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Application for a Preliminary Injunction

February 25, 2026

To the Honorable Judge of the Hamamatsu Branch of the Shizuoka District Court

Attorney for the Creditor: Shuichi Namba

Same Hirotooshi Kakumoto

Same Sho Tanaka

Same Takuto Hashimoto

(Contact)

Representation of the Parties
held party list

As listed in the attached party list

Purpose of the Petition

1. To provisionally suspend the consolidation of common shares that the debtor intends to carry out based on the resolution of the board of directors meeting held on February 6, 2026
 2. The costs of this petition shall be borne by the debtor
- The Creditor seeks a court order to this effect.

Grounds for the Petition

I. Rights to be Preserved

1. Parties and Related Persons

(1) Creditor

The Creditor is a Société d'investissement à capital variable (SICAV) established under the laws of the Grand Duchy of Luxembourg on December 1, 1989 (Exhibit 1: Registration Information).

The Creditor operates an umbrella fund and manages multiple sub-funds under this umbrella fund. It holds 50,000 shares of the Debtor's stock through one of these sub-funds, GAM Multistock — Japan Special Situations (Exhibit 1: Registration Information, Exhibit 2-1: Individual Shareholder Notice Application Receipt, Exhibit 2-2: Individual Shareholder Notice Completion Notice).

(2) Debtor

The Debtor is a corporation engaged in the manufacture and sale of automotive parts and other businesses. As of February 6, 2026, the total number of issued shares was 14,820,000 shares (Exhibit 3-1: Registration of the Debtor, Exhi

bit 3-2: Articles of Incorporation of the Debtor, Exhibit 6: Timely Disclosure, Page 3), and its shares are listed on the Tokyo Stock Exchange Standard Market.

As of February 6, 2026, the Debtor holds 124,000 shares (62% voting rights) out of the 200,000 total issued shares of Shin Nichi Kogyo Co., Ltd. (hereinafter "**Shin Nichi Kogyo**") (Exhibit 6: Timely Disclosure, p. 18; Exhibit 4: Shin Nichi Kogyo's Registration).

(3) The Tender Offeror

Motherson Global Investments B.V. (hereinafter referred to as the "Tender Offeror") is a company established in the Netherlands (Amsterdam) on May 13, 2014 (Exhibit 6: Timely Disclosure, Page 1). As described in 2(1) below, the Tender Offeror commenced a tender offer for the common shares of the Debtor (hereinafter referred to as the "Tender Offer") on February 6, 2026, as stated in the "Notice Concerning Expression of Support and Recommendation to Apply for the Tender Offer for Our Company's Shares by Motherson Global Investments B.V." dated February 6, 2026 (hereinafter referred to as **the "Timely Disclosure"**). The Tender Offeror commenced a tender offer for the ordinary shares of the Debtor (hereinafter referred to as the "Tender Offer") on February 9, 2026 (Exhibit 7: Tender Offer Filing Statement).

The Tender Offeror is a company belonging to the corporate group (hereinafter referred to as the "**Motherson Group**") comprised of all companies with which Samvardhana Motherson International Limited (hereinafter referred to as "**Motherson**"), the ultimate parent company of the Tender Offeror, has a capital relationship, and globally markets products such as automotive parts (Exhibit 6: Timely Disclosure, pages 1 and 10).

(4) Honda Motor Co., Ltd.

Honda Motor Co., Ltd. (hereinafter referred to as "**Honda**") is the parent company of the debtor and, as of February 16, 2026, is the controlling shareholder holding 10,322,000 shares (69.66%) out of the debtor's total issued shares of 14,820,000 shares, thereby qualifying as the debtor's parent company. As of February 6, 2026, Honda Motor holds 22,000 shares (11% of voting rights) out of Shin Nippon Kogyo's total issued shares of 200,000 shares (Exhibit 6: Timely Disclosure, Page 18).

(5) Relationship between Honda Motor Co., Ltd. and the Mother Sun Group

Honda has maintained an automotive parts business relationship with the Mother Sun Group for over 20 years. Furthermore, in connection with its relationship with Honda, it conducted a transaction aimed at transferring the following Honda Group companies to the Mother Sun Group: (Exhibit 6: Timely Disclosure, pp. 13-14).

- ① Transaction in 2024 whereby SMRP B.V., a member of the Mother Sun Group, acquired 81% of the total voting rights of Yachiyo Industry Co., Ltd. (then publicly listed) from Honda Motor Co., Ltd., making Yachiyo Industry Co., Ltd. a subsidiary of SMRP B.V.
- ② In 2025, a transaction whereby the Mother Sun Group acquired 95% of the total voting rights of Atsumitech Co., Ltd. from Honda Motor Co., Ltd., making Atsumitech Co., Ltd. a company belonging to the Mother Sun Group.

2. Overview of the Transactions, Including the Tender Offer and the Share Consolidation

(1) Implementation of the Tender Offer

Notice Regarding Expression of Support and Recommendation to Accept the Tender Offer for Our Company's Shares by Motherson Global Investments B.V. Scheduled to Commence on August 29, 2025 (hereinafter referred to as the "**Timely Disclosure Regarding Support for the Planned Tender Offer**") (Exhibit 5), the Tender Offeror, at its board of directors meeting held on August 29, 2025, entered into a Framework Agreement of Business Reorganization (hereinafter referred to as **the "Framework Agreement"**) with the Debtor and Honda Motor Co., Ltd., the parent company of the Debtor, and decided to conduct the Tender Offer as part of a series of transactions (hereinafter referred to as **the "Transactions"**) aimed at taking the Debtor private and making it a consolidated subsidiary by the Tender Offeror acquiring the Debtor's shares, subject to the fulfillment (or waiver by the Tender Offeror) of the conditions precedent stipulated in said agreement (Exhibit 5: Timely Disclosure Regarding Support for the Planned Tender Offer, Page 1).

The Debtor, at its board of directors meeting held on February 6, 2026, expressed its opinion in favor of the Tender Offer and resolved to recommend that the Debtor's shareholders tender their shares in the Tender Offer (hereinafter referred to as **the "Statement of Support and Recommendation to Tender"**) (Exhibit 6: Timely Disclosure, Page 1). Subsequently, the Tender Offeror commenced the Tender Offer on February 9, 2026 (Exhibit 7: Tender Offer Filing Statement).

The Tender Offer was conducted at a purchase price of ¥3,024 per share of common stock (hereinafter referred to as the "Tender Offer Price"), with the objective of acquiring all shares of the Debtor (excluding tre

asury shares held by the Debtor and all shares of the Debtor held by Honda Motor Co., Ltd. (number of shares held: 10,322,000 shares; ownership ratio: 69.66%; hereinafter referred to as the "Non-Tendered Shares")).69.66%; hereinafter referred to as the "**Non-Tendered Shares**"). The purchase price was set at ¥3,024 per share of common stock (hereinafter referred to as the "**Tender Offer Price**") (Exhibit 6: Timely Disclosure, pp. 2-3). No upper or lower limit has been set for the number of shares to be purchased (Exhibit 6: Timely Disclosure 7). Furthermore, the planned tender offer price is also stated as ¥3,024 per share in the Planned Tender Offer Support Timely Disclosure (Exhibit 5: Timely Disclosure Regarding Support for the Planned Tender Offer 15).

For an overview of the procedures contemplated for this tender offer, the share consolidation (as defined below), and other transactions related to this matter, please refer to pages 8 through 10 of the Timely Disclosure (Exhibit 6).

(2) Implementation of the Share Consolidation (Late May 2026 (planned))

Under the Framework Agreement, it is agreed that if the Tender Offeror fails to acquire all shares of the Debtor (excluding treasury shares held by the Debtor and Non-Tendered Shares) while conducting the Tender Offer, the Debtor's shareholders will be limited to the Tender Offeror and Honda Motor Co., Ltd. through a share consolidation (hereinafter referred to as **the "Share Consolidation"**) to be implemented in late May 2026 (planned).(Exhibit 6: Timely Disclosure, p. 8). Furthermore, the Debtor intends to resolve on the Share Consolidation at an extraordinary general meeting of shareholders (hereinafter referred to as the "**Shareholders' Me**

eting") scheduled to be held around mid-April 2026, and the Tender Offeror and Honda Motor Co., Ltd. () plan to vote in favor of this resolution (Exhibit 6: Timely Disclosure, pp. 28-29).

Furthermore, for shareholders of the Debtor other than Honda Motor Co., Ltd. and the Tender Offeror who did not tender their shares in the Tender Offer, including Creditors, will, as a result of the Share Consolidation, hold fractions of shares amounting to less than one share. Shareholders holding only such fractions will receive cash equivalent to the total number of such fractions, obtained by selling shares of the Debtor to the Debtor or the Tender Offeror, in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations. The amount of such cash payment shall be calculated to be equal to the Tender Offer Price multiplied by the number of shares of the Debtor held by the relevant shareholder (Exhibit 6: Timely Disclosure, p. 29). Furthermore, Honda Motor Co., Ltd. is also expected to exercise its voting rights in connection with the above resolution (Exhibit 6: Timely Disclosure, p. 29).

A key point here is that, since no minimum acceptance threshold is set for this Tender Offer, it will be successful if even one shareholder submits an acceptance.

Furthermore, as stated above, Honda Motor Co., Ltd. holds 69.66% of the total issued shares of the debtor and intends to exercise its voting rights at the shareholders' meeting resolving the share consolidation. Therefore, although the share consolidation requires a special resolution (Article 309, Paragraph 2, Item 4 of the Companies Act), it is certain to be implemented. Therefore, at a minimum, the Creditor does not intend to tender its shares in t

he Tender Offer. Consequently, the Creditor will inevitably lose all of its shares in the Debtor as a result of the Share Consolidation.

(3) Implementation of the Funding, Capital Reduction, and Treasury Stock Acquisition
(Late May 2026 to Late July 2026 (Scheduled))

Following the share consolidation, the Debtor's shareholders are expected to become the Tender Offeror and Honda Motor Co., Ltd. () (holding 30.34% and 69.66% of voting rights, respectively). Subsequently, to increase the Tender Offeror's voting rights in the Debtor to 81% and make the Debtor a consolidated subsidiary of the Tender Offeror, Honda Motor Co., Ltd., the following procedures will be implemented: and Honda Motor's voting rights ratio in the Debtor to 19%, thereby making the Debtor a consolidated subsidiary of the Tender Offeror. To achieve this, the Debtor is scheduled to acquire a portion of its own shares held by Honda Motor (hereinafter referred to as **the "Tender Offeror's Own Share Acquisition"**) through the following procedures (Exhibit 6: Timely Disclosure, Page 9).

After the Tender Offeror acquires all shares of the Debtor (excluding treasury shares held by the Debtor and Non-Tendered Shares), if securing funds to execute the Self-Share Acquisition becomes necessary based on the Debtor's financial condition and pursuant to the Framework Agreement, the Tender Offeror will provide the Debtor with funds to cover the consideration for the Self-Share Acquisition (planned to be a loan to the Debtor; hereinafter referred to as the "Funding"). Hereinafter referred to as **the "Funding Provision"**). The Debtor is scheduled to implement the Treasury Stock Acquisition (scheduled from late May 2026 to late July 2026)

upon completion of a reduction in the Debtor's capital stock, capital reserve, and retained earnings reserve pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act (hereinafter referred to as the "**Capital Reduction, etc.**"). (Exhibit 6:Timely Disclosure Pages 3-4).

(4) Implementation of the Shin Nippon Share Transaction

Separate from transactions involving the debtor's shares, Honda Motor Co., Ltd. holds shares in Shin Nippon Kogyo Co., Ltd., a subsidiary of the debtor. As of February 6, 2026, out of Shin Nippon Kogyo's total issued shares of 200,000 shares, the debtor held 124,000 shares (voting rights ratio: 62%), and Honda Motor Co., Ltd. held 22,000 shares(11% voting rights) (Exhibit 6: Timely Disclosure, Page 18).

Regarding Shin Nichi Kogyo shares, the Framework Agreement stipulates that the Tender Offeror Group () will acquire Shin Nichi Kogyo shares as soon as practicable after the completion of the squeeze-out procedure through the share consolidation, following the delisting of the Debtor.

This aims to enable the Tender Offeror Group to participate in Shin Nichi Kogyo's management and realize synergies with the Tender Offeror Group.(hereinafter referred to as the "Shin-Nichi Share Transaction").However, the consideration to be paid by the Tender Offeror (or its group) to Honda Motor Co., Ltd. for the Shin Nichi Share Transaction has not been disclosed in the Timely Disclosure (Exhibit 6: Timely Disclosure, Page 47).

(5) Implementation of the YAI Land Transaction and the YAI Share Transaction

Yutaka Autoparts India Private Ltd. (hereinafter “**YAI**”), a Debtor's Indian subsidiary, entered into an agreement with Honda Motorcycle and Scooter India Pvt. Ltd. (hereinafter “**HMSI**”), Honda's Indian subsidiary. This agreement was made against the backdrop of HMSI needing to expand its factory to comply with Indian regulations. Under the agreement, YAI will sell a portion of the land owned by YAI located in Tapkhar, Alwar District, Rajasthan, India (hereinafter “**the YAI Land**”) to HMSI at a time mutually agreed upon by YAI and HMSI (scheduled for around the end of February 2026). However, the consideration for this YAI land transaction has not been disclosed (hereinafter referred to as the “**YAI Land Transaction**”). Exhibit 6: Timely Disclosure, pp. 18, 42-43).

Furthermore, as part of a series of transactions under the Basic Agreement, the Debtor has agreed to transfer all YAI shares held by the Debtor to Mother Sun or its wholly-owned subsidiary between the end of the Tender Offer and the commencement of settlement (hereinafter referred to as the “**YAI Share Transaction**”). The transfer price for the YAI shares is to be agreed upon through good faith negotiations between the Tender Offeror and the Debtor (Exhibit 6: Timely Disclosure, pp. 18, 46, 51).

However, the transfer price for the YAI shares is to be agreed upon through good faith negotiations between the Tender Offeror and the Debtor (Exhibit 6: Timely Disclosure, pp. 18, 46, 51) and has not been disclosed.

3. Recognition of a "violation of laws and regulations..." (Article 182-3 of the Companies Act) due to breach of the duty of care and loyalty by the debtor's directors

(1) Breaches of directors' duty of care and duty of loyalty are included in "cases of violation of laws and regulations..."

For the following reasons, it is understood that the "violation of laws and regulations" stipulated in Article 182-3 of the Companies Act also includes cases where a director of the company violates their duty of care (Article 330 of the Companies Act / Article 644 of the Civil Code) or their duty of loyalty (Article 355 of the Companies Act).

A. The right to seek an injunction against a stock consolidation under Article 182-3 of the Companies Act is based on the purpose of protecting shareholders who are significantly affected by fractional share adjustments accompanying the consolidation. It functions as a means to deter conflicts of interest existing between directors (or controlling shareholders) and shareholders in general. If a violation of the "statutes" were not deemed to include a breach of a director's duty of care or loyalty, then even if a director (or controlling shareholder) were to exclude minority shareholders from the company through a share consolidation by offering them only unreasonably low consideration, it would be impossible to enjoin such a share consolidation unless there were specific procedural violations in carrying out the consolidation. Interpreting it this way would severely limit the scope in which the right to seek an injunction against a share consolidation could function as a means to deter conflicts of interest between directors (or controlling shareholders) and minority shareholders, thereby contradicting the intent of the law mentioned above (Exhibit 10: Masakazu Shirai, pp. 217-218). Therefore, at the very least, when a conflict of interest exists between directors (or controlling shareholders) and minority shareholders, a breach of the dir

ectors' duty of care and duty of loyalty constitutes a "violation of laws and regulations" as stipulated in Article 182-3 of the Companies Act.

B. Some argue that violations of directors' duty of care and duty of loyalty are excluded from "violations of laws and regulations" due to the difficulty of adjudication in provisional disposition cases.

However, under the Companies Act, even before the 2014 amendment, the unreasonableness of consideration was recognized as a ground for injunction in summary reorganization cases (current Article 784-2(2), pre-amendment Article 784(2)(ii)). The unreasonableness of consideration has been subject to judicial review in summary reorganization injunction lawsuits (and provisional disposition injunctions). Furthermore, from the perspective of the fairness of the consideration determination process, if the court reviews whether directors breached their duty of care or loyalty and whether the consideration is unreasonable, the aforementioned difficulties do not arise (Exhibit 11: Shinsaku Iwahara "Company Law Commentary", p. 234). Therefore, it is unreasonable to interpret that breaches of directors' duty of care or loyalty are excluded from "cases where there is a violation of laws and regulations..." based solely on the difficulty of such review.

C. When a share consolidation results in fractional shares less than one share, shareholders holding such fractions may, under certain conditions, request the company to purchase their shares (Article 182-4 of the Companies Act). However, the share repurchase request system is insufficient as a remedy for unfair consideration due to factors such as: the high barrier to exercising the right, as it requires prior notice of opposition and the exercise of opposing voting rights at the shareholders' meeting.

ng; and the inability of shareholders who voted in favor at the shareholders' meeting without knowing the circumstances demonstrating the unfairness of the consideration after the resolution was passed to make a share repurchase request (Exhibit 12: Hidefusa Iida, p. 77). Therefore, it is necessary to recognize relief through injunctive relief based on the directors' duty of care and duty of loyalty, citing the unreasonableness of the consideration.

D. Based on the foregoing, it is understood that "violation of laws and regulations..." as stipulated in Article 182-3 of the Companies Act includes violations of directors' duty of care and duty of loyalty.

(2) The Content of the Duty of Care and Fiduciary Duty Imposed on Directors in This Transaction

A. Directors bear the duty to act in the best interests of shareholders as part of their fiduciary duty and duty of loyalty

Directors owe the company a duty of care (Article 330 of the Companies Act, Article 644 of the Civil Code) and a duty of loyalty (Article 355 of the Companies Act). When negotiating with an acquirer regarding the amount of consideration for an acquisition through a tender offer, cash-out, or similar means, the directors' execution of their duties directly impacts the interests of shareholders, not merely through the interests of the company. In such cases, directors have a duty (fair value transfer obligation) to negotiate and decide on acquisition consideration and other acquisition terms with the acquirer, as part of their duty of care, to ensure that the shareholders' collective interests are not harmed by a transfer of corporate value at an undervalued acquisition price.

ce that does not appropriately reflect corporate value (Exhibit 13:Wataru Tanaka, *Company Law* [5th Edition] (University of Tokyo Press, 2025), pp. 670-671. Exhibit 14: Tokyo High Court Decision, April 17, 2013, Hanrei Jiho No. 2190, p. 96 (Rex Holdings Case).

Furthermore, the "fair price" of shares consists of the price the shares would have had if the series of transactions had not occurred (the "if-not-transaction price") and the portion of the price increase expected from implementing the series of transactions that shareholders should enjoy (the "incremental value distribution price") (Osaka High Court Decision, October 29, 2015, , Hanji 2285, p. 117 (Charle Case) (Exhibit 15)¹ • Tokyo High Court Decision, October 31, 2024, Shōji Hōmu (Commercial Law) No. 490, p. 95 (FamilyMart Case) (Exhibit 16)² .However, since no established method exists for objectively evaluating the latter, the fairness of the share price must be left to the judgment of shareholders through fair procedures. These procedures include guaranteeing shareholders an appropriate opportunity to make judgments, eliminating arbitrariness in negotiations between the target company and the acquirer, ensuring opportunities for competition with parties other than the proposed acquirer in the tender offer, and taking measures to eliminate coercion against general shareholders to the greatest extent possible.(See

¹ Although the ruling concerned an MBO case, its scope is understood to extend to cases like the present one where the controlling shareholder and the tender offeror jointly determine the terms of a series of transactions, and where the conflict of interests between the controlling shareholder and minority shareholders becomes acute (Exhibit 17: Nishimura & Asahi Law Office, "M&A Law Encyclopedia (Part II) [Fully Revised Edition]" (Shojihomu, 2019), p. 552).

² This decision concerns a case where, in a two-step transaction involving a tender offer and a reverse stock split, the court determined a fair price in a procedure requested by shareholders who opposed the reverse stock split.

the above Charle case). Consequently, the directors of the target company bear an obligation to implement fair procedures (the obligation to implement fair procedures) as a prerequisite for entrusting the fairness of the share price to shareholder judgment (Exhibit 17: Nishimura & Asahi Law Office, "M&A Law Encyclopedia (Part II) [Fully Revised Edition]" (Shojihomu, 2019), p. 550).

B. Fair M&A Guidelines and Acquisition Conduct Guidelines

The Ministry of Economy, Trade and Industry's "Guidelines on Fair M&A Practices—Toward Enhancing Corporate Value and Ensuring Shareholder Interests" dated June 28, 2019 (hereinafter referred to as the "**Fair M&A Guidelines**") are positioned as "best practices that should be shared within the corporate community regarding fair M&A practices." Chapter 3 of these Guidelines states that when the fairness safeguards outlined therein are effectively implemented, "it is generally assumed that no breach of the target company directors' duty of care and duty of loyalty would be recognized." (Exhibit 18: Note 1, p. 3 of the Fair M&A Guidelines). In other words, when determining whether directors breached their fiduciary duties, a key consideration is whether the transaction price was set after the fairness safeguards outlined in Chapter 3 of the Guidelines were effectively implemented.

Furthermore, the Ministry of Economy, Trade and Industry's "Guidelines for Corporate Acquisitions - Toward Enhancing Corporate Value and Ensuring Shareholder Interests" dated August 31, 2023 (hereinafter referred to as the "**Acquisition Guidelines**") also makes certain recommendations regarding the code of conduct that directors of target com

panies receiving acquisition proposals should follow. By referring to and acting in accordance with the best practices presented in the Acquisition Guidelines, it is expected that the risk of directors breaching their fiduciary duties of care and loyalty can be reduced (Exhibit 19: Note 10, p. 10 of the Acquisition Guidelines). Therefore, similar to the Fair M & A Guidelines, whether the best practices presented in the Acquisition Guidelines were followed is also an important consideration when determining whether directors breached their fiduciary duties of care and loyalty.

(3) Breach of Fiduciary Duties by the Target Company's Directors

A. The Tender Offer and the Share Consolidation constitute a series of transactions

As described above in 2(1), the series of transactions at issue was planned with the objective of taking the debtor company, which is listed on the Tokyo Stock Exchange Standard Market with Honda Motor Co., Ltd. as its controlling shareholder, private, while retaining Honda Motor Co., Ltd.'s shareholding and making it a consolidated subsidiary of the Tender Offeror. Furthermore, the amount of cash to be delivered to minority shareholders due to fractional share adjustments accompanying the Share Consolidation is expected to be identical to the product of the Tender Offer Price multiplied by the number of shares of the Debtor held by such shareholders. The Tender Offer and the Share Consolidation, which form the core of this transaction, constitute a so-called two-step acquisition procedure aimed at taking the Debtor private and excluding shareholders other than the Tender Offeror and Honda Motor

Co., Ltd.

Furthermore, the Tender Offer was not conducted in accordance with fair procedures as described below, resulting in the setting of a grossly undervalued Tender Offer Price that harms the collective interests of the Debtor's shareholders.

Nevertheless, the debtor's directors, at the board meeting held on February 6, 2026, issued a statement of support for and recommendation to tender shares in response to the Tender Offer, thereby breaching their fiduciary duty of care. Furthermore, the decision made at the board meeting to proceed with the Tender Offer and the share consolidation transaction forming part of the series of transactions, based on the significantly low Tender Offer price, also constitutes a breach of the fiduciary duty of care.

B. The Tender Offer Violates the Principle of Uniformity (Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act)

When purchasing securities through a tender offer, the purchase price must be uniform (Financial Instruments and Exchange Act, Article 27-2, Paragraph 3). Furthermore, if the Tender Offeror enters into a transaction (side deal) with a shareholder of the Target Company regarding matters other than the Tender Offer, and the terms of such side deal are favorable to that shareholder, it could effectively create an economic situation where only that shareholder acquired shares at a price higher than the Tender Offer price. This could raise issues in relation to the uniformity requirement for purchase prices (Exhibit 20: Hidefusa Iida, Financial Instruments and Exchange Act, pp. 265-266).

Honda Motor Co., Ltd. holds shares in Shin Nippon Kogyo Co., Ltd., a subsidiary of the debtor. Under the Framework Agreement between the debtor, the Tender Offeror, and Honda Motor Co., Ltd., after taking the debtor private through the Tender Offer and the Share Consolidation, the parties agreed to execute the Shin Nippon Share Transaction as soon as possible. The Shin-Nichi Share Transaction shall be executed as soon as possible after the Tender Offer and the Share Consolidation take effect to delist the debtor. Honda Motor shall transfer its shares in Shin-Nichi Kogyo to the Tender Offeror and receive consideration for them. The transfer consideration shall be agreed upon through good faith negotiations between the Tender Offeror and Honda Motor (Exhibit 6: Timely Disclosure 18, p. 47). That is, as is clear from its stipulation in the Framework Agreement, the Shin-Nippon Share Transaction constitutes part of the Transaction alongside the Tender Offer, the Share Consolidation, and the Treasury Stock Acquisition, and is implemented based on the common objective of realizing synergies with the Tender Offeror Group³.

Therefore, through the Shin-Nichi Share Transaction, Honda Motor will receive consideration, including the effects of synergies with the T

³ Furthermore, GAM Investments, which manages the GAM Multistock — Japan Special Situations sub-fund of the Creditor, requested the Debtor on December 22, 2025, and January 30, 2026, to disclose detailed transaction terms concerning the side deal related to the Shin Nichi Share Transactions and the YAI Share Transaction, etc. (Exhibit 8: Letter dated January 21, 2026, titled “Open letter to the Board of Directors” (hereinafter referred to as “**Letter No. 1**”), p. 6; Exhibit 9: Letter dated January 30, 2026, titled “Open letter to the Board of Directors” (hereinafter referred to as “**Letter No. 2**”). However, the Debtor has not disclosed such detailed transaction terms.

ender Offeror Group, which other minority shareholders cannot enjoy. This violates the principle of uniformity required by Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act.

Furthermore, as stated in Section 2(5) above, the consideration for the YAI Land Transaction has not been disclosed. Honda will receive value through this YAI Land Transaction, via its subsidiary HMSI, that other minority shareholders cannot enjoy. This violates the principle of uniformity.

Moreover, as stated in Section 2(5) above, the transfer price of the YAI shares in the YAI Share Transaction has also not been disclosed. Honda will remain a shareholder of the debtor even after the completion of this series of transactions. Therefore, depending on the transfer price of the YAI shares, Honda will receive value through the YAI Share Transaction as a shareholder of the Debtor that other minority shareholders cannot enjoy. This similarly violates the principle of uniformity.

Therefore, since the Tender Offer violates the principle of uniformity, the share consolidation, which is being conducted as part of a series of transactions with the Tender Offer and for which the same consideration as the Tender Offer has been publicly announced, would also be deemed to violate the duty of care in setting the amount to be paid to fractional shareholders.

C. The Debtor's issuance of a statement of support for and recommendation to tender shares in the Tender Offer, followed by the implementation of the Share Consolidation, would violate the conditions set forth by the Debtor itself.

In its timely disclosure regarding the planned acceptance of the Tender Offer dated August 26, 2025, the Debtor stated the following regarding the discussions when accepting the Tender Offer Price of ¥3,024 proposed by the Tender Offeror: "Mother Sun responded on August 27, 2025, that it would accept the proposal on the condition that the Tender Offer Price would not fall below the market price of our shares." (Exhibit 5: Timely Disclosure Regarding Support for the Planned Tender Offer Page 16).

However, the debtor's stock price exceeded ¥3,024 after the Timely Disclosure of Tender Offer Support was published. Even the closing price on February 5, 2026—the day before the debtor's board resolution to express support for and recommend participation in this tender offer on February 6—was ¥3,105 (Exhibit 21-1 to 21-6: YAHOO! JAPAN Finance webpage titled "Yutaka Giken Co., Ltd. Stock Price Time Series / Credit Balance Time Series"). Nevertheless, the Tender Offer Price of ¥3,024 was maintained (Exhibit 6: Timely Disclosure, p. 2). Therefore, the Tender Offer Price and the consideration for the Share Consolidation, which is expected to be the same amount, violate even the conditions set by the Debtor itself. Consequently, making such a statement of support and recommendation to tender, and implementing the Share Consolidation, constitutes a breach of the directors' duty of care.

D. In setting the Tender Offer Price and the consideration for the Share Consolidation, the value-added distribution price resulting from the Series of Transactions has not been reflected, and the price has been unduly depressed due to the budgetary constraints of the Tender Offer

As stated in (2)(a) above, the "fair price" of shares consists of: ① the price the shares would have had if the series of transactions had not occurred (the "would-have-been price"), and ② the portion of the price increase expected from implementing the series of transactions that shareholders should enjoy (the "incremental value distribution price") (Exhibit 15: Charle case cited above; Exhibit 16: FamilyMart case cited above).

Based on this premise, as described in B above, the increased value resulting from the Shin Nichi Share Transaction, the YAI Land Transaction, and the YAI Share Transaction—which are implemented as part of the Series of Transactions under the Basic Agreement—must also be reflected as the increased value distribution price in setting the Tender Offer Price. Nevertheless, it is not evident from the timely disclosure that the increased value from these transactions was considered when setting the Tender Offer Price, and it can be said that the Tender Offer Price was below a fair price.

Moreover, in the scheme of the series of transactions at issue, the total consideration paid by the Tender Offeror was determined by Mother Sun's overall budget, as described below. Consequently, the Tender Offer Price and the consideration amount for the share consolidation were depressed by Mother Sun's internal circumstances—specifically, its overall budget—which are unrelated to the above factors ① and ②. This is also evident from the following circumstances described in the Timely Disclosure (Exhibit 6: Page 17).

① On February 17, 2025, discussions were held between Mother Sun and Honda regarding the transaction structure, taking into account t

he total budget for the consideration to be paid by Mother Sun to Honda and the debtor's shareholders in this transaction. Mother Sun proposed a framework involving the acquisition of its own shares.

- ② On February 24, 2025, Honda Motor requested Mother Sun to consider the possibility of increasing the total budget to be expended by Mother Sun in this transaction.
- ③ On August 7, 2025, following discussions between Mother Sun and Honda Motor Co., Ltd., an agreement was reached to increase the total budget to be expended by Mother Sun in this transaction. Subsequently, on August 27, 2025, Mother Sun and Honda agreed that the Tender Offer price would be set at 3,024 yen per share. and on August 28, 2025, to set the price for the acquisition of Treasury Shares by the Debtor regarding a portion of its shares owned by Honda at ¥1,470 per share.

In light of the above negotiation history, both the Tender Offer Price and the consideration for the Share Consolidation, which was expected to be the same amount, failed to reflect the value-added distribution resulting from the implementation of this Series of Transactions and were designed under the constraint of staying within the limits of Mother Sun's total budget. Consequently, they were significantly below the fair value of the Debtor's shares. Thus, the Tender Offer Price and the consideration for the Share Consolidation were not prices resulting from sincere negotiations based on the intrinsic value of the debtor's shares and the maximization of minority shareholders' interests. Instead, they were prices set from the perspective of fitting within the Mothe

r Sun Group's overall budget, significantly below fair value. Nevertheless, the directors' recommendation to accept the Tender Offer and their implementation of the Share Consolidation constitute a breach of their fiduciary duty of care, and implementing the Share Consolidation constitute a breach of the directors' fiduciary duty of care.

E. The Debtor issued the Statement of Support and Recommendation to Tender based on the Tender Offer Price, which did not sufficiently reflect the Debtor's intrinsic value based on its earning power.

As stated in the Timely Disclosure, regarding the initial Tender Offer Price proposed by the Tender Offeror, the Debtor stated in its Letter of Intent dated March 3, 2025: "The Tender Offer Price (¥2,500) proposed in the Letter of Intent dated March 3, 2025 is significantly below the price anticipated by the Company when considering the intrinsic value based on the Company's profitability. Therefore, the Company requests a reconsideration and re-proposal of the Tender Offer Price" (Exhibit 6:Timely Disclosure, p. 16).

Furthermore, the debtor stated in the Timely Disclosure: "Considering it beneficial to present a specific price from our side, we examined the appropriate price based on our intrinsic value, the current economic situation, market trends, and other business conditions surrounding our company, which we had been continuously reviewing since receiving the letter of intent dated March 3, 2025, and on the 28th of the same month, requested Mother Sun to increase the Tender Offer price to 3,250 yen." This indicates that the Debtor, having considered factors including its intrinsic value, negotiated that a purchase price of 3,250 yen per

share was necessary for this Tender Offer (Exhibit 6: Timely Disclosure, p. 21).

The Creditor believes, as described below, that the ¥3,250 per share calculated by the Debtor still does not sufficiently reflect the intrinsic value of the Debtor's shares and is too low. In any case, the Tender Offer price (¥3,024 per share) falls below even the amount the Debtor itself considers to be the intrinsic value of its shares (Exhibit 8: Letter No. 1, pp. 2 and 6). Therefore, issuing a statement of support and recommendation for the Tender Offer at this price and implementing the Share Consolidation amounts to forcibly stripping shareholders of their status without even realizing the intrinsic value, constituting a breach of the directors' fiduciary duty of care.

F. The price of the debtor's shares based on book value net assets is ¥6,817 per share, and the Tender Offer Price significantly falls below this amount.

As stated in the timely disclosure, the Tender Offer Price is calculated by dividing the Debtor's book value net assets as of June 30, 2025 (¥101,021 million) by the total number of issued shares after deducting treasury shares (14,818,051 shares), resulting in a net asset value per share of ¥6,817 (rounded to the nearest whole number). This represents a discount of 55.64% (rounded to the nearest hundredth) compared to that amount (Exhibit 6: Timely Disclosure, p. 25).

Conducting the Tender Offer at a price significantly below the book value per share effectively deprives shareholders of the value of company assets that rightfully belong to them. Conceptually, it amounts to s

stripping shareholders of company assets that were theirs and creating a situation where the Tender Offeror and Honda Motor Co., Ltd. monopolize these assets after minority shareholders are excluded. Therefore, issuing a statement of support and recommendation for the Tender Offer at a price significantly below the per-share net asset value of ¥6,817, and implementing the Share Consolidation, constitutes a breach of the fiduciary duty of care.

Furthermore, Plutus Consulting Co., Ltd. (hereinafter "**Plutus**"), which performed the stock valuation when the debtor's board of directors decided to issue the statement of support and recommendation to tender, did not adopt the net asset value method as the basis for its stock valuation. Instead, it calculated stock value based on the market price method and the DCF method (Exhibit 6: Timely Disclosure, p. 26).

Therefore, although Plutus issued a fairness opinion to the debtor, this fairness opinion calculated the stock value while ignoring the debtor's net asset value per share. Moreover, as described below, there are also issues with the stock price calculation based on the DCF method. Consequently, merely obtaining this fairness opinion does not satisfy the directors' fiduciary duty of care (Exhibit 8: Letter No. 1, p. 5)⁴.

G. The Tender Offeror will acquire the Debtor's shares at a price significantly below even the Debtor's net cash (cash and cash equivalents) in this transaction, making it clear that the Tender Offer

⁴ Furthermore, GAM Investments requested the Debtor to disclose the specific contents of the fairness opinion prepared by Plutus on December 22, 2025, and January 30, 2026 (Exhibit 8: Letter No. 1, Page 6; Exhibit 9: Letter No. 2). However, the Debtor has not disclosed such specific contents.

Price is substantially below fair value.

As the Creditor also points out on page 4 of the Letter No. 1 (Exhibit 8), the Tender Offeror will acquire the Debtor's shares in this Transaction at a price substantially below even the Debtor's net cash (cash and cash equivalents).

Specifically, upon execution of the Transaction, while the minority shareholders holding the Debtor's shares (representing 30.34% of the voting rights) will receive the Tender Offer Price (¥3,024 per share) or the equivalent consideration for the Share Consolidation, the shares of the Debtor held by Honda (50.65% of the voting rights, calculated by subtracting the 19% Honda Motor Co., Ltd. will continue to hold after the Transaction from the 69.65% it held) will be paid the Tender Offer Price for the Debtor's shares (¥1,470 per share).

Based on this, the weighted average acquisition price (Total blended price) for the Debtor's shares to be held by the Tender Offeror (81% voting rights) is approximately ¥2,052 per share, calculated using the following formula i):

$$\text{i) } (\text{¥3,024/share} \times 30.34\% + \text{¥1,470/share} \times 50.65\%) \div 81\% \doteq \text{¥2,052/share}$$

Converting this to a monetary basis, the total cash expenditure required for the Tender Offeror to acquire the Debtor's shares (81% voting rights) is approximately ¥24.6 billion, calculated using the following formula ii):

$$\text{ii) } \text{¥2,052/share} \times 81\% \times \text{Total Issued Shares of the Debtor:} \\ 14.82 \text{ million shares} \doteq \text{¥24.6 billion}$$

Converting this to 100% of the Debtor's issued shares, the Debtor's

enterprise value assessment is approximately ¥30.4 billion.

In contrast, the Debtor's net cash on its consolidated balance sheet as of December 31, 2025, is approximately ¥45.5 billion (Exhibit 31, Page 4 of the Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 2026), significantly exceeding the approximately ¥30.4 billion calculated above.

Therefore, the consideration for the Debtor's shares acquired by the Tender Offeror through this transaction is an amount that also falls significantly below the Debtor's net cash. This further demonstrates that the Tender Offer Price is clearly significantly below the fair price.

H. Issues were also observed in the stock valuation based on the DCF method by Plutus, and the calculation results did not represent the intrinsic value of the debtor's shares.

As stated in (2)(a) above, the "fair price" of shares consists of: (i) the price the shares would have had if the series of transactions had not occurred (the "if-not-for" price), and (ii) the portion of the price increase expected from implementing the series of transactions that shareholders should enjoy (the "incremental value allocation price"). Therefore, to calculate the fair price, it is not sufficient to simply evaluate market prices, etc. (i); it is also necessary to evaluate synergies, etc., corresponding to the incremental value allocation price (ii).

However, in determining the Tender Offer Price, Plutus relied on a standalone plan that did not consider synergies arising after the completion of the series of transactions when applying the DCF method (Exhibit 6: Timely Disclosure, p. 27). Furthermore, the premium in this Ten

der Offer Price is significantly below the premium levels seen in comparable transactions (Exhibit 6: Timely Disclosure, pp. 35-36), and it cannot be said that the value-added distribution price was factored in (Exhibit 8: Letter No. 1, p. 5). Therefore, the Tender Offer Price cannot be considered a fair price because it does not evaluate the synergy portion equivalent to the value-added distribution price. Furthermore, regarding the business plan for the fiscal years ending March 2026 through March 2028 used by Plutus in its DCF analysis, operating profit is projected to decline significantly in the fiscal year ending March 2027 compared to the fiscal year ending March 2026 due to a decrease in sales volume of internal combustion engine parts (Exhibit 6: Timely Disclosure, p. 27). However, according to the Debtor's most recent consolidated financial results for the fiscal year ended March 2025, operating income for the fiscal year ended March 2025 was ¥6,347 million. The consolidated earnings forecast for the fiscal year ending March 2026 projects an increase in operating income to ¥6,800 million (Exhibit 30: Page 1 of the Debtor's consolidated financial results for the fiscal year ended March 2025). Furthermore, this operating profit forecast was maintained in the Third Quarter Financial Results for the Fiscal Year Ending March 2026 dated February 6, 2026 (Exhibit 31: Third Quarter Financial Results for the Fiscal Year Ending March 2026, Page 1). Thus, even the Debtor itself projected a 7.1% increase in operating profit compared to the previous fiscal year through the fiscal year ending March 2026. This indicates that the aforementioned expectation of a significant profit decline was unreasonable. Furthermore, if this assumption of such a substantial profit decline had not been made in the business plan

underlying the DCF method, the range of the Debtor's per-share equity value based on the DCF method could have significantly increased from the range calculated by Plutus: "DCF Method: ¥2,445 to ¥ ¥3,228" (Exhibit 6: Timely Disclosure, p. 26). As described above, there are doubts regarding whether the assumptions underlying the business plan used in Plutus's DCF calculation are reasonable in the first place. Furthermore, in any case, since it does not calculate the share value incorporating synergies arising from the series of the Transactions, it does not constitute a calculation of fair value per share (Exhibit 8: Letter No. 1, pp. 2 and 6).

I. Failure to implement procedures required by the Securities Listing Regulations for protecting minority shareholders, resulting in inadequate protection for minority shareholders

Although the Tender Offer is being conducted by the Tender Offeror, which does not hold shares of the Debtor, Honda Motor Co., Ltd. is the controlling shareholder holding 69.66% of the Debtor's total issued shares. The Tender Offer is being implemented based on the Framework Agreement concluded between the Tender Offeror, Honda Motor Co., Ltd., and the Debtor, and Honda Motor Co., Ltd. will remain a shareholder of the Debtor even after the completion of the series of transactions. Thus, the Tender Offer is, in substance, being implemented by Honda Motor Co., Ltd., the Debtor's controlling shareholder. and Honda will remain a shareholder of the Debtor even after the completion of this series of transactions. Thus, this transaction can be said to be conducted under the leadership of Honda, which is effectively the controlling

g shareholder of the Debtor.

In light of this, the provisions of Article 441, Paragraph 1(2) of the Tokyo Stock Exchange Securities Listing Regulations concerning the protection of minority shareholders in transactions such as MBOs by controlling shareholders, share consolidations, and other significant transactions should also apply mutatis mutandis to this transaction (Exhibit 22: Excerpt from Listing Rules for Securities (Tokyo Stock Exchange)). Furthermore, the content of the opinion regarding whether the transaction is "fair to general shareholders"—which is required under Article 441, Paragraph 1(2) or Article 441-2, Paragraph 1(1) of the Securities Listing Regulations—must include statements on: ① the propriety of the transaction, ② the fairness of the transaction terms, and ③ the fairness of the procedures (Exhibit 23: Excerpt of Revised Content of the "Guidebook for Timely Disclosure of Corporate Information", pp. 114-116).

Furthermore, regarding point ② (fairness of transaction terms) within the content of the opinions to be obtained, the Guidebook also states: "When judging the fairness of a transaction, the fundamental perspective is whether the transaction is structured so that the increase in corporate value is fairly distributed to general shareholders." (Exhibit 23: Excerpt of Revised Content of the "Guidebook for Timely Disclosure of Corporate Information", p. 114). Research Group on the Protection of Minority Shareholders in Subsidiary Listed Companies, Second Term (9th Meeting) dated January 26, 2026, states: "Rather than a passive opinion stating 'it is not disadvantageous to minority shareholders' because a certain premium is attached, **it is being revised to seek**

an opinion on ‘fairness to general shareholders’ from the perspective of whether the transaction ensures that the increase in corporate value is fairly distributed to general shareholders.” (Exhibit 24: Excerpt of "Minutes of the 9th Meeting, Phase 2 of the Study Group on the Protection of Minority Shareholders in Subsidiary Listed Companies", pp. 17-18. Emphasis added.) However, as noted above, Plutus's value calculation based on the DCF method does not constitute a calculation ensuring that the increase in corporate value is fairly distributed to general shareholders. The debtor's special committee report merely states the passive opinion that "it is possible to assess that a certain premium level is secured in this transaction" (Exhibit 6: Timely Disclosure, p. 36). Based solely on this point, it appears the Debtor did not comply with the procedures stipulated in the Securities Listing Regulations.

Furthermore, regarding ③ procedural fairness, the Timely Disclosure Guidebook for Corporate Information states: "**※ If measures such as professional advice from external experts, active market checks, indirect market checks, setting a majority of minority condition, or exclusion of coercive elements are not implemented as fairness safeguards, the reasons for this, or an explanation of how the fairness of the transaction terms is procedurally ensured overall even without implementing such fairness safeguards** (Exhibit 23: Excerpt of Revised Content of the "Guidebook for Timely Disclosure of Corporate Information", p. 115)."

As stated in the Timely Disclosure, no active market check was conducted regarding this tender offer (Exhibit 6: Timely Disclosure, pp. 39

-40), no majority of minority condition was established (Exhibit 6: Timely Disclosure, p. 40), and although the Timely Disclosure states coercive pressure has been eliminated (Exhibit 6: Timely Disclosure, p. 41), as detailed below J, coercive pressure has not actually been eliminated. Rather, this transaction is highly coercive.

As described above, regarding ③ procedural fairness, there are significant doubts, and regarding ② fairness of transaction terms, it cannot be recognized as fair. Therefore, failing to establish the majority of minority condition required by the Fair M&A Guidelines below or even failing to hold an extraordinary shareholders' meeting to confirm minority shareholders' intent for such a transaction violates the procedures required by the Securities Listing Regulations and constitutes a breach of the fiduciary duty of care.

The procedures required for procedural fairness under the aforementioned Securities Listing Regulations originate from the fairness safeguards outlined in the Fair M&A Guidelines (Exhibit 18) (Exhibit 23: Excerpt of Revised Content of the "Guidebook for Timely Disclosure of Corporate Information", p. 115), The Fair M&A Guidelines themselves also indicate that one measure to ensure the fairness of an M&A transaction is to establish as a precondition for the transaction's completion (the majority of minority condition) the requirement to obtain the support of a majority of the shares held by general shareholders who do not share a significant interest with the acquirer. Specifically, in so-called two-step acquisitions like this transaction, it is considered possible to set a minimum number of shares as the lower limit for the intended purchase volume in the first-stage tender offer. Alternative

y, (in the case of a single-step transaction such as a reorganization), setting the failure to obtain a certain number of affirmative votes at the shareholders' meeting as a condition for the transaction's effectiveness could be considered.

However, since no minimum number of shares to be purchased has been set for this tender offer, it will proceed regardless of the intentions of minority shareholders. Furthermore, considering that Honda Motor Co., Ltd. holds 69.66% of the total issued shares of the debtor company, minority shareholders, including creditors, will be forced into a squeeze-out through this share consolidation, regardless of their wishes. Despite this, no extraordinary shareholders' meeting to confirm the intentions of minority shareholders is planned for this transaction.

Therefore, from the perspective of protecting minority shareholders, it cannot be said that effective measures to ensure fairness have been secured, and a breach of the directors' duty of care (breach of the obligation to implement fair procedures) can be recognized.

J. The proposed tender offer lacks a minimum purchase quantity, failing to eliminate coercive pressure.

① In the Acquisition Guidelines, "coerciveness" refers to the problem where shareholders of the target company are pressured to accept the acquisition even if many shareholders consider the offer price to be below the objective value of the shares, when it is anticipated that they will suffer disadvantages if the acqui

sition is completed while they refuse to accept it, compared to if they had accepted (Exhibit 19: Acquisition Guidelines, p. 40).

Furthermore, depending on the method of acquisition, it is pointed out that coerciveness may distort shareholders' rational decision-making, potentially allowing acquisitions that damage corporate value to proceed (Exhibit 19: Acquisition Guidelines, p. 49). Accordingly, a two-step acquisition method is proposed as a less coercive approach: an "all-or-nothing" offer. This involves setting no upper limit (purchasing all shares offered) while establishing a lower limit ensuring the post-acquisition shareholding ratio reaches a level enabling a share consolidation (at least two-thirds of voting rights). Following the tender offer's completion, a cash-out at the tender offer price is conducted (Exhibit 19: Acquisition Action Guidelines, p. 41).

However, in this Tender Offer, no minimum number of shares to be purchased has been set, differing from an "all-or-nothing" offer, which is a less coercive acquisition method.

Furthermore, even if the Framework Agreement provides for implementing the Share Consolidation after the Tender Offer and stipulates that the cash payment for fractional shares will be equal to the Tender Offer Price, the absence of a minimum tender threshold (Exhibit 6: Timely Disclosure 7) means the Tender Offer can succeed with even one tender, the Tender Offer will be successful if even one shareholder tenders their shares. Furthermore, the subsequent planned Share Consolidation will inevitably proceed regardless of minority shareholders' wishes, as

Honda Motor Co., Ltd., which holds 69.66% of the Issuer's outstanding shares, and the Tender Offeror will exercise their voting rights in favor of it (Exhibit 6: Timely Disclosure 29). Therefore, minority shareholders will be forced into a squeeze-out through the share consolidation, regardless of their wishes.

Thus, from the perspective of protecting minority shareholders, a squeeze-out is unavoidable regardless of whether they tender their shares in the Tender Offer, and the coercive nature of the Share Consolidation has not been eliminated.

- ② Furthermore, while "elimination of coerciveness" is cited as one measure to ensure fairness in M&A, "coerciveness" in a tender offer refers to a situation where "if the tender offer succeeds, shareholders who did not tender their shares are expected to be treated less favorably than those who did. This unfairly distorts shareholders' decisions on whether to tender their shares, and shareholders dissatisfied with the purchase price are effectively pressured to tender their shares." This applies not only to MBOs or acquisitions of subsidiaries by controlling shareholders, but also generally to M&A transactions (Exhibit 18: Fair M&A Guidelines, p. 45, Notes 84 & 85).

Regarding this point, the timely disclosure for this matter states that coerciveness is eliminated for reasons including the fact that the tender offer price and the cash payment to minority shareholders upon the share consolidation are the same amount (Exhibit 6: Timely Disclosure, p. 40).

However, as stated above, since the Tender Offer does not s

et a minimum number of shares to be purchased, it will proceed regardless of minority shareholders' intentions. Consequently, the series of transactions, including the Share Consolidation, will be executed. Minority shareholders, including creditors, will be forced out by the Share Consolidation against their will.

Therefore, from the perspective of protecting minority shareholders, a squeeze-out cannot be avoided regardless of whether they tender their shares in the Tender Offer. Consequently, the coercive nature of the Tender Offer and the Share Consolidation remains unaddressed.

Therefore, it cannot be said that effective measures to ensure fairness have been secured, and a breach of the directors' duty of care (breach of the obligation to implement fair procedures) is recognized.

4. A "violation of laws and regulations" (Article 182-3 of the Companies Act) is recognized, as the exercise of voting rights by Honda Motor Co., Ltd., a person with a special interest, at this shareholders' meeting would result in a "grossly unreasonable resolution" (Article 831, Paragraph 1, Item 3 of the Companies Act).

(1) The adoption of a grossly unreasonable resolution through the exercise of voting rights by a specially interested party constitutes a "violation of laws and regulations..." (Article 182-3 of the Companies Act).

In addition to the breach of the duty of care and loyalty by the debtor's directors, a shareholders' meeting approving a share consolidation due to the exercise of voting rights by a special interested party constitutes a

"grossly unreasonable resolution" (Article 831, Paragraph 1, Item 3 of the Companies Act) and thus falls under the "violation of laws and regulations..." (Article 182-3 of the Companies Act). (Exhibit 25: Kenjiro Egashira, 'The Law of Joint-Stock Companies [9th Edition]' (Yuhikaku, 2024), p. 884, Note (3)).

Fundamentally, the legislature's view is that the gross unreasonableness of consideration in reorganizations other than simplified reorganizations (including share consolidations) is not grounds for injunction. This is because, given that the consideration has been approved by the shareholders' meeting, the issue of its unreasonableness should, in principle, be contested only within the procedures for dissenting shareholders' share purchase requests, and the implementation of the reorganization itself should not be enjoined. (Exhibit 13: Wataru Tanaka, Company Law (5th Edition), p. 709).

However, when a controlling shareholder with a special interest exercises their voting rights at a shareholders' meeting to approve a reorganization at a price disadvantageous to minority shareholders, resulting in a grossly unfair resolution, the shareholders' meeting resolution is valid regardless of minority shareholders' votes. This renders the requirement for a resolution to reflect shareholder intent practically meaningless. Therefore, in such cases, similar to how the unfairness of consideration is recognized as grounds for injunction in summary reorganizations (Company Law Article 784-2(2)), relief through an injunction should be permitted (Exhibit 26: Gaku Matsunaka, p. 207-208).

Based on the foregoing, it should be interpreted that a resolution adopted through the exercise of voting rights by a person with a sp

pecial interest constitutes a "violation of laws and regulations..." (Article 182-3 of the Companies Act)⁵ .

Furthermore, even if a resolution deemed grossly unjust due to the exercise of voting rights by a person with a special interest does not directly fall under "cases where it violates laws and regulations..." (Article 182, Paragraph 3 of the Companies Act:), it is only when such a resolution is subsequently rescinded through a lawsuit to cancel the shareholders' meeting resolution, thereby leaving the company without a valid resolution, that it would be understood to constitute a violation of "laws and regulations." Even if one adopts the understanding that a violation of "laws and regulations" only occurs under these circumstances, it is interpreted that a provisional disposition seeking an injunction against the share consolidation can be sought. This provisional disposition would address both the main claims: the action to cancel the resolution and the action to enjoin the share consolidation based on the violation of laws and regulations (lack of a general meeting resolution) that becomes possible to file if the action to cancel the resolution is granted (Company Law Article 182-3) (Exhibit 13: Wataru Tanaka, "Company Law (5th Edition)", p. 709).

(2) Even before the shareholders' meeting resolution on the share consolidation, under certain circumstances, a violation of "statutes..." (Article

⁵ During the 2014 amendment process to the Companies Act, there was no agreement or confirmation that Article 831(1)(iii) of the Companies Act was excluded from violations of laws and regulations (Exhibit 26: Matsunaka, p. 209).

182-3 of the Companies Act) may be recognized as the state described in Article 831(1)(iii) of the Companies Act having arisen.

In a share consolidation where only the controlling shareholder holding two-thirds or more of the voting rights and its related parties remain as shareholders, it is unlikely that such a controlling shareholder would oppose the resolution at the shareholders' meeting. Moreover, since the controlling shareholder possesses sufficient voting rights to pass the resolution alone, there is no rational basis to distinguish whether the grounds for injunction apply before or after the shareholders' meeting. In this Share Consolidation as well, as described in the above 3.(3) I, Honda Motor Co., Ltd. holds 69.66% of the debtor's total issued shares and is scheduled to exercise its voting rights at the shareholders' meeting resolving this share consolidation. Therefore, the share consolidation is certain to be implemented. Furthermore, considering that depending on how the effective date is set, there may be no time to seek an injunction after the shareholders' meeting resolution, there is a strong need to ensure an opportunity for a prior injunction request.

Therefore, when such a share consolidation proposal is grossly unreasonable, it should be permissible to enjoin the consolidation before the shareholders' meeting resolution, on the grounds that the state prescribed in Article 831(1)(iii) of the Companies Act has already arisen (Exhibit 26: Matsunaka, p. 208).

(3) Honda Motor Co., Ltd. having a "special interest" in the resolution of this shareholders' meeting

A shareholder with a "special interest" is one who has an inte

rest in the outcome of the resolution that is not shared by other shareholders (Exhibit 13: Wataru Tanaka, "Company Law (5th Edition)," p. 709). As stated above, the purpose of this share consolidation is to make Honda Motor Co., Ltd. and the Tender Offeror the sole shareholders of the debtor company. As a result of this consolidation, the shares held by other minority shareholders will become fractions less than one share, causing them to lose their shareholder status. In contrast, Honda Motor Co., Ltd. and the Tender Offeror will retain their status as shareholders of the debtor company even after the implementation of this share consolidation. Therefore, Honda R&D has an interest in the outcome of the resolution regarding the Share Consolidation that is not shared by other shareholders and qualifies as a shareholder with a "special interest."

(4) The resolution of the Shareholders' Meeting constitutes a "grossly unfair resolution"

If the amount of cash delivered as consideration for a cash-out is set at a price "significantly below fair value" relative to the target company's shares, the resolution approving the implementation of such cash-out at a shareholders' meeting may constitute a "grossly unfair resolution" and thus a ground for rescinding that shareholders' meeting (Exhibit 28: Mori Hamada & Matsumoto, 'M&A Law: Series [2nd Edition]' (Yuhikaku, 2022), p. 519; Exhibit 29: Tokyo District Court Decision, September 6, 2010, Hanrei Taisho No. 1334, p. 117 (Internet Number Case)). Furthermore, the existence of the defect of a "grossly unreasonable resolution" by shareholders with special interests should be determined by examining the nature and extent of the structural conflict of interest, the adequacy of measu

res to avoid the conflict, and other factors. That is, even without specifying a fair price, if conflict avoidance measures are insufficient and fair procedures are not implemented, it constitutes a "grossly unfair resolution" (Exhibit 27: Masafumi Nakahigashi, p. 49).

In this regard, as stated in Section 3.(3) D to F above, etc, the consideration for the share consolidation in this case is significantly low compared to a fair price, thus constituting a "grossly unfair resolution. "Furthermore, in this transaction, the tender offer lacked majority of minority conditions, including a minimum purchase quantity. It was effectively a controlling shareholder-led acquisition. A significant conflict of interest existed between the controlling shareholders, Honda Motor Co., Ltd. and the tender offeror, and the minority shareholders, including creditors. Nevertheless, minority shareholders were forced out (squeezed out) regardless of their wishes. Given these circumstances, it is recognized that a "grossly unfair resolution" was adopted because measures to avoid conflicts of interest were insufficient and fair procedures were not implemented.

5. "When Shareholders Are Likely to Suffer Detriment" (Article 182-3 of the Companies Act)

As stated in the above 3. and 4., since the share consolidation in question is found to violate laws and regulations, it is highly probable that the creditors themselves, as shareholders, will suffer significant disadvantage due to this share consolidation.

Specifically, minority shareholders, including creditors, will lose the debtor's shares they hold due to fractional share adjustments in the consolidation. Furthermore, the cash consideration offered in exchange is,

as stated above, significantly below fair value, similar to the purchase price in the tender offer. It is therefore clear that minority shareholder creditors will suffer disadvantage (Exhibit 11: Company Law Commentary, p. 238).

II. Necessity of Preservation

The Creditor is preparing to file a lawsuit against the Debtor seeking an injunction against the Share Consolidation and a lawsuit seeking rescission of the approval resolution at the Shareholders' Meeting. However, even if a lawsuit seeking an injunction against the Share Consolidation is filed, it will take time for a judgment to be rendered, and there is a high possibility that the Share Consolidation will take effect before then. Therefore, it is necessary to seek preservation through a provisional disposition to obtain an injunction.

The shareholders' meeting for this matter is scheduled for mid-April 2026, and the effective date for this share consolidation has not yet been determined. However, as stated in Section 1 and Section 4(2) above, Honda Motor Co., Ltd. holds 69.66% of the total issued shares of the debtor and is expected to exercise its voting rights at the shareholders' meeting to resolve on the share consolidation. Therefore, the share consolidation is certain to be implemented. Consequently, even before the resolution approving the share consolidation is passed at the shareholders' meeting, there is a strong need to ensure minority shareholders have an opportunity to seek a preliminary injunction.

Furthermore, regarding the relationship with the share purchase request (Article 182-4 of the Companies Act) and the petition for price determination (Article 182-5 of the Companies Act), as stated in Section 3(1)(c) above, The share purchase request system has high barriers to exercising rights,

as prior notice of opposition and the exercise of opposing voting rights at the shareholders' meeting are prerequisites for exercising the right. Furthermore, if circumstances demonstrating the unfairness of the consideration become apparent after the shareholders' meeting resolution, shareholders who voted in favor at the meeting without knowing those circumstances cannot file a share purchase request. For these reasons, the system is insufficient as a remedy for unfair consideration (Exhibit 12: Hidefusa Hideshi, p. 77). Furthermore, if a shareholder files a petition for determination of the share price, they suffer the disadvantage of losing the opportunity to invest that capital in other investment opportunities for a considerable period until a fair price is finally determined and payment is made by the Debtor.

Therefore, the necessity for provisional relief is recognized.

III. Conclusion

Accordingly, we have filed this petition seeking an injunction against the stock consolidation in question through a provisional disposition order.

End

Method of Substantiation

As stated in the Statement of Evidence

Attached Documents

1. Certificate of Qualification: 2 copies
2. Power of Attorney: 1 copy

3. Statement of Evidence 2 copies

4. Copy of Exhibit 2 copies each

Appendix: List of Parties

5, Heienhaff, L-1736 Senningerberg Niederanven, Grand Duchy of Luxembourg

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