

August 10, 2022

Company name: HASEKO Corporation

Notice regarding the Absorption-type Merger (Simple or Short-form Merger) of a Consolidated Subsidiary

HASEKO Corporation (the “Company”) announced that it made a resolution at its board of directors meeting held today to implement an absorption-type merger (hereinafter, “the merger”) of wholly-owned consolidated subsidiary Bigmart Inc. on October 1, 2022.

Since the merger is a simple, absorption-type merger targeting a consolidated subsidiary of the Company, some disclosure items and details have been omitted.

1. Purpose of merger

Bigmart Inc. is a wholly-owned consolidated subsidiary of the Company, and the Company has decided to merge with Bigmart Inc. in order to transfer comprehensive rights and obligations of the rental condominium development business currently being promoted in Fukuoka City, Fukuoka Prefecture, from Bigmart Inc. to the Company.

2. Summary of merger

(1) Schedule for the merger

Merger agreement approved by Board Directors	August 10, 2022
Merger agreement date	August 10, 2022
Scheduled merger date (effective date)	October 1, 2022 (planned)

Note: For the Company, the merger meets the requirements of a simple merger as stipulated in Article 796, Paragraph 2 of the Companies Act, and for Bigmart Inc., it meets the requirements of a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act. Therefore, the merger can be implemented without obtaining approval at a general meeting of shareholders regarding the merger agreement between the surviving company and the dissolving company.

(2) Method of the merger

An absorption-type merger will be implemented, with the Company as the surviving company while Bigmart Inc. will be dissolved.

Bigmart Inc. had excess liabilities in the financial statements for the fiscal year ended March 31, 2022, but in the first quarter of the fiscal year ending March 31, 2023, the excess liabilities were eliminated due to gains from the sale of real estate owned by Bigmart Inc.

Bigmart Inc. Financial Status (as of June 30, 2022)

Net assets: 1,694 million yen

Total assets: 2,200 million yen

Disclaimer: This is an English translation of the original announcement made by the Company in Japanese at the Tokyo Stock Exchange on August 10, 2022. The translation is for reference purposes only. If and when there are any discrepancies between the original announcement and the English translation, the original announcement shall prevail.

(3) Details of allocations related to the merger

Since the Company owns all the outstanding shares of Bigmart Inc., there will be no issuance of new shares, increase in capital stock, or delivery of cash, etc. as a result of the merger.

(4) Stock acquisition rights and bonds with stock acquisition rights associated with the merger

Not applicable

3. Outline of the companies involved in merger

	Surviving Company	Dissolving Company
1. Trade Name	HASEKO Corporation	Bigmart Inc.
2. Head office location	Shiba 2-32-1, Minato-ku, Tokyo	Hakata-ekimae 1-21-28, Fukuoka-shi, Fukuoka
3. Representative position and name	Kazuo Ikegami, President and Representative Director	Shinji Masuko, Representative Director
4. Business details	General construction business	Real estate ownership, management and operation
5. Capital	57,500 million yen	10 million yen
6. Establishment date	August 22, 1946	April 19, 2016
7. Shares outstanding	300,794,397 shares	1,000 shares
8. Fiscal year-end date	March 31	March 31
9. Major shareholders and shareholding ratio (as of March 31, 2022)	1) Ichigo Trust Pte. Ltd. (Standing proxy HSBC Tokyo branch) 19.15% 2) The Master Trust Bank of Japan, Ltd. (Trust Account) 13.67% 3) Custody Bank of Japan (Trust Account) 7.58% 4) Resona Bank Limited. 4.54% 5) Sumitomo Realty & Development Co., Ltd. 3.57%	HASEKO Corporation 100%
10. Financial condition and operating results for the latest fiscal year		
Latest fiscal year	Fiscal year ended March 31, 2022 (Consolidated)	Fiscal year ended March 31, 2022 (Non-consolidated)
Net assets	417,667 million yen	(747) million yen
Total assets	1,081,907 million yen	3,762 million yen
Net assets per share	1,520.73 yen	(747,108.35) yen
Net sales	909,708 million yen	71 million yen
Operating income	82,702 million yen	(40) million yen
Ordinary income	81,871 million yen	(96) million yen
Net Income attributable to owners of parent	54,490 million yen	291 million yen
Net income per share	198.32 yen	290,663.48 yen

4. Status after merger

The merger will not change the Company's trade name, head office location, representative's name, business details, capital, or fiscal year-end date.

5. Future outlook

The merger is an absorption-type merger of a wholly-owned subsidiary and will have no impact on the Company's consolidated financial results.