

Company name: Daito Trust Construction Co., Ltd
 Representative: Kei Takeuchi
 Representative Director, Chief Executive Officer
 Securities code: 1878
 Listed in Prime Market of Tokyo security exchange
 and Premier Market of Nagoya security exchange
 (ADR Level I, OTC: DIFTY)
 Address: 2-16-1, Konan, Minato-ku, Tokyo

Expansion of Construction Business in Non-residential and Public Works Fields

Notice Regarding Acquisition of Shares of SHIMA CO., LTD.

We hereby announce the conclusion of share acquisition agreement with SHIMA CO., LTD. (Headquarters: Naniwa-ku, Osaka City, Osaka Prefecture, President: Masakazu Takayama, "SHIMA") to acquire all outstanding shares of SHIMA which operates a general construction business centered on the construction of logistics facilities and public housing in Kansai area.

1. Purpose of share acquisition

The Daito Group has celebrated its 50th anniversary in June 2023, and we have taken this milestone as an opportunity to formulate our Group Purpose, "Link the Trust to Make a Better Future.", in order to further improve our corporate value. We aim to expand our businesses in various areas, including circular economy and regional revitalization, with a focus on rental housing business. In particular, "expansion of construction business" is an important issue, and we believe that by welcoming SHIMA to our group, which has an extensive experience of construction in non-residential and public works fields such as logistics facilities and public housing, we will be able to solve the above problem and accelerate our efforts.

Since its founding in 1956, SHIMA is a general construction company that has been involved in the construction of logistics facilities, welfare facilities, public housing, etc. mainly in Kansai area, and it has steadily won orders for private and public construction projects, leveraging the construction and sales know-how it has cultivated over the years. We believe that building a cooperative relationship by combining SHIMA's management resources, such as construction capabilities, sales infrastructure, and human resources built up as a general construction company, with our nationwide sales network, technical capabilities, and know-how, will contribute to the expansion of both companies' businesses.

By building a strong cooperative relationship with SHIMA, a new member of the Group, we intend to enter non-residential and public works fields to meet the needs of various customer segments and further develop as a general construction company.

2. Overview of subsidiary subject to change (SHIMA)

(1)	Name	SHIMA CO., LTD.
(2)	Address	1-13-8 Namba Naka, Naniwa-ku, Osaka City, Osaka Prefecture
(3)	Name and title of representative	Masakazu Takayama, President and Representative Director
(4)	Details of business	Ordinary Civil Engineering and Construction Business
(5)	Paid-in capital	98 million yen
(6)	Date established	October 13, 1969

(7)	Major shareholders and shareholding ratio	Individual Shareholders are non-disclosed due to request by the assignor, based on confidentiality obligations	
(8)	Relationships between the listed company and the company subject to change	Capital relationships	Not applicable.
		Personal relationships	Not applicable.
		Business relationships	Not applicable.
(9)	Consolidated management performance and consolidated financial condition of the company over the past three years	It will not be disclosed due to the intention of the other party of the share acquisition and because the subject company's performance accounts for only a minor portion of the consolidated results of the Group.	

3. Overview of the other parties to the acquisition of shares

(1)	Name	Individual
(2)	Address:	—
(3)	Relationships between the listed company and the individual	There are no notable capital relationships, personal relationships or business relationships.

4. Number of shares acquired, acquisition price and state of shares held before and after acquisition

(1)	Number of shares held before change	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.0%)
(2)	Number of shares acquired	147,000 shares (Number of voting rights: 147,000)
(3)	Number of shares held after change	147,000 shares (Number of voting rights: 147,000) (Percentage of voting rights: 100%)

(Note) The acquisition price will not be disclosed due to the intention of the other party to acquire the shares.

5. Schedule

(1)	Date of agreement	October 23, 2023
(2)	Date of execution of transfer of shares	November 30, 2023 (scheduled)

6. Outlook

The impact of this acquisition of shares on the consolidated results of the Company will be minor. Goodwill is expected to be recorded in conjunction with the acquisition of shares, and the impact on business results from next fiscal year onwards will be disclosed as soon as it becomes clear.

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