

August 31, 2021

Company name: ES-CON Japan Ltd.  
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 Representative Director  
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## Notice on Acquisition of (Shares of) Picasso Co., Ltd., Yuki Sangyo Co., Ltd., and Picasso's Six Group Companies

ES-CON Japan Ltd. (ES-CON Japan) announces that a decision was made at the board of directors meeting held today to acquire all shares of Picasso Co., Ltd. (hereinafter "Picasso") and Yuki Sangyo Co., Ltd. (hereinafter "Yuki Sangyo"), both of which are involved in the real estate leasing and other businesses, as well as Picasso's six group companies, which are also involved in real estate leasing (hereinafter "six Group companies"), making all these companies subsidiaries of ES-CON Japan, as follows.

### 1. Reasons for Acquiring Shares

ES-CON Japan chose to acquire 100% of shares in Picasso, Yuki Sangyo, and six Group companies active in real estate leasing, primarily in the Kansai region of Japan, with the goal of securing a stable revenue stream from rental properties.

Founded in the city of Osaka in 1991, Picasso (alongside Yuki Sangyo and the six Group companies) is active in real estate leasing, chiefly in the Kansai region. It owns numerous outstanding revenue-generating properties, including apartments and office buildings.

Currently, based on our fourth medium-term management plan, "IDEAL to REAL 2023" (covering the three-year period from 2021 to 2023), we are implementing business strategies that include aiming to transform and advance our revenue structure into a more sustainable and stable one by shifting from a revenue structure based on flows to one based on stock.

By enhancing the leasing business and securing stable revenues and rapidly moving ahead to transform our revenue structure, we expect this acquisition of subsidiaries to contribute dramatically to the sustained growth of our Group.

### 2. Details of Transitioning Subsidiaries

#### (1) Picasso

①	Trade name	Picasso Co., Ltd.		
②	Address	5-7 Doshomachi 1-chome, Chuo-ku, Osaka		
③	Title/name of representative	Representative Director Hiroaki Wakabayashi		
④	Business	Real estate leasing, real estate management, real estate investment, etc.		
⑤	Capital	90 million yen		
⑥	Date of establishment	May 23, 1991		
⑦	Major shareholders and shareholding ratio	Hiroaki Wakabayashi: 100%		
⑧	Relationship between ES-CON Japan and said company	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	Not applicable	
⑨	Business results of company over last three years	(Unit: Million yen)		
	Fiscal year end	April 2019	April 2020	April 2021
	Net sales	3,110	3,941	6,076
	Operating income	471	825	1,878

Ordinary income	196	528	1,637
Net profit	184	313	1,039
Net assets	3,038	3,352	4,391
Total assets	23,692	23,257	21,918

(2) Yuki Sangyo

① Trade name	Yuki Sangyo Co., Ltd.		
② Address	18-18 Fukushima 6-chome, Fukushima-ku, Osaka		
③ Title/name of representative	Representative Director Yoshihide Wakabayashi		
④ Business	Real estate leasing, management, brokerage services, etc.		
⑤ Capital	90 million yen		
⑥ Date of establishment	March 18, 1996		
⑦ Major shareholders and shareholding ratio	One individual shareholder: 100%		
⑧ Relationship between ES-CON Japan and said company	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	Not applicable	
⑨ Business results of company over last three years	(Unit: Million yen)		
Fiscal year end	August 2018	August 2019	August 2020
Net sales	2,287	2,262	3,105
Operating income	479	484	713
Ordinary income	242	285	481
Net profit	153	158	308
Net assets	1,126	1,285	1,593
Total assets	15,866	16,745	16,535

(3) Six Group companies

① Trade name	(A) Venus Corporation Co., Ltd.	(B) Cubic Co., Ltd.	(C) Santa Co., Ltd.
② Address	15-2 Uchikanda 1-chome, Chiyoda-ku, Tokyo	3-23 Jusomotoimazato 3-chome, Yodogawa-ku, Osaka	13-18 Oimazatonishi 3-chome, Higashinari-ku, Osaka
③ Title/name of representative	Representative Director Koichi Uchida	Representative Director Hiroaki Wakabayashi	Representative Director Hiroaki Wakabayashi
④ Business	Real estate management	Real estate leasing, management, brokerage services	Real estate leasing, management, brokerage services
⑤ Capital	90 million yen	90 million yen	90 million yen
⑥ Date of establishment	March 30, 2001	March 28, 2005	June 7, 2005
⑦ Major shareholders and shareholding ratio	One individual shareholder: 100%	Hiroaki Wakabayashi: 100%	Hiroaki Wakabayashi: 100%
⑧ Relationship between ES-CON Japan and said company			
Capital relationship/ Personnel relationship	Not applicable	Not applicable	Not applicable
Business relationship	Not applicable	Not applicable	Not applicable

⑨ Status and business results in most recent year				(Unit: Million yen)
Fiscal year end	December 2020	May 2021	February 2021	
Net sales	38	145	64	
Operating income	0	9	2	
Ordinary income	0	0	0	
Net profit	0	0	0	
Net assets	100	123	106	
Total assets	108	1,290	576	

① Trade name	(D) Hirano Bussan Co., Ltd.	(E) Aria Co., Ltd.	(F) Eikaku Y.K.
② Address	7-7 Koraibashi 1-chome, Chuo-ku, Osaka	5-7 Doshomachi 1-chome, Chuo-ku, Osaka	13-36 Kaminishi 1-chome, Hirano-ku, Osaka
③ Title/name of representative	Representative Director Aiko Hirano	Representative Director Yoshihide Wakabayashi	Representative Director Noriko Hanada
④ Business	Real estate leasing, management, brokerage services	Real estate leasing, management, brokerage services	Real estate leasing, management, brokerage services
⑤ Capital	0.1 million yen	0.1 million yen	3 million yen
⑥ Date of establishment	June 16, 2009	February 3, 2015	March 22, 2006
⑦ Major shareholders and shareholding ratio	One individual shareholder: 100%	One individual shareholder: 100%	One individual shareholder: 100%
⑧ Relationship between ES-CON Japan and said company			
Capital relationship/ Personnel relationship	Not applicable	Not applicable	Not applicable
Business relationship	Not applicable	Not applicable	Not applicable

⑨ Status and business results in most recent year				(Unit: Million yen)
Fiscal year end	May 2021	January 2021	February 2021	
Net sales	89	56	79	
Operating income	6	25	22	
Ordinary income	0	23	16	
Net profit	0	16	12	
Net assets	7	33	45	
Total assets	580	1,218	801	

⑦ In accordance with the Act on the Protection of Personal Information, based on their stated wishes to remain anonymous, no major shareholder other than Hiroaki Wakabayashi is named.

### 3. Details of Share Acquisition Counterparty

① Names	Hiroaki Wakabayashi and three other individuals
② Addresses	Undisclosed
③ Relationship between listed company and said individuals	Not applicable

① Names of share acquisition counterparties other than Hiroaki Wakabayashi remain undisclosed in accordance with the Act on the Protection of Personal Information. These individuals have expressed their wish to remain unnamed.

② Addresses remain undisclosed in accordance with the Act on the Protection of Personal Information. All those involved, including Hiroaki Wakabayashi, have expressed their strong preference to have their addresses remain undisclosed.

#### 4. Number of shares acquired and share ownership before/after acquisition

##### (1) Picasso

①	Number of shares owned before transition	0 shares (shareholding ratio: 0%)
②	Number of shares acquired	300 shares
③	Number of shares owned after transition	300 shares (shareholding ratio: 100%)

##### (2) Yuki Sangyo

①	Number of shares owned before transition	0 shares (shareholding ratio: 0%)
②	Number of shares acquired	300 shares
③	Number of shares owned after transition	300 shares (shareholding ratio: 100%)

##### (3) Six Group companies

	(A)	(B)	(C)	(D)	(E)	(F)
①	Number of shares owned before transition (shareholding ratio)	0 shares (0%)	0 shares (0%)	0 shares (0%)	0 shares (0%)	0 shares (0%)
②	Number of shares acquired	1,800 shares	9,000 shares	9,000 shares	10 shares	10 shares
③	Number of shares owned after transition (shareholding ratio)	1,800 shares (100%)	9,000 shares (100%)	9,000 shares (100%)	10 shares (100%)	10 shares (100%)

#### 5. Acquisition price (as of August 31, 2021)

Acquisition price of stock: 29.8 billion yen

Estimated expenses: 0.1 billion yen

Total acquisition price: 29.9 billion yen

The acquisition price of the stock is an estimate as of the date of this notice. The actual price will be finalized by the date of the execution of the stock transfer. Any changes will be announced separately following finalization of the price. The acquisition price of the stock is based on current mark to market net assessments of the real estate holdings in question. A fair stock acquisition price was determined through financial due diligence, which indicated the net assets are free of major concerns, as well as mark to market assessments of the condition of these properties and engineering reports obtained from external appraisal agencies.

\* The acquisition price of this acquisition is equal to 15% or more of ES-CON Japan's consolidated net assets of 38,627 million yen or nonconsolidated net assets of 38,527 million yen in the most recent period (the fiscal year ended December 2020). Thus, the acquisition price meets Tokyo Stock Exchange disclosure standards.

#### 6. Schedule

①	Date of execution	August 31, 2021
②	Date of share transfer	October 29, 2021 (planned)

#### 7. Future outlook

The impact of this share acquisition on ES-CON Japan's consolidated results for the current fiscal period currently is currently under review. Any matters determined to require disclosure will be announced promptly.