

June 12, 2025

To Whom It May Concern:

Company Name: PROTO CORPORATION
Representative: Kenji Kamiya
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Announcement of Ruling to Permit a Petition for Appeal with Permission Filed for Provisional Injunction for Share Consolidation, Etc.

As announced in the “Announcement of Special Appeal and Appeal with Permission Filed for Provisional Injunction for Share Consolidation, Etc.” released by PROTO CORPORATION (the “**Company**”) as of June 6, 2025, in response to a ruling to deny (the “**Denial Ruling**”) an immediate appeal (the “**Immediate Appeal**”) against an order dismissing a petition for a provisional injunction order for a share consolidation, etc. (the “**Petition**”) dated May 28, 2025, Kaname Capital, L.P. (the “**Shareholder**”), a shareholder of the Company, filed a petition for a special appeal and appeal with permission against the Denial Ruling (the “**Appeal with Permission**”), for the portion of the Denial Ruling relating to the petition for a provisional injunction order for the share consolidation (the “**Share Consolidation**”) of the common shares of the Company (the “**Company Shares**”) filed against the Company, as of May 29, 2025 (such petition, together with the filing of the special appeal against the Denial Ruling, the “**Appeal with Permission, Etc.**”).

The Company hereby announces that on June 11, 2025, it received a written ruling to permit an appeal as of June 10, 2025 (the “**Ruling Permitting Appeal**”), from the Nagoya High Court, in which a petition for appeal to the Supreme Court was permitted in relation to the Appeal with Permission, as set forth below.

1. Background to **Ruling Permitting Appeal**

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 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 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 Denial Ruling by holding that the Immediate Appeal is groundless.

Thereafter, on May 29, 2025, the Shareholder filed the Appeal with Permission, Etc. due to being dissatisfied with, the portion of the Denial Ruling relating to the petition for a provisional injunction order for the Share Consolidation filed against the Company.

On June 11, 2025, the Company received the written ruling regarding the Ruling Permitting Appeal from the Nagoya High Court, in relation to the Appeal with Permission.

(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 Appeal with Permission, 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. Future Outlook

An appeal with permission is a system under which an appeal may be filed with the Supreme Court with a high court's permission if a ruling or order of the high court is found to involve matters of material import involving the interpretation of laws and regulations (Article 337 of the Code of Civil Procedure). With the Ruling Permitting Appeal, legal issues in the present case will be tried at the Supreme Court. The Company is confident that there are no grounds for the Appeal with Permission, Etc. to be accepted and that the decision of the Denial Ruling is appropriate, and believes that the Denial Ruling should be maintained.

The Company will promptly make an announcement if any matters arise that should be disclosed in relation to the Appeal with Permission, Etc.

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