

April 1, 2020

Company Name: NIPPON KANZAI Co., Ltd.  
Representative: Shintaro Fukuda, President and Representative Director  
(Code No. 9728, Tokyo Stock Exchange, First Section)  
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**Notice Regarding Acquisition of Shares  
of Hawaiiiana Holdings Incorporated,  
a Residential Management Company in Hawaii, USA  
(as an Equity-Method Affiliate)**

Nippon Kanzai Co., Ltd. (hereinafter “Nippon Kanzai”) is pleased to hereby announce its acquisition of 50% of shares in Hawaiiiana Holdings Incorporated (hereinafter “Hawaiiiana”), a residential management company in Hawaii, USA, from Swell International Incorporated (hereinafter “Swell”), the shareholder. Hawaiiiana will be an equity-method affiliate of Nippon Kanzai.

1. Purpose of the share acquisition

Hawaiiiana manages residential properties in Hawaii and provides services on six islands of Hawaii, including Maui, Hawaii, Kauai, and Oahu, where Honolulu is located. Hawaiiiana is the largest player in Hawaii, with approximately 107,000 units and 770 owners’ associations under management.

Hawaiiiana is a locally operating company, providing its services within the state of Hawaii where large-scale developments are in progress. On the other hand, Nippon Kanzai has expanded its business internationally including Australia and California, USA. This acquisition is expected to provide Hawaiiiana with the business know-how of Nippon Kanzai group, and to bring synergies within the group as well as contributing to our business results.

2. Overview of the equity-method affiliate, Hawaiiiana (as of December 31, 2019)

Company name	Hawaiiiana Holdings Incorporated
Headquarters	711 Kapiolani Boulevard, Suite 700, Honolulu, Hawaii 96813
Business	Residential management
Net sales	Approx. USD 26.67million
Date of incorporation	September 24, 2008 (Business started in 1955)

Paid-in capital	USD 5,270,758.38
Relationship with Nippon Kanzai	There will be a capital relationship between the groups due to this investment. Nippon Kanzai is planning to send directors to Hawaiiana.

3. Overview of the seller, Swell (as of December 31, 2019)

Company name	Swell International Incorporated
Headquarters	1441 Kapiolani Boulevard, Suite 1915, Honolulu, Hawaii 96814
Name and title of the representative	Daikichi Saito, President
Business	Real Estate Brokerage etc.
Foundation date	February 10, 2010
Paid-in capital	USD 800,000
Relationship with Nippon Kanzai	There is no capital, personal, or transactional relationship between the groups to be reported. In addition, there is no capital, personal, or transactional relationship between related parties and affiliates of the groups to be reported.

4. Number of shares acquired, consideration and number of shares owned before and after the purchase

(1) Number of shares before transaction	None (0.0%)
(2) Number of shares acquired	187,500 (50.0%)
(3) Number of shares after transaction	187,500 (50.0%)

\*Acquisition price will not be disclosed under the agreement with the seller.

5. Closing date March 31, 2020 (Hawaii-Aleutian Standard Time)

6. Impacts on business forecasts

The impact on Nippon Kanzai's consolidated business forecast of the current fiscal year is insignificant.