

Translation

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August 26, 2025

Company name: Kyosan Electric Manufacturing Co.,Ltd.
(Securities code: 6742; Tokyo Market)

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Representative Director, President

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**Notice Concerning the Execution of a Monetary Loan Agreement
with Financial Covenants**

Kyosan Electric Manufacturing Co.,Ltd hereby announce that we have today decided to enter into a commitment line agreement and a term loan agreement (the "Agreement") with special financial covenants as follows.

1. Reason for entering into this Agreement:

For business capital

2. Details of this Agreement

(1) Syndication Commitment Line Agreement

Date of Execution of this Agreement	August 26, 2025
Counterparty to this Agreement	The Bank of Yokohama, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Kiraboshi Bank, Ltd. The Kanagawa Bank, Ltd.
Principal Amount of Debt Related to this Agreement (Maximum Amount)	25,000 million yen
Contract Period	August 29, 2025~September 30, 2026
Collateral Attached to the Debt	Not Applicable
Details of Special Financial Covenants	
1. Maintain the amount of net assets on the consolidated balance sheet at 75% or more of the amount as of the end of the fiscal year ending March 31, 2025.	

(2) Syndication Term Loan Agreement

Date of Execution of this Agreement	August 26, 2025
Counterparty to this Agreement	Nippon Life Insurance Company Meiji Yasuda Life Insurance Company The Dai-ichi Life Insurance Company, Ltd. Taiju Life Insurance Company, Ltd. MUFG Bank, Ltd.
Principal Amount of Debt Related to this Agreement	2,000 million yen
Maturity Date	August 30, 2030 (with scheduled repayment)
Collateral Attached to the Debt	Not Applicable
Details of Special Financial Covenants 1.Maintain the amount calculated by deducting "Deferred Hedge Gains," "Stock Acquisition Rights," and "Non-Controlling Interests" from "Net Assets" in the Consolidated Balance Sheets at the end of each fiscal year and the second quarter thereof at or above the higher of 75% of the fiscal year ending March 2025 or the same period of the previous fiscal year. 2.Ensure that the consolidated statements of income at the end of each fiscal year do not record an ordinary loss for two consecutive fiscal years from the fiscal year ending March 2025 onward.	

3.Future Outlook

The impact of the conclusion of this agreement on consolidated financial results is expected to be minor.