

October 29, 2020

Company name: ES-CON JAPAN Ltd.
 Representative: Takatoshi Ito, President &
 Representative Director
 (TSE 1st Section, code: 8892)
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Notice on Launch of Sale and Management of Columbarium (Permanent Use Rights)

ES-CON JAPAN Ltd. (ES-CON JAPAN) announces that a decision was made at the board of directors' meeting held today to launch a new business, the sale and management of a columbarium (permanent use rights) (the "Business"), through a consolidated subsidiary below as follows.

1. Background and Overview of the New Business

ES-CON JAPAN will newly launch the Business in Minami Azabu, Minato-Ku, Tokyo.

In an aging, high-death-rate society where it is said that there will be 1.68 million deaths in the year 2040, there is a shortage of cemeteries as well as concerns that there will be a lack of "grave guardians" given the declining birth rate and the increasing number of smaller families. In view of the fact that it is particularly difficult to obtain graves in central Tokyo, ES-CON JAPAN has decided to launch this Business in an effort to solve problems facing modern society and to secure revenue by expanding the scope of the real estate business.

The Business will be conducted by Ryomon Co., Ltd. ("Ryomon"), the consolidated subsidiary outlined below in section 3.

While the operations of the columbarium are overseen by Religious Corporation Zuikein ("Zuikein"), Ryomon has been entrusted with sales and management of the columbarium.

The ES-CON JAPAN Group's vision is to be a "life developer" that not only develops buildings but also the lives of those who live in them, thinking of their happiness, and the Group will take on the responsibility of managing and operating this long-standing columbarium.

2. Overview of Columbarium

(1)	Name	Ryomon
(2)	Location	5-1-4 Minami-Azabu, Minato-ku, Tokyo
(3)	Access	3-minute walk from Hiroo Station on the Tokyo Metro Hibiya Line
(4)	Site area	861.36 m ² (260.86 tsubos)
(5)	Total floor area	2,565.32 m ² (776.01 tsubos)
(6)	Structure/scale	Steel frame, partially reinforced concrete, 7 floors above ground, 1 below
(7)	Number of chambers	9,999
(8)	Facility overview	Private visit-type automatic transfer columbarium
(9)	Sales launch date	March 2021 (scheduled)
(10)	License number	Minato City Environmental Health License No. 9-29

For inquiries related to the columbarium, please contact the Planning Department at +81-3-6230-9313.

3. Overview of Transitioning Subsidiary (Ryomon)

<Before transition>

(1)	Name	Ryomon Co., Ltd.
(2)	Location	5-1-1 Minami-Azabu, Minato-ku, Tokyo
(3)	Title and name of representative	Representative Director, Toshio Tarumi
(4)	Line of business	Sale of permanent use rights at columbarium, management of columbarium
(5)	Capital	10 million yen
(6)	Establishment	August 26, 2020
(7)	Major shareholders and holding ratio	Ark Real Estate Co., Ltd. 100%
(8)	Relationship with listed companies	Capital, personal, and business relationships are not applicable.
(9)	Consolidated management results and consolidated financial condition over the past three years	Not applicable as it was just established.

While the operations of the columbarium are overseen by Zuikein, Ryomon has been entrusted with the sales and management of the columbarium.

ES-CON JAPAN has made Ryomon a consolidated subsidiary while acquiring its shares through third-party allotment.

<After transition>

(1)	Name	Ryomon Co., Ltd.
(2)	Location	5-1-1 Minami-Azabu, Minato-ku, Tokyo
(3)	Title and name of representative	President & Representative Director, Hiroki Iwawaki Director, Takatoshi Ito Director, Minoru Nakanishi Director, Taketo Fukui Director, Takeshi Nagira Auditor, Takeshi Amaha
(4)	Line of business	Sale of permanent use rights at columbarium, management of columbarium
(5)	Capital	100 million yen
(6)	Establishment	August 26, 2020
(7)	Major shareholders and holding ratio	ES-CON JAPAN Ltd. 51% Ark Real Estate Co., Ltd. 49%

After the transition, in addition to the President & Representative Director from ES-CON JAPAN mentioned above in section 3, two directors from ES-CON JAPAN and one director each from Ark Real Estate Co., Ltd. and Zuikein are scheduled to be appointed as directors, and one employee from ES-CON JAPAN is scheduled to be appointed as an auditor.

Moreover, Ryomon is planning to procure funds worth 7,000 million yen to launch the Business, and ES-CON JAPAN and Ark Real Estate Co., Ltd. are scheduled to guarantee the loan.

4. Overview of Partnership (Ark Real Estate Co., Ltd.)

(1)	Name	Ark Real Estate Co., Ltd.	
(2)	Location	2-5-8 Imabashi, Chuo-ku, Osaka City, Osaka	
(3)	Title and name of representative	Representative Director, Yoshio Takayama	
(4)	Line of business	General real estate business	
(5)	Capital	90 million yen	
(6)	Establishment	October 17, 1995	
(7)	Major shareholders and holding ratio	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Seller of land used for the business of ES-CON JAPAN

5. Number of Shares Acquired, Acquisition Price, and Share Ownership Before/After Acquisition

(1)	Number of shares owned before transition	0 shares
(2)	Number of shares acquired	1,020 shares (Number of voting rights: 1,020)
(3)	Acquisition Price	51 million yen
(4)	Number of shares owned after transition	1,020 shares (Number of voting rights: 1,020; Ratio of voting rights ownership: 51.0%)

6. Overview of Zuikein

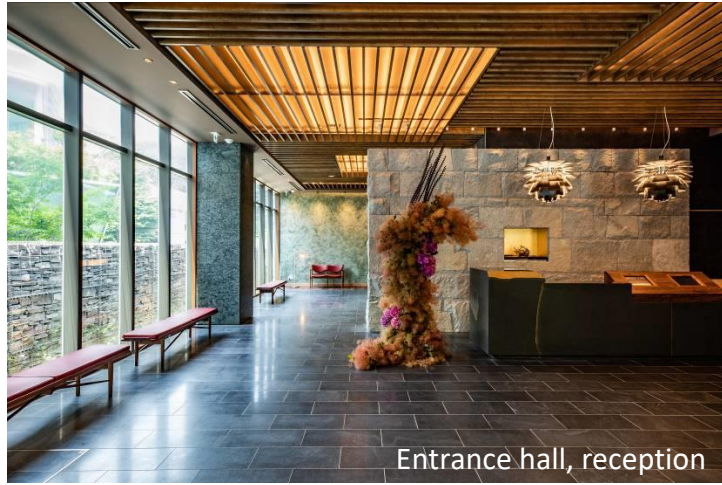
(1)	Name	Zuikein, Religious Corporation
(2)	Location	5-1-3 Minami-Azabu, Minato-ku, Tokyo
(3)	Head temple	Sanenzan Kodoin Zojo-ji Temple
(4)	Main temple	Kachozan-Chionin, Chionin
(5)	Religious school	Jodo Buddhism (Pure Land School)
(6)	Founder	Tenyo Ryomon

7. Schedule

(1)	Date of resolution by board of directors	October 29, 2020
(2)	Date of contract	Scheduled for October 29, 2020
(3)	Date of execution	Scheduled for October 29, 2020
(4)	Date of launch	Scheduled for October 30, 2020



Building exterior



Entrance hall, reception



Visitation room "Amamitsuki"



Third floor atrium

8. Impact on Financial Results

There will be minimal impact on this fiscal year's consolidated results for ES-CON JAPAN Group. The impact on the next fiscal year onward is currently being examined.