



July 3, 2024

For Immediate Release

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(Disclosure Update)

Notice of Recording of an Extraordinary Profit in Non-consolidated Financial Results

TSUGAMI CORPORATION announces that, as it disclosed in Notice of Partial Sale of Shares of an Affiliated Company dated April 21, 2023, it sold part of its holding of shares in an affiliated company and, as a result, will record an extraordinary profit (gain on sale of shares of subsidiaries and associates) in its non-consolidated financial results.

1. Details of the affiliated company

Company name: Precision Tsugami (China) Corporation Limited

*Listed on the Main Board of Hong Kong Exchanges

2. Reason for sale

To address the shortage of tradable shares that has long been pointed out by investors and others.

3. Details of shares sold

(1) Number of shares sold: 22,470,000 shares (5.9% of 380,554,000 shares, the total number of shares outstanding)

As a result of this sale, the Company's shareholding ratio will fall from 70.9% to 65.0%.

(The ratio of voting rights calculated by excluding treasury stock will be 65.6%.)

(2) Timing of sale: July 2, 2024 (Contract Date)

(3) Gain on sale of shares of subsidiaries and associates: Approximately 3,350 million yen to be posted.

4. Impact on business performance

An extraordinary profit (gain on sale of shares of subsidiaries and associates) of around 3,350 million yen is expected to be recorded in the non-consolidated financial results for the fiscal year ending March 31, 2025.

In the consolidated financial results, the sale will be processed as a capital transaction and its impact on consolidated profit and loss will be minor because the Company remains a controlling shareholder with a shareholding ratio of 50% or higher.