



May 12, 2016

For Immediate Release

Company Name: TSUGAMI CORPORATION
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Notice of Reduction of Legal Capital Surplus

TSUGAMI CORPORATION (the “Company”) announced today that a meeting of its Board of Directors held on May 12, 2016 decided to propose, at the 113th general meeting of shareholders scheduled for June 22, 2016, a reduction of the legal capital surplus of the Company. Details are as follows.

1. Purpose of the reduction of the legal capital surplus

In order to ensure flexible and nimble future capital policies, in accordance with Article 448, Paragraph 1 of the Companies Act, it is proposed to reduce and transfer the legal capital surplus in the full amount to other capital surplus.

2. Details of the reduction of the legal capital surplus

(1) Amount of the reduction of legal capital surplus

5,884,070,811 yen

(2) Amount of the increase in other capital surplus

5,884,070,811 yen

3. Schedule for the reduction of legal capital surplus

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| (1) Date of resolution of the Board of Directors: | May 12, 2016 |
| (2) Date of resolution of the general meeting of shareholders: | June 22, 2016 (scheduled) |
| (3) Creditors' public notice of objection: | June 24, 2016 (scheduled) |
| (4) End of the period for the filling of objections by creditors: | July 25, 2016 (scheduled) |
| (5) Effective date: | July 29, 2016 (scheduled) |

4. Future outlook

The proposed action consists of a transfer between capital accounts within net assets, therefore, there will be no change in the amount of the net assets, nor any impact to the profit and loss.