

November 14, 2024

To whom it may concern,

Company name: **Yamatane Corporation**
 Representative: Iwao Kawaharada, Representative Director,
 President
 (Securities code: 9305 Tokyo Stock Exchange Prime Market)
 Contact: Kenji Mizoguchi, Managing Executive Officer,
 General Manager, Corporate Planning
 Department
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Notice Regarding the Absorption-type Merger of a Consolidated Subsidiary **(Simplified Merger)**

Yamatane Corporation (the “Company”) hereby announces that, at the meeting of the Board of Directors held on November 14, 2024, it resolved to execute an absorption-type merger (the “Merger”) of Yamatane Real Estate Co., Ltd. (“Yamatane Real Estate”), a consolidated subsidiary of the Company, as described below.

As this is a simplified merger of a consolidated subsidiary, some disclosure items and content have been omitted.

1. Purpose of the Merger

Yamatane Real Estate is a consolidated subsidiary of the Company, in which the Company holds 74.4% of issued shares. With high occupancy-rate real estate for lease, Yamatane Real Estate has been engaged in real estate-related businesses, primarily the real estate lease business, as well as managing real estate for the entire Group. The Merger is designed to achieve greater efficiency by integrating the operation of these real estate businesses through their centralization in the Company, which is Yamatane Real Estate’s parent company, and promote medium- to long-term CRE strategies to enhance corporate value.

2. Overview of the Merger

(1) Merger Schedule

Merger resolution by the Board of Directors:	November 14, 2024
Signing of the merger agreement:	November 14, 2024
Approval of the merger agreement by the General	
Meeting of Shareholders (of Yamatane Real Estate):	December 25, 2024 (planned)
Effective date of the Merger:	February 1, 2025 (planned)

(Note) The Company plans to execute the Merger without the approval of the merger agreement by resolution of the Company’s General Meeting of Shareholders, based on the provisions for simplified mergers prescribed in Article 796, Paragraph 2 of the Companies Act.

(2) Merger Method

The Merger will be an absorption-type merger with the Company as the surviving company and Yamatane Real Estate as the non-surviving company.

(3) Details of the Allotment Associated with the Merger

In executing the Merger, the Company will allot shares to the shareholders of Yamatane Real Estate, as of the time immediately before the Merger takes effect, at a ratio of 0.61 common shares of the Company for each common share of Yamatane Real Estate. However, no allotment will be made upon the Merger for the 5,954,000 shares of Yamatane Real Estate held by the Company.

The Company will use treasury shares for the 1,248,060 shares of the Company that it plans to allot to other shareholders of Yamatane Real Estate, and no new shares will be issued.

(4) Approach to Calculating the Details of the Allotment Associated with the Merger

To ensure objectivity with respect to the merger ratio, the Company requested Daiwa Institute of Research Ltd. (“DIR”), a third-party calculation agent independent of both the Company and Yamatane Real Estate, to calculate the merger ratio.

To measure the value of shares for the calculation of the merger ratio, DIR used the market share price method for the Company, which is a listed company. Specifically, taking November 13, 2024 as the calculation base date, it calculated the value of the Company’s shares through a comparison of the closing price in regular trading on the Prime Market of the Tokyo Stock Exchange on November 13, 2024, and the arithmetic average of the closing prices in regular trading on the Prime Market of the Tokyo Stock Exchange over the past one-month, three-month, and six-month periods until November 12, 2024. On the other hand, in view of the fact that Yamatane Real Estate is an unlisted company, DIR calculated the value of its shares using the discounted cash flow (DCF) method, the comparable company analysis method, and the net asset value method.

As a result of the above, the calculation results of the merger ratio, assuming the per-share value of the Company’s shares as 1, are as follows.

Calculation method		Calculation results of the merger ratio
The Company (surviving company in the absorption-type merger)	Yamatane Real Estate (non-surviving company in the absorption-type merger)	
Market share price method	DCF method	1 : 0.21~0.47
	Comparable company analysis method	1 : 0.36~0.48
	Net asset value method	1 : 1.05~1.15
	Average of the DCF method, comparable company analysis method, and net asset value method	1 : 0.59~0.64

The Company and Yamatane Real Estate have considered the results of the analysis of the merger ratio provided by DIR. As a result, they have agreed to apply the merger ratio presented in “2. (3) Details of the Allotment Associated with the Merger,” above, as they believe this ratio is appropriate. The merger ratio may be revised through negotiation between the two companies if any serious change occurs in the conditions that form the basis for the calculation.

(5) Treatment of Share Acquisition Rights and Bonds with Share Acquisition Rights Issued by the Non-Surviving Company

Not applicable.

3. Overview of the Companies Involved in the Merger (As of September 30, 2024)

	Surviving company in the absorption-type merger	Non-surviving company in the absorption-type merger
(1) Name	Yamatane Corporation	Yamatane Real Estate Co., Ltd.
(2) Address of head office	1-2-21 Etchujima, Koto-ku, Tokyo	8-1, Nihonbashi Hakozaicho, Chuo-ku, Tokyo
(3) Name and title of representative	Iwao Kawaharada, Representative Director, President	Minoru Hirata, Representative Director, President
(4) Business description	Logistics business, foodstuffs business, information systems business, real estate business	Real estate leasing business, real estate sales business
(5) Share capital	¥10,555 million	¥400 million
(6) Date of establishment	August 15, 1937	April 26, 1948
(7) Number of issued shares	11,344,181 shares of common stock	8,000,000 shares of common stock
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (trust account) 12.2% THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD-SINGAPORE BRANCH PRIVATE BANKING DIVISION CLIENTS A/C 8221-623793 5.5% PERSHING-DIV. OF DLJ SECS. CORP. 5.5% Sumitomo Mitsui Banking Corporation 5.0% Motohiro Yamazaki 4.6%	Yamatane Corporation 74.4% Yamatane Art Foundation 18.4% Tommy Capital Co., Ltd. 7.1%
(10) Financial condition and results of operations as of the end of the most recent fiscal year		
Fiscal year ended	March 31, 2024 (consolidated)	March 31, 2024 (non-consolidated)
Net assets	¥56,006 million	¥12,639 million
Total assets	¥153,687 million	¥46,786 million
Net assets per share	¥5,063.89	¥1,579.94
Net sales	¥64,512 million	¥3,361 million
Operating profit	¥3,489 million	¥1,606 million
Ordinary profit	¥3,184 million	¥1,433 million
Profit attributable to owners of parent	¥2,442 million	¥991 million
Basic earnings per share	¥237.50	¥123.89

4. Status After the Merger

There will be no change in the Company's trading name, the address of its head office, the name and title of its representative, its business description, share capital, or fiscal year-end as a result of the Merger.

5. Outlook

The Company is currently examining the impact of the Merger on its consolidated financial results for the fiscal year ending March 31, 2025, and will disclose this impact as soon as it becomes clear.

(Reference) The Company's Consolidated Financial Results Forecast (Announced on November 8, 2024) and Consolidated Financial Results for the Previous Fiscal Year

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Financial results forecast for the fiscal year ending March 31, 2025	81,300	3,230	3,100	2,640	256.68
Financial results for the fiscal year ended March 31, 2024	64,512	3,489	3,184	2,442	237.50