

February 4, 2025

To whom it may concern

Company name:	PROTO CORPORATION
Representative:	Kenji Kamiya, Representative Director and President (Code 4298 Prime Market of the Tokyo Stock Exchange, Premier Market of Nagoya Stock Exchange)
Contact person:	Takehito Suzuki Executive Officer
Tell:	+81-52-934-2000
Company name:	Foresight Co., Ltd.
Representative:	Hiroichi Yokoyama Representative Director

**Notice Concerning Commencement of Tender Offer by Foresight Co., Ltd.
for the Common Share of PROTO CORPORATION (Securities Code: 4298) by Foresight Co., Ltd.**

Foresight Co., Ltd. hereby announces that it has decided today to acquire the common shares of PROTO CORPORATION by tender offer, as attached hereto.

End.

This material is published pursuant to Article 30, Paragraph 1, Item4 of the Order for Enforcement of the Financial Instruments and Exchange Act the request of Song Foresight Co., Ltd. (the offeror) to PROTO CORPORATION (the target of the tender offer).

(Attachment)

“Notice Concerning Commencement of Tender Offer for the Common Share of PROTO CORPORATION (Securities Code: 4298)” dated February 4, 2025

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To whom it may concern

Company name: Foresight Co., Ltd.
Representative: Hiroichi Yokoyama
Representative Director

Notice Concerning Commencement of Tender Offer for the Common Share of PROTO CORPORATION
(Securities Code: 4298)

Foresight Co., Ltd. (the “**Tender Offeror**”) hereby announces that it has decided to acquire the common shares (the “**Target Company Shares**”) of PROTO CORPORATION (Securities Code: 4298, Prime Market of the Tokyo Stock Exchange, Inc. (the “**TSE**”) and the Premier Market of the Nagoya Stock Exchange, Inc. (the “**NSE**”), hereinafter the “**Target Company**”) through a tender offer (the “**Tender Offer**”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**Act**”).

The Tender Offeror is a wholly-owned subsidiary of Mugen Co., Ltd. (the “**Mugen**”) (number of shares owned: 13,614,480 shares; ownership ratio (Note 1): 33.70%), which is a major, and the largest, shareholder of the Target Company, is the asset management company for the Target Company’s founding family, and is a stock company incorporated on December 25, 2024 mainly for the purpose of acquiring and owning the Target Company Shares listed on the Prime Market of TSE and the Premier Market of NSE. As of today, Mr. Hiroichi Yokoyama (the “**Mr. Hiroichi Yokoyama**”), the Target Company’s Chairman and Representative Director (number of shares owned: 902,000 shares; ownership ratio: 2.23%), is serving as the Representative Director of the Tender Offeror. The Tender Offeror does not own any Target Company Shares.

(Note 1) “**Ownership ratio**” refers to the ratio (rounded up or down to the second decimal place; the same applies hereinafter to calculations of ratios) to 40,401,666 shares, which is the number of shares obtained as follows: 41,925,300 shares, which is the total number of the Target Company’s issued shares as of December 31, 2024 as stated in “Consolidated Financial Results for the Nine Months Ended December 31, 2024 Japanese GAAP” released by the Target Company on February 4, 2025 (the “**Target Company’s Q3 Financial Results**”), minus 1,523,634 shares, which is the number of treasury shares owned by the Target Company as of December 31, 2024 as stated in the Target Company’s Q3 Financial Results (92,160 shares, which is the number of Target Company Shares owned by the employee stock ownership plan (ESOP) trust, are not included in the treasury shares owned by the Target Company; the same applies hereinafter).

The Tender Offeror decided to implement the Tender Offer as part of a transaction to privatize the Target Company Shares (the “**Transaction**”) by acquiring all of the Target Company Shares (excluding treasury shares owned by the Target Company and the Agreed Non-Tendering Shares (as defined below)).

The Transaction will be an MBO (Note 2), and Mr. Hiroichi Yokoyama and Mr. Motohisa Yokoyama (“**Mr. Motohisa Yokoyama**”; number of shares owned: 537,960 shares; ownership ratio: 1.33%), the Target Company’s Senior Managing Director, will continue to manage the Target Company after the Transaction. There is no particular agreement between the Tender Offeror and the Target Company’s other directors or auditors concerning the assumption of office of officer after the Tender Offer.

(Note 2) A “management buyout (MBO)” generally refers to a transaction in which management of the target company of an acquisition contributes all or part of the funds for the acquisition and acquires shares of the target company based on the assumption that the target company’s business will be continued.

Upon implementation of the Tender Offer, the Tender Offeror agreed in writing with Mugen (a shareholder of the Target

Company) (number of shares owned: 13,614,480 shares; ownership ratio: 33.70%), Mr. Hiroichi Yokoyama (number of shares owned: 902,000 shares; ownership ratio: 2.23%), Mr. Motohisa Yokoyama (number of shares owned: 537,960 shares; ownership ratio: 1.33%), and Mr. Yoshihiro Yokoyama (a shareholder of the Target Company and a relative of Mr. Hiroichi Yokoyama and Mr. Motohisa Yokoyama; “**Mr. Yoshihiro Yokoyama**”) (number of shares owned: 313,000 shares; ownership ratio: 0.77%) (Mugen, Mr. Hiroichi Yokoyama, Mr. Motohisa Yokoyama, and Mr. Yoshihiro Yokoyama are hereinafter collectively referred to as the “**Agreed Non-Tendering Shareholders**”), as of February 4, 2025, in which the Agreed Non-Tendering Shareholders each agreed not to tender any of the Target Company Shares it owns (total: 15,367,440 shares; ownership ratio: 38.04%) (the “**Agreed Non-Tendering Shares**”) in the Tender Offer, and which provides to the effect that upon successful completion of the Tender Offer, they will support each proposal related to the Squeeze-out Procedures (Note 3) at the Extraordinary Shareholders Meeting (Note 4). They also agreed in writing that upon request by the Tender Offeror before the share consolidation of the Target Company Shares (the “**Share Consolidation**”), which is to be conducted as part of the Squeeze-out Procedures, becomes effective, Mugen will execute a lending agreement with all or some of the other Agreed Non-Tendering Shareholders and engage in the Share Lending Transaction (Note 5) in relation to the Target Company Shares.

(Note 3) “**Squeeze-Out Procedures**” refers to the series of procedures that the Tender Offeror intends to implement so as to make itself and all or some of the Agreed Non-Tendering Shareholders the only shareholders of the Target Company if the Tender Offeror fails to acquire all of the Target Company Shares (however, excluding treasury shares owned by the Target Company and the Agreed Non-Tendering Shares) through the Tender Offer.

(Note 4) “**Extraordinary Shareholders Meeting**” refers to the shareholder’s meeting that the Tender Offeror intends to request to the Target Company after the successful completion of the Tender Offer, at which proposals for the Share Consolidation and an amendment to the Target Company’s articles of incorporation to abolish provisions on share unit numbers on the condition that the Share Consolidation becomes effective will be submitted, together with any other proposals.

(Note 5) “**Share Lending Transaction**” the transaction in which, if requested by the Tender Offeror, Mugen execute a share lending agreement with the all or some of the other Agreed Non-Tendering Shareholders and borrow all or some of the Target Company Shares owned by Mr. Hiroichi Yokoyama, Mr. Motohisa Yokoyama, and Mr. Yoshihiro Yokoyama, who will be the lenders, effective as of the time before the Share Consolidation becomes effective. Specifically, it is intended that (i) all or some of Mr. Hiroichi Yokoyama, Mr. Motohisa Yokoyama, and Mr. Yoshihiro Yokoyama will be the lenders in the Share Lending Transaction and lend all or some of the Target Company Shares they own to Mugen; and (ii) after the Share Consolidation becomes effective, Mugen, which is the borrower in the Share Lending Transaction, will cancel the Share Lending Transaction and return to the lenders, Target Company Shares in an amount equivalent to all of the Target Company Shares Mugen borrowed, thereby making all or some of the Agreed Non-Tendering Shareholders continue to own the Target Company Shares after the Squeeze-out Procedures.

Overview of the Tender Offer is as follows:

(1) Name of Target Company

PROTO CORPORATION

(2) Class of Shares Etc. to be purchased

Common shares

(3) Tender Offer Period

From February 5, 2025 (Wednesday) to March 21, 2025 (Friday) (30 Business Days)

(4) Tender Offer Price

JPY 2,100 per common share

(5) Number of Shares etc. Subject to Tender Offer

Class of Shares	Number of Shares to be Acquired	Minimum number of Shares to be purchased	Maximum number of Shares to be purchased
Common Shares	25,034,226 (shares)	11,567,000 (shares)	-shares
Total	25,034,226 (shares)	11,567,000 (shares)	-shares

(6) Commencement Date of Settlement

March 28, 2025 (Friday)

(7) Tender Offer Agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd
Mitsubishi UFJ e Smart Securities Co., Ltd.

1-9-2 Otemachi, Chiyoda-ku, Tokyo
3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

With respect to details of the Tender Offer, please refer to the Tender Offer Registration Statement scheduled to be submitted February 5, 2025.

End.

Restriction on Solicitation

This press release is intended for the announcement of the Tender Offer to the general public and is not intended to solicit sales of shares. If anyone desires to sell his or her shares, the shareholder should review the Tender Offer explanatory statement and accept the Tender Offer in his or her own discretion. This press release is not considered as an offer or solicitation of sales of securities or as a solicitation of a purchase offer, and does not constitute any such part. This press release (or any part thereof) or the fact of its distribution does not provide a basis of any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

Future Predictions

The information provided hereto may include forward looking predictions such as “expect”, “predict”, “intend”, “plan”, “confident” and “assume,” including in relation with future businesses of the Tender Offeror and other companies etc. Such expressions are based on the current business prospects of the Tender Offeror subject to future changes depending on the circumstance. The Tender Offeror is not obligated to update the expressions of such information regarding forward looking predictions to reflect the actual business performance, various circumstances or change in conditions.

U.S. Regulations

The Tender Offer is conducted in accordance with the Financial Instruments and Exchange Act of Japan and related regulations and is subject to disclosure requirements that are different from those of the United States. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as well as the regulations promulgated thereunder, do not apply to the Tender Offer, and the Tender Offer is not conducted pursuant to such provisions. Financial statements and information included in this press release have not been prepared in accordance with accounting standards of United State. Also, it may be difficult to enforce rights and claims arising under the U.S. federal securities laws, since the Tender Offeror and Target Company are established outside of the United States, and some or all of its officers and directors may not be U.S. residents. It may not be possible to sue a non-U.S. company or person in courts outside the United States for violations of the U.S. securities laws. Furthermore, there is no guarantee that the jurisdiction of a U.S. court will be compelled to a company or person outside the United States or its affiliates.

Unless otherwise specified, all procedures relating to the Tender Offer will be conducted entirely in Japanese. While some or all of the documentation relating to the Tender Offer may be prepared in English, if there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation will prevail.

This press release contains “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the projections, etc., as expressly or implicitly indicated in any “forward-looking statements.” Neither the Tender Offeror, the Target Company nor any of its affiliated companies guarantee that such projections, etc. expressly or implicitly indicated in any “forward-looking statements” will prove to be correct. The “forward-looking statements” in this press release have been prepared based on the information held by the Tender Offeror as of the date of this press release, and, unless otherwise required by applicable laws and regulations, neither the Tender Offeror, the Target Company nor any of its affiliated companies are obliged to update or modify such statements in order to reflect any events or circumstances in the future.

Other Countries

Depending on the country or region, there may be legal restrictions on the release, issuance, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. This press release does not constitute a solicitation of application to purchase, or sales of shares related to the Tender Offer and is simply deemed as distribution of materials for information purposes only.