

June 6, 2025

To Whom It May Concern:

Company Name: PROTO CORPORATION
Representative: Kenji Kamiya
President and Representative Director
(Securities Code: 4298
TSE Prime Market, NSE Premier Market)
Contact:
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Announcement of Special Appeal and Appeal with Permission Filed for Provisional Injunction for Share Consolidation, Etc.

As announced in the “Announcement of Ruling to Deny Immediate Appeal by a Shareholder Against Order Dismissing a Petition for Provisional Injunction Order for Share Consolidation, Etc.” released by PROTO CORPORATION (the “**Company**”) as of May 28, 2025, the Nagoya District Court issued as of May 28, 2025 a ruling to deny an immediate appeal against an order dismissing a petition for a provisional injunction order for a share consolidation, etc. (the “**Petition**”) filed by Kaname Capital, L.P. (the “**Shareholder**”), a shareholder of the Company, against the Company and Mr. Kenji Kamiya, President and Representative Director of the Company as obligors (the “**Immediate Appeal Denial Order**”).

The Company hereby announces that on June 5, 2025, it received a written petition for a special appeal and a written motion for an appeal with permission, which were filed by the Shareholder regarding the Immediate Appeal Denial Order (the special appeal and the motion for an appeal with permission shall hereinafter collectively be referred to as the “**Special Appeal, Etc.**”), as set forth below.

1. Background to Special Appeal, Etc.

As announced in the “Announcement of Results of Tender Offer for Common Shares of the Company by Foresight Co., Ltd. and Changes in Parent Company and Major Shareholder” released by the Company as of April 5, 2025, Foresight Co., Ltd. (the “**Tender Offeror**”) conducted a tender offer (the “**Tender Offer**”) for common shares of the Company (the “**Company Shares**”) from February 5, 2025 to April 4, 2025; as a result, as of April 11, 2025 (the Tender Offer settlement commencement date), the Tender Offeror held 12,497,499 Company Shares (ownership ratio (Note 1): 30.93%).

As announced 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 Tender Offeror failed to acquire all of the Company Shares (however, excluding treasury shares owned by the Company and the Agreed Non-Tendering Shares (Note 2)) through the Tender Offer. Accordingly, the Company’s board of directors adopted a resolution on April 25, 2025 (i) to convene an extraordinary shareholders meeting held on May 29, 2025 (the “**Extraordinary Shareholders Meeting**”); and (ii) subject to the approval of the shareholders at the Extraordinary Shareholders Meeting, to implement a share consolidation of the Company Shares (the “**Share Consolidation**”) as part of a series of procedures to make the Tender Offeror and all or part of the Agreed Non-Tendering Shareholders the only shareholders of the Company (together with the Tender Offer, the “**Transaction**”), and accordingly to submit to the Extraordinary Shareholders Meeting a proposal for the Share Consolidation. Thereafter, as announced in the “Announcement of Resolutions to Approve Share Consolidation, Abolition of Provisions on Share Unit Number, and Partial Amendment to Articles of Incorporation” released by the Company on May 29, 2025, the proposal regarding the Share Consolidation was approved as originally proposed at the Company’s extraordinary shareholders

meeting held on May 29, 2025.

The Shareholder filed the Petition with the Nagoya District Court, claiming, among other claims, that the procedures for implementing the Transaction were illegal, and requesting, among other requests, that the Share Consolidation, which is to be conducted as part of the series of procedures for implementing the Transaction, be temporarily suspended. However, as of April 3, 2025, the Nagoya District Court issued an order to dismiss the Petition by holding that the Petition is groundless.

In response to this, the Shareholder filed the Immediate Appeal with the Nagoya High Court as of April 3, 2025, due to being dissatisfied with the dismissal order. However, on May 28, 2025, the Nagoya High Court issued the Immediate Appeal Denial Order by holding that the Immediate Appeal is groundless.

Thereafter, on May 29, 2025, the Shareholder filed the Special Appeal, Etc. due to being dissatisfied with, the portion of the Immediate Appeal Denial Order relating to the petition for a provisional injunction order for the Share Consolidation filed against the Company. Subsequently, on June 5, 2025, the Company received a written petition for a special appeal and a written motion for an appeal with permission, regarding the Special Appeal, Etc.

(Note 1) **“Ownership ratio”** refers to the ratio (rounded up or down to the second decimal place) to 40,401,666 shares, which is the number of shares obtained as follows: 41,925,300 shares, which is the total number of shares issued by the Company as of December 31, 2024 as stated in “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 1,523,634 shares, which is the number of treasury shares owned by the Company as of December 31, 2024 as stated in the Company’s Q3 Financial Results (92,160 shares, which is the number of Company Shares owned by the employee stock ownership plan (ESOP) trust, are not included in the treasury shares owned by the Company).

(Note 2) **“Agreed Non-Tendering Shares”** means all of the Company Shares owned and agreed not to be tendered in the Tender Offer by the Agreed Non-Tendering Shareholders (defined below) (total: 15,367,440 shares; ownership ratio: 38.04%) with whom the Tender Offeror, upon implementation of the Tender Offer, executed a letter of agreement, as of February 4, 2025, in which the Agreed Non-Tendering Shareholders each agreed not to tender any of the Company Shares it owns in the Tender Offer. **“Agreed Non-Tendering Shareholders”** collectively refers to Mugen Co., Ltd. (**“Mugen”**), a shareholder of the Company (number of shares owned: 13,614,480 shares; ownership ratio: 33.70%), Mr. Hiroichi Yokoyama (**“Mr. Hiroichi Yokoyama”**), the Company’s Chairman and Representative Director (number of shares owned: 902,000 shares; ownership ratio: 2.23%), Mr. Motohisa Yokoyama (**“Mr. Motohisa Yokoyama”**), the Company’s Senior Managing Director (number of shares owned: 537,960 shares; ownership ratio: 1.33%), and Mr. Yoshihiro Yokoyama (**“Mr. Yoshihiro Yokoyama”**), a shareholder of the Company and a relative of Mr. Hiroichi Yokoyama and Mr. Motohisa Yokoyama (number of shares owned: 313,000 shares; ownership ratio: 0.77%).

2. Overview of the Party Filing the Special Appeal, Etc.

Name:	Kaname Capital, L.P.
Location:	The Corporation Trust Company, 1209 Orange Street Wilmington, Delaware 19801, United States
Representative and General Partner:	Kaname Capital, GP, LLC
Representative and Manager:	Thomas O. Rodes

3. Court and Date of Special Appeal, Etc.

(1) Court with which the Special Appeal, Etc. was filed
Motion for an appeal with permission: Nagoya High Court
Petition for a special appeal: Supreme Court

(2) Date on which the Special Appeal, Etc. was filed: May 29, 2025

4. Future Outlook

The Company is confident that there are no grounds for the Special Appeal, Etc. to be accepted and that the Immediate Appeal Denial Order is appropriate, and believes that the Immediate Appeal Denial Order should be maintained.

The Company will promptly make an announcement if any matters arise that should be disclosed in relation to the Immediate Appeal Denial Order.

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