

May 29, 2025

To Whom It May Concern:

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**Announcement of Resolutions to Approve Share Consolidation, Abolition of Provisions on Share Unit Number, and Partial Amendment to Articles of Incorporation**

PROTO CORPORATION (the “**Company**”) hereby announces that as stated in the “Announcement of Share Consolidation, Abolition of Provisions on Share Unit Number, and Partial Amendment to Articles of Incorporation” released by the Company on April 25, 2025 (the “**Company Press Release on April 25, 2025**”), it submitted to the extraordinary shareholders meeting held today (the “**Extraordinary Shareholders Meeting**”) proposals for share consolidation, abolition of provisions on the number of shares constituting one unit of shares (“**share unit number**”), and partial amendment to the articles of incorporation, and that all of the proposals were approved and adopted as originally proposed, as follows:

As a result, the delisting criteria established in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (the “**TSE**”) and the Nagoya Stock Exchange, Inc. (the “**NSE**”) will apply to the common shares of the Company (the “**Company Shares**”). Therefore, the Company Shares will be designated as securities to be delisted from May 29, 2025 to June 15, 2025 and then will be delisted as of June 16, 2025. Please note that the Company Shares will no longer be traded on the Prime Market of the TSE or the Premier Market of the NSE after their delisting.

1. Proposal 1 (Share Consolidation)

As stated in the Company Press Release on April 25, 2025, the Company held the Extraordinary Shareholders Meeting in order to obtain its shareholders’ approval necessary for a share consolidation to be conducted as described below (the “Share Consolidation”).

A. Class of Shares to Be Consolidated

Common stock

B. Consolidation Ratio

13,614,480 Company Shares shall be consolidated into one share.

C. Total Number of Issued Shares to Be Reduced

40,309,404 shares (Note 1)

(Note 1) It is assumed that the total number of issued shares to be reduced is the total number of issued shares (41,925,300 shares) of the Company as of December 31, 2024, as stated in the “Consolidated Financial Results for the Nine Months Ended December 31, 2024 Japanese GAAP” released by the Company on February 4, 2025 (the “**Company’s Q3**”).

**Financial Results**”), minus the number of treasury shares (1,615,894 shares) which are scheduled to be cancelled as of June 17, 2025 as decided by the Company by a resolution of the board of directors as of April 25, 2025 (the number 1,615,894 above is calculated as follows: 1,523,734 treasury shares owned by the Company as of April 11, 2025, plus 92,160 shares, which is the number of the Company shares owned by the employee stock ownership plan (ESOP) trust that the Company intends to acquire before June 17, 2025 without consideration).

D. Total Number of Issued Shares before Effectuation of Share Consolidation

40,309,406 shares (Note 2)

(Note 2) The total number of shares issued before the effectuation is the total number of issued shares (41,925,300 shares) of the Company as of December 31, 2024, as stated in the Company’s Q3 Financial Results, minus the number of treasury shares (1,615,894 shares) which are scheduled to be cancelled as of June 17, 2025 as decided by the Company by a resolution of the board of directors as of April 25, 2025 (the number 1,615,894 above is calculated as follows: 1,523,734 treasury shares owned by the Company as of April 11, 2025, plus 92,160 shares, which is the number of the Company shares owned by the employee stock ownership plan (ESOP) trust that the Company intends to acquire before June 17, 2025 without consideration).

E. Total Number of Issued Shares after Effectuation of Share Consolidation

2 shares

F. Total Number of Authorized Shares on Effectuation Date

8 shares

G. Method of Treatment in Case of Accrual of Fractional Shares Less Than One Share and Amount of Money Expected to Be Delivered to Shareholders upon Treatment

- (i) Distinction as to Whether Treatment is Planned pursuant to Article 235, Paragraph (1) of Companies Act or Article 234, Paragraph (2) of Same Act as Applied *Mutatis Mutandis* pursuant to Article 235, Paragraph (2) of Same Act and Reasons Therefor

The Company Shares owned by the Company’s shareholders other than Mugen Co., Ltd. (“**Mugen**”) are planned to be fractional shares of less than one share upon the Share Consolidation.

Regarding the fractional shares less than one share that accrue as a result of the Share Consolidation, the Company shall sell the Company Shares in a number equivalent to the total number of those fractional shares (“**Fractional Equivalent Shares**”) (however, if the total number contains fractional shares in one share, such fractional shares will be rounded down pursuant to Article 235, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended)) pursuant to Article 235 of the Companies Act and other relevant laws and regulations, and the proceeds obtained by the sale shall be delivered to the shareholders holding fractional shares in proportion to the fractional shares they hold. Because the Share Consolidation is implemented as part of the Transaction the purpose of which is to finally make Foresight Co., Ltd. (the “**Tender Offeror**”) and all or some of Mugen, Mr. Hiroichi Yokoyama (“Mr. Hiroichi Yokoyama”), the Company’s Chairman and Representative Director, Mr. Motohisa Yokoyama (“Mr. Motohisa Yokoyama”), the Company’s Senior Managing Director, and Mr. Yoshihiro Yokoyama (“Mr. Yoshihiro Yokoyama”), a shareholder of the Company and a relative of Mr. Hiroichi Yokoyama and Mr. Motohisa Yokoyama (collectively, the “**Agreed Non-Tendering Shareholders**”) the only shareholders of the Company, and because the Company Shares will be delisted as of June 16, 2025 and will become shares without market value, and it is unlikely that there will be a purchaser by auction, the Company intends to sell to the Tender Offeror such fractional shares by obtaining the court’s

permission pursuant to Article 234, paragraph (2) of the Companies Act as applied *mutatis mutandis* pursuant to Article 235, paragraph (2) of the same Act.

If the required court's permission is obtained as planned, the Company intends to set the sales price in this case at a price that will result in the delivery of money in an amount equivalent to the amount obtained by multiplying the number of the Company Shares owned by the shareholders by 2,100 yen, being the same price as the tender offer price per Company Share in the tender offer conducted by the Tender Offeror during the tender offer period from February 5, 2025 to April 4, 2025. However, in cases where the court's permission cannot be obtained or adjustment of fractions are required for calculation purposes, the amount actually delivered may be different from the above amount.

(ii) Name of Person Who is Prospected to Purchase Shares to Be Sold

Foresight Co., Ltd., which is the Tender Offeror.

(iii) Method for Person Who is Prospected to Purchase Shares to Be Sold to Secure Funds for Payment of Sales Price and Adequacy of Method

The Tender Offeror plans to procure funds required to acquire the Fractional Equivalent Shares by taking a loan from MUFG Bank, Ltd..

The Company has confirmed the method of procurement of funds by the Tender Offeror by confirming the Tender Offer Registration Statement submitted by the Tender Offeror on February 5, 2025 and loan certificates attached thereto. Further, according to the Tender Offeror, no event has occurred or is expected to occur that will hinder the payment of the sales price of the Fractional Equivalent Shares.

Accordingly, the Company determined that the method to secure funds for the payment of the sales price of the Fractional Equivalent Shares by the Tender Offeror is adequate.

(iv) Expected Time of Sale and Expected Time of Delivery of Sales Proceeds to Shareholders

After the effectuation of the Share Consolidation, pursuant to Article 234, paragraph (2) of the Companies Act as applied *mutatis mutandis* pursuant to Article 235, paragraph (2) of the same Act, the Company plans to file a petition for the court's permission for sale of the Fractional Equivalent Shares, with the target deadline set for early July 2025. Although the time when the permission can be obtained will vary depending on, among other factors, the circumstances of the court, the Company expects that it will obtain the court's permission and sell the Fractional Equivalent Shares to the Tender Offeror with the target deadline set for late July 2025; and that thereafter, it will deliver the sales proceeds of the Fractional Equivalent Shares to the shareholders with the target deadline set for some time between late August and early September 2025 after it makes preparations required to deliver such sales proceeds to the shareholders. Considering the period of time required for a series of procedures for the sale from the effectuation date of the Share Consolidation, as stated above, the Company determined that there is a prospect of implementation, at the respective point in time, of both of the sale of the Fractional Equivalent Shares, and the delivery to the shareholders of the proceeds obtained by the sale.

The sales proceeds will be delivered to each shareholder listed in the Company's final shareholder registry as of June 17, 2025, the day before the effectuation date of the Share Consolidation, using the method of delivering dividend assets by the Company.

2. Proposal 2 (Partial Amendment to the Articles of Incorporation)

- (1) If the Share Consolidation takes effect, the total number of authorized shares of the Company Shares will be reduced to 8 shares pursuant to Article 182, paragraph (2) of the Companies Act. In order to clarify such point, the Company proposes to amend Article 5 (Total Number of Authorized Shares) of the articles of incorporation subject to the effectuation of the Share Consolidation.
- (2) If the Share Consolidation takes effect, the total number of issued shares of the Company will be 2 shares, and it will no longer be necessary to provide a share unit number. Accordingly, subject to the effectuation of the Share Consolidation, in order to abolish the provision on the share unit number of the Company Shares, under which one share unit currently consists of 100 shares, Article 7 (Share Unit Number), Article 8 (Restrictions on Rights of Holders of Shares Less than One Unit), and Article 9 (Demand for Share Cash-Out of Holders of Shares Less than One Unit) of the articles of incorporation will be deleted in their entirety, Article 11 (Share-Handling Regulations) will be amended, and the article numbers will be adjusted according to such amendments.
- (3) If the Share Consolidation takes effect, the Company Shares will be delisted and finally, the Tender Offeror and all or some of the Agreed Non-Tendering Shareholders will become the only shareholders of the Company. Accordingly, the provision concerning a record date for an annual shareholders meeting and the provision concerning electronic provision of shareholders meeting materials will become unnecessary. Therefore, Article 12 (Record Date) and Article 15 (Measures for Electronic Provision, etc.) of the articles of incorporation will be deleted in their entirety subject to the effectuation of the Share Consolidation and the article numbers will be adjusted according to such amendments.

The details of the amendment are as described in the Company Press Release on April 25, 2025.

On the condition that the Share Consolidation will take effect, the partial amendment to the articles of incorporation will become effective on June 18, 2025, the date of effectuation of the Share Consolidation.

3. Schedule of Share Consolidation

Date of holding of the Extraordinary Shareholders Meeting	May 29, 2025 (Thursday)
Date of designation as securities to be delisted	May 29, 2025 (Thursday)
Last date of trading of the Company Shares	June 13, 2025 (Friday) (planned)
Date of delisting of the Company Shares	June 16, 2025 (Monday) (planned)
Date of effectuation of the Share Consolidation	June 18, 2025 (Wednesday) (planned)

End