July 7, 2026

Company name:	SALA Corporation
Name of representative:	Goro Kamino, President and Representative Director, Group Representative and CEO (Securities code: 2734; Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market)
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Notice Concerning Absorption-type Merger Between Consolidated Subsidiaries Associated with Business Reorganization Aimed at Expanding the Stock Housing Business Centered on Renovation

SALA Corporation (hereinafter, the "Company" or "we/our") hereby announces that at a meeting of its Board of Directors held today, it resolved to implement, effective December 1, 2026, (i) an absorption-type merger in which Yasue Construction Co., Ltd. ("Yasue Construction") will be the surviving company and Living SALA Co., Ltd. ("Living SALA") will be the dissolving company (the "Absorption-type Merger I"), (ii) an absorption-type merger in which SALA HOUSE CO., LTD. ("SALA HOUSE") will be the surviving company and SALA HOUSE SUPPORT Co. ltd. ("SALA HOUSE SUPPORT") will be the dissolving company (the "Absorption-type Merger II"), and (iii) the reorganization of the "housing business*" within the SALA Group, including SALA E&L Nagoya CO., LTD. ("SALA E&L Nagoya") (collectively, the "Reorganization").
As all parties to the Reorganization are consolidated subsidiaries of the Company, certain disclosure items and details have been omitted.
*The "housing business" comprises housing-related services, including housing sales, renovation, and real estate transaction services.

1. Purpose of the Reorganization

(1) Background to the Reorganization and market environment

Guided by the Group's fundamental principles, "Our goals are to realize an enrichened society as a corporate group trusted by regional communities, through our creations of beautiful and comfortable living spaces," the Company's housing business has provided a diverse range of services, including the sale of newly built single-family houses, the processing and sale of housing components and materials, maintenance and repair of existing houses, housing renovation, and the sale, leasing, and brokerage of real estate.
Under these circumstances, the domestic housing market is rapidly shifting from one centered on newly built houses to one that makes effective use of high-quality existing housing stock. Furthermore, amid dramatic changes in the market environment, including the emergence of a serious vacant housing problem, the aging of building and construction engineers, and labor shortages, customer needs relating to housing and daily

living are expected to diversify even further, ranging from downsizing and barrier-free design to energy-efficient renovations and solutions to the vacant housing problem.

(2) Accelerating business growth through the transformation to a “stock housing business model” and the consolidation of renovation functions

In light of the above (1), the Company will implement the Reorganization as part of its initiatives to achieve dramatic growth in the housing business (net sales of ¥30.0 billion) set forth in its 2030 Vision and to establish the “SALA in Life” business model, one of the key strategies under the Sixth Medium-Term Management Plan.

Through the Reorganization, we will consolidate the functions and specialized personnel related to the renovation business that have been dispersed across the Group companies (Yasue Construction, Living SALA, SALA HOUSE, and SALA E&L Nagoya). This will enable us to strongly drive our transformation toward a stock housing business model centered on renovation, as well as the pursuit of multifaceted growth strategies. Specifically, we will enhance added value and deepen customer engagement through space design-proposal-based renovation services, while offering a one-stop service that seamlessly covers everything from renovation to real estate transaction services. In addition, we will strengthen multifaceted approaches such as dominant strategies in untapped markets (expanding business areas through strategic multi-store development) and M & A.

By implementing these strategies, we will grow our “housing business” at a pace that no single Group company could achieve on its own.

2. Summary of the Reorganization

To restructure our organizational structure, we will take the following steps.

(1) Summary of Absorption-type Merger I

i) Method

We will carry out an absorption-type merger in which Yasue Construction will be the surviving company and Living SALA will be the dissolving company, following which Living SALA will be dissolved. Prior to the Absorption-type Merger I, all shares of Living SALA held by SALA ENERGY CO., LTD. will be transferred to the Company as a dividend in kind. Additionally, Yasue Construction plans to change its trade name to “SALA REFORM Co., Ltd.” (“SALA REFORM”).

ii) Details of the allotment

The Company, as the shareholder of the dissolving company, will be allotted a number of shares of common stock of Yasue Construction calculated as 160 times the number of shares of Living SALA it holds. Although the Company’s equity interest in Yasue Construction is 99.88%, meaning that Yasue Construction is not a wholly owned subsidiary, this share allotment satisfies the no-cash consideration requirement, thereby meeting the requirements for a qualified merger.

iii) Treatment of share acquisition rights and bonds with share acquisition rights of the dissolving company

Not applicable.

iv) Overview of the parties to Absorption-type Merger I

	Surviving company	Dissolving company
Name	Yasue Construction Co., Ltd.	Living SALA Co., Ltd.
Location	2-2-23 Sakae, Naka-ku, Nagoya-shi, Aichi	100 Shirakawa-cho, Toyohashi-shi, Aichi
Job title and name of representative	Kenji Yamamoto, Representative Director and President	Naoya Ishiguro, Representative Director and President
Description of business	・Renovation business ・New home business ・Real estate transaction business	・Renovation business ・Interior products sales business ・Real estate transaction business
Share capital	¥50 million	¥90 million
Date of establishment	June 2, 1975	July 20, 1994
Total number of issued shares	1,693,688 shares	1,800 shares
As of / Fiscal year ended	November 30	November 30
Major shareholders and ownership ratios	The Company 99.88% SALA FINANCIAL SERVICES CO., LTD. 0.12%	SALA ENERGY CO., LTD. 100%
Financial position and operating results for the most recent fiscal year (*1) (*2)		
Net assets	¥2,737 million	¥462 million
Total assets	¥4,787 million	¥1,242 million
Net assets per share	¥1,616.14	¥256,818.22
Net sales	¥5,237 million	¥2,728 million
Operating profit	¥303 million	¥93 million
Ordinary profit	¥324 million	¥89 million
Profit	¥135 million	¥54 million
Basic earnings per share	¥79.79	¥30,426.54

*1 As of November 30, 2025

*2 The figures for Yasue Construction's most recent fiscal year represent its non-consolidated financial results. Due to a change in the fiscal year-end, the previous fiscal year covered the 11-month period from January 1, 2025 to November 30, 2025.

(2) Summary of Absorption-type Merger II

i) Method

We will carry out an absorption-type merger with no consideration in which SALA HOUSE will be the surviving company and SALA HOUSE SUPPORT will be the dissolving company, following which SALA HOUSE SUPPORT will be dissolved. Prior to the Absorption-type Merger II, SALA HOUSE will acquire all shares of SALA HOUSE SUPPORT held by SALA FINANCIAL SERVICES, thereby making SALA HOUSE SUPPORT a wholly owned subsidiary of SALA HOUSE. There will be no changes to the name, location, job title and name of the representative, description of business, share capital, or fiscal year-end of SALA HOUSE, the surviving company.

ii) Details of the allotment

As the Absorption-type Merger II involves the absorption of a wholly owned subsidiary by its parent company, no shares, cash, or other assets will be allotted in connection with the merger.

iii) Treatment of share acquisition rights and bonds with share acquisition rights of the dissolving company

Not applicable.

iv) Overview of the parties to Absorption-type Merger II

	Surviving company	Dissolving company
Name	SALA HOUSE CO., LTD.	SALA HOUSE SUPPORT Co.ltd.
Location	100 Shirakawa-cho, Toyohashi-shi, Aichi	6-1 Hashira-yonbancho, Toyohashi-shi, Aichi
Job title and name of representative	Yoshiyasu Oba, Representative Director and President	Yoshiyasu Oba, Representative Director and President
Description of business	・New home business ・Sales of lot houses and land	・Renovation business ・Inspection and construction management
Share capital	¥300 million	¥80 million
Date of establishment	November 17, 1969	December 17, 1998
Total number of issued shares	5,097,966 shares	1,600 shares
As of / Fiscal year ended	November 30	November 30
Major shareholders and ownership ratios	The Company 100%	SALA HOUSE CO., LTD. 99.00% SALA FINANCIAL SERVICES CO., LTD. 1.00%
Financial position and operating results for the most recent fiscal year (*)		
Net assets	¥7,045 million	¥445 million
Total assets	¥13,278 million	¥704 million
Net assets per share	¥1,381.93	¥278,371.73
Net sales	¥13,749 million	¥1,471 million
Operating profit	¥264 million	¥12 million
Ordinary profit	¥326 million	¥16 million
Profit	¥285 million	¥14 million
Basic earnings per share	¥56.05	¥9,327.69

* As of November 30, 2025

(3) Summary of the consolidation of functions related to the renovation business

i) Method

The functions and specialized personnel related to the renovation business currently held by SALA HOUSE and SALA E&L Nagoya will be consolidated into SALA REFORM. (No universal succession of assets and liabilities will take place.)

3. Timetable for the reorganization

The Reorganization will be carried out by each company in accordance with the following timetable.

(1) Absorption-type merger between Yasue Construction and Living SALA

Date of the Board of Directors' resolution regarding the Absorption-type Merger I (Yasue Construction)	July 6, 2026
Date of the Board of Directors' resolution regarding the Absorption-type Merger I (Living SALA)	July 6, 2026

Date of execution of the merger agreement for the Absorption-type Merger I	July 8, 2026
Scheduled date of the shareholders' meeting resolution regarding the Absorption-type Merger I (Yasue Construction)	August 24, 2026
Scheduled date of the shareholders' meeting resolution regarding the Absorption-type Merger I (Living SALA)	August 24, 2026
Effective date of the Absorption-type Merger I	December 1, 2026

(2) Absorption-type merger between SALA HOUSE and SALA HOUSE SUPPORT

Date of the Board of Directors' resolution regarding the Absorption-type Merger II (SALA HOUSE)	July 2, 2026
Date of the Board of Directors' resolution regarding the Absorption-type Merger II (SALA HOUSE SUPPORT)	July 3, 2026
Date of execution of the agreement for the Absorption-type Merger II	July 8, 2026
Scheduled date of the shareholders' meeting resolution regarding the Absorption-type Merger II (SALA HOUSE)	August 24, 2026
Scheduled date of the shareholders' meeting resolution regarding the Absorption-type Merger II (SALA HOUSE SUPPORT)	August 24, 2026
Effective date of the Absorption-type Merger II	December 1, 2026

4. Status after the Reorganization

The status of the surviving company in Absorption-type Merger I after the Reorganization is as follows.

Trade name	SALA REFORM Co., Ltd.
Location	2-2-23 Sakae, Naka-ku, Nagoya-shi, Aichi
Job title and name of representative	To be determined
Description of business	・Renovation business ・New home business ・Real estate transaction business ・Interior products sales business
Share capital	¥50 million
As of / Fiscal year ended	November 30
Shareholder composition	The Company 99.90% SALA FINANCIAL SERVICES CO., LTD. 0.10%

5. Future outlook

As the Reorganization is an intra-group reorganization among the Company's consolidated subsidiaries, its impact on the Company's consolidated financial results for the current fiscal year will be immaterial.