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For Immediate Release

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Transition to a Company with an Audit and Supervisory Committee and Change in the Number of Shares Constituting One Trading Unit

TSUGAMI CORPORATION (the “Company”) announced a resolution at a Board of Directors meeting held today to propose its transition to a company with an audit and supervisory committee and a change in the number of its shares constituting one trading unit at the 115th Annual Shareholders Meeting scheduled for June 2018. Details are as follows:

1. Transition to a company with an audit and supervisory committee

(1) Purposes of transition

The Company aims to strengthen the structure of governance by the Board of Directors by having the members of an audit and supervisory committee who are provided with rights to vote at Board of Directors meetings audit the legality and appropriateness of its business execution. At the same time, the Company seeks to enhance the mobility of its business execution by partially delegating the authority of the Board of Directors to execute businesses to the Directors.

(2) Period of transition

The Company plans to carry out the transition to a company with an audit and supervisory committee after obtaining approval for a change to its Articles of Incorporation required for the transition at the 115th Annual Shareholders Meeting scheduled for June 2018.

2. Change in the number of shares constituting one trading unit

The Company will change the number of its shares constituting one trading unit from 1,000 to 100 effective as of October 1, 2018 based on the point of the Action Plan for Consolidating Trading Units advanced by securities exchanges throughout Japan.

(Reference) With the change described above, the unit of trading at the Tokyo Stock Exchange will also change from 1,000 shares to 100 shares effective as of Monday, October 1, 2018.

3. Other matters

The contents of the change to the Articles of Incorporation and the details of the transition, including the structure of the Directors and Auditors, are undecided at the present time. The Company will announce them as soon as they are finalized.