



Notice Concerning Determination of the Number of New Shares to be Issued by way of Third-Party Allotment

January 5, 2024

Company name ZENSHO HOLDINGS CO., LTD.
Listings Tokyo Stock Exchange Prime Market
Securities code 7550
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ZENSHO HOLDINGS CO., LTD (the “Company”) announces that, in relation to the issuance of new shares by way of third-party allotment, which was resolved simultaneously with the issuance of new shares by way of public offering (the “Primary Offering”) and the secondary offering of shares of the Company by way of Over Allotment (the “Secondary Offering”), at the meeting of the Board of Directors held on November 24, 2023, it has been notified by the allottee that it has decided to subscribe for part of the shares to be issued thereby as set forth below:

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| 1. | Number of New Shares | 652,400 shares (Number of shares issuable: 782,000 shares) |
| 2. | Total Amount to be Paid | ¥4,556,726,944 (¥6,984.56 per share) |
| 3. | Amount of Stated Capital to be Increased | ¥2,278,363,472 (¥3,492.28 per share) |
| 4. | Amount of Additional Paid-in Capital to be Increased | ¥2,278,363,472 (¥3,492.28 per share) |
| 5. | Payment Date | Wednesday, January 10, 2024 |

Note: This press release does not constitute an investment solicitation for any securities for sale. This press release has been prepared for the purpose of publicly announcing that the Company has resolved matters relating to the issuance of new shares, the secondary offering of its shares and the issuance of new shares by way of third-party allotment, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan.

This press release does not constitute an offer of investment in nor solicitation for purchase securities within the United States or elsewhere. The securities referred to in this press release have not been, and will not, be registered under the U.S. Securities Act of 1933 or any relevant securities law of any state. The securities may not be offered or sold in the United States absent registration or an exemption from registration requirements under the U.S. Securities Act of 1933. No offer of securities for sale in the United States will be made in connection with the above-mentioned transactions.

<For Reference>

1. This third-party allotment was resolved at the meeting of the Board of Directors held on November 24, 2023, simultaneously with the Primary Offering and the Secondary Offering.

For the details of the third-party allotment, please see “Notice Concerning Issuance of New Shares and Secondary Offering of Shares” announced on November 24, 2023 and “Notice Concerning Determination of Issue Price and Selling Price and Other Matters relating to Issuance of New Shares and Secondary Offering of Shares” announced on December 5, 2023.

2. Change in the total number of issued shares as a result of the third-party allotment

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|--|-------------------------|-------------------------|
| Total number of issued shares at present: | Common stock | 160,080,825 shares |
| | Class A preferred stock | 300 shares |
| | | (as of January 5, 2024) |
| The number of shares to be issued for the third-party allotment: | Common stock | 652,400 shares |
| Total number of issued shares after the third-party allotment: | Common stock | 160,733,225 shares |
| | Class A preferred stock | 300 shares |

3. Use of proceeds

With respect to the total approximate amount of the proceeds of 4,524,726,944 yen from the issuance of new shares by way of third-party allotment as well as the total approximate amount of the proceeds of 36,230,434,080 yen from the Primary Offering, which was resolved simultaneously with the issuance of new shares by way of third-party allotment, the total approximate amount of the proceeds of 40,755,161,024 yen is expected to be used for potential M&A transaction by the end of March 2026 to further promote the multi-brand strategy in Japan and overseas, and to strengthen the procurement, manufacturing, and logistics functions that support the promotion of the strategy.

At this point, no specific details and amounts of M&A transaction have been determined. To the extent any amount remains from the M&A funds by the end of March 2026, the remainder of the amount that was not applied to M&A is scheduled to be used to repay borrowings by the end of March 2026 and March 2027.

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