



May 15, 2026

Company name: Ai Holdings Corporation
Representative: Hideyoshi Sasaki, Chairman and CEO
(Stock Code: 3076 TSE Prime Market)
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Notice Regarding Reorganization of Consolidated Subsidiaries (Absorption-type Merger Between Subsidiaries)

Ai Holdings Corporation ("the Company") hereby announces that at the Board of Directors meeting held today, it was resolved that the consolidated subsidiary "Graphtec Corporation" ("Graphtec") will absorb and merge with "Silhouette Japan Corporation" ("Silhouette Japan"), a great-grandchild company, and that "Graphtec America, Inc." ("Graphtec America"), a subsidiary of Graphtec, will absorb and merge with "Silhouette America, Inc." ("Silhouette America"), a subsidiary of Graphtec America ("the Merger"), as described below.

As the Merger is an absorption-type merger involving a wholly owned subsidiary, some disclosure items and details have been omitted.

1. Purpose of the Merger

The Company Group regularly reviews its business portfolio as part of efforts to achieve management that is conscious of capital costs and share price. Regarding the information devices (Cutting machines) business, while the commercial-use segment has remained stable, we have decided that Graphtec and Graphtec America will serve as the surviving companies in the absorption-type merger for the consumer cutting machine business. The purpose is to reduce expenses and improve operational efficiency by integrating business strategies and management resources. Through this, we will strive to enhance our competitiveness and profitability.

Going forward, we will continue to maximize the use of limited resources within our Group to raise corporate value.

2. Summary of the Merger

(1) Schedule of the Merger

- Board of Directors resolution: May 15, 2026
- Scheduled date of merger (effective date): June 30, 2026 (planned)

(2) Method of the Merger

Graphtec and Graphtec America will be the surviving companies, while "Silhouette Japan" and "Silhouette America" will be the absorbed companies in this absorption-type merger.

(3) Details of Allocation Related to the Merger

As this is an internal reorganization within our Group, there will be no allocation of shares or delivery of other considerations.

(4) Treatment of Share Warrants and Corporate Bonds with Share Warrants of the Dissolving Companies

Not applicable

3. Overview of the Companies Involved in the Merger (as of June 30, 2025)

	Surviving Company	Dissolving Company
Company Name	Graphtec Corporation	Silhouette Japan Corporation
Location	503-10 Shinano-cho, Totsuka-ku, Yokohama-shi, Kanagawa	503-10 Shinano-cho, Totsuka-ku, Yokohama-shi, Kanagawa
Representative's Title and Name	Chairman and Representative Director Hideyoshi Sasaki President and Representative Director Yasutaka Arakawa	President and Representative Director Yasutaka Arakawa
Business support services	Measurement-related devices (measuring instruments/solution products/decarbonization systems) Information devices (cutting equipment)	Product planning, development and design, production management, quality control, and sales of compact cutting machines, Silhouette products and related products in Japan and the Asia-Pacific market
Capital stock	3 billion yen	90 million yen
Date of Establishment	March 30, 1949	November 1, 2022
Number of outstanding shares	34,540,000 shares	1,000 shares
Fiscal Year End	June	June
Major Shareholders and Shareholding Ratio	The Company 100%	Silhouette America, Inc. 100%
Financial Position and Operating Results for the Most Recent Fiscal Year (Fiscal Year Ended June 2025)		
Net assets	21,494 million yen (consolidated)	141 million yen
Total Assets	24,244 million yen (consolidated)	643 million yen
Net asset per share	622.29 yen/share	141,000 yen/share
Net sales	15,281 million yen (consolidated)	1,413 million yen
Operating income	1,077 million yen (consolidated)	△11 million yen
Ordinary income	870 million yen (consolidated)	43 million yen
Net income	541 million yen (consolidated)	27 million yen
Net income per share	15.66 yen/share	27,000 yen/share

	Surviving Company	Dissolving Company
Company Name	Graphtec America, Inc.	Silhouette America, Inc.
Location	17462 Armstrong Ave., Irvine, CA 92614, U.S.A.	618 N 2000 W, Building 2, Lindon, UT 84042, U.S.A.
Representative's Title / Name	President & CEO Yumi Terasaki	President Yasutaka Arakawa
Business support services	Sales of information input/output devices and measuring instruments in the U.S.	Sales of cutting solutions for consumers
Capital stock	1,675 (thousands of U.S. dollars)	500 (thousands of U.S. dollars)

Date of Establishment	December 1, 1995	September 22, 2009
Number of outstanding shares	14,325 shares	100,000 shares
Fiscal Year End	June	June
Major Shareholders and Shareholding Ratio	Graphtec Corporation 100%	Graphtec America, Inc. 100%
Financial Position and Operating Results for the Most Recent Fiscal Year (Fiscal Year Ended June 2025)		
Net assets	16,329 (thousands of U.S. dollars)	61,102 (thousands of U.S. dollars)
Total Assets	23,577 (thousands of U.S. dollars)	67,806 (thousands of U.S. dollars)
Per share Net assets	1,139.96 (U.S. dollars)	611.02 (U.S. dollars)
Net sales	22,572 (thousands of U.S. dollars)	45,606 (thousands of U.S. dollars)
Operating income	889 (thousands of U.S. dollars)	△1,761 (Thousands of U.S. dollars)
Ordinary income	6,406 (thousands of U.S. dollars)	△1,666 (thousands of U.S. dollars)
Net income	6,125 (thousands of U.S. dollars)	△1,217 (thousands of U.S. dollars)
Per share Net income	427.58 (U.S. dollars)	△12.17 (U.S. dollars)

4. Post-Merger Status

There will be no changes to the name, location, representative, business activities, or capital stock of the surviving company after the Merger.

5. Future Outlook

The impact on the full-year consolidated financial results for the fiscal year ending June 2026 is expected to be immaterial. If any matters requiring disclosure arise in the future, we will promptly make an announcement.

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