



January 15, 2024

To Whom It May Concern

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Notice of Absorption-Type Merger of Consolidated Subsidiary (coconala Agent Inc.) and Posting of Extraordinary Loss (Loss on Extinguishment of Combined Shares)

As announced in the "Notice of Absorption-Type Merger of Consolidated Subsidiary (coconala Agent Inc.) and Posting of Extraordinary Loss (Loss on Extinguishment of Combined Shares)" dated November 15, 2023, the company will conduct an absorption-type merger in which coconala Agent Inc. will become the extinguished company. As a result, the Company is expected to record an extraordinary loss (loss on extinguishment of tie-in shares) in the non-consolidated financial statements. We have estimated the extraordinary loss (loss on extinguishment of tie-in shares) in our non-consolidated financial statements and hereby announce the amount.

The merger is scheduled to take effect on February 1, 2024, subject to approval at an extraordinary shareholders' meeting to be held on January 31, 2024.

1. Outline

On the effective date of the merger (February 1, 2024), the difference between the book value of the assets and liabilities to be received from coconala Agent Inc and the shares of coconala (cross-shareholdings) held by the Company, approximately 63 million yen, is expected to be recorded as "loss on extinguishment of cross-shareholdings" under extraordinary losses in the non-consolidated financial statements.

2. Impact on Business Performance

Since the loss on extinguishment of cross-shareholdings will be eliminated in the consolidated financial statements, there will be no impact on consolidated performance.

End