

April 11, 2025

Company name: MIDAC HOLDINGS CO.,LTD.
Name of Representative: President Keiko Kato
(Code: 6564 Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market)
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Notice Concerning the Conversion of a Company into a Subsidiary through the Acquisition of Shares and the Transfer of a Specified Subsidiary

At the meeting of the Board of Directors held today, we decided to acquire all the shares of TAIHEIKOUSAN INC. and make it a subsidiary. Details are as follows.

As the amount of the Company's capital stock will be 10% or more of the amount of the Company's capital stock, TAIHEIKOUSAN INC. will become a specified subsidiary when the shares are acquired.

1. Reason for acquisition of shares

We are a corporate group that aims to establish a material-cycle society through the proper treatment of waste. Our corporate name "MIDAC" is derived from the acronyms for water, earth, and air, which symbolize the environment. Our mission is to hand over our irreplaceable earth to the next generation in a beautiful way, and we are involved in the solutions business related to waste treatment and control for businesses with the aim of becoming an environmental creation group that plays a leading role in this endeavor.

TAIHEIKOUSAN INC. established Stable landfill site in 1974 and has operated Controlled landfill site since its establishment in 1985. Since its establishment, it has introduced its own waste treatment technology. In these ways, we are working to strengthen pollution-prevention measures and comply with standards. In other words, we are a waste treatment company that aims to realize an appropriate treatment of waste and a scientific and eco-efficient waste treatment system. As a company that is keenly aware of the social responsibilities of waste treatment, in 1997 the company was the first industrial waste treatment company in the country to acquire ISO14001 and thoroughly manage it in accordance with international standards. This stance aimed at realizing a sustainable, material-cycle society is a company that can share the same philosophy as ours.

As stated in Challenge 80th, the MIDAC Group's 10-year vision, we acquired TAIHEIKOUSAN INC., which operates Controlled landfill site in Chiba Prefecture, as part of our strategic M&A in landfill sites, thereby expanding the scope of our business in the Kanto region. Although the company is currently adjusting the volume of accepts, we are looking to expand landfill sites over the long term, and we plan to continue investing in expanding our business area in the Kanto region.

Our group will continue to aggressively promote M&A and accelerate growth investment in the Kanto area. We believe that joining our group will be an opportunity for our group to evolve into an industry-leading comprehensive waste treatment company, and we have decided to make TAIHEIKOUSAN INC. a subsidiary.

2. Overview of the company to acquire the shares

(1)Name	TAIHEIKOUSAN INC.			
(2)Location	2-2, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo			
(3)Job title and name of representative	Masataka Yamagami, Representative Director			
(4)Description of business	Final treatment and collection and transport of industrial and general waste			
(5)Share capital	66,200 thousand yen			
(6)Date of establishment	July 29, 1971			
(7)Major shareholders and ownership ratios	Takeshi Yamagami 84.6% MIDAC HOLDINGS CO.,LTD. 8.8% Masataka Yamagami 3.4% Kikuko Yamagami 3.2%			
(8)Relationship between the Company and said company	Capital relationship	The Company holds 7,577 non-voting stock. (The shareholding ratio will be 8.8% and the voting rights ratio will be 0%).		
	Personnel relationship	There is no such matter.		
	Business relationship	We manage the intermediation of waste treatment projects.		
(9)Operating results and financial positions of said company for the last three years	As of / Fiscal year ended	FYE June 2022	FYE June 2023	FYE June 2024
	Net assets	4,833 million yen	5,391 million yen	5,659 million yen
	Total assets	5,960 million yen	6,532 million yen	6,620 million yen
	Net assets per share	56 thousand yen	62 thousand yen	65 thousand yen
	Net sales	1,614 million yen	1,856 million yen	1,466 million yen
	Operating profit	280 million yen	564 million yen	258 million yen
	Ordinary profit	282 million yen	558 million yen	267 million yen
	Profit attributable	280 million yen	557 million yen	269 million yen
	Earnings per share	3 thousand yen	6 thousand yen	3 thousand yen
	Dividend per share	6 yen	6 yen	6 yen

3. Overview of the counterparty to the acquisition of shares

(1)Name	Takeshi Yamagami, Masataka Yamagami, Kikuko Yamagami
(2)Location	Bunkyo-ku, Tokyo, Ichikawa-shi, Chiba
(3)Relationship between the Company and said company	There are no capital relationships, personnel relationships, business relationships, or related parties between us and the individual.

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

(1)Number of shares held before the change (※)	7,577 shares (Number of voting rights: 0) (Ratio of voting rights held: 0%)
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(2)Number of shares to be acquired	78,629 shares (Number of voting rights: 78,629)
(3)Acquisition cost	Approx. 100 million yen
(4)Number of shares held after the change	86,206 shares (Number of voting rights: 78,629) (Percentage of voting rights: 100.0%)

※ The number of shares held before the change is non-voting stock.

5. Timetable

(1)Date of conclusion of the agreement	April 14, 2025 (planned)
(2)Date of commencement of share transfer	April 14, 2025 (planned)

6. Future Outlook

The Company is currently in the process of examining the impact of the acquisition of the shares on its consolidated results. However, the Company does not currently anticipate any extraordinary profit as it plans to revalue its assets as a prospect of future fair value assessments. We will promptly disclose any information that needs to be disclosed.