



Notice Concerning Issuance of New Shares and Secondary Offering of Shares

November 24, 2023

Company name	ZENSHO HOLDINGS CO., LTD.
Listings	Tokyo Stock Exchange Prime Market
Securities code	7550
Representative	Kentaro Ogawa, Chairman of the Board and CEO
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ZENSHO HOLDINGS CO., LTD (the “Company”) hereby announces that its Board of Directors resolved on November 24, 2023 to issue new shares and conduct a secondary offering of its shares as set forth below.

Background and Purpose of Financing

The Company announced the equity financing in order to establish a strong management foundation and strengthen its financial base, which are necessary for the execution of its business strategy and to enable further sustainable growth. The Company intends to use the proceeds from the issuance of new shares as standby funds for potential M&A transactions to further promote the multi-brand strategy in Japan and overseas, and to strengthen procurement, manufacturing, and logistics functions that support the promotion of the strategy.

1. Issuance of New Shares by way of Public Offering (the “Primary Offering”)

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| (1) Class and Number of Shares to be Offered | 5,218,000 shares of common stock of the Company |
| (2) Method of Determination of the Amount to be Paid | The amount to be paid shall be determined on the date of determination of the issue price, etc. (which shall be a day falling in the period from Tuesday, December 5, 2023 to Friday, December 8, 2023) (the “Pricing Date”) pursuant to Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association (the “JSDA”). |
| (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased | The amount of stated capital to be increased shall be half of the maximum amount of stated capital to be increased, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded |

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.

up to the nearest yen. The amount of the additional paid-in capital to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased from the maximum amount of stated capital to be increased.

- (4) Method of Offering The offering will be a public offering in Japan. All of the new shares shall be purchased for sale by the underwriting syndicate (the “Underwriters”).
- The issue price (offer price) with regard to the offering shall be determined based on the provisional range calculated by multiplying the closing price in regular trading of shares of common stock of the Company on the Tokyo Stock Exchange on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by between 0.90 and 1.00 (with any fraction less than one yen being rounded down), in accordance with Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the JSDA, taking into account market demand and other conditions.
- (5) Payment Date The payment date shall be a day falling in the period from Monday, December 11, 2023 to Thursday, December 14, 2023; provided however, that such day shall be the fourth business day following the Pricing Date.
- (6) Mr. Kentaro Ogawa, Representative Director, Chairman, President & CEO of the Company has been authorized to determine the amount to be paid, the amounts of stated capital and additional paid-in capital to be increased and any other matters necessary for the issuance of new shares.
- (7) Each item above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan (the “FIEA”).

2. Secondary Offering of Shares of the Company by way of Over Allotment (the “Secondary Offering”)

- (1) Class and Number of Shares to be Sold 782,000 shares of common stock of the Company.
- The number of shares set out above is the maximum number of shares which may be sold. The above number may decrease, or the Secondary Offering may be cancelled in its entirety, depending on market demand and other conditions. The number of shares to be sold shall be determined on the Pricing Date, taking into account market demand and other conditions.
- (2) Seller The lead manager
- (3) Selling Price Undetermined. (The selling price shall be determined on the Pricing Date; provided, however, that such selling price shall be the same as the issue price (offer

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- price) in the Primary Offering.)
- (4) Method of Secondary Offering Taking into account market demand and other conditions for the Primary Offering, the lead manager will undertake a Secondary Offering of shares of common stock of the Company (up to 782,000 shares) borrowed from certain shareholder(s) of the Company.
 - (5) Delivery Date The delivery date shall be the next business day after the payment date in respect of the Primary Offering.
 - (6) Mr. Kentaro Ogawa, Representative Director, Chairman, President & CEO of the Company has been authorized to determine the selling price and any other matters necessary for the Secondary Offering.
 - (7) Each item above shall be subject to the effectiveness of the securities registration statement filed under the FIEA.

3. Issuance of New Shares by way of Third-Party Allotment

- (1) Class and Number of Shares to be Offered 782,000 shares of common stock of the Company.
- (2) Method of Determination for the Amount to be Paid The amount to be paid shall be determined on the Pricing Date; provided, however, that such amount to be paid shall be the same as the amount to be paid in respect of the Primary Offering.
- (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased The amount of stated capital to be increased shall be half of the maximum amount of stated capital to be increased, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen. The amount of the additional paid-in capital to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased from the maximum amount of stated capital to be increased.
- (4) Allottee The lead manager
- (5) Payment Date Wednesday, January 10, 2024
- (6) Shares not subscribed within the subscription period shall not be issued.
- (7) Mr. Kentaro Ogawa, Representative Director, Chairman, President & CEO of the Company has been authorized to determine the amount to be paid, the amounts of stated capital and additional paid-in capital to be increased and any other matters necessary for the issuance of new shares by way of third-party allotment.
- (8) Each item above shall be subject to the effectiveness of the securities registration statement filed under the FIEA.

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Use of Proceeds

With respect to the total approximate amount of the proceeds of up to 49,909,700,000 yen obtained by the Primary Offering and the issuance of new shares by way of third-party allotment, the Company intends to use all the proceeds of 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 end of March 2026 and March 2027.

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