

June 25th, 2024

YOKOREI Co.,LTD.

Representative President and Representative Director
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Announcement of conclusion of investment securities sales contract

1. Reason

We, YOKOREI Co., Ltd., received a request of the sale from the issuer of investment securities held by our company. In order to promote further growth strategies of the issuer of the investment securities, we have recognized the necessity to strengthen capital through the investment from institutional investors. Furthermore, considering that the decision will enhance the liquidity of our assets, we have decided to sell the securities.

2. Details

We will sell common shares and preferred shares we currently hold and accept newly issued common shares and corporate bonds in response to the request of the buyer.

The difference between the market value at the time of acceptance of the bonds and their book value will be recognized as an unrealized gain on available-for-sale securities on each quarterly settlement, and will be recorded as a gain on sale of investment securities each time the bonds will be redeemed.

3. Impact on financial statements

The impact of the conclusion of the investment securities sale agreement on June 25, 2024 is as follows:

Investment securities (common shares)	An increase of approximately 11,200 million yen
Investment securities (preferred shares)	A decrease of approximately 21,400 million yen
Investment securities (corporate bonds)	An increase of approximately 10,200 million yen

* The reason why the gain on the sale of investment securities is not recorded at the time of the conclusion of this contract is that the financial assets have not been derecognized because the consideration for the sold shares is being taken over as corporate bonds and the sold shares are from an affiliated company of the company to which the shares are being sold.

* The corporate bonds redemption dates are scheduled from the fiscal year ending September 2024 to the fiscal year ending September 2028.

* The above figures are estimates at the time of the conclusion of the contract, and the corporate bonds

will be fair-market valued on June 30, 2024. The current outlook is to record comprehensive income of approximately 4,900 million yen.

Since it is not possible at this stage to calculate the impact of this matter on our financial results, this has not been reflected in the currently published consolidated financial results forecast for the fiscal year ending September 2024. We will promptly disclose any revisions to the consolidated financial results forecast in case if necessary.