



March 17, 2026

Company name: Net Protections Holdings, Inc.
Representative: Shin Shibata, President and Representative Director
(Security code: 7383 the Prime Market of TSE)
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Notice Regarding Filing of Lawsuit against Net Protections Holdings, Inc.

Net Protections Holdings, Inc. (the "Company") hereby announces that a lawsuit has been filed against the Company on March 17, 2026, as described below.

1. Causes of the lawsuit and circumstances leading to the filing of the lawsuit

The Company sets forth the terms and conditions for providing its B2C payment services, including NP *Atobarai* and others and *atone*, within its Terms of Use. The Company received a notice from the Consumers Organization of Japan, a Specified Non-Profit Corporation (hereinafter the "Organization"), asserting that certain clauses within these Terms of Use violate the Consumer Contract Act and are therefore invalid.

The Company has consistently responded that its operations are conducted appropriately and in compliance with relevant laws and regulations. However, due to a divergence of views, the Organization has publicly released a complaint (hereinafter the "Published Complaint"), announcing the filing of a lawsuit (hereinafter the "Lawsuit") seeking an injunction against the enforcement of the clauses.

Please note that, according to the Published Complaint, this Lawsuit is limited to the aforementioned B2C payment services and does not affect the Company's B2B payment services.

2. Court and date the lawsuit was filed

- (1) Court: Tokyo district court
- (2) Date of Filing: March 17, 2026

3. Overview of the plaintiff

- (1) Name: Consumers Organization of Japan, a Specified Non-Profit Corporation
- (2) Address: 15 Rokubancho, Chiyoda-ku, Tokyo
- (3) Representative: Atsushi Suzuki, Representative Director

4. Details of the lawsuit and claim amount

① Details of the lawsuit (purpose and grounds of the injunction claim)

This lawsuit is an action for an injunction. According to the Published Complaint, the relief sought by the Organization and the grounds therefor are as follows:

(1) The Company shall not enforce the following clauses or stipulations against consumers:

- I. Clauses regarding exemption from liability for damages (NP Membership Terms of Use, etc.)
Stipulation: The Company bears no liability for any damages unless caused by the Company's intentional misconduct or gross negligence.
Plaintiff's Claim: This constitutes a complete exemption from liability for damages caused by slight negligence, violating Article 8, Paragraph 1, Item 3 of the Consumer Contract Act, and is therefore invalid.
- II. Clauses regarding the waiver of the right of defense (NP Membership Terms of Use, etc.)
Stipulation: Consumers waive any and all rights of defense they may have against merchants when using the payment service.
Plaintiff's Claim: This unilaterally prejudices the interests of consumers, violating Article 10 of the Consumer Contract Act, and is therefore invalid.

III. Clauses regarding the administration fees for late payments (NP *Atobarai* Terms of Use, etc.)

Stipulation: In the event of a payment delay, the Company may charge an administration fee for a late payment at regular intervals in addition to default interest.

Plaintiff's Claim: This effectively constitutes liquidated damages, and because it exceeds the upper limit prescribed by Article 9, Paragraph 1, Item 2 of the Consumer Contract Act, it is invalid.

- (2) The Company shall destroy the Terms of Use and all other materials containing the stipulations mentioned in the preceding paragraph.
- (3) The Company shall take measures to thoroughly inform its employees not to make the stipulations described in Item 1 above, and to destroy and refrain from using the Terms of Use and any other materials containing the stipulations described in Item 2 above.

② Claim amount

As this lawsuit is a non-monetary action (a lawsuit seeking an injunction), a specific claim amount is not stated.

5. Validity of the clauses and the Company's response

The Company is closely examining the contents of the Published Complaint posted on the Organization's website, and we expect to be officially served with the original complaint by the court in due course. We would like to share our position regarding "III. the administration fees for late payments," a matter we believe is of particular interest to our stakeholders in relation to this lawsuit.

We recognize that charging users a fee in the event of a failure to pay by the due date is a standard and widespread practice among other BNPL service providers and credit card companies. The Company has continuously and comprehensively consulted with multiple experts, including legal counsel, and has carefully considered the fee amounts and conditions of application to ensure they do not undermine the legislative intent of "consumer protection" underpinning the Consumer Contract Act.

In response to the Organization's previous inquiries, the Company has sincerely explained our business model and the rationality of these fees, striving for mutual understanding through ongoing communication. It was our intention to continue these discussions; however, the Organization has nonetheless proceeded with this lawsuit. While we will remain flexible in considering ways to optimize our services to ensure consumers can use them with even greater peace of mind—guided by the advice of various experts, including legal counsel—our policy in the upcoming legal proceedings is to assert and prove the validity of the clauses and the legitimacy of our business operations.

As a leading company in the BNPL market in Japan, the Company has consistently worked to build a sound market environment that balances consumer protection with convenience. To ensure our services remain valued by consumers, we are committed to continuing these efforts with even greater diligence in the future.

6. Future outlook

According to the Published Complaint, the scope of this lawsuit is limited to our B2C payment services. It does not affect our B2B payment services (such as NP *Takebarai*), which constitute another core pillar of our business.

Furthermore, because this lawsuit is an action for an injunction seeking the suspension of the future use of the clauses, and does not seek the refund of any fees collected in the past, it will not have a direct impact on our financials. We anticipate the impact on our financial results for the current fiscal year to be minimal.

Importantly, the primary source of revenue for our B2C business is service fees from merchants. Therefore, we do not expect the outcome of this lawsuit to have a material impact on our overall business model.

We will promptly announce any matters that require disclosure as they arise in the future.