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November 10, 2023

To whom it may concern

Company name: Takasho Co., Ltd.
Name of representative: Nobuo Takaoka
(Code No. Representative Director and President
7590, Standard market of the Tokyo Stock Exchange)
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Senior Managing Executive Officer,
Corporate Management Headquarters Director
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Notice Regarding Transfer and Integration of the Subsidiary of a subsidiary (Simplified Merger)

Takasho Co., Ltd. (the “Company”) hereby announces that a meeting of its Board of Directors held today resolved to acquire Aoyama Garden Co., Ltd., a subsidiary of its subsidiary Takasho Digitec Co., Ltd., through dividends in kind. The Company has also decided to integrate Aoyama Garden Co., Ltd. into Takasho Co., Ltd. after acquiring the company on January 21, 2024. Furthermore, as the Company will be acquiring 100% of Aoyama Garden Co., Ltd. from its subsidiary, Takasho Digitec Co., Ltd., the merger will be conducted in a simplified manner with a portion of the standard items omitted in this release.

1. Purpose of the Merger

Aoyama Garden Co., Ltd. has been mainly engaged in the mail-order sales business of gardening supplies within our group. In order to increase management efficiency by concentrating management resources and to promote our mail-order sales business, the Company will integrate Aoyama Garden Co., Ltd. into the Company.

2. Distribution of Retained Earnings of Takasho Digitec Co., Ltd.

Takasho Digitec Co., Ltd. will pay a dividend of surplus (dividend in kind) .

(1)Type of Dividend Property and Total Book Value

The type of assets to be distributed to the Company are non-monetary assets (common stock listed below).

Company Name	Number of shares	Shareholding ratio	book value
Aoyama Garden Co., Ltd.	2,000 shares	100%	34,778,000 yen

(2) Matters related to the allocation of dividend assets to the Company

As of the effective date of the dividend in kind, all dividend assets will be allocated to the Company, which holds all issued shares of all Takasho Digitec Co., Ltd.

(3) Effective Date of the Dividend of the Surplus

January 21, 2024

3. Summary of companies paying dividends in kind (as of January 20, 2023)

Name	Takasho Digitec Co., Ltd.
Address	20-1 Minamiakasaka, Kainan City, Wakayama
Representative	Ryosuke Furusawa, President and CEO
Business	1. Development, planning, manufacturing and sales of large signs to nameplates using LEDs 2. Development, planning, manufacturing and sales of signs and lighting for commercial facilities 3. Development, planning, manufacturing and sales of lighting for exterior gardening 4. Design and sales of Bedding items and interior products (e.g. carpets, cushion, curtains, tablecloths etc.)
Capital	20,000 thousand yen
Date of Establishment	November 2004
Total assets	1,270,467 thousand yen
Net assets	629,718 thousand yen
Major Shareholders and Shareholding Ratio	Takasho Co., Ltd. 100%

4. Summary of the Merger of Aoyama Garden Co., Ltd.

(1) Merger Schedule

Board of Directors Meeting : November 10, 2023

Merger Agreement Execution : November 13, 2023

Effective date of merger : January 21, 2024 (scheduled)

*This merger shall be conducted as a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger stipulated in Article 784, Paragraph 1 of the same Act for Aoyama Garden Co., Ltd. and do not require approval of shareholders' meetings.

(2) Method of Merger

Aoyama Garden Co., Ltd. will be dissolved in an absorption-type merger by the Company.

(3) Allocation Details

Since this is a merger of wholly owned subsidiaries, no shares or other money will be allocated at the time of the merger.

(4) Stock Acquisition Rights and Bonds with Stock Acquisition Rights

Not applicable

5. Company to be Merged (as of January 20, 2023)

	Remaining Company	Company to be Dissolved
(1) Name	Takasho Co., Ltd.	Aoyama Garden Co., Ltd.
(2) Address	489 Sakai, Kainan City, Wakayama	Azabu Point 302, 4-22-8, Nishiazabu, Minato-ku, Tokyo
(3) Representative	Nobuo Takaoka, President and CEO	Nobuo Takaoka, President and CEO
(4) Business Content	Planning and development of products related to environmental exteriors(indoor and outdoor gardens and greenery), Import/export of garden and horticultural supplies, Development and sales of software for exterior products, Provision and processing operation of CAD and C.G. software	Mail order of gardening supplies
(5) Capital	3,043,623 thousand yen	100,000 thousand yen
(6) Date of establishment	August 21, 1980	September 10, 1997
(7) Issued Shares	17,590,114 shares	2,000 shares
(8) Fiscal year end	January 20	January 20
(9) Major shareholders and shareholding ratios	Takaoka Kosan Co., Ltd. 8.84% The Master Trust Bank of Japan, Ltd. (Trust Account) 8.25% Nobuo Takaoka 6.16% Takasho Employee Stock Ownership Plan 2.86% JP JPMSE LUX RE NOMURA INT PLC 1 EQCO (Standing proxy: MUFG Bank, Ltd.) 1.52% The Kiyō Bank, Ltd. 1.38% Custody Bank of Japan, Ltd. (Trust account) 1.17% MUFG Bank, Ltd. 1.11% Hashimoto Sogyo Holdings Co., Ltd. 0.97% Tomoki Takaoka 0.86%	Takasho Digitec Co., Ltd. 100.00%

(10) Financial position and operating results for the most recent fiscal year		
Fiscal Year	FY2023 (As of January 20, 2023)	FY2023 (As of January 20, 2023)
Net Assets	7,744,586 thousand yen	157,587 thousand yen
Total Assets	16,761,310 thousand yen	180,935 thousand yen
Net assets per share	441.42 yen	78,793.67 yen
Revenue	16,604,920 thousand yen	342,973 thousand yen
Operating profit	623,886 thousand yen	9,897 thousand yen
Ordinary income	562,340 thousand yen	10,947 thousand yen
Net income attributable to owners of the parent	290,485 thousand yen	7,691 thousand yen
Net income per share	16.57 yen	3,845.78 yen

6. Situation After the Merger

The merger will not change the name, location, title / name of the representative, business content, capital stock, and fiscal year end of the Company.

7. Future Outlook

The effects of this merger are expected to be negligible.

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