

July 31, 2025

For Immediate Release

Company name: Sotetsu Holdings, Inc.
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Representative Director, President
(Securities Code: 9003, TSE Prime Market)
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Notice of Merger between Consolidated Subsidiaries

Sotetsu Holdings, Inc. (the “Company”) announces that at a meeting of the Board of Directors held on July 31, 2025, it was resolved that an absorption-type merger (the “Merger”) will take place on February 1, 2026. The Merger will involve Sotetsu Hotel Management Co., Ltd. (“Sotetsu Hotel Management”), Sotetsu Inn Co., Ltd. (“Sotetsu Inn”), and Sunroute Co., Ltd. (“Sunroute”), all of which are wholly owned subsidiaries of the Company. Sotetsu Hotel Management will be the surviving company, while Sotetsu Inn and Sunroute will be absorbed companies. Details are as follows.

Disclosure of some information about the Merger is omitted since it is a merger among the Company’s consolidated subsidiaries.

1. Purpose of the merger

The three companies involved in the Merger all operate in the Hotel segment of the Sotetsu Group, primarily focusing on accommodation-only hotels.

Sotetsu Hotel Management will absorb Sotetsu Inn and Sunroute to consolidate management resources, eliminate redundant indirect operations, and improve efficiency in the accommodation-only hotel business.

2. Summary of the merger

(1) Schedule of the merger

Board of Directors’ meeting to approve merger agreement (The Company)	July 31, 2025
Board of Directors’ meeting to approve merger agreement (Three companies involved)	July 31, 2025
General meeting of shareholders to approve the merger agreement (Three companies involved)	July 31, 2025
Conclusion of the merger agreement (Three companies involved)	July 31, 2025
Date of merger (effective date)	February 1, 2026 (plan)

(2) Method of the merger

An absorption-type merger in which Sotetsu Hotel Management will be the surviving company, while Sotetsu Inn and Sunroute will be absorbed companies.

(3) Allocation of shares associated with the Merger

Since the Merger is a merger among consolidated subsidiaries, there will be no issuance of new shares or payment of money due to the merger.

(4) Handling related to share acquisition rights and bonds with share acquisition rights in connection with the Merger

Not applicable.

3. Outline of the companies involved in the merger (as of March 31, 2025)

	Surviving company	Absorbed company	
1) Trade name	Sotetsu Hotel Management Co., Ltd.	Sotetsu Inn Co., Ltd.	Sunroute Co., Ltd.
2) Business	Management of hotels, traditional Japanese inns, and budget accommodations Management of restaurants, etc.	Management of accommodation-only hotels Management of restaurants, etc.	Management of hotels, traditional Japanese inns, and restaurants Management of a franchise hotel chain, etc.
3) Established	July 14, 2017 (Founded)	June 2, 2006 (Founded)	December 14, 1999 (Founded)
4) Head office	2-9-14 Kitasaiwai, Nishi-ku, Yokohama-shi	2-9-14 Kitasaiwai, Nishi-ku, Yokohama-shi	2-9-14 Kitasaiwai, Nishi-ku, Yokohama-shi
5) Representative	Masamune Suzuki, Representative Director, President	Masamune Suzuki, Representative Director, President	Masamune Suzuki, Representative Director, President
6) Share capital	100 million yen	100 million yen	100 million yen
7) Number of shares issued	200 shares	2,000 shares	20,000 shares
8) Fiscal year-end	March 31	March 31	March 31
9) Shareholder (Shareholding ratio)	Sotetsu Holdings, Inc. (100%)	Sotetsu Holdings, Inc. (100%)	Sotetsu Holdings, Inc. (100%)
Financial position and operating results for the immediately preceding fiscal year			
10) Net assets	-2,580 million yen	100 million yen	135 million yen
11) Total assets	8,901 million yen	147 million yen	952 million yen
12) Net assets per share	-12,904,193 yen	50,281 yen	6,772 yen
13) Net sales	50,379 million yen	20 million yen	73 million yen
14) Operating profit	5,413 million yen	-15 million yen	24 million yen
15) Ordinary profit	5,232 million yen	-15 million yen	25 million yen
16) Profit attributable to owners of parent	4,057 million yen	-16 million yen	21 million yen
17) Profit per share	20,287,067 yen	-8,271 yen	1,071 yen

4. Profile of Sotetsu Hotel Management after the merger (non-consolidated) (plan)

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|-------------------------|-------------------------------------------------------------------------|
| 1) Company Name | Sotetsu Hotel Management Co., Ltd. |
| 2) Business | Hotel business |
| 3) Head office location | 2-9-14 Kitasaiwai, Nishi-ku, Yokohama-shi |
| 4) Representative | Masamune Suzuki, Representative Director, President |
| 5) Share capital | 100 million yen |
| 6) Net assets | -2.34 billion yen (a wholly owned subsidiary of Sotetsu Holdings, Inc.) |
| 7) Total assets | 10.0 billion yen |
| 8) Fiscal year-end | March 31 |

5. Future outlook

The impact of the Merger on the Company's consolidated and non-consolidated results will be minor.