



April 17, 2025

To shareholders,

Company name:	BESTERRA CO., LTD.
Representative name:	Yutaka Honda, President and Representative Director
Code No.:	1433, TSE Prime Market
Contact:	Shinya Ikeda, Executive Officer and Planning Manager
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Notice of Merger (Simplified Merger and Short-Form Merger) with Wholly Owned Subsidiary

BESTERRA CO., LTD. (hereinafter as the “Company”) hereby announces that at the meeting of the Board of Directors held today, the Company resolved to conduct an absorption-type merger (Hereinafter as the “Merger”) with TERRA-ESHINO CO., LTD., which is a wholly-owned subsidiary of the Company (hereinafter as “TERRA-ESHINO”), effective June 1, 2025. The details are as follows.

Since the Merger is an absorption-type merger (simplified merger and short-form absorption-type merger) in which a wholly-owned subsidiary of the Company will be a disappearing company, certain disclosure items and details are omitted.

1. Purpose of the merger

The partial share exchange (hereinafter as the “Partial Share Exchange”) that came into effect on April 15, 2025, with the Company as the parent company resulting from the partial share exchange and TERRA-ESHINO as the subsidiary resulting from the partial share exchange has been completed, and TERRA-ESHINO has become a wholly-owned subsidiary of the Company.

On the other hand, TERRA-ESHINO, which has become a subsidiary of the Company, holds a considerable number of shares of the Company. Therefore, the Merger will be conducted to address the need to dispose of the shares of the Company held by TERRA-ESHINO, which has become a subsidiary of the Company, at an appropriate time (Article 135, Paragraph 3 of the Companies Act.)

2. Summary of the merger

(1) Time table of the merger

Date of resolution at the meeting of the Board of Directors	April 17, 2025
Date of conclusion of the absorption-type merger agreement	April 17, 2025
Scheduled date of the merger (effective date)	June 1, 2025 (scheduled)

(2) Method of the merger

An absorption-type merger will be conducted with the Company as the surviving company and TERRA-ESHINO as the disappearing company.

Since the Merger falls under the category of a simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act, for the Company and under the category of a short-form merger as prescribed in Article 784, Paragraph 1 of the same Act, for the disappearing company, the Merger will be conducted without approval of the absorption-type merger at the general meeting of shareholders of either company.

(3) Details of allotment related to the merger

Since the Merger is an absorption-type merger with a wholly-owned subsidiary of the Company, there will be no issuance of new shares or allotment of money, etc., arising from the Merger.

(4) Treatment of subscription rights to shares and bonds with subscription rights to shares of the disappearing company

Not applicable.

3. Overview of the companies involved in the merger (as of January 31, 2025)

	Surviving company in the absorption-type merger	Disappearing company in the absorption-type merger
(1) Name	BESTERRA CO., LTD.	TERRA ESHINO CO., LTD.
(2) Address	3-2-6 Hirano, Koto-ku, Tokyo	6-3-1 - 4906 Kachidoki, Chuo-ku, Tokyo
(3) Title and name of representative	Yutaka Honda, President and Representative Director	Yoshihide Yoshino, Representative Director
(4) Business description	Execution of demolition work of structures (constructions and buildings), etc., and design, etc. of demolition work	Trading, leasing, management, brokerage, consulting, etc. of real estate
(5) Capital	843 million yen	100,000 yen
(6) Date of incorporation	February 1974	April 2015
(7) Number of issued shares	10,227,200 shares	100,000 shares (Ten shares of common stock and 99,990 Class-A shares)
(8) Fiscal year-end	End of January	End of May
(9) Major shareholders and percentages of shares held	<div> <div>Akitatsu Yoshino</div> <div>13.76%</div> </div> <div> <div>Yoshihide Yoshino</div> <div>12.28%</div> </div> <div> <div>Yasuharu Cho</div> <div>1.66%</div> </div> <div> <div>Daisuke Seiita</div> <div>1.59%</div> </div> <div> <div>Toshiaki Godai</div> <div>1.58%</div> </div> <div> <div>Isamu Kimura</div> <div>1.53%</div> </div> <div> <div>The Master Trust Bank of Japan, Ltd.</div> <div>1.26%</div> </div>	<div> <div>(Common stock)</div> <div>BESTERRA CO., LTD.</div> <div>100.00%</div> </div> <div> <div>(Class-A shares)</div> <div>BESTERRA CO., LTD.</div> <div>100.00%</div> </div>
(10) Financial position and operating results for the previous fiscal year		
Fiscal year-end	Fiscal year ended January 2025 (Consolidated)	Fiscal year ended May 2024 (Non-consolidated)
Net assets	4,853,556,000 yen	181,985,000 yen
Total assets	11,046,511,000 yen	2,111,002,000 yen
Net assets per share	546.88 yen	1,819.85 yen
Net sales	10,897,474,000 yen	95,024,000 yen
Operating profit or (loss)	373,633,000 yen	13,221,000 yen
Ordinary profit	592,069,000 yen	50,694,000 yen
Profit attributable to owners of parent	409,806,000 yen	54,027,000 yen
Earnings per share	46.25 yen	540.27 yen

- (Note) 1. “Major shareholders and percentages of shares held” of TERRA-ESHINO are as of the date of this document.
- (Note) 2. “Number of issued shares” of the Company is as of the date of this document.
- (Note) 3. Regarding “Major shareholders and percentages of shares held” of the Company, the information is stated after reflecting changes to shares of the Company caused by the partial share exchange that came into effect on April 15, 2025 in the information based on the Company’s latest shareholder registry (as of January 31, 2025). The actual “Major shareholders and percentages of shares held” as of the date of this document may differ from the above.
- (Note) 4. The Company holds 129 thousand shares of treasury stock, and TERRA-ESHINO, a subsidiary, holds 1,440 thousand shares of the Company. Each is excluded from the major shareholders. Percentages of shares are calculated by deducting treasury stock and the shares of the Company held by TERRA-ESHINO.
- (Note) 5. The amount of net profit of TERRA-ESHINO is stated as “Profit attributable to owners of parent.”
- (Note) 6. A company split (incorporation-type company split) with TERRA-ESHINO as the splitting company in incorporation-type company split and B-T CO., LTD. as the stock company incorporated through incorporation-type company split was conducted on February 3, 2025 as the split date, whereby the business of TERRA-ESHINO including leasing buildings to the Company has been transferred to B-T CO., LTD.

4. Status after the Merger

There will be no changes to the name, address, title and name of representative, business description, capital and fiscal year-end of the Company after the Merger.

5. Future outlook

The impact of the Merger on consolidated financial results is currently under scrutiny. The Company will notify soon as details are determined.

Regarding shares of the Company held by TERRA-ESHINO that will be treasury stock after the Merger, the Company is considering the cancellation of the treasury shares with the aim of enhancing its corporate value.

(Reference) Trend in number of shares (estimated value)

	Before the merger	After the merger and a cancellation (estimate)
Number of issued shares	10,227,200 shares	8,787,200 shares
Treasury stock	129,035 shares	129,035 shares
Shares held by subsidiaries (Mutual shareholdings)	1,440,000 shares	- shares