Note: This document is a translation of the original Japanese document and is only for reference purpose. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

May 15, 2025

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Notice Concerning Construction of a Research and Development Facility

Inaba Denki Sangyo Co., Ltd. (the "Company") hereby announces that it has decided to construct a new research and development facility adjacent to the Osaka Distribution Center (Higashiosaka City, Osaka) in order to promote "development and expansion of proprietary products" as one of its priority measures.
Based on the Medium-Term Management Plan, the Company has set a limit of investment for growth (up to approximately 25 billion yen) in cumulative total cash allocation for the three fiscal years from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027 to continue existing businesses and strengthen priority functions.

1. Construction purpose

(1) Accelerated growth in the Proprietary Products Business
In the Proprietary Products Business, which is one of the pillars of our earnings, we have been working on the development of its mainstay air conditioner parts and materials as well as products in peripheral areas in recent years. We are also focusing on localization in each product to accelerate our global expansion. By expanding our R&D space, we will be able to increase personnel in line with business expansion and introduce equipment for research in new fields, which will serve as a foundation for further growth.

(2) Promotion of innovation
By renovating the development infrastructure, we will create an environment where researchers can concentrate on their core work. At the same time, we will create a three-dimensional exchange space in a space that stimulates the five senses using trees, greenery, and light, and aim to create innovation through active communication. In addition, we will speed up product development by consolidating our technologies in this facility and building an environment that allows us to carry out research and development, verification, and the construction of a production system in one go.

(3) Strengthen recruitment and human capital development capabilities
We aim to achieve ZEB-Ready and CASBEE certification as an advanced sustainable building by adopting wooden hybrid building structures. In addition to improving the performance of the building, we will create spaces that provide well-being in order to strengthen our recruitment capabilities and raise employee motivation. This facility also has a large-scale seminar room, which will be used as an educational base for the entire company. Through the creation of learning opportunities such as cross-departmental training and industry-academia collaboration projects, we will promote the growth of human capital and strengthen our brand.

2. Overview of the new research and development facility

Name	Innovation Center
Location	5-4-24 Takaida, Higashiosaka City, Osaka
Building structure	Wooden hybrid (steel, partially wooden), four-story building
Gross floor area	Approximately 9,900m^2
Land size	Approximately 5,800m^2
Start of construction	January 2026 (scheduled)
Time of completion	Around summer of 2027 (scheduled)
Planned amount of investment	Approximately 10 billion yen (all from own funds)

*This case utilizes land owned by the Company so there is no acquisition of a new site.

<Exterior image>



3. Future outlook

In the forecast of consolidated financial results for the fiscal year ending March 31, 2026 announced today, the Company expects that the impact of this matter on the consolidated financial results for the current fiscal year will be minimal. However, the Company will promptly disclose any matters that should be disclosed in the future.