

May 15, 2023

Company name: ES-CON JAPAN Ltd.  
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Representative Director  
(TSE Prime Market, code 8892)  
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## **Notice on Termination of Business Alliance with NISSEI BUILD KOGYO CO., LTD.**

ES-CON JAPAN Ltd. (ES-CON JAPAN) announced its decision, made at the Board of Directors' meeting held today, to terminate the basic agreement on a business alliance with NISSEI BUILD KOGYO CO., LTD. ("NISSEI BUILD KOGYO" hereinafter) that had entered into effect on November 2, 2012 ("Alliance Agreement" hereinafter).

### **1. Reason for termination of the business alliance**

ES-CON JAPAN entered into the Alliance Agreement (including capital alliance) with NISSEI BUILD KOGYO on November 2, 2012, for the purpose of achieving synergies among its businesses and building a sustained mid- to long-term relationship between the two companies. Additionally, ES-CON JAPAN implemented an increase of shares through third-party allotment to NISSEI BUILD KOGYO on November 20, 2012.

Due to the secondary offering of the entirety of ES-CON JAPAN's shares held by NISSEI BUILD KOGYO, an agreement was reached to terminate the Alliance Agreement.

### **2. Specifics of the termination**

As of today, NISSEI BUILD KOGYO holds 6,500,000 shares of ES-CON JAPAN. However, the two companies have agreed upon the secondary offering of the entirety of ES-CON JAPAN's shares held by NISSEI BUILD KOGYO. For more information, please refer to the news release titled "Notice on Secondary Offering of Shares" announced today.

Additionally, while the Alliance Agreement will be terminated, ES-CON JAPAN and NISSEI BUILD KOGYO remain on favorable terms and will continue to engage in business.

### 3. Summary of alliance partner

(1)	Trade Name	NISSEI BUILD KOGYO CO., LTD.		
(2)	Address	3-chome 16-10 Kanaiwakita, Kanazawa-shi, Ishikawa		
(3)	Title/Name of representative	President and Representative Director Akifumi Kimura		
(4)	Business	Design, manufacturing, construction, and rental of prefabricated housing construction products; design, manufacture, construction, and maintenance of multi-story parking garages, etc.		
(5)	Capital	490 million yen		
(6)	Date of Establishment	July 3, 1961		
(7)	Major shareholders and shareholding ratio	SPACE VALUE HOLDINGS CO., LTD. 100%		
(8)	Relationship between ES-CON JAPAN and listed company	Capital relationship	NISSEI BUILD KOGYO holds 6,500,000 shares in ES-CON JAPAN.	
		Personnel relationship	Not applicable	
		Business relationship	Business alliance partner	
		Status of related parties	Not applicable	
(9)	Business results over the last three years			(Unit: Million yen)
	Fiscal year end	September 2020	March 2021	March 2022
	Net assets	21,388	22,257	22,553
	Total assets	35,567	35,116	33,298
	Net sales	14,187	17,180	31,328
	Operating income	-479	667	464
	Ordinary income	-372	1,113	937
	Net profit	471	1,239	1,113

(Note) Of the "Business results for the last three years," the fiscal years ending in September 2020 and March 2021 each have an accounting period of six months due to a change in the fiscal year end.

### 4. Dates

(1)	Date of resolution by board of directors	May 15, 2023
(2)	Date of termination of the Alliance Agreement	May 15, 2023

### 5. Future outlook

The impact of this matter on ES-CON JAPAN's business performance is expected to be minimal.