

Notice Concerning Acquisition of Shares of HIROKEN CONSULTANTS Co., Ltd. (to Make It a Subsidiary)

HIROKEN CONSULTANTS Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on October 29, 2024, to acquire shares of Company and make it a subsidiary of the Company. The details are described below.

1. Reason for acquisition of shares

We aim to achieve sustainable growth of the entire Group by "expanding business processes", "expanding business fields" and "expanding markets (clients)." These directions are based on our Group's mid-to long-term vision "SPRONG 2030" with a target year of 2030. As the demand for regional revitalization in recent years, we believe it is essential to strengthen our presence in the local government market.

Since established in 1978, Company has been engaged in engineering consulting business, land surveying, geological surveys, and other businesses. And Company has grown by building trust with a broad client base centered in Hiroshima Prefecture, including the fields of agriculture, forestry, and civil engineering.

By joining our Group through this acquisition of shares (making it a subsidiary), we expect that we would accelerate the business to local governments.

In addition, we will expand the business fields of both companies through exchanges of human resources and technology. And also, we will further improve the service quality and operational efficiency of Company by sharing our DX system, quality control, and human resource development system.

After the acquisition of the shares, we plan to dispatch a few Directors and Auditors to Company to strengthen the management structure of Company and to quickly realize synergies through cooperation with us.

2. Overview of the subsidiary (HIROKEN CONSULTANTS Co., Ltd.) subject to change

(1) Name	HIROKEN CONSULTANTS Co., Ltd.	
(2) Location	1-7-3 Kawaguchimachi, Fukuyama-shi, Hiroshima-prefecture	
(3) Job title and name of representative	Kazuhiro Motohiro, Representative Director and President, CEO	
(4) Description of business	Engineering consulting business	
(5) Share capital	10 million yen	
(6) Date of establishment	August 11, 1978	
(7) Major shareholders and ownership ratios	Kazuhiro Motohiro (100%) * Excluding treasury stock	
(8) Relationship between the Company and said company	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.

(9) Consolidated operating results and consolidated financial positions of said company for the last three years			
As of / Fiscal year ended	March 31, 2022	March 31, 2023	March 31, 2024
Consolidated net assets	2,271.684 million yen	2,478,395 million yen	2,696.241 million yen
Consolidated total assets	2,711.72 million yen	3,017.004 million yen	3,282.779 million yen
Consolidated net assets per share (Yen)	227,168 yen	247,839 yen	269,624 yen
Consolidated net sales	1,354.803 million yen	1,516.893 million yen	1,594.51 million yen
Consolidated operating profit	248.837 million yen	302.458 million yen	296.375 million yen
Consolidated ordinary profit	259.719 million yen	312.326 million yen	305.149 million yen
Profit attributable to owners of parent	143.715 million yen	206.735 million yen	217.885 million yen

(Millions of yen, unless otherwise noted)

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

(1) Number of shares held before the change	0 shares
(2) Number of shares to be acquired	8,400shares (Number of voting rights: 8,400units)
(3) Number of shares held after the change	8,400shares (Number of voting rights: 8,400units) (Ratio of voting rights held: 100.0%)

4. Timetable

(1) Date of resolution at the meeting of the Board of Directors	October 29, 2024
(2) Date of conclusion of the agreement	October 29, 2024
(3) Date of commencement of share transfer	November 12, 2024 (scheduled)

5. Future outlook

Although we expect the impact of this matter is minor on the consolidated financial results for the fiscal year ending December 2024, we will promptly disclose any matter that should be disclosed in the future.