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[Translation]

August 25, 2021

To Whom It May Concern

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**Notice of Acquisition of Shares in ICOMPANY, Inc. and Its Four Subsidiaries (thereby Making Them Subsidiaries) and Disposal of Treasury Shares through a Third-Party Allotment as Consideration for the Acquisition of Such Shares**

Tosei Corporation (“Tosei”) hereby provides notice that, at a meeting of the Board of Directors held on August 25, 2021, it resolved the acquisition of all shares in ICOMPANY, Inc. (“ICOMPANY”) and all shares issued by its subsidiary, Princess Holdings Co., Ltd. (“Princess HD”) that are not held by ICOMPANY (the “Shares”) (the “Share Acquisition”), thereby making ICOMPANY and its four subsidiaries into subsidiaries of Tosei. Tosei also resolved to dispose of treasury shares (“Disposal of Treasury Shares”) as consideration for the acquisition of shares in ICOMPANY. Details are as follows.

I. Outline of the share acquisition (conversion to a subsidiary)

1. Reasons for the Share Acquisition

The Tosei Group mainly operates in the Tokyo metropolitan area, and is engaged in various real estate related businesses that are conscious of the integration of real estate and finance. It operates the Revitalization Business, which acquires real estate whose asset value has declined due to age-related deterioration, boosts their value through “value-up plans,” and sells them to investors in Japan and overseas, and the Development Business, which has a diverse product lineup, including office buildings, condominiums, detached houses, and logistics warehouses, as Trading Businesses. As stock and fee business, Tosei also operates the Fund and Consulting Business, which is entrusted with the management of real estate assets of more than ¥1.2 trillion in outstanding assets under management by investors in Japan and overseas, along with the Rental Business, Property Management Business, and Hotel Business. By promoting the portfolio management of these six businesses, Tosei aims to achieve income growth and stability.

Under Tosei’s medium-term management plan, “Infinite Potential 2023,” which kicked off in the fiscal year ending November 30, 2021, the major policy is to “pursue the Group’s infinite growth potential in all aspects of real estate and aim for a new stage as a comprehensive real estate company.” As its growth strategies, Tosei promotes “expanding existing businesses and increasing operating profit with a focus on ESG issues,” and “enhancing existing businesses and creating new income-generating models through DX.” Tosei has set the following management indicators as targets for the final year of the medium-term management plan: ROE of 12% or more; ratio of stable businesses (operating profit-basis) of 50%; equity ratio of approximately 35%; and net D/E ratio of approximately 1.0 times. While ensuring sufficient

liquidity on hand and financial soundness, Tosei is expanding purchases for future growth to promote business expansion and growth.

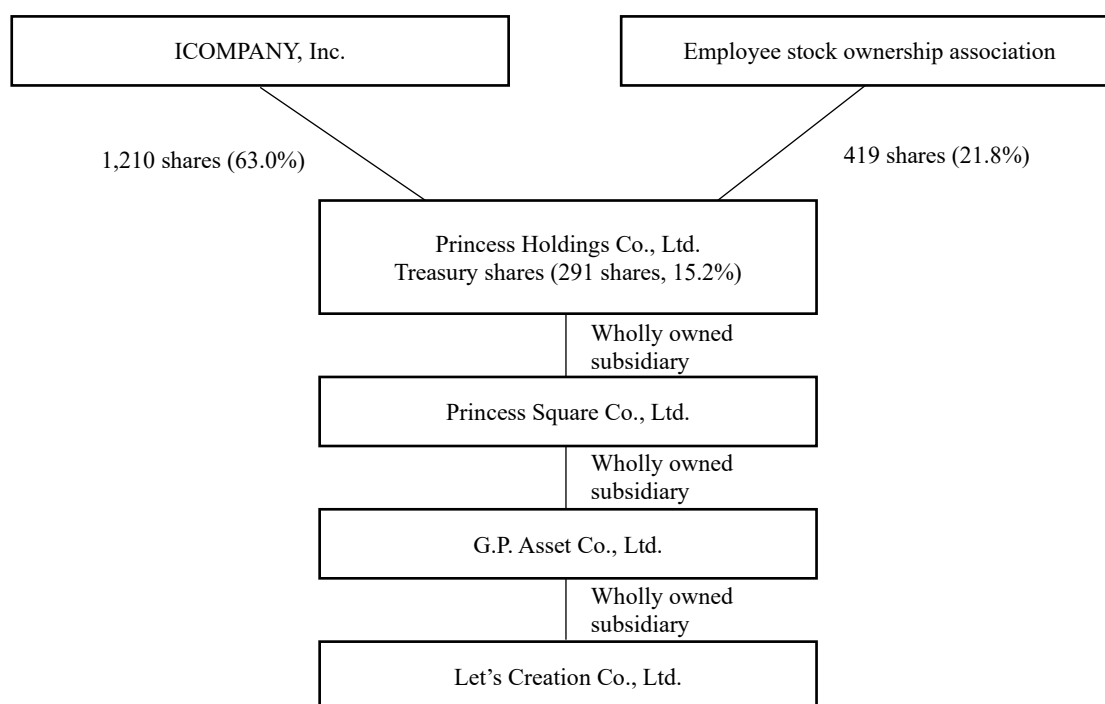
ICOMPANY and its four subsidiaries (hereinafter collectively the “Princess Group”), whose shares are to be acquired, operates in the Tokyo area, and its core business is the purchase and resale after renovation of used condominium by units, which is not handled by the Tosei Group. In the Revitalization Business, Tosei’s main business, Tosei renovates office buildings, condominiums, commercial facilities, and other buildings, focusing on the acquisition, revitalization, and sale of whole buildings, and not on the purchase and sale of used condominium by units. The market for used condominiums has been expanding in recent years, with an increase in the number of contracts signed and a rise in average price, due to such factors as the shortage of supply and rising prices of new condominiums and changes in consumer awareness. From a medium- to long-term perspective, due to various structural factors such as the declining birthrate and aging population, the problem of vacant houses, and aging condominiums, the effective use, following renovation, of the existing stock of housing and the revitalization of the used housing distribution market are social issues that relate to real estate.

The Share Acquisition is expected to expand the Tosei Group’s business fields. In the used condominium by unit purchase and resale after renovation business, which is a new business field, Tosei will be able to generate synergy, including further improving asset values by sharing the Group’s know-how on real estate revitalization, improving efficiency by supplementing management resources such as development capabilities and financial resources, and expanding the range of products handled. In addition, given that the Tosei Group’s existing businesses are expected to be enhanced as a result of economic efficiency and rationalization of scale and area in the Rental Business, Property Management Business, and peripheral businesses operated by the Group, Tosei believes that the medium- to long-term corporate value of the Group will improve as a result, and has decided to go ahead with the Share Acquisition.

## 2. Method of acquisition of the shares

Tosei today concluded a share transfer agreement with Hirotoishi Deguchi, as described in I. 3 2) below. In accordance with the agreement, Tosei is scheduled to accept the transfer of all issued shares (100 shares) in ICOMPANY on September 30, 2021. Payment for shares in ICOMPANY shall be as described in II. below, and Tosei will use a combination of cash and disposal of treasury shares with contribution in kind of shares in ICOMPANY as consideration for underwriting. Tosei has also concluded a share transfer agreement with members of the employee stock ownership association described in I. 4 2) below, which will be dissolved on September 30, 2021, with the aim of acquiring all shares issued by Princess HD, a subsidiary of ICOMPANY, that are not held by ICOMPANY (419 shares, or 21.8% (rounded to the nearest first decimal place) of the total number of issued shares), and is scheduled to accept the transfer of the shares on September 30, 2021 in accordance with the agreement. As a result, Tosei will acquire all shares in ICOMPANY and all shares issued by Princess HD, a subsidiary of ICOMPANY, that are not held by ICOMPANY, thereby making the Princess Group into consolidated subsidiaries of Tosei.

[Chart showing contribution relationship]



### 3. Outline of the company to be made into a subsidiary (ICOMPANY, Inc.)

#### a. Company Profile

(1) Name	ICOMPANY, Inc.		
(2) Address	2-1-1 Tsukuda Chuo-ku, Tokyo		
(3) Occupation of the representative, Name	Representative Director Hirotooshi Deguchi		
(4) Fields of business	Real estate rental, management, ownership, and operation, Securities ownership and investment, Consulting business relating to asset investment and management, Management consulting, Rental studio business		
(5) Capital	¥5 million		
(6) Date of establishment	December 13, 2013		
(7) Major Shareholders and Shareholding percentage	Hirotooshi Deguchi 100 % (100 shares)		
(8) Relationship between the listed company and the relevant company	There is no significant capital, personnel or business relationship.		
(9) Business performance and financial position of ICOMPANY, Inc. for the three most recent years			
Fiscal year	Fiscal year ended Sep. 30, 2018	Fiscal year ended Sep. 30, 2019	Fiscal year ended Sep. 30, 2020
Net assets	¥300 million	¥369 million	¥447 million
Total assets	¥1,185 million	¥1,232 million	¥1,318 million
Net assets per share	¥3,003,134	¥3,695,899	¥4,477,103
Net sales	¥82 million	¥83 million	¥82 million
Operating profit	¥62 million	¥62 million	¥60 million
Ordinary income	¥57 million	¥57 million	¥59 million
Net income	¥56 million	¥69 million	¥78 million
Net income per share	¥562,958	¥692,765	¥781,203

b. Outline of the Share Acquisition counterparty

(1) Name	Hirotooshi Deguchi
(2) Address	Minato-ku, Tokyo
(3) Relationship between the listed company and the relevant personnel	There is no significant capital, personnel or business relationship.

c. Status of number of shares to be acquired, acquisition price, and shares held before and after the acquisition

(1) Number of shares held before the acquisition	0 shares (No. of voting rights: 0) (Ratio of ownership voting rights: 0% )
(2) Number of shares to be acquired	100 shares (No. of voting rights: 100)
(3) Acquisition Price	Due to the confidentiality obligations in the share transfer agreement relating to the Share Acquisition, disclosure of this information is being withheld, in accordance with the intention of the other party. Tosei undertook appropriate due diligence when calculating the acquisition price, and a reasonable amount was calculated and determined through discussions between both parties.
(4) Number of shares to be held after the acquisition	100 shares (No. of voting rights: 100) (Ratio of ownership voting rights: 100% )

4. Outline of the company to be made into a subsidiary (Princess Holdings Co., Ltd. )

a. Company Profile

(1) Name	Princess Holdings Co., Ltd.														
(2) Address	2-5-1 Yoyogi Shibuya-ku, Tokyo														
(3) Occupation of the representative, Name	Representative Director Hirotooshi Deguchi														
(4) Fields of business	Securities ownership and investment, Real estate rental, Management														
(5) Capital	¥5 million														
(6) Date of establishment	July 3, 2017														
(7) Major Shareholders and Shareholding percentage	<table border="1"> <thead> <tr> <th>Name of shareholder</th> <th>As of August 25, 2021</th> <th>As of September 30, 2021</th> </tr> </thead> <tbody> <tr> <td>ICOMPANY, Inc.</td> <td>72. 9% (1,400 shares)</td> <td>63. 0% (1,210 shares)</td> </tr> <tr> <td>Employee stock ownership association</td> <td>21. 8% (419 shares)</td> <td>21. 8% (419 shares)</td> </tr> <tr> <td>Treasury shares</td> <td>5. 3% (101 shares)</td> <td>15. 2% (291 shares)</td> </tr> </tbody> </table>			Name of shareholder	As of August 25, 2021	As of September 30, 2021	ICOMPANY, Inc.	72. 9% (1,400 shares)	63. 0% (1,210 shares)	Employee stock ownership association	21. 8% (419 shares)	21. 8% (419 shares)	Treasury shares	5. 3% (101 shares)	15. 2% (291 shares)
Name of shareholder	As of August 25, 2021	As of September 30, 2021													
ICOMPANY, Inc.	72. 9% (1,400 shares)	63. 0% (1,210 shares)													
Employee stock ownership association	21. 8% (419 shares)	21. 8% (419 shares)													
Treasury shares	5. 3% (101 shares)	15. 2% (291 shares)													
	*Princess HD plans to repurchase 190 shares of its own stock by September 30, 2021 .														
(8) Relationship between the listed company and the relevant company	There is no significant capital, personnel or business relationship.														
(9) Business performance and financial position of Princess HD for the three most recent years															

Fiscal year*	Fiscal year ended June 30, 2018	Fiscal year ended June 30, 2019	Fiscal year ended June 30, 2020
Net assets	¥6,273 million	¥6,585 million	¥6,990 million
Total assets	¥16,459 million	¥17,221 million	¥19,367 million
Net assets per share	¥3,448,740	¥3,620,249	¥3,843,073
Net sales	¥11,813 million	¥9,728 million	¥7,491 million
Operating profit	¥1,845 million	¥791 million	¥626 million
Ordinary income	¥1,728 million	¥689 million	¥549 million
Net income	¥1,289 million	¥389 million	¥547 million
Net income per share	¥709,006	¥214,221	¥300,823

\*Princess HD owns the following three subsidiaries.

Princess Square Co., Ltd. (Shibuya-ku, Tokyo) operations: real estate rental, management, trading, and brokerage businesses

G. P. Asset Co., Ltd. (Shibuya-ku, Tokyo) operations: real estate rental, management, trading, and brokerage businesses

Let's Creation Co., Ltd. (Minato-ku, Tokyo) operations: real estate rental, management, trading, and brokerage businesses

\*As consolidated financial statements have not been prepared for Princess HD and its three subsidiaries, the table above states the operating results and financial position based on a simple aggregation of figures for the fiscal years shown below. Since a simple aggregation was performed, consolidation eliminations, etc. have not been made.

Fiscal year	Fiscal year ended June 30, 2018	Fiscal year ended June 30, 2019	Fiscal year ended June 30, 2020
Princess HD and Princess Square Co., Ltd.	June 2018	June 2019	June 2020
G. P. Asset Co., Ltd.	November 2018	November 2019	November 2020
Let's Creation Co., Ltd.	March 2018	March 2019	March 2020

\* Net assets per share and net income per share are calculated using 1,819 shares, which is obtained by deducting 101 treasury shares from 1,920 shares issued as of today, as the denominator, and figures have been rounded down to the nearest whole number.

\* There are no capital, personnel, or transactional relationships between Tosei and the subsidiaries.

#### b. Outline of the other parties to the share acquisition

(1) Name	Employee stock ownership association
(2) Address	-
(3) Relationship between the listed company and the relevant personnel	There is no significant capital, personnel or business relationship.

\* The employee stock ownership association is scheduled to dissolve before the date of stock transfer. If the employee stock ownership association is dissolved as scheduled, Tosei will conclude a share transfer agreement with members of the employee stock ownership association by September 30, 2021 and intends to accept the transfer of shares from members of the employee stock ownership association in accordance with the agreement.

#### c. Status of number of shares to be acquired, acquisition price, and shares held before and after the acquisition

(1) Number of shares held before the acquisition	0 shares (No. of voting rights: 0) (Ratio of ownership voting rights: 0% )
(2) Number of shares to be acquired	1,629 shares (No. of voting rights: 1,629)
(3) Acquisition Price	Due to the confidentiality obligations in the share transfer agreement relating to the Share Acquisition, disclosure of this information is being withheld, in accordance with the intention of the other party. Tosei undertook appropriate due diligence when calculating the acquisition price, and a reasonable amount was calculated and determined through discussions between both parties.
(4) Number of shares to be held after the acquisition	1,629 shares (Of these, 1,210 shares are held indirectly through ICOMPANY.) (No. of voting rights: 1,629) (Ratio of ownership voting rights: 100% )

## 5. Schedule

(1) The board resolution date	August 25, 2021
(2) The contract date	August 25, 2021
(3) Share transfer date	September 30, 2021 (Schedule)

## 6. Future outlook

Following the Share Acquisition, the Princess Group will become consolidated subsidiaries of Tosei.

The impact of this acquisition of shares on business performance for the fiscal year ending November 30, 2021 is expected to be minor. In the event that matters to be disclosed arise in the future, such matters will be promptly announced.

## II. Outline of the disposal of treasury stock through third-party allotment

### 1. Disposal Procedure

(1) Date of disposal	September 30, 2021 (Schedule)
(2) Number of shares to be disposed	Ordinary share 1,030,000 shares
(3) Disposal price	¥1,165 per share
(4) Amount of funds to be raised	¥1,199,950,000 (The entire amount will be contributed in-kind by 27 shares of ordinary shares of ICOMPANY.)
(5) Method of offering or disposal	Disposal through third-party allocation
(6) Planned disposal recipient (Planned allottee)	Hirotoishi Deguchi
(7) Others	We have filed a securities registration statement for the Disposal of Treasury Shares. The disposal is subject to the registration coming into effect pursuant to the Financial Instruments and Exchange Act.

### 2. Objectives and reasons for the disposal

As described in "I. 1. Reason for Share Acquisition" above, we have decided to acquire all shares in ICOMPANY, and all shares issued by Princess HD, a subsidiary of ICOMPANY, that are not held by ICOMPANY, thereby making them into subsidiaries.

Tosei owns 1,856,922 treasury shares as of May 31, 2021 in order to enable the execution of a flexible capital policy in response to changes in the management environment. The Disposal of Treasury Shares will be conducted as part of the Share Acquisition and the utilization of treasury shares held for purposes such as ensuring capital policy flexibility. Tosei has chosen Hirotoishi Deguchi, Representative Director of ICOMPANY, as the planned allottee, in the belief that having Hirotoishi Deguchi hold shares in Tosei and continue to manage the Princess Group to further improve performance, and dispatching officers, etc. from Tosei to share know-how with each other, will expand Tosei's existing businesses and business fields and contribute to the medium- to long-term improvement in corporate value of Tosei and the Princess Group.

### 3. Amount of funds to be procured, planned use of funds, and planned timing of expenditures

As stated in "I. 1. Reasons for the Share Acquisition", the Disposal of Treasury Shares is made through contribution in kind with ordinary shares in ICOMPANY as consideration, and there is no monetary payment involved.

### 4. Basic stance on rationality of use of funds

There is no matter applicable as payment will be made by contribution in kind of (27 shares) ordinary shares in ICOMPANY owned by the planned disposal recipient. For the rationality of acquiring ordinary shares in ICOMPANY, please refer to I. 1. above.

## 5. Reasonableness of disposal conditions, etc.

### (1) Basis for calculating the disposal amount and basic stance on rationality of issuing conditions

The Board of Directors has passed a resolution setting the disposal price at 1,165 yen per share, as a result of adjusting the number of shares to be allotted through the Disposal of Treasury Shares with the planned allottee, based on the amount to be paid in for the shares for subscription to be contributed in kind (1,199,950,000 yen), taking into consideration that the closing price of Tosei's shares on the Tokyo Stock Exchange on August 24, 2021, the business day immediately prior to the date of the resolution by the Board of Directors on the Disposal of Treasury Shares (hereinafter the "Date of Resolution of the Board of Directors"), was 1,165 yen. The closing price on the business day immediately prior to the Date of Resolution of the Board of Directors was taken into consideration due to being the market share price closest to the Date of Resolution of the Board of Directors, which is considered to be highly objective and reasonable as a basis for the calculation.

The 1,165 yen disposal price is same as the 1,165 yen closing price of ordinary shares in Tosei on the business day immediately preceding the Date of Resolution of the Board of Directors (August 24, 2021), obtained by applying a 1.9% premium to 1,143 yen (rounded down to the nearest yen), which is the simple average closing price of ordinary shares in Tosei during the most recent one-month period preceding the Date (from July 21, 2021 to August 24, 2021), by applying a 3.6% premium to 1,124 yen (rounded down to the nearest yen), which is the simple average closing price of ordinary shares in Tosei during the most recent three-month period preceding the Date (from May 25, 2021 to August 24, 2021), or by applying a 4.7% premium to 1,113 yen (rounded down to the nearest yen), which is the simple average closing price of ordinary shares in Tosei during the most recent six-month period preceding the Date (from February 25, 2021 to August 24, 2021). Therefore, Tosei has concluded that the disposal price is not particularly favorable.

Tosei also believes the amount to be paid to be reasonable given that the disposal price is based on the Japan Securities Dealers Association's Guidelines for Handling of Allotment of New Shares to Third Party, etc. (April 1, 2010).

To ensure the fairness and appropriateness of the calculation of the value of shares in ICOMPANY, Tosei asked AGS Consulting Co., Ltd. (address: 1-9-5 Otemachi, Chiyoda-ku, Tokyo; representative: Yoshihide Hirowatari; hereinafter "AGS"), a third party independent from Tosei and ICOMPANY, to calculate the value, and on August 5, 2021, Tosei received a share value calculation report that concluded that the value of shares in the Princess Group is between 4.7 billion yen and 8.1 billion yen. When calculating the value of shares in ICOMPANY, from among the comparable company method, the discounted cash flow method (hereinafter the "DCF Method"), and the adjusted book value method, AGS chose to use the DCF Method for calculations in order to conduct the valuation based on corporate continuity, given that the Princess Group is unlisted and that future business prospects, etc. should be appropriately reflected in the valuation. The DCF Method takes the Princess Group's business plan into consideration and calculates the value by discounting the free cash flow that is expected to be generated in the future to its present value using a certain discount rate. With regard to the business plan used as the basis for the calculation, calculations were made based on the business plan for the period from July 2021 to June 2022 which we received from the Princess Group, and on the assumption that the business performance for the period from July 2021 to June 2022 would continue in and after July 2022. To decide the acquisition price, Tosei takes into comprehensive consideration factors such as the business operations, recent performance developments, financial and asset status, and future prospects based on the AGS share value calculation report and due diligence work on the Princess Group, and has many careful discussions with the planned allottee.

### (2) Basic stance on rationality of the disposal quantity and the scale of share dilution

The total of 1,030,000 shares will be disposed of in the Disposal of Treasury Shares (10,300 voting rights), which is equivalent to 2.1% of the current total number of issued shares (48,683,800 shares) or 2.2% of the total number of voting rights (468,224) as of May 31, 2021, (both figures have been rounded to two decimal places), resulting in a certain dilution.

However, Tosei believes that having Hirotochi Deguchi, the planned allottee, hold shares in Tosei and acquiring shares in ICOMPANY (thereby making it a subsidiary) through the Disposal of Treasury Shares

will lead to the expansion of existing businesses and business fields, which will in turn enhance Tosei's corporate value and shareholder value over the medium- to long-term. Tosei has concluded that the disposal quantity and the scale of share dilution are rational.

## 6. Reasons for selecting the allottee

### (1) Outline of the company to be disposed

Please refer to I. 3. b. Mr. Hirotooshi Deguchi, the planned disposal recipient, joined Princess Square Co., Ltd. in April 1992 and established the real estate business division. After being appointed as Representative Director of the company in June 1998 and up to the present day, he has made efforts for the growth and development of the Princess Group with a focus on the brokerage, purchase, and resale after renovation businesses of used condominium by units in the Tokyo metropolitan area.

Tosei has searched past newspaper articles and the internet for evidence of whether Hirotooshi Deguchi, the planned disposal recipient of the Disposal of Treasury Shares, ICOMPANY, where Hirotooshi Deguchi serves as Representative Director, the four subsidiaries of ICOMPANY, and their officers (hereinafter "Hirotooshi Deguchi, etc.") and shareholders are anti-social forces or have any relationships with anti-social forces. Tosei also asked Tokucho Co., Ltd. (address: 11-8 Nihonbashi-Ohdenmacho, Chuo-ku, Tokyo; representative: Kazue Arakawa), an independent investigation agency, to investigate Hirotooshi Deguchi, etc., excluding the employee stock ownership association, which is a Princess HD shareholder, and received their report on August 5, 2021. Tosei has concluded that Hirotooshi Deguchi, etc. do not have any relationships with anti-social forces since no evidence was uncovered in Tosei's searches and the investigation report to suggest that Hirotooshi Deguchi, etc. are anti-social forces or have relationships with anti-social forces.

As indicated above, there is no evidence to suggest that the planned disposal recipient, the Princess Group, and its officers and shareholders have any relationships with anti-social forces, and therefore Tosei has concluded that the planned disposal recipient, the Princess Group, and its officers and shareholders do not have any relationships with anti-social forces, and hereby submits written confirmation to that effect to the Tokyo Stock Exchange, Inc.

### (2) Reason for selecting the allottee

Please refer to II. 2.

### (3) Policy on holding share certificates, etc.

Tosei has orally confirmed that the planned allottee intends to hold the shares in Tosei acquired through the Disposal of Treasury Shares over the medium- to long-term, and has agreed with the planned allottee that the allottee shall not sell shares in Tosei for two years from the payment due date.

In addition to the above, Tosei intends to acquire a pledge from the planned allottee to the effect that, if the planned allottee transfers some or all of the shares in Tosei acquired through the Disposal of Treasury Shares during the two years from the payment due date, the planned allottee agrees with immediately reporting the details of the transfer in writing to Tosei, Tosei's reporting the details of such report to the Tokyo Stock Exchange, Inc., and the details of the report being made available for public inspection.

### (4) Confirmation of existence of assets needed by the planned disposal recipient for payment

There is no matter applicable as payment will be made by contribution in kind of ordinary shares in ICOMPANY owned by the planned disposal recipient. We have confirmed the ownership of ICOMPANY shares by the planned disposal recipient based on the shareholder register as of August 10, 2021.



## 7. Major shareholders and their shareholding ratios after the disposal

As a result of this disposal of treasury stock, the status of major shareholders will be as follows.

Name of shareholder	Before the disposition		After the disposition	
	Number of shares held (shares)	Percentage of the number of voting rights held in the total number of voting rights (%)	Number of shares held (shares)	Percentage of the number of voting rights held in the total number of voting rights (%)
Seiichiro Yamaguchi	12,885,500	27.52	12,885,500	26.93
Zeus Capital Limited	6,000,000	12.81	6,000,000	12.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,324,100	4.96	2,324,100	4.86
QUINTET PRIVATE BANK (EUROPE) S. A. 107704 (Standing proxy: Mizuho Bank, Ltd., Settlement & Cleaning Services Division)	1,854,500	3.96	1,854,500	3.88
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	1,758,100	3.75	1,758,100	3.67
Government of NORWAY (Standing proxy: Citibank, N. A., Tokyo Branch)	1,468,800	3.14	1,468,800	3.07
Custody Bank of Japan, Ltd. (Trust Account)	1,244,300	2.66	1,244,300	2.60
Hirotochi Deguchi	—	—	1,030,000	2.15
NORTHERN TRUST CO. (AVFC) REIEDU UCITS CLIENTS NON ENDING 15 PCT TREATY ACCOUNT (Standing proxy: Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	633,700	1.35	633,700	1.32
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co.)	608,486	1.30	608,486	1.27
STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Mizuho Bank, Ltd., Settlement & Cleaning Services Division)	563,566	1.20	—	—
Total	29,341,052	62.66	29,807,486	62.29

- (Notes)
- Figures stated above are based on the shareholder registry as of May 31, 2021.
  - The “percentage of the number of voting rights held in the total number of voting rights” before the disposition and the “percentage of the number of voting rights held in the total number of voting rights” after the disposition have been rounded to the second decimal place.
  - In addition to the above, the 1,856,922 treasury shares held by Tosei will be reduced to 826,922 shares after the disposition. However, this number does not include the number of treasury shares acquired or disposed of after May 31, 2021.

4. The percentage of the number of voting rights held in the total number of voting rights after the disposition is calculated by dividing the number of voting rights pertaining to the shares held after the disposition by 478,524, which is the number obtained by adding the number of voting rights to be increased as a result of the Disposal of Treasury Shares (10,300) to the total number of voting rights as of May 31, 2021 (468,224).

## 8. Future Outlook

The Disposal of Treasury Shares is not expected to impact Tosei's consolidated business performance.

## 9. Procedures in compliance with the Code of Corporate Conduct

Since this third-party allotment 1) involves a dilution ratio of less than 25% and 2) does not involve any change in the controlling shareholder (no change in the controlling shareholder is expected even if all of the subscription warrants or acquisition rights are exercised), procedures for the receipt of the opinion of a third-party who is independent from the management and the confirmation of the intent of shareholders, as provided by Rule 432 of the Securities Listing Regulations prescribed by the Tokyo Stock Exchange, are not necessary.

## Business results and equity finance for the past three years

### (1) Results for the past three years (consolidated)

	Fiscal year ended Nov. 30, 2018	Fiscal year ended Nov. 30, 2019	Fiscal year ended Nov. 30, 2020
Revenue	¥61,543 million	¥60,727 million	¥63,939 million
Operating profit	¥10,875 million	¥12,690 million	¥6,427 million
Profit before tax	¥10,171 million	¥12,090 million	¥5,901 million
Profit for the year attributable to owners of the parent	¥6,852 million	¥8,447 million	¥3,602 million
Basic earnings per share	¥141.36	¥176.40	¥76.05
Dividends per share	¥30.00	¥42.00	¥19.00
Equity per share attributable to owners of the parent	¥1,071.63	¥1,225.27	¥1,250.00

### (2) Number of shares outstanding and number of potential shares as of May 31, 2021

	Number of shares	Ratio to the number of shares issued
Number of shares issued	48,683,800 shares	100%
Number of potential shares at current conversion price (exercise price)	663,000 shares	1.36%
Number of potential shares at minimum conversion price (exercise price)	— shares	-%
Number of potential shares at maximum conversion price (exercise price)	— shares	-%

\*The number of potential shares above are all due to stock options.

(3) Recent share price performance

a. Performance for the three most recent years

	Fiscal year ended Nov. 30, 2018	Fiscal year ended Nov. 30, 2019	Fiscal year ended Nov. 30, 2020
Opening price	¥1,105	¥1,031	¥1,329
High	¥1,529	¥1,467	¥1,572
Low	¥953	¥759	¥782
Closing price	¥1,029	¥1,331	¥1,163

b. Performance for the six most recent months

	February	March	April	May	June	July
Opening price	¥1,046	¥1,010	¥1,113	¥1,081	¥1,031	¥1,081
High	¥1,087	¥1,184	¥1,181	¥1,127	¥1,144	¥1,250
Low	¥992	¥1,006	¥1,064	¥1,024	¥1,030	¥1,069
Closing price	¥1,000	¥1,118	¥1,081	¥1,040	¥1,073	¥1,133

c. Stock price on the business day prior to the date of resolution of the issuance

	August 24, 2021
Opening price	¥1,151
High	¥1,173
Low	¥1,146
Closing price	¥1,165

(4) Equity finance for the three most recent years

Not applicable.