

May 15, 2023

Company name: ES-CON JAPAN Ltd.  
 Representative: Takatoshi Ito, President &  
 Representative Director  
 (TSE Prime Market, code: 8892)  
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## Notice on Secondary Offering of Shares

ES-CON JAPAN Ltd. (ES-CON JAPAN) announces that the following items were decided at the board of directors meeting held today.

### 1. Secondary Offering of Shares

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| (1) Type and number of shares to be offered | Ordinary shares of ES-CON JAPAN 6,500,000 shares   |
| (2) Seller                                  | SMBC Nikko Securities Inc.   |
| (3) Offer price                             | To Be Determined (The offer price is to be determined in compliance with the process set forth under the Japan Securities Dealers Association's "Rules Concerning Underwriting, Etc. of Securities," Article 25. It uses the price calculated by multiplying the closing price for ordinary shares in ES-CON JAPAN on the Tokyo Stock Exchange (if unavailable on the day, the closing price shall be deemed the price on the business day immediately preceding the declared date) with a factor of 0.90-1.00 (fractions shall be rounded down to the nearest yen), from a date during the period from Monday, May 22, 2023 to Thursday, May 25, 2023 (hereinafter referred to as "the Pricing Date") as the preliminary pricing terms. Other factors such as demand conditions are also considered for determination.) |
| (4) Offering method                         | The shares are to be sold, with all shares to be purchased and underwritten by an underwriter syndicate ("the Underwriter" hereinafter) with SMBC Nikko Securities, Inc. designated as the primary managing company. Underwriter considerations shall be the aggregate amount of the offer price from which is subtracted the underwriting price, which is the amount paid by the Underwriter to the seller.   |
| (5) Subscription date                       | From the time at which the offer price is determined to 9:00AM of the business day following the Pricing Date  |
| (6) Delivery date                           | Any given date between Thursday, May 25, 2023 to Tuesday, May 30, 2023, provided that said date is exactly three business days following the Pricing Date  |
| (7) Advance on subscription                 | Price per share shall be the same as the selling price.  |
| (8) Unit of shares to be subscribed         | 100 shares   |

Note: This news release was created for the public announcement of the sharing of ES-CON Japan's secondary offering of shares, and it is not for the purpose of soliciting investment. In adherence with applicable laws and regulations, no prospectus has been created regarding the above secondary offering of shares. Investors are advised to invest under their own judgment.



- (9) The offering of ES-CON JAPAN's ordinary shares ("the Offering" hereinafter) by SMBC Nikko Securities, Inc. refers to the sale of 6,500,000 shares of ES-CON JAPAN's ordinary shares purchased by SMBC Nikko Securities from ES-CON JAPAN's shareholder, NISSEI BUILD KOGYO CO., LTD. ("Purchase by SMBC Nikko Securities" hereinafter). If SMBC Nikko Securities fails to complete its purchase, the Offering shall be withdrawn. Likewise, if the Offering is withdrawn, the Purchase by SMBC Nikko Securities, Inc. shall also be withdrawn.
- (10) President & Representative Director Takatoshi Ito shall have sole and ultimate authority for decisions regarding the offer price and all other matters required for the Offering.

## **2. Purpose of Secondary Offering**

The purpose of the secondary offering of shares set forth above is to increase liquidity and further expand the shareholder base, particularly among individual investors.

## **3. Regarding Lockup**

Regarding the Offering, Chubu Electric Power Co., Inc. (ES-CON JAPAN's parent company), has agreed to terms with SMBC Nikko Securities, Inc., to refrain from selling or otherwise disposing of ordinary shares of ES-CON JAPAN (including latent shares) held in its own account as of the Pricing Date without obtaining prior written consent from SMBC Nikko Securities, Inc. This agreement applies from the Pricing Date to the 180th day following the delivery date ("Lock-up Period" hereinafter).

In addition, ES-CON JAPAN has agreed to terms with SMBC Nikko Securities, Inc. to not issue or sell shares of ordinary shares or securities with the right or obligation to acquire shares of ordinary shares (excluding issuance of new shares by stock split and issuance of stock acquisition rights related to stock options) without obtaining the prior written consent of SMBC Nikko Securities, Inc. during the Lock-up Period.

In both cases, SMBC Nikko Securities, Inc. holds the authority to terminate the agreement in whole or in part or to reduce the Lock-up Period, at its discretion.

## **4. Stabilizing Transactions**

Stabilizing transactions will not be conducted in this secondary offering of shares.

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