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FASF MEMBERSHIP

September 7, 2026

Company name: TOKAI Corp.
Name of representative: Toshiaki Asai, President & Representative Director
(Securities code: 9729; Prime Market Tokyo Stock Exchange)
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Notice Regarding Business Succession through Company Splits (Simplified Absorption-Type Splits)

TOKAI Corp. (the "Company") hereby announces that, at an Executive Committee held on September 7, 2026, it resolved to succeed to the welfare equipment rental business, welfare equipment sales business, and home modification business (collectively, the "Welfare Equipment Rental and Sales Businesses, etc.") of K-WORKER Co., Ltd. ("K-WORKER") and Araki Mari-n Co., Ltd. ("Araki Mari-n"), by way of company split (the absorption-type split of the Welfare Equipment Rental and Sales Businesses, etc. from K-WORKER and Araki Mari-n are hereinafter collectively referred to as the "Company Splits"), with an effective date of November 1, 2026 (scheduled). Details are provided below.

As each of the Company Splits is expected to result in a change in the Company's total assets of less than 10% of its net assets as of the end of the immediately preceding fiscal year and a change in the Company's net sales of less than 3% of its net sales for the immediately preceding fiscal year, certain disclosure items and details have been omitted.

1. Purpose of the Company Splits

The Company's Elderly Care Business has engaged in businesses supporting home-based care, including the rental and sale of welfare equipment and home modification services, since 1996, predating the establishment of Japan's long-term care insurance system in 2000. The TOKAI Group currently operates a total of 104 business locations across the Tohoku, Kanto, Chubu, Kansai, Chugoku, Shikoku, and Kyushu regions, and strives to provide services closely rooted in local communities. K-WORKER and Araki Mari-n operate similar businesses in Tokyo and Kumamoto, respectively, and have built customer bases in their respective areas by providing services rooted in local communities. Through the Company Splits and the resulting succession to the Welfare Equipment Rental and Sales Businesses, etc. operated by the two companies, the Company aims to expand its customer base and increase its market share, thereby evolving the Tokai Group into a more competitive and robust business.

2. Summary of the Company Splits

(1) Schedule of the Company Splits

As the Company Splits constitute a simplified absorption-type split for the Company under Article 796, Paragraph 2 of the Companies Act, it will be carried out without seeking approval at the Annual General Meeting of Shareholders.

(i) Date of resolution at the officers' meeting: September 7, 2026

(ii) Date of conclusion of absorption-type company split agreement: September 7, 2026

(iii) Effective date of absorption-type company splits: November 1, 2026 (Scheduled)

(2) Method of the Company Splits

These are absorption-type splits, with K-WORKER and Araki Mari-n as the splitting companies and the Company as the successor company.

(3) Details of allotment related to the Company Splits

The Company is scheduled to pay 120 million yen to K-WORKER and 186 million yen to Araki Mari-n as consideration for the Company Splits.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Company Splits

Not applicable.

(5) Increase or decrease in share capital due to the Company Splits

There will be no change in the Company's share capital as a result of the Company Splits.

(6) Rights and obligations to be succeeded by the successor company

Through the Company Splits, the Company will succeed, as of the effective date, to those rights and obligations held by K-WORKER and Araki Mari-n in connection with the Welfare Equipment Rental and Sales Businesses, etc. as stipulated in the absorption-type company split agreements.

(7) Prospects for the performance of obligations

With respect to the Company Splits, the Company has determined that there are no concerns regarding its ability to perform the obligations it is expected to assume.

3. Approach to the calculation of consideration for the Company Splits

The Company has operated the Welfare Equipment Rental and Sales Businesses, etc. for long years and has accumulated extensive expertise in various aspects of business and operational management in this field. As the Company will succeed to and continue operating the Welfare Equipment Rental and Sales Businesses, etc. of K-WORKER and Araki Mari-n, the Company determined that it was appropriate to adopt the discounted cash flow (DCF) method, which values a business based on its expected future cash flows, and adopted this for the calculation.

The business projections underlying the calculation are based on business plans presented by K-WORKER and Araki Mari-n, which were revised by the Company to take into account the effects of the Company Splits and other relevant factors. In addition, as the business areas of the businesses of K-WORKER and Araki Mari-n to be succeeded to are the same as those of the Company, the Company believes that synergies, including improved efficiency, can be expected. These synergies have also been taken into account in the current calculation. No significant increase or decrease in profit is anticipated in the business forecasts underlying the calculation.

Based on the foregoing, the estimated range of consideration for the Company Splits is 123 million yen to 172 million yen for the company split from K-WORKER and 199 million yen to 255 million yen for the company split from Araki Mari-n. Based on these results, the final amount of consideration for the Company Splits was determined following discussions with K-WORKER and Araki Mari-n.

4. Overview of the companies involved in the Company Splits

(1) Overview of the successor company

	Successor company (As of March 31, 2026, consolidated)
(1) Name	TOKAI Corp.
(2) Location	Gifu-shi, Gifu
(3) Name and title of representative	Toshiaki Asai, President & Representative Director
(4) Description of business	Contracted support services for hospital operations, including hospital linen supply Rental of bedding for accommodation facilities, etc. Rental and sale of welfare equipment Rental, sale, etc. of Leasekin brand environment beautification products
(5) Share capital	8,108 million yen
(6) Date of incorporation	July 21, 1955
(7) Number of issued shares	33,092,146 shares
(8) Fiscal year-end	March 31
(9) Major shareholders and shareholding ratio	Onogi Kosan Co., Ltd. 18.26% The Master Trust Bank of Japan, Ltd. (Trust account) 8.36% Tokai Kyoyukai Business Partner Shareholding Association 4.75% Koji Onogi 3.66% Custody Bank of Japan, Ltd. (Trust account) 2.84% Tokai Employee Shareholding Association 2.79% The Ogaki Kyoritsu Bank, Ltd. 2.29% The Juroku Bank, Ltd. 2.28% Hikari Tsushin KK Investment Limited Partnership 2.27% The Gifu Shinkin Bank 2.17%
(10) Financial position and operating results	Fiscal year ended March 31, 2026
Net assets	84,431 million yen
Total assets	114,695 million yen
Net assets per share	2,710.74 yen
Net sales	159,664 million yen
Operating profit	9,382 million yen
Ordinary profit	10,098 million yen
Profit	6,069 million yen
Profit per share	185.61 yen

(2) Overview of the splitting companies

	Splitting company (As of September 30, 2025, non-consolidated)	Splitting company (As of March 31, 2026, non-consolidated)
(1) Name	K-WORKER Co., Ltd.	Araki Mari-n Co., Ltd.
(2) Location	Shinjuku-ku, Tokyo	Kumamoto-shi, Kumamoto
(3) Name and title of representative	Keigo Furukawa, Representative Director	Toshiro Araki, Representative Director
(4) Description of business	In-homecare support service Home-visit care service Adult day care service Rental of welfare equipment Sale of welfare equipment Home modification service, etc.	Rental of welfare equipment Sale of welfare equipment Home modification service
(5) Share capital	30 million yen	10 million yen
(6) Date of incorporation	August 9, 1999	June 11, 1980
(7) Number of issued shares	600 shares	10,000 shares
(8) Fiscal year-end	September 30	March 31
(9) Major shareholders and shareholding ratio	One individual 100%	Three individuals 100%
(10) Financial position and operating results	Fiscal year ended September 30, 2025	Fiscal year ended March 31, 2026
Net assets	(4,572) thousand yen	17,608 thousand yen
Total assets	180,735 thousand yen	53,609 thousand yen
Net assets per share	(7,620.98) yen	1,760.82 yen
Net sales	422,296 thousand yen	185,621 thousand yen
Operating profit	(143,314) thousand yen	(3,395) thousand yen
Ordinary profit	(124,043) thousand yen	(2,725) thousand yen
Profit	(131,710) thousand yen	(2,806) thousand yen
Profit per share	(219,516.90) yen	(280.69) yen

Note: The financial position and operating results of Araki Mari-n are based on financial statements prepared using the tax-inclusive accounting method.

5. Overview of the business divisions to be transferred to the successor company

(1) Description of the business divisions to be transferred to the successor company

Welfare Equipment Rental and Sales Businesses, etc. operated by K-WORKER and Araki Mari-n

(2) Operating results of the business divisions to be transferred to the successor company

(i) K-WORKER (Fiscal year ended September 30, 2025)

	Business division to be split (a)	Splitting company (b)	Ratio (a/b)
Net sales	141,012 thousand yen	422,296 thousand yen	33.4%

Note: As there are head-office expenses that are difficult to allocate, only the net sales of the business to be succeeded to are disclosed.

(ii) Araki Mari-n (Fiscal year ended March 31, 2026)

	Business division to be split (c)	Splitting company (d)	Ratio (c/d)
Net sales	185,621 thousand yen	185,621 thousand yen	100%

Note: The figures are based on financial statements prepared using the tax-inclusive accounting method.

(3) Items and amounts of assets and liabilities to be transferred to the successor company

The Company will succeed to the assets, liabilities, and contractual rights relating to the Company Splits that are specified in the absorption-type company split agreements. Since the estimated amount of assets to be succeeded to is immaterial and it is difficult to determine the amount with certainty at this time, the specific amount has been omitted. No liabilities are expected to be succeeded to.

6. Status after the Company Splits

There will be no changes to the Company's name, location, titles and names of its representatives, business description, share capital, or fiscal year-end as a result of the Company Splits.

7. Future Outlook

The impact of the Company Splits on the Company's consolidated financial results is expected to be immaterial.