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June 23, 2025

To whom it may concern:

Company name	AUCNET INC.
Representative	Shinichiro Fujisaki, Representative Director and President & CEO
Securities code	3964
	Prime Market, Tokyo Stock Exchange
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Notice Concerning Absorption-Type Merger Between Consolidated Subsidiaries and Change of Trade Name

AUCNET INC. (the “Company”) hereby announces its decision to conduct an absorption-type merger effective July 1, 2025, with the Company’s wholly-owned subsidiary, Defactostandard, Ltd., as the disappearing company and the Company’s wholly-owned subsidiary, GALLERY RARE Ltd., as the surviving company, along with a change of trade name, as described below. As this merger is between the Company’s consolidated subsidiaries, certain disclosure items have been omitted.

1. Regarding the absorption-type merger

(1) Purpose of the absorption-type merger

By integrating resources, expertise, and channels held by both companies, the merger aims to reduce redundancies and costs while maximizing business synergies to further enhance the growth of the Company’s Fashion Resale Business.

(2) Schedule of the absorption-type merger

Resolution of the Board of Directors meeting regarding the absorption-type merger (companies involved)	May 1, 2025
Conclusion of contracts for the absorption-type merger	May 1, 2025
General Shareholders Meeting approval of the absorption-type merger (companies involved)	June 23, 2025
Effective date	July 1, 2025 (planned)

(3) Method of the absorption-type merger

Although the merger is between equals, procedurally, GALLERY RARE Ltd. will be the surviving company.

(4) Details of the allocation related to the absorption-type merger

As the absorption-type merger is between the Company’s wholly-owned subsidiaries, there will be no allocation of shares or other compensation.

(5) Handling concerning stock acquisition rights and bonds with stock acquisition rights

Not applicable.

(6) Overview of companies involved

Trade name	GALLERY RARE Ltd.	Defactostandard, Ltd.
Address	5-8 Kita-Aoyama 2-chome, Minato-ku, Tokyo	3-8 Heiwajima 3-chome, Ota-ku, Tokyo
Name and title of representative	Fumitoshi Teraoka, Representative Director and President	Yasuto Saito, Representative Director and President
Business	Purchase and sales of luxury brand items	Purchase and sales of luxury brand items and apparel
Capital (As of December 31, 2024)	¥40 million	¥100 million
Closing date	December 31	December 31
Shareholders and shareholding ratio	AUCNET INC.: 100%	AUCNET INC.: 100%

2. Regarding the change of trade name

(1) Reason for the change of trade name

“CircLuxe” is a coined term combining “Circular” and “Luxe.” “Circular” expresses the essence of our business, not merely circulating goods but also the underlying value and sentiment, while “Luxe” reflects our commitment to delivering each good as a “special piece,” something the next owner will pick up with pride, irrespective of its price or brand.

As a company committed to meeting diverse user needs, we aim to realize a fashion resale platform that connects “goods” with the “sentiments” behind them, and the decision was made at the Board of Directors meeting held on June 23, 2025.

(2) Company overview after change of trade name

New trade name	CircLuxe Inc.
Resolution of the Board of Directors meeting regarding the change of trade name	June 23, 2025
Date of change of trade name	July 1, 2025 (planned)
Name and title of representative	Yasuto Saito, Representative Director and President & CEO
Business	Purchase and sales of luxury brand items and apparel
Capital	¥40 million
Closing date	December 31
Shareholders and shareholding ratio	AUCNET INC.: 100%

3. Future outlook

As this will be a reorganization between the Company's consolidated subsidiaries, it will have a minimal impact on the Company's consolidated results.

End