November 6, 2026

Company name: NAC CO., LTD.
Name of representative: Hironari Kawakami, President and Chief Executive Officer
(Securities code: 9788; TSE Prime Market)
For Inquiries: Jiro Ando, General Manager, Corporate Management Department
(Telephone: +81-03-3346-2111)

Notice Concerning the Absorption-Type Merger between Consolidated Subsidiaries

The Company hereby announces that, at the meeting of its Board of Directors held on November 6, 2026, it resolved to conduct an absorption-type merger (the "Merger"), effective March 1, 2027, whereby KDI CORPORATION. ("KDI"), a consolidated subsidiary of the Company, will be the surviving company and J-wood Co., Ltd. ("J-WOOD"), also a consolidated subsidiary of the Company, will be the dissolved company.
As this merger is conducted between wholly owned subsidiaries of the Company, certain disclosure items and details have been omitted.

1. Purpose of the Merger

The Company's Housing Sales Business consists of custom-built homes, built-for-sale homes, and real estate-related businesses. The Company has decided to integrate KDI and J-WOOD in order to consolidate management resources, improve operational efficiency, and promote the integrated management of sales operations, construction operations, and administrative functions within its Housing Sales Business.
Through the Merger, the Company aims to enhance operational efficiency and strengthen its service delivery structure, thereby increasing the corporate value of the Group.

2. Summary of the Merger

(1) Schedule

Resolution of the Board of Directors	November 6, 2026
Execution of Merger Agreement (Parties to the Merger)	December 17, 2026 (Planned)
Shareholders' Meeting for Approval of the Merger (Parties to the Merger)	February 18, 2027 (Planned)
Effective Date	March 1, 2027 (Planned)

(2) Method of the Merger

The Merger will be carried out as an absorption-type merger with KDI as the surviving company and J-WOOD as the dissolved company.

(3) Merger Consideration

As the Merger is conducted between wholly owned subsidiaries of the Company, no shares, cash, or other consideration will be allotted.

3. Overview of the Companies Involved in the Merger

	Surviving Company	Dissolved Company
(1) Name	KDI CORPORATION.	J-wood Co., Ltd.
(2) Location	2-7-18 Ginza, Chuo-ku, Tokyo	3-4-1 Osawa, Izumi-ku, Sendai, Miyagi
(3) Title and Name of Representative	Hidefumi Nishizawa, President and Chief Executive Officer	Eiji Adachi, President and Chief Executive Officer
(4) Business Description	Building construction contracting	Building construction contracting
(5) Capital	100 million yen	100 million yen
(6) Date of Establishment	February 1998	October 2004
(7) Number of Shares Issued (as of March 31, 2026)	6,996 shares	2,000 shares
(8) Fiscal Year-End	March 31	July 31
(9) Major Shareholders and Shareholding Ratio as of March 31, 2026	NAC CO., LTD 100%	NAC CO., LTD 100%
(10) Operating Results and Financial Position for the Most Recent Fiscal Year		
	Fiscal Year Ended March 31, 2026	Fiscal Year Ended July 31, 2026
Net assets	1,529	(850)
Total assets	3,268	1,883
Net Assets per Share (Yen)	467,176	(941,699)
Net Sales	5,212	4,163
Operating Profit	292	5
Ordinary Profit	310	(19)
Profit Attributable to Owners of Parent	199	(36)
Net Income per Share (Yen)	28,431	(18,350)

(Unit: Millions of yen, unless otherwise specified)

4. Status after the Merger (Planned)

There will be no changes to the surviving company's name, address, representative, business activities, capital, or fiscal year-end as a result of the Merger.

5. Future Outlook

As the Merger is conducted between consolidated subsidiaries of the Company, its impact on the Company's consolidated financial results is expected to be minimal.

If any matter requiring disclosure arises in the future, the Company will promptly disclose such matter.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.