



August 23, 2024

To Whom It May Concern

Company: TOCALO Co., Ltd.
Representative: Kazuya KOBAYASHI, President and
Executive Officer
(Stock Code: 3433 (Prime Market of Tokyo
Stock Exchange))
Contact: Hiroshi GOTO, Director, Managing
Executive Officer; General Manager,
Administrative Headquarters
Phone: +81-78-303-3433

Notice Regarding the Subsidiarization of TERADA KOSAKUSHO Co., Ltd. Through the
Acquisition of Its Shares

TOCALO Co., Ltd. (the Company) hereby announces that at the Board of Directors meeting today, it was decided to acquire all the shares in TERADA KOSAKUSHO Co., Ltd. (hereinafter, “TERADA KOSAKUSHO”) to make it a subsidiary, as stated below.

1. Reason for share acquisition

The Company provides surface modification solutions in a variety of fields, from key industries such as power, steel, automobiles and industrial machinery through to the semiconductors, space development and advanced medicine spheres, as a result of utilizing its surface modification technology, which centers on thermal spraying, to grant new qualities and functions such as corrosion resistance, abrasion resistance and electrical insulation properties to its customers’ products and production equipment components.

TERADA KOSAKUSHO possesses superior machine processing technology capable of manufacturing precision components using a diverse range of materials. As a result of combining that technology with the Company’s surface modification technology, we will expect to further improve the value that we provide to our customers. It is on this basis that the Board decided to acquire the shares.

2. Overview of the subsidiary (TERADA KOSAKUSHO) to be transferred

(1) Name	TERADA KOSAKUSHO Co., Ltd.
(2) Location	406-1, Oaza Kamisokoino, Nakama, Fukuoka
(3) Representative (name and designation)	Junji TERADA, Representative Director
(4) Business	Manufacture of components for machine tools and precision machinery
(5) Capital	10 million yen
(6) Date of establishment	August 1986

(7) Major shareholders and shareholding ratio	Five individuals		
(8) Relationship with the Company	Capital relationship	No notable matters.	
	Personal relationship	No notable matters.	
	Business relationship	No notable matters.	
(9) Financial position and business performance for the past three years			
Fiscal year	FY7/2021	FY7/2022	FY7/2023
Net assets	340 million yen	395 million yen	469 million yen
Total assets	715 million yen	830 million yen	806 million yen
Net assets per share	1,704,142 yen	1,978,614 yen	2,347,765 yen
Net sales	346 million yen	414 million yen	408 million yen
Operating profit	58 million yen	88 million yen	92 million yen
Ordinary profit	75 million yen	108 million yen	107 million yen
Net income	52 million yen	57 million yen	78 million yen
Net income per share	260,640 yen	289,472 yen	394,150 yen
Dividend per share	10,000 yen	15,000 yen	25,000 yen

3. Overview of the parties from whom shares will be acquired

(1) Name	Five individuals
(2) Location	Not disclosed based on the wishes of the shareholders.
(3) Relationship with the Company	There are no noteworthy capital, personal and business relationships between the Company and the individuals concerned, and neither do they correspond to people connected to the Company.

4. Number of shares to be acquired, acquisition price, and shareholding status before and after the acquisition

(1) Number of shares held before the transfer	0 shares (Share of voting rights: 0%)
(2) Number of shares to be acquired	200 shares (100.0%)
(3) Acquisition price	800 million yen
(4) Number of shares held after the transfer	200 shares (Share of voting rights: 100.0%)

5. Schedule

(1) Date of resolution by the Board of Directors	August 23, 2024
(2) Contract date	August 23, 2024
(3) Date of execution of share transfer	August 26, 2024 (provisional)

6. Status after stock acquisition, and future outlook

The impact this acquisition will have on the Company's consolidated and non-consolidated financial results for the fiscal year ending March 2025 will be slight, and at the present point in time there are no amendments to the Company's full-year consolidated financial results forecast and dividend forecast (announced on May 9, 2024).