

August 18, 2025

Company name: TAKAOKA TOKO Co., Ltd.
Name of representative: Takashi Ichinose,
President and Representative Director
(Code: 6617 TSE Prime Market)
Inquiries: Koji Yokote,
Executive Officer, and General Manager,
Corporate Planning Department

**Notice Concerning Measures to be Taken
in Response to Request from a Shareholder to File Legal Action**

As announced in “Notice Concerning Request from a Shareholder for Filing of Legal Action” dated June 26, 2025, on June 25, 2025, the audit and supervisory committee (the “**Committee**”) of TAKAOKA TOKO CO., LTD. (the “**Company**”) received a written request (the “**Request**”) from a shareholder of the Company (the “**Shareholder**”) for the Company to file a legal action against six former directors of the Company claiming damages due to their failure to take appropriate follow-up actions after the omission of commercial frequency withstand voltage tests and switching tests for disconnectors without prior consultation with customers was reported in the “Total Inspection of Compliance in Manufacturing and Testing Operations” conducted in FY 2017 (for details, see “Regarding receipt of the additional and final reports from the Investigation and Verification Committee” (announced on September 19, 2024) [Note: No English translation is available.]).

The Committee interviewed the six former directors, investigated relevant materials with legal advice from independent outside attorneys, received legal opinions regarding the contents of the Request from such attorneys, and considered whether the Company should file a legal action against the five* former directors.

As a result of this consideration, the Committee made a unanimous decision today that the Company will not file a legal action against the five former directors for the following reasons:

[Reasons for Not Filing a Legal Action]

1. If the Company files a legal action against the five former directors, it will have difficulty in proving the facts demonstrating that the directors breached their duty of care and that there was a causal relationship between such breach and the damages incurred. Even if the Company succeeds in proving these facts, it is not clear that such facts would be deemed to constitute a breach of the duty of care, so there is a significant possibility of losing the lawsuit;
2. Filing a legal action would, in addition to legal fees, require the Company to use human resources and incur costs and expenses to conduct additional investigations and obtain evidence. If the Company wins the lawsuit, it is doubtful the compensation received would exceed the costs incurred; and
3. There are concerns that filing a legal action itself could have a negative impact on the Company’s creditworthiness and the morale of employees.

Today, the board of directors of the Company announces that the Committee has reported that (i) the Committee made the above decision and (ii) the Committee will send a notice of its reasons for not filing a legal action to the Shareholder on August 18, 2025 in accordance with Article 847 paragraph (4) of Companies Act.

The Company will consistently conduct “SQC First Reform” to revitalize the Company with a priority on safety, quality and compliance and will continue to strive to further enhance its corporate value by achieving the Medium-term Management Plan 2027, which the Company announced on April 25, 2025.

* In the Request, the targets of the filing are six former directors, but one of them was not an “Officer, etc.” as defined in Article 423 paragraph (1) of Companies Act when the relevant event occurred, so the number of the former directors who are potential targets of the filing is five.

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