

February 14, 2023

Company name: **Axial Retailing Inc.**
Representative: Kazuhiko Hara, President and Representative Director
Securities code: 8255
Stock exchange listings: Tokyo Prime
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Notice of Merger between Consolidated Subsidiaries

Axial Retailing Inc. (hereinafter referred to as "The Company") hereby announces that at its Board of Directors meeting held on February 14, 2023, the Company resolved to merge its consolidated subsidiaries Fressay Co., Ltd., and Fressay Humans Net KK.

1 Purpose of the merger

The purpose of this merger is to strengthen the management base by effectively utilizing management resources and increasing efficiency and rationalization throughout the entire group.

2 Summary of the merger

(1) Schedule of the merger

- Resolution of the Board of Directors February 14, 2023
- Date of execution of the merger agreement February 14, 2023
- Merger date (effective date) April 1, 2023 (Scheduled)

(note) The merger will be executed without the approval of the shareholders' meetings of both companies regarding the approval of the merger agreement, in accordance with the provisions of a simplified merger in Article 796, Paragraph 2 of the Companies Act of Japan for Fressay Co.,Ltd. and a short-form merger in Article 784, Paragraph 1 of the Companies Act of Japan for Fressay Humans Net KK.

(2) Method of the merger

The merger is an absorption-type merger in which Fressay Co., Ltd. will be the surviving company and Fressay Humans Net KK. will be dissolved.

(3) Allotment associated with the merger

Since this is an absorption-type merger of wholly-owned consolidated subsidiaries, there will be no shares issued or financial consideration paid as a result of the merger.

(4) Outline of the merged companies

	Surviving Company	Dissolving Company
Name	Fressay Co., Ltd.	Fressay Humans Net KK.
Location	491-1 Rikimaru-cho, Maebashi-city, Gunma Prefecture	491-1 Rikimaru-cho, Maebashi-city, Gunma Prefecture
Representative	Takeyuki Ueki, President and Representative Director	Takeyuki Ueki, President and Representative Director
Type of business	Supermarket industry	Employment of people with disabilities, temporary staffing services
Share capital	450 Million yen	10 Million yen
Date established	November 6, 1950	November 21, 2012
Number of shares outstanding	6,830,000 shares	200 shares
Fiscal year end	March 31	March 31
Major shareholders and shareholding ratios	Axial Retailing Inc. : 100%	Fressay Co., Ltd. : 100%
Financial position and operating results for the most recent fiscal year ended March 31, 2022		
Net assets	20,631 million yen	168 million yen
Total assets	34,514 million yen	229 million yen
Net assets per share	3,020.74 yen	844,727.75 yen
Net sales	76,983 million yen	519 million yen
Operating profit	2,539 million yen	20 million yen
Ordinary profit	2,583 million yen	21 million yen
Net profit	1,786 million yen	13 million yen
Basic earnings per share	261.55 yen	69,519.83 yen

(5) Status after the merger

There will be no change in the surviving company's name, address, business activities, capital stock, or fiscal year end as a result of this merger.

(6) Outline of Accounting Procedures

The accounting treatment of this merger constitutes a transaction under common control.

(7) Future outlook

This is a merger between consolidated subsidiaries, and its impact on the consolidated financial results will therefore be negligible.

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.