



February 20, 2025

NEWS RELEASE

Name of Listed Company:	TSUMURA & CO.
Representative:	Terukazu Kato, President, Representative Director and CEO
	Listing: TSE Prime Market Securities code: 4540
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Notice of Sale of Shares

TSUMURA & CO. (the “Company”) announces that at a meeting held on February 20, 2025, the Board of Directors resolved to sell the Company’s common shares.

At a meeting of the Board of Directors held today, the Company resolved to purchase treasury shares in the amounts of up to 5 billion yen and 1,465,000 shares from the business day following the delivery date of the secondary offering. For information about the purchase of treasury shares, please refer to “Notice of Decision on Matters Relating to Purchase of Treasury Shares” released today.

Details

1. Secondary offering (through firm commitment underwriting)

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|-----|---|---|------------------|
| (1) | Class and number of shares offered | Common shares of the Company | 2,418,400 shares |
| (2) | Sellers and number of shares to be sold | Suzuken Co., Ltd. | 501,000 shares |
| | | Mitsubishi UFJ Trust and Banking Corporation | 500,000 shares |
| | | MUFG Bank, Ltd. | 486,000 shares |
| | | Sumitomo Mitsui Banking Corporation | 364,500 shares |
| | | TOPPAN Co., Ltd. | 176,700 shares |
| | | Dai Nippon Printing Co., Ltd. | 154,000 shares |
| | | The Hachijuni Bank, Ltd. | 145,700 shares |
| | | Taisei Corporation | 90,500 shares |
| (3) | Offer price | TBD (According to the method specified in Article 25 of the Regulations Concerning Underwriting of Securities, etc. established by Japan Securities Dealers Association, the offer price, etc. will be determined using the result of multiplying the closing price of the Company’s common stock in regular transactions on the Tokyo Stock Exchange on any day between Monday March 3, 2025, and Wednesday March 5, 2025 (the “Date of Determining Offer Price”) (or, the closing price on the day immediately preceding this date if no closing price is available on the day) by 0.90 to 1.00 (If this prices | |

- exceeds 3,000 yen, any fraction of a yen is rounded down to the nearest yen. If this price falls below 3,000 yen, any fraction of 0.5 yen is rounded down to the nearest 0.5 yen.) as a provisional condition on the Date of Determining Offer Price after considering demand and other factors.
- (4) Offer method The shares will be sold through firm commitment underwriting of all shares by a syndicate jointly led by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Morgan Stanley MUFG Securities Co., Ltd. (collectively the “Underwriter”) The compensation of the Underwriter is the total amount obtained by subtracting the underwriting price to be paid by the Underwriter to the sellers from the amount of the selling price.
A portion of the shares may be sold to foreign investors in the European, Asian, and other markets (excluding the US and Canada).
 - (5) Application period From the first business day to the second business day after the Date of Determining Offer Price
 - (6) Delivery date Fifth business day after the Date of Determining Offer Price
 - (7) Subscription margin The same amount as the offer price per share
 - (8) Unit of subscribed number of shares 100 shares
 - (9) Approval for the offer price and all other matters required for the offer through the Underwriter’s firm commitment underwriting will be left to the discretion of Terukazu Kato, President and Representative Director CEO.

2. Secondary offering (offering through over-allotment) (Please refer to Reference 2 below.)

- (1) Class and number of shares offered Common shares of the Company 362,700 shares
(The above is the maximum number of shares to be allocated for the secondary offering. The number may decrease or the secondary offering through over-allotment may not be conducted at all depending on demand and other factors. The number of shares to be sold will be determined on the Date of Determining Offer Price after considering demand and other factors.)
- (2) Seller Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
- (3) Offer price TBD (Determined on the Date of Determining Offer Price. The offer price will be the same as the offer price in the offering through the Underwriter’s firm commitment underwriting.)
- (4) Offer method After considering demand and other factors, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will offer the Company’s common shares by borrowing up to 362,700 shares from the Company’s shareholders for the offering through the Underwriter’s firm commitment underwriting.
- (5) Application period Same as the application period for the offering through the Underwriter’s firm commitment underwriting
- (6) Delivery date Same as the delivery date for the offering through the Underwriter’s firm commitment underwriting
- (7) Subscription margin The same amount as the offer price per share
- (8) Unit of subscribed number of shares 100 shares
- (9) Approval for the offer price and all other matters required for the offer through over-allotment will be left to the discretion of Terukazu Kato, President and Representative Director CEO.

<Reference>

1. Purpose of secondary offering

The trend of reducing cross-shareholdings is growing among Japanese companies mainly to comply with the Corporate Governance Code. In November 2023, the Company revised and announced its basic policy for capital policies. One of the specific efforts based on this policy is the reduction of cross-shareholdings, and the Company has been examining and negotiating cross-shareholdings with its shareholders being the sellers in this offering. As a result, the Company has recently reached agreement with such shareholders to sell its shares and decided to implement the secondary offering. Through this, the Company will aim to increase and diversify its shareholders and further raise their mobility by allowing wide-ranging investors to hold the Company's shares. After the completion of the secondary offering, the Company will continue to improve and maintain its business relationships with the sellers.

2. Secondary offering through over-allotment, etc.

The offering through over-allotment corresponds to the Underwriter's firm commitment underwriting. It is the offering of the Company's common shares, in which Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., the book-runner for the offering through the Underwriter's firm commitment underwriting, will borrow up to 362,700 shares from the Company's shareholders after considering demand and other factors. The number of shares to be sold by means of secondary offering through over-allotment is planned to be 362,700. This is the maximum number of shares to be allocated for the secondary offering. The number may decrease or the secondary offering through over-allotment may not be conducted at all depending on demand and other factors.

If secondary offering through over-allotment is to be conducted, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will be given the right to acquire the Company's common shares up to the number of shares in the secondary offering through over-allotment in addition to the shares offered in the Underwriter's firm commitment underwriting (the "Greenshoe Option") by the above shareholders of the Company for an exercise period between the delivery date for the secondary offering through the Underwriter's firm commitment underwriting and over-allotment and Tuesday March 25, 2025.

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. may purchase the Company's common shares up to the number of shares offered through over-allotment at Tokyo Stock Exchange for the purpose of returning shares borrowed from the above shareholders of the Company (the "Borrowed Shares") (the "Syndicate Cover Transaction") in the period between the day following the final day of the application period for the offering through the Underwriter's firm commitment underwriting and over-allotment and Tuesday March 25, 2025 (the "Syndicate Cover Transaction Period"). All of the Company's common shares acquired by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. through the Syndicate Cover Transaction will be allocated to returning the Borrowed Shares. At its own discretion during the Syndicate Cover Transaction Period, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. may not conduct any Syndicate Cover Transactions or may terminate any Syndicate Cover Transactions before the number of shares purchased reaches the number of shares to be sold by the secondary offering through over-allotment.

Moreover, in connection with the Underwriter's firm commitment underwriting and secondary offering through over-allotment, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. may conduct a stabilizing transaction and allocate all or part of the Company's common shares purchased through the above stabilizing transaction to return the Borrowed Shares.

The Borrowed Shares acquired in the above Syndicate Cover Transaction and stabilizing transaction and remaining after being allocated to return will be returned by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. by exercising the Greenshoe Option.

Whether or not the secondary offering through over-allotment will take place and how many shares will be offered if the secondary offering through over-allotment is conducted will be decided on the Date of

Determining Offer Price. If secondary offering through over-allotment is not conducted, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will not borrow the Company's common shares from the above shareholders of the Company, will not be given the Greenshoe Option by such shareholders, and will not conduct the Syndicate Cover Transaction at Tokyo Stock Exchange.

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will conduct the Syndicate Cover Transaction and stabilizing transaction after consulting with Morgan Stanley MUFG Securities Co., Ltd.

3. Lockup

In connection with the offering through the Underwriter's firm commitment underwriting, the sellers, including Suzuken Co., Ltd., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Toppan Inc., Dai Nippon Printing Co., Ltd., The Hachijuni Bank, Ltd., and Taisei Corporation, have agreed with the joint lead managers not to sell or otherwise trade the Company's common shares (except selling, etc. by means of offering through the Underwriter's firm commitment underwriting) without the prior written consent of the joint lead managers during the period beginning on the Date of Determining Offer Price and ending on the 180th day from the delivery date for the offering through the Underwriter's firm commitment underwriting (the "Lockup Period").

The Company has agreed with the joint lead managers not to issue or dispose of the Company's common shares, issue short-term investments in securities convertible to or exchangeable with the Company's common shares, or issue short-term investments in securities representing the right to acquire or receive the Company's common shares (excluding issuance of the Company's common shares through stock splits, issuance or granting of the Company's common shares through the allotment of shares without contribution, and granting, etc. of the Company's common shares based on executive compensation BIP trust and stock-granting ESOP trust) without the prior written consent of the joint lead managers during the Lockup Period.

In any of the above cases, the joint lead managers will maintain the right to terminate all or part of the agreement at their discretion even during the Lockup Period.

Notes:

This document is a press release to publicly announce the offering of the Company's common shares and not whatsoever intended to solicit investment or similar activities whether in or outside Japan.

Please be sure to read the prospectus (and its amendments, if any) prepared by the Company before making any investment, and make decisions on the investment for yourself. The stock offering prospectus (and its amendments, if any) can be obtained from the underwriter. In addition, this press release does not constitute the solicitation of securities in the United States. The securities mentioned in the document are not and will not be registered based on the US Securities Act of 1933 ("the US Securities Act"). The US Securities Act does not allow securities to be offered or sold in the US unless the securities are registered pursuant to the US Securities Act or meet the requirements for the exemption from the obligation to register. A public offering of the securities in the US would require disclosure of detailed information about the Company and its management and the Company's financial statements, as well as the use of a prospectus prepared pursuant to the US Securities Act available from the Company or the seller; however, the securities will not be publicly offered in the US.