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October 28, 2025

Company name: JINUSHI Co., Ltd.
Name of representative: Hirofumi Nishira, Representative Director and President
(Securities code: 3252; TSE Prime)
Inquiries: Sou Yamashita, General Manager of Investor Relations & Public Relations Office
(Telephone: +81-(0)3-5220-2902)

Notice Regarding Settlement with BALM Co., Ltd. and Receipt of Settlement Amount (Recognition of Extraordinary Income)

JINUSHI Co., Ltd. (the “Company”) hereby announces that today, through a written resolution instead of a meeting of the Board of Directors pursuant to Article 370 of the Companies Act, the Company has resolved to settle with BALM Co., Ltd. (formerly Bigmotor Co.; hereinafter, “BALM”) regarding the lawsuit with BALM disclosed on May 30, 2025. From the settlement amount to be received from BALM, the Company will recognize extraordinary income of ¥906 million — excluding an amount equivalent to restoration costs — in the fourth quarter of the fiscal year ending December 2025, as described below.

1. The Course of Events from the Filing of the Lawsuit by BALM to the Settlement

The Company had been leasing two parcels of land to BALM upon executing Notarized Deeds for Agreements on the Establishment of a Fixed-term Land Lease for Business Use. Since BALM had committed breaches of said agreements and had filed a petition for commencement of civil rehabilitation proceedings in December 2024, the Company terminated those contracts and had made claims of ¥6,514 million*¹, including penalties, etc. of ¥5,589 million*².

However, BALM did not admit them and filed a lawsuit against the Company for a declaratory judgment on the non-existence of the obligation of the penalties, etc. In response, the Company has been in discussions with BALM to assert our legitimacy and receive the full amount of the penalties, etc.

Recently, a settlement proposal was presented by BALM to the Company, under which BALM would pay a certain settlement amount to the Company. Prioritizing the prompt resolution of this matter, the Company has accepted the settlement proposal.

Of the two parcels of land for which the contracts with BALM were terminated, the Company has already executed a Fixed-term Land Lease for Business Use with a successor tenant for one site. Negotiations with multiple prospective successor tenants are currently underway for the remaining site.

2. Overview of the Counterparty to the Settlement

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| (1) Name | BALM Co., Ltd. |
| (2) Address | 14-11, Akasaka 2-chome, Minato-ku, Tokyo |
| (3) Name and Title of Representative | Shinji Izumi, Representative Director |

3. Details of the Settlement

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| (1) Details of the Settlement | The Company will receive a settlement amount from BALM, which includes an amount equivalent to restoration costs. After the Company receives the settlement amount, both the Company and BALM will withdraw all petitions and lawsuits related to this matter. Please note that, pursuant to the agreement with the counterparty to the settlement, the Company will refrain from disclosing the detailed terms of the settlement. |
| (2) Date of Execution of the Agreement | October 28, 2025 (Today) |
| (3) Scheduled Date by Which the Company will Receive the Settlement Amount | November 31, 2025 (Plan) |

4. Future Outlook

The Company expects to recognize an extraordinary income of ¥906 million, excluding an amount equivalent to restoration costs, from the settlement amount, in the fourth quarter of the fiscal year ending December 2025.

With respect to the consolidated forecast for the fiscal year ending December 2025, taking into consideration the acceleration of purchases and the asset replacement announced in the “Notice Concerning the Transfer of Fixed Assets and Recognition of Extraordinary Income” disclosed on September 30, 2025, as well as this settlement, the Company plans to promptly announce an upward revision of forecast after carefully reviewing the current plan.

FYI: Consolidated forecast for the current fiscal year and consolidated results for the previous fiscal year

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
FY12/25 Consolidated Forecast (Announced on Feb. 13, 2025)	Million yen 70,000	Million yen 9,500	Million yen 8,000	Million yen 6,100	Yen 295.54
FY12/24 Results	57,068	8,677	8,265	6,087	334.89

*1: Rounded down to the nearest one million yen.

*2: Rounded down to the nearest one million yen. The undetermined portion of the amount and the amount of the claim for preliminary notification in the event that such claim is not admitted are not included.