



April 3, 2025

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(Securities code: 8276; Prime Market,
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Notice Concerning Absorption-Type Merger (Simplified Merger/Short-Form Merger) of Consolidated Subsidiary

HEIWADO CO., LTD. (hereinafter the “Company”) hereby announces that it has resolved at a meeting of the Board of Directors held on April 3, 2025 to merge Yell Co., Ltd., its consolidated subsidiary, into the Company through an absorption-type merger (hereinafter the “Merger”) as described below.

Certain disclosure items and details have been omitted since the Merger is a simplified merger of a consolidated subsidiary wholly owned by the Company.

1. Purpose of the merger

The Company aims to strengthen the sales capabilities of its Group and improve management efficiency by conducting the Merger with Yell Co., Ltd., which operates general retail businesses in Kyoto Prefecture.

2. Summary of the merger

(1) Time table for the merger

Date of the Board of Directors meeting approving the merger agreement	April 3, 2025
Date of conclusion of the merger agreement	April 3, 2025
Effective date of the merger	August 21, 2025 (scheduled)

(Note) Since the Merger is a simplified merger pursuant to Article 796, Paragraph 2 of the Companies Act for the Company and a short-form merger pursuant to Article 784, Paragraph 1 of the Companies Act for Yell Co., Ltd., it will be conducted without an approval of the merger agreement by resolution at the general meeting of shareholders of each of the companies.

(2) Form of the merger

The merger will be conducted as an absorption-type merger with the Company as the surviving company, and Yell Co., Ltd. will be dissolved.

(3) Details of allotment related to the merger

Since the Company owns all shares of Yell Co., Ltd., there will be no allotment of shares, money, etc. as a result of the Merger.

- (4) Handling of share acquisition rights and bonds with share acquisition rights of the disappearing company
Not applicable.

3. Overview of companies involved in the merger (As of February 20, 2025)

	Company surviving in the absorption-type merger	Company disappearing in the absorption-type merger
(1) Name	HEIWADO CO., LTD.	Yell Co., Ltd.
(2) Location	1 Nishiima-cho, Hikone-shi, Shiga, Japan	27-5 Minamihama-cho, Maizuru-shi, Kyoto, Japan
(3) Name and job title of representative	Masashi Hiramatsu Representative Director and Executive President	Yoshitsugu Kitagawa Representative Director and President
(4) Description of business	Retail business	Retail business
(5) Share capital	11,614 million yen	27 million yen
(6) Date of establishment	June 18, 1957	October 21, 1978
(7) Number of issued shares	51,546,470 shares	54,000 shares
(8) Fiscal year-end	February 20	February 20
(9) Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (trust account): 7.41% Natsuhara Co., Ltd.: 6.94% Heiwado Kyoekai: 6.51% Heiwado Foundation: 5.95% THE SHIGA BANK, LTD.: 4.96%	HEIWADO CO., LTD.: 100%
(10) Financial positions and operating results for the last fiscal year (Millions of yen, unless otherwise noted)		
As of / Fiscal year ended	February 20, 2025 (consolidated)	February 20, 2025 (non-consolidated)
Net assets	192,026	1,292
Total assets	307,868	1,936
Net assets per share (Yen)	3,764.48	23,930.98
Operating revenue	444,898	7,294
Operating profit	13,360	163
Ordinary profit	14,639	171
Profit attributable to owners of parent	10,727	110
Basic earnings per share (Yen)	209.08	2,047.31

4. Status after the merger

There will be no change in the name, location, representative, description of business, share capital, and fiscal year-end of the Company due to the Merger.

5. Future outlook

Since the Merger is an absorption-type merger of a wholly owned subsidiary of the Company, its impact on the Company's consolidated financial results is expected to be immaterial.