize the purpose for introducing the Plan, which is to have the Allottees share the benefits and risks of share price fluctuations with shareholders and further increase their motivation to contribute to raising the share price and improving corporate value, for as long as possible, the transfer restriction period is 30 years.

3. Overview of the Allotment Agreement

(i) Transfer Restriction Period
July 25, 2025 to July 24, 2055
During the transfer restriction period defined above (the "Transfer Restriction Period"), the Allottees may not transfer, create a pledge on, create a security interest on, provide as inter vivos gifts, bequeath or otherwise dispose of the said Restricted Stock to a third party.

(ii) Acquisition of Restricted Stock Without Contribution
If an Allottee retires from the position of Director of the Company (excluding Directors who are Audit & Supervisory Committee Members and outside Directors) during the period from the start date of the Transfer Restriction Period to the day before the date of the Company's first Annual General Meeting of Shareholders held after the start of the Transfer Restriction Period, the Company shall, upon the retirement of the Allottee, automatically acquire without contribution the Restricted Stock allotted to the said Allottee (the "Allotted Shares"), unless there is a reason the Company's Board of Directors deems justifiable.

(iii) Lifting of the Transfer Restrictions
Upon the expiration of the Transfer Restriction Period, the Company shall lift the transfer restrictions on all of the Allotted Shares held by the Allottees at that time on the condition that they have remained in the position of Director of the Company (excluding Directors who are Audit & Supervisory Committee Members and outside Directors) throughout the period from the start date of the Transfer Restriction Period to the date of the Company's first Annual General Meeting of Shareholders held after the start of the Transfer Restriction Period. However, if an Allottee retires from the position of Director of the Company (excluding Directors who are Audit & Supervisory Committee Members and outside Directors) before the expiration of the Transfer Restriction Period due to a reason the Company's Board of Directors deems justifiable (expiration of term of office, etc.), the Company shall lift the transfer restrictions on a calculated number of Allotted Shares immediately after the retirement of the Allottee. The number of Allotted Shares on which to lift the restrictions is calculated by dividing by 12 the number of months from July 2025 to the month that includes the day on which the Allottee retired from the position of Director of the Company (excluding Directors who are Audit & Supervisory Committee Members and outside Directors) (however, this number shall be set as one if the result of the calculation exceeds one), and then multiplying that number by the number of Allotted Shares held by the Allottee at that time (however, any fraction less than one share resulting from this calculation shall be rounded down).

(iv) Provision on the Management of the Shares
The Allottees shall, in the manner designated by the Company, open an account for the registration and recording of the Allotted Shares with SMBC Nikko Securities Inc., and shall deposit and maintain the Allotted Shares in the said account until the transfer restrictions are lifted.

(v) Treatment During Reorganization, Etc.
If, during the Transfer Restriction Period, a proposal relating to a merger agreement in which the Company is the disappearing company or a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. is approved at the Company's General Meeting of Shareholders (or by resolution of the Company's Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall, by resolution of the Company's Board of Directors, lift the transfer restrictions on a calculated number of Allotted Shares immediately prior to the business day preceding the date on which the reorganization, etc. becomes effective. The number of Allotted Shares on which to lift the restrictions is calculated by dividing by 12 the number of months from July 2025 to the month that includes the day on which the proposal is approved (however, this number shall be set as one if the result of the calculation exceeds one), and then multiplying that number by the number of Allotted Shares held by the Allottee as of the day on which the proposal is approved (however, any fraction less than one share resulting from this calculation shall be rounded down).

In such case, on the business day preceding the date on which the reorganization, etc. becomes effective, the Company shall automatically acquire, without contribution, all of the Allotted Shares on which the transfer restrictions have not been lifted in accordance with the provisions stated above as of that date.

4. Basis of Calculation and Specific Details for the Amount to Be Paid In

To eliminate any arbitrariness in the disposal value for the Treasury Stock Disposal, the closing price of ¥3,250 for the Company's common stock on the Tokyo Stock Exchange on the business day (June 26, 2025) immediately before the date of the resolution of the Company's Board of Directors is used. This is the market price immediately before the date of the resolution of the Company's Board of Directors, and the Company considers this price to be reasonable and not particularly favorable.