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March 11, 2026

To whom it may concern

Company name TAIHEI DENGYO KAISHA, LTD.
 Representative Hiroaki Ito, Representative Director,
 President and Chief Executive Officer
 (Code number 1968 Tokyo Stock Exchange
 Prime Market)
 Contact Shinya Kusaka, Director and Senior
 Managing Executive Officer/General
 Manager, General Affairs Administrative
 Division
 (Phone +81-3-5213-7211)

Notice Concerning Conclusion of Share Transfer Agreement to Acquire Shares of TOEI ENGINEERING (for Subsidiarization)

TAIHEI DENGYO KAISHA, LTD. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on March 6, 2026, to conclude a share transfer agreement to acquire all the shares issued by TOEI ENGINEERING CO., LTD., thereby making it a wholly owned subsidiary of the Company. The Company has concluded the agreement as of today. The details are described below.

1. Reason for acquisition of shares

Since its foundation in 1947, the Company has been engaged in the construction and maintenance of plants, such as thermal and nuclear power plants in Japan and overseas, and environment and other equipment while recognizing the significance and mission of the plant construction business and based on an active and progressive spirit.

TOEI ENGINEERING, the target of stock purchase, has offered maintenance services using sophisticated welding technology for more than fifty years focusing on electric power and other land-based plants as well as the marine vessel industry. It therefore has an abundant track record and talented engineers.

The Company understands that making TOEI ENGINEERING its subsidiary will promote securing excellent human resources with expertise, enhance the construction capability of the entire group, and hence improve its profitability, thereby contributing to the improvement of its corporate value.

2. Overview of the subsidiary subject to change

(1)	Name	TOEI ENGINEERING CO., LTD.
(2)	Location	3F CENTER COURT Yokosuka Building, 1-20-1 Odaki-cho, Yokosuka-shi, Kanagawa
(3)	Name and job title of representative	Atsushi Ushida, President
(4)	Description of business	Welding, repair, and maintenance of large components/parts of power stations, plants, and ships, and other services
(5)	Share capital	30 million yen

(6)	Founding year	October , 1972		
(7)	Major shareholders and ownership ratios	K&C No. 1 Investment Limited Partnership (80%), Atsushi Ushida (20%)		
(8)	Relationship between the Company and said company	Capital relationship	Not applicable.	
		Personnel relationship	Not applicable.	
		Business relationship	The Company has dealings with the said company but with a small number of transactions.	
(9)	Operating results and financial positions for the last three years of said company			
	Fiscal year ended	August 31, 2023	August 31, 2024	August 31, 2025
	Net assets	813 million yen	886 million yen	941 million yen
	Total assets	2,621 million yen	2,748 million yen	2,673 million yen
	Net assets per share	8,753 yen	9,544 yen	10,133 yen
	Net sales	2,440 million yen	2,572 million yen	2,549 million yen
	Operating profit	174 million yen	151 million yen	142 million yen
	Ordinary profit	161 million yen	129 million yen	112 million yen
	Profit	(46) million yen	73 million yen	54 million yen
	Basic earnings per share	(497) yen	789 yen	585 yen

3. Overview of counterparty in share acquisition

(1)	Name	K&C No. 1 Investment Limited Partnership
(2)	Relationship between the Company and said Partnership	The Company does not have a capital, personnel, or business relationship with the said Partnership. The Company's executives and associated companies do not have a capital, personnel, or business relationship to be included with the said Partnership.

(1)	Name	Atsushi Ushida
(2)	Relationship between the Company and said person	The Company does not have a capital, personnel, or business relationship with the said person. The Company's executives and associated companies do not have a capital, personnel, or business relationship to be included with the said person.

4. Number of shares acquired, acquisition costs, and shareholding before and after acquisition

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0 units) (Ratio of voting rights held: 0%)
(2)	Number of shares to be acquired	92,915 shares (Number of voting rights: 92,915 units)
(3)	Acquisition cost	The acquisition cost is below 15% of the consolidated net assets as of the end of the immediately preceding business year and is not disclosed pursuant to the non-disclosure agreement between the parties.
(4)	Number of shares held after the change	92,915 shares (Number of voting rights: 92,915 units) (Ratio of voting rights held: 100%)

5. Timetable

(1)	Date of resolution at the meeting of the Board of Directors	March 6, 2026
(2)	Date of conclusion of the share transfer agreement	March 11, 2026
(3)	Date of commencement of share transfer	April 17, 2026 (scheduled)

6. Future outlook

The impact of the subsidiarization on the Company's consolidated financial results for the fiscal year ending March 31, 2026 is expected to be minor. Any matter that will likely have a significant effect on its performance in the future will be promptly announced.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on May 14, 2025) and actual consolidated results for the previous fiscal year

	(Millions of yen)			
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated financial results forecasts for the current fiscal year (Fiscal year ending March 31, 2026)	143,000	15,000	15,800	10,600
Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2025)	125,670	13,037	13,808	9,753