February 13, 2025

Company name: Takasago Thermal Engineering Co., Ltd.
Name of representative: Kazuhito Kojima,
President and Representative Director
(Securities code: 1969; Tokyo Market)
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Notice Concerning Secondary Offering of Shares

Takasago Thermal Engineering Co., Ltd. (the "**Company**") hereby announces that it has resolved to approve a secondary offering of shares of common stock of the Company as set forth below (the "**Secondary Offering**") at a Board of Directors meeting held on February 13, 2025.

Building on the group's purpose "With our revolutionary environmental innovations, we activate the Earth's future," and with its employees aiming toward the vision of "Be an Environment-Creator™,"(1) the Company leverages its knowledge and experience in air conditioning to promote initiatives that contribute to carbon transition for buildings and carbon neutrality for the global environment.
In anticipation of future social changes, the Company will utilize digital transformation (DX) to align its four business domains of construction, equipment maintenance and management, environmental equipment manufacturing and selling, carbon neutrality around its core air conditioning business to transform itself into a corporate group capable of achieving its vision.

In addition, the Company positions the strengthening of corporate governance as a vital management priority, and aims to achieve sustainable growth and long-term enhancement in enterprise value through the implementation of effective corporate governance.
In particular, the Company's Board of Directors regularly examines the appropriateness of its strategic shareholdings, and endeavors to reduce holdings of shares that it judges as not contributing to the improvement of the Company's enterprise value.

As investors in the capital market are increasingly focusing on the handling of strategic shareholdings by listed companies, the Company proposed a re-evaluation of cross-shareholding relationships to the shareholders who hold the Company's shares as strategic shareholdings and actively sought the sale of Company shares.

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Note: This press release does not constitute an investment solicitation for any securities for sale. This press release has been prepared for the purpose of publicly announcing that the Company has resolved matters relating to the secondary offering of its shares, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. With respect to investments in Japan, investors are advised to do so based on their sole judgement after reviewing the Prospectus on the Offering of Shares and amendments thereto, if any, prepared by the Company. This press release does not constitute any offering or sale of securities in the United States. The securities referred to above have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be offered or sold in the United States.

As a result, the Company resolved to conduct the Secondary Offering to provide the selling shareholders in the Secondary Offering who agreed to sell shares with a fair opportunity to do so, and to mitigate the effect of such market sale on the Company's share price.

The Company will continue to strengthen its corporate governance and further improve its enterprise value.

(Note)

1. The term "Be an Environment-Creator™," represents individuals within the Company group who, through their roles in technology, sales, management or accounting, contribute to creating value aimed at addressing societal challenges, transcending the traditional scope of environment-related businesses.

1. Secondary Offering by way of Purchase and Subscription by the Underwriters

(1)	Class and number of shares to be offered	3,106,800 shares of common stock of the Company	
(2)	Selling shareholders and number of shares to be offered	MUFG Bank, Ltd.	776,300 shares
		TAIYO LIFE INSURANCE COMPANY	610,500 shares
		Sumitomo Mitsui Banking Corporation	373,500 shares
		Tokio Marine & Nichido Fire Insurance Co., Ltd.	330,600 shares
		Mitsubishi Logistics Corporation	240,500 shares
		Mizuho Bank, Ltd.	225,900 shares
		Sumitomo Realty & Development Co., Ltd.	209,500 shares
		Osaka dannetsu K.K	190,000 shares
		YAMATO CORPORATION	150,000 shares
(3)	Offer price	To be determined. The offer price will be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, Etc., of Securities of the Japan Securities Dealers Association, based on the provisional pricing terms calculated by multiplying the closing price of common stock of the Company in ordinary transaction on the Tokyo Stock Exchange, Inc. on a certain date between Wednesday, February 26, 2025 and Monday, March 3, 2025 (the **"Pricing Date"**) (or, if no closing price is quoted on the Pricing Date, the closing price of the immediately preceding day) by a number ranging between 0.90-1.00 (with any fraction less than one yen being rounded down to the nearest whole yen), and by taking into account market demand.	
(4)	Method of secondary offering	The offering shall be by a secondary offering by way of purchase and subscription by the underwriting syndicate led by the underwriters designated as joint lead managers (the **"Underwriters"**).	

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The aggregate amount of the difference between the offer price and the subscription price (equivalent of purchase price per share paid to the selling shareholders by the Underwriters) shall be retained by the Underwriters as commission.

In addition, a part of the shares may be sold to foreign investors in international markets mainly in Europe and Asia (but excluding the United States and Canada).

(5) Share delivery date — The fifth business day following the Pricing Date.

(6) Subscription unit — 100 shares

(7) The board of directors authorized that the offer price and any other matters necessary for the Secondary Offering by way of Purchase and Subscription by the Underwriters will be determined at the discretion of, Kazuhito Kojima, President and Representative Director of the Company.

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2. Secondary Offering by way of Over-allotment

(1)	Class and number of shares to be offered	Up to 466,000 shares of common stock of the Company. The above figure represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease or the Secondary Offering by way of Over-allotment itself may be cancelled, depending on factors such as market demand. The actual number of shares to be sold will be determined on the Pricing Date, taking into consideration factors such as market demand.
(2)	Seller	The designated lead manager (the "**Designated Lead Manager**")
(3)	Offer price	To be determined. The offer price will be determined on the Pricing Date. Further, the offer price will be the same as the offer price in the Secondary Offering by way of Purchase and Subscription by the Underwriters.
(4)	Method of secondary offering	Taking into consideration factors such as market demand for the Secondary Offering by way of Purchase and Subscription by the Underwriters, the Designated Lead Manager will undertake a secondary offering of shares of common stock of the Company by borrowing up to 466,000 shares from a shareholder(s) of the Company.
(5)	Share delivery date	Same as that in the Secondary Offering by way of Purchase and Subscription by the Underwriters.
(6)	Subscription unit	100 shares

(7) The board of directors authorized that the offer price and any other matters necessary for the Secondary Offering by way of Over-allotment will be determined at the discretion of, Kazuhito Kojima, President and Representative Director of the Company.

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