

April 1, 2022

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 in Pacific Property Group Inc.,
a Commercial Property Management Company in Hawaii, USA

Nippon Kanzai Co., Ltd. (hereinafter “the Company”) is pleased to announce that its subsidiary, Nippon Kanzai USA, Inc. (hereinafter “NKUSA”), acquired 90% of shares in Pacific Property Group Inc. (hereinafter “PPG”), a commercial property management company headquartered in Honolulu, Hawaii. PPG will be an equity-method non-consolidated subsidiary of the Company.

Note

1. Purpose of acquisition of shares

PPG provides property management service to approximately 20 commercial properties including office, industrial and retail complexes. Services also include leasing and sales brokerage. The total floor area of 60,000 m² is under its management and it is equivalent to the 13th in the State of Hawaii.

In 2020, the Company acquired 50% of shares in Hawaiiana Holdings Incorporated, the largest AOO management company in Hawaii. The Company made the decision in pursuit of developing diversified operations as well as enhancing its ability to provide solutions by expanding into neighboring business areas.

2. Profile of the equity-method non-consolidated subsidiary (as of December 31, 2021)

Company name	Pacific Property Group, Inc.
Headquarters	615 Piikoi Street, Suite 901, Honolulu, Hawaii 96814
Name and title of the representative	Miles Kamimura, President
Business	Property management for office, retail, and industrial

	properties, as well as leasing services, sales brokerage and consulting.
Net sales	Approx. USD 2.01 million
Date of incorporation	February 27, 2007
Paid-in capital	USD 1,000
Relationship with Nippon Kanzai	There will be a capital relationship between PPG and the Company after this transaction. The Company plans to send directors to PPG.

3. Profile of the seller

Name	Miles Kamimura
Address	Honolulu, Hawaii
Relationship with Nippon Kanzai	There is no capital, personnel, or transactional relationship to be disclosed between the seller (including the seller's immediate family, companies which the seller or his immediate family owns more than 50% or their subsidiaries) and the Company. There is no notable capital, personnel or transactional relationship between the seller or the seller's affiliates and the Company's affiliates.

4. Profile of the subsidiary acquiring shares (as of December 31, 2021)

Company name	Nippon Kanzai USA, Inc.
Headquarters	c/o Kranjac Tripodi & Partners LLP 30 Wall Street, 12 th Floor, New York, New York 10005 USA
Name and title of the representative	Mamoru Yasuda, President and Director
Business	Acquisition of companies, real estate properties and collecting related information
Net sales	Approx. USD 779,000
Date of incorporation	October 3, 2011
Paid-in capital	USD 440,000
Relationship with Nippon Kanzai	The Company owns 100% of common shares of Nippon Kanzai USA, Inc. and appoints all four Directors. The company made a loan to Nippon Kanzai USA, Inc.

5. Number of the shares acquired by NKUSA and number of shares owned before and after the transaction

Number of shares before transaction	None	0.0% of total shares
Number of acquired shares	900 shares	90.0% of total shares
Number of shares after transaction	900 shares	90.0% of total shares

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

6. Closing date

March 31, 2022 (HST)

7. Impact on business forecast

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

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