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July 28, 2026

News Release

Company name: Kanto Denka Kogyo Co., Ltd.
Representative: Jun'ichi Hasegawa, President
(Securities code: 4047, TSE Prime Market)
Contact: Yoshihiro Uehara, General Manager,
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Notice Regarding Shareholder Derivative Lawsuit

Kanto Denka Kogyo Co., Ltd. (hereafter, the "Company") hereby announces that, on July 24, 2026, the Company received a written notice of a lawsuit dated June 9, 2026, stating that one individual shareholder of the Company filed with the Tokyo District Court a shareholder derivative lawsuit for damages, against the Company's directors and its former director.

1. Plaintiff

One individual shareholder

2. Defendants

Eight defendants, as follows: seven current directors of the Company and one former director of the Company. Note that the notice of the litigation lists eight individuals, whereas the complaint lists nine individuals (eight current directors of the Company and one former director of the Company).

3. Summary of Lawsuit

The lawsuit was filed to demand that the defendants jointly and severally pay the Company ¥1,030 million, plus default charges, based on the defendants' liability for breach of the duty of care under the Companies Act, in connection with the Shibukawa Plant fire accident that occurred on August 7, 2025.

4. Public Notice

The Company will make an electronic public notice without delay, as follows:

"The Company hereby gives public notice, pursuant to Article 849, Paragraph 5 of the Companies Act, that a derivative lawsuit for damages, has been filed with the Tokyo District Court by one individual shareholder against eight persons, namely the Company's current directors and its former director (Case No. 2026 (Wa) 170234), and the Company received notice of this lawsuit on July 24, 2026."

5. Impact on Business Results

This lawsuit involves one individual shareholder seeking damages from individuals, who are the Company's directors and its former director. We believe it will not impact our business performance. However, should any matters requiring disclosure arise in the future, we will disclose them promptly.