



December 24, 2021

For Immediate Release

Company name: Ahresty Corporation
President & CEO: Arata Takahashi
(Security code: 5852, First Section of the Tokyo Stock Exchange)
Contact for inquiries: Hideki Nariya, Executive Officer, General
Manager, Management Planning
Department
(Telephone: +81-3-6369-8664)

Notice on Reorganization in the Ahresty Group (Merger with a Consolidated Subsidiary)

Ahresty Corporation (hereinafter, “the Company”) hereby announces that a reorganization within the Ahresty Group (hereinafter, “the Group”) was resolved at its Board of Directors’ meeting held today as described below.

Since this is a simplified merger of a wholly-owned subsidiary, some of the matters for disclosure are omitted.

1. Purpose of the Merger

The Ahresty Group decided to implement a reorganization within the Group with the aim of improving the corporate value of the entire Group. This reorganization is a merger between the Company and Ahresty Pretech Corporation, a wholly-owned subsidiary, engaged in light metal processing. The purposes of the reorganization include the construction of a system covering all stages from casting to processing at the Company’s Tokai Plant; further cost reduction and improvement of productivity by unifying the business operation and sharing know-how; and the realization of more efficient organizational operations by unifying the management resources.

2. Summary of the Merger

(1) Schedule

Date of the resolution by the Board of Directors (of each company): December 24, 2021

Conclusion of the merger agreement: December 24, 2021

Effective date of the merger agreement: April 1, 2022

Note: For this merger, the Company will follow the procedure of a simplified merger pursuant to the provision of Article 796 (2) of the Companies Act, and Ahresty Pretech Corporation will follow the procedure of a short-form merger pursuant to the provision of Article 784 (1) of the Companies Act. Therefore, both companies will implement the merger without obtaining approval at the shareholders’ meeting.

(2) Type of merger

This will be an absorption-type merger by the Company as the surviving company, and Ahresty Pretech Corporation as the absorbed companies.

- (3) Allotment of shares associated with the merger
Since the Company owns all shares of Ahresty Pretech Corporation, there will be no consideration provided due to this merger.
- (4) Handling of share warrants and bonds with share warrants associated with this merger
Not applicable.

3. Overview of the Companies Involved in the Merger

(As of December 24, 2021 unless otherwise specified)

	Surviving company	Absorbed company
Name	Ahresty Corporation	Ahresty Pretech Corporation
Location	1-2 Nakabara, Mitsuya-cho, Toyohashi-shi, Aichi, 441-3114, Japan	3-8-38 Takaokahigashi, Naka-ku, Hamamatsu-shi, Shizuoka 433-8117, Japan
Name and title of representative	Arata Takahashi, President & CEO	Shinichi Gamou, President
Business activities	Manufacturing of die cast products, aluminum alloy ingots, raised floor panels and die cast peripheral devices	Machining of die cast products and parts assembling
Common stock	6,964 million yen	100 million yen
Date of foundation	November 1943	April 1962
Number of shares outstanding	26,076,717	200,000
Fiscal year end	March 31	March 31
Major shareholders and their ownership ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 11.2% Arata Takahashi 4.0% INTERACTIVE BROKERS LLC 3.7% BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/ JASDEC/ACCT BP2S DUBLIN CLIENTS-AIFM 3.5% Ahresty Client Stock Ownership Association 3.0% Custody Bank of Japan, Ltd. (Trust Account) 2.7% Ahresty Employee Stock Ownership Association 2.7% Nippon Light Metal Company, Ltd. 2.5% Suzuki Motor Corporation 2.1% Mizuho Bank, Ltd. 2.1% MUFG Bank, Ltd. 2.1% (as of September 30, 2021)	Ahresty Corporation 100%

4. Conditions after the Merger

After this merger, there will be no change in the surviving company's name, location, name and title of representative, business activities, common stock and fiscal year end.

The business site of Ahresty Pretech Corporation will continue operations as a business site of the Company's Tokai Plant.

5. Future Outlook

(1) Impact on the financial results for the current fiscal year ending March 2022

Since the current fiscal year ends before the effective date of the merger (April 1, 2022), the merger will have no impact on the consolidated and non-consolidated financial results.

(2) Impact on the financial results for the next fiscal year ending March 2023

On the effective date of the merger (April 1, 2022), it is expected that extraordinary gains (Gain on extinguishment of tie-in shares) will be recorded in the non-consolidated business activity. We will disclose the amount of impact as soon as it is fixed. It should be noted that there will be a minor impact on the consolidated financial results as the merger is conducted with a wholly-owned subsidiary.