

Company name: ES-CON JAPAN Ltd.
 Representative: Takatoshi Ito, President &
 Representative Director
 (TSE Prime Market, Code: 8892)
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Notice of Establishment of Subsidiaries (Specified Subsidiaries) for Investment in Special Purpose Companies (SPC)

As stated in the "Notice on the Conclusion of Business Partnership Agreement among ES-CON JAPAN, Seven Signatures, BlackSand, and Kobayashi Group" announced on November 21, 2023, we will participate in the sales business of the luxury condominium "Ālia" in Honolulu, Hawaii. In today's meeting, Board of Directors of ES-CON JAPAN Ltd. (hereinafter "ES-CON JAPAN") decided to invest in a SPC, 888 Ālia LLC, that has been formed as a fund for the property (hereinafter "SPC"). Since the amount of investment in this subsidiary is equivalent to more than 10/100 of our capital, it is classified as a specified subsidiary of ours.

1. Background and Purpose of Establishment of Subsidiaries

In 2019, we invested in a fund formed by a Hawaiian investment firm, BlackSand Capital, LLC (hereinafter "Black Sand"), and commenced operations abroad. In 2021, we participated in Waikiki Galleria Tower project, a commercial complex value-add project located in Honolulu, which is primarily conducted by BlackSand Capital, and we have been expanding our knowledge in our international business and steadily building trusting relations with the company.

The Ālia project is the third project we are working on with the company in Hawaii. We opened a sales and marketing gallery in the Tokyo Head office in November 2023. In order to further strengthen relations with the company and increase the number of projects abroad, we have decided to invest in this SPC formed by Black Sand through our subsidiary ESCON USA V LLC.

We also opened a gallery for Ālia at our Tokyo-based headquarters. We plan to begin sales of Ālia in Japan in January 2024.

We will continue to focus on expanding new business domains with an eye on the next generation and develop multifaceted real estate businesses globally that can contribute to society.

2. Outline of SPC and Subsidiaries

Outline of SPC

Name	888 Ālia LLC
Address	1288 Ala Moana Boulevard, Suite 201
Year of establishment	In 2022
Our planned investment	US \$35 million
Outline of the investor	Institutional and individual investors
Sponsor	BlackSand Capital, LLC CEO : Bert "BJ" A. Kobayashi, Jr. Address : 2270 Kalakaua Ave., Suite 1788, Honolulu, HI 96815 Lines of business: Real estate investment advisory firm specializing in Hawaii
Investment period	January 2024 to December 2027 (planned)
Our relationship with the group	We plan to invest through our subsidiary, ESCON USA V LLC.

Outline of Subsidiaries

(1)Name	ESCON USA V LLC	
(2)Address	Corporation Trust Center 1209 Orange Street, in the City of Wilmington, in the County of New Castle, Delaware 19801	
(3)Name of representative	Manager Toru Kumaki	
(4)Purpose of establishment	Holding company	
(5)Capital	US \$35 million (planned)	
(6)Date of Establishment	December 2023 (planned)	
(7)Relationship between a listed company and the company concerned	Capital relationship	We will be established as a 100% owned subsidiary.
	Human relations	One of our employees will be appointed as representative.
	Business relationship	Not applicable.
(8)Major shareholders and shareholding ratio	ES-CON JAPAN Ltd. 100%	

3.Schedule of contribution

Resolution of the Board of Directors: December 22, 2023

Investment date: Late January 2024 (planned)

4.Impact on Business Results

The effect of this investment on the Company's consolidated financial results for Fiscal Year Ending March 2024 is immaterial.

※Reference

November 21, 2023 press release

[Notice on the Conclusion of Business Partnership Agreement among ES-CON JAPAN, Seven Signatures, BlackSand, and Kobayashi Group](#)