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November 26, 2024

To whom it may concern

Corporate Name	SAAF Holding Co.,Ltd.	
Representative	Representative Director and President	ToshimoriMae
Contact person	(Ticker code: 1447, Tokyo Stock Exchange Growth Market)	
	Senior Executive Officer, General	Takashi Noma
	Manager of Management Headquarters and CFO	
	(MAIL: info@saaf-hd.co.jp)	

Notice regarding acquisition of shares of U-Shin Co., Ltd. (making it a consolidated subsidiary) and change in specified subsidiary

We would like to inform you as follows: our company resolved to acquire the shares of U-Shin Co., Ltd. (hereinafter referred to as “U-Shin”) and make it a consolidated subsidiary at the board of directors meeting held today.

Furthermore, since U-Shin’s net assets account for 30% or more of the Company’s net assets, the company falls under the category of a specified subsidiary.

Details

1. Reason for stock acquisition

We offer a variety of ground-related services, including ground investigation, improvement, and soil testing for single-family homes, apartment complexes, and commercial facilities, as well as civil engineering work and foundation piling methods specializing in railway-related fields, ground guarantees, and construction technology, with our ground investigation and improvement business centered around our consolidated subsidiary Something Co., Ltd. (hereinafter referred to as “Something”).

On the other hand, U-Shin is engaged in cast-in-place concrete pile construction mainly in the Kanto region, and specializes in areas that Something is planning to expand its business. In addition, we are not only able to carry out highly difficult construction work, but also have a flexible construction system, which has earned us a high level of trust from our business partners, and we have been recognized and certified as a specialized construction company by several major client companies. Furthermore, we have high technological capabilities, such as holding patents for construction jigs and construction methods, and being a certified company for the “T-EAGLE pile construction method※,” which is only possible for eight companies in Japan.

With the addition of U-Shin, which has such high technological capabilities, to our group, we aim to utilize the company's know-how to expand Sumsing’s cast-in-place concrete pile construction business.

In addition, we aim to expand our business in the field of cast-in-place concrete pile construction by leveraging synergies with our group under which we will develop new services in collaboration with our construction technology business, win foundation pile construction projects in Southeast Asia, where urbanization is progressing, especially Vietnam, where we have a business base, and expand into other regions.

Based on the above, we have decided to acquire U-Shin's shares, believing that we can further expand our ground-related services and expand our business through group synergies.

※Large-diameter multi-stage expanded cast-in-place concrete pile construction method jointly developed by Taisei Corporation and System Instrumentation Co., Ltd. (recipient of the Japan Geotechnical Society Award for Technology Development in 2020)

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2. Overview of the subsidiary to be transferred

(1) Corporate name	U-Shin Co., Ltd.		
(2) Location	YS Build., Kita-kasai 4-22-11, Edogawa-ku, Tokyo		
(3) Title and Name of Representative Director and President	Representative Director Ayako Yauchi		
(4) Content of business	Cast-in-place concrete pile construction, etc.		
(5) Capital	JPY 5 million		
(6) Date of establishment	January 31, 1996		
(7) Major shareholders and their shareholding ratio	Ayako Yauchi 80% Tomoyuki Yauchi 20%		
(8) Relationship between listed company and the company	Capital relationship	Not applicable	
	Human relationship	Not applicable	
	Business relationship	Not applicable	
	Applicability to related parties	Not applicable	
(9) Business results and financial condition of the company for the past three years			
Fiscal year end	FY ended Dec. 2021	FY ended Dec. 2022	FY ended Dec. 2023
Net assets	JPY 432 million	JPY 541 million	JPY 590 million
Total assets	JPY 1,108 million	JPY 1,270 million	JPY 1,357 million
Net assets per share	JPY4,329,579.35	JPY 5,410,131.91	JPY 5,907,106.35
Sales	JPY 1,681 million	JPY 1,671 million	JPY 1,724 million
Operating income/loss	JPY 65 million	JPY 175 million	JPY ▲ 25 million
Ordinary profit	JPY 70 million	JPY 180 million	JPY 86 million
Net income	JPY 53 million	JPY 118 million	JPY 69 million
Net income per share	JPY 532,807.77	JPY 1,180,552.56	JPY 696,974.44
Dividend per share	—	—	—

※ In the fiscal year ended December 2023, we recorded an operating loss due to temporary expenses, but as of the third quarter of the fiscal year ended December 2024 (preliminary figures from the trial balance), we have recorded an operating profit of JPY 331 million.

3. Overview of the partner for stock acquisition

(1) Name	Ayako Yauchi 80% Tomoyuki Yauchi 20%
(2) Address	The address of the partner for the stock acquisition will not be disclosed in order to fulfill confidentiality obligations.
(3) Relationship between the listed company and the individuals	There are no capital, personnel, or business relationships that should be noted between our company and the acquired company. Additionally, persons affiliated with the acquired company do not fall under the category of related parties of our company.

4. Number of acquired shares and status of owned shares before and after acquisition

(1) Number of shares owned before change	0 share (Number of voting rights: 0) (Voting rights ownership ratio: 0%)
(2) Number of acquired shares	100 shares (Number of voting rights: 100)
(3) Acquisition price	Acquisition price of U-Shin Co., Ltd.: Not disclosed Advisory fees, etc.: 100 million yen
(4) Number of shares held after change	100 shares (Number of voting rights: 100) (Voting rights ownership ratio: 100%)

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- ※ The stock acquisition price will not be disclosed in order to fulfill confidentiality obligations. The acquisition price was determined by taking into account due diligence conducted by a third party (SOICO Co., Ltd.) and stock price calculation (Ito Certified Public Accountant Office). Please note that the stock acquisition price will be approximately 60% of the acquired company's consolidated net assets for the fiscal year ended March 2024.

5. Schedule

(1) Board of Directors resolution	November 26, 2024
(2) Date of conclusion of the stock transfer agreement	November 26, 2024
(3) Stock transfer execution date	December 20, 2024 (Scheduled)

6. Future outlook

We are currently examining the impact of this matter on our consolidated business results for the fiscal year ending March 2025. If any matters that require disclosure arise in the future, we will promptly notify you.