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May 13, 2025

Company name: **Yamatane Corporation**
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(Securities code: 9305, Tokyo Stock Exchange Prime Market)
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Notice Regarding the Recognition of Extraordinary Income and Other Items in Connection with the Absorption-Type Merger of a Consolidated Subsidiary

Yamatane Corporation (the "Company") completed an absorption-type merger of Yamatane Real Estate Co., Ltd., effective February 1, 2025, as announced in the Notice Regarding the Absorption-type Merger of a Consolidated Subsidiary (Simplified Merger) dated November 14, 2024.

As a result of this merger, the Company has recorded extraordinary income and other items in its consolidated and non-consolidated financial results for the fiscal year ended March 31, 2025, as described below.

1. Details

- As of the effective date of the merger (February 1, 2025), a gain of 2,715 million yen arising from the difference between the net assets received from Yamatane Real Estate Co., Ltd. and the book value of the shares held by the Company has been recorded as extraordinary income under gain on extinguishment of tie-in shares.
- A deferred income tax adjustment of 266 million yen deficit was recorded in connection with the elimination of unrealized profits in consolidation.
- A total of 124 million yen in costs related to the change of title for real estate for lease owned by Yamatane Real Estate Co., Ltd., such as registration and license taxes, was recorded under operating costs.

2. Impact on financial results

(1) Consolidated financial results

The gain on extinguishment of tie-in shares is eliminated in the consolidated financial statements. Therefore, there is no effect on the financial statements. Furthermore, the deferred income tax adjustment and costs related to the change of title for real estate ownership have been reflected in the financial results for the fiscal year ended March 31, 2025.

(2) Non-consolidated financial results

The gain on extinguishment of tie-in shares and costs related to the change of title for real estate ownership have been reflected in the financial results for the fiscal year ended March 31, 2025.

The impact on other items is immaterial.