

February 5, 2026

For Immediate Release

Company name: Sotetsu Holdings, Inc.

Representative: Takamasa Kato,

Representative Director, President

(Securities Code: 9003, TSE Prime Market)

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Notice of Absorption-Type Merger by Consolidated Subsidiary

Sotetsu Holdings, Inc. (the “Company”) announces that a meeting of the Board of Directors held on February 5, 2026 resolved that an absorption-type merger (the “Merger”) will take place on July 1, 2026. The Merger will involve SOTETSU KIGYO Co., Ltd. (“SOTETSU KIGYO”) and Daiichi Sobi Co., Ltd. (“Daiichi Sobi”), both of which are wholly owned subsidiaries of the Company. SOTETSU KIGYO will be the surviving company, while Daiichi Sobi will be the absorbed company. Details are as follows.

Disclosure of some information about the Merger is omitted since it is a merger between a consolidated subsidiary and sub-subsidiary of the Company.

1. Purpose of the merger

The two companies involved in the Merger both operate in the Other business segment of the Sotetsu Group, primarily focusing on building maintenance.

SOTETSU KIGYO will absorb Daiichi Sobi to consolidate management resources, eliminate redundant indirect operations, and improve efficiency in the building maintenance business.

2. Summary of the merger

(1) Schedule of the merger

Board of Directors' meeting to approve merger agreement(The Company) February 5, 2026

Board of Directors' meeting to approve merger agreement(SOTETSU KIGYO, Daiichi Sobi) February 5, 2026

Conclusion of the merger agreement(SOTETSU KIGYO, Daiichi Sobi) February 5, 2026

Date of merger (effective date) July 1, 2026 (plan)

*The Merger will be a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for SOTETSU KIGYO, and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for Daiichi Sobi. Thus, the two companies will merge without the approval of their respective general meetings of shareholders for the merger agreement.

(2) Method of the merger

An absorption-type merger in which SOTETSU KIGYO will be the surviving company, while Daiichi Sobi will be the absorbed company.

(3) Allocation of shares associated with the Merger

Since the Merger is a merger between a consolidated subsidiary and sub-subsidiary, 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 KIGYO Co., Ltd.	Daiichi Sobi Co., Ltd.
2) Business	Building maintenance Environmental services Installation work Real estate rental, etc.	Building maintenance etc.
3) Established	November 1, 1961 (Founded)	December 14, 1977 (Founded)
4) Head office	2-9-14 Kitasaiwai, Nishi-ku, Yokohama-shi	2-1-22 Minamisaiwai, Nishi-ku, Yokohama-shi
5) Representative	Jun Saito, Representative Director, President	Jun Saito, Representative Director, President
6) Share capital	100 million yen	40 million yen
7) Number of shares issued	7,347,120 shares	80,000 shares
8) Fiscal year-end	March 31	March 31
9) Shareholder (Shareholding ratio)	Sotetsu Holdings, Inc. (100%)	SOTETSU KIGYO Co., Ltd. (100%)
Financial position and operating results of the immediately preceding fiscal year		
10) Net assets	6,077 million yen	96 million yen
11) Total assets	13,142 million yen	195 million yen
12) Net assets per share	827.2 yen	1,205.5 yen
13) Net sales	20,928 million yen	771 million yen
14) Operating profit	1,517 million yen	29 million yen
15) Ordinary profit	1,564 million yen	29 million yen
16) Profit attributable to owners of parent	1,153 million yen	19 million yen
17) Profit per share	157.0 yen	246.2 yen

4. Profile of SOTETSU KIGYO after the merger (non-consolidated) (plan)

- 1) Company Name SOTETSU KIGYO Co., Ltd.
- 2) Business General building service
- 3) Head office location 2-9-14 Kitasaiwai, Nishi-ku, Yokohama-shi
- 4) Representative Jun Saito, Representative Director, President
- 5) Share capital 100 million yen
- 6) Shareholder (Shareholding ratio)
Sotetsu Holdings, Inc. (100%)
- 7) Net assets 6.1 billion yen
- 8) Total assets 13.2 billion yen
- 9) 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.