

Company Name: ES-CON JAPAN Ltd.
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Notice of Execution of Share Purchase Agreement Regarding the Acquisition of Shares in ARK REAL ESTATE Co., Ltd. (to Make it a Consolidated Subsidiary) Involving a Corporate Divestiture

ES-CON JAPAN Ltd. (Head Office: Minato-ku, Tokyo; hereinafter the “Company”) hereby announces that it has resolved to execute a share purchase agreement (hereinafter the “Agreement”) concerning the acquisition of shares in ARK REAL ESTATE Co., Ltd. (Head office: Osaka-shi, Osaka; hereinafter “ARK REAL ESTATE”) to make it a consolidated subsidiary, on the premise of a corporate divestiture (absorption-type split) to be implemented by ARK REAL ESTATE, and that it has entered into the Agreement today.

1. Reason for the Share Acquisition

With the aim of further expanding the earnings base in the recurring-revenue businesses consisting of the real estate leasing business and the asset management business, the Company has decided to acquire all shares in ARK REAL ESTATE, which operates a real estate business primarily in the Kansai region, to make it a consolidated subsidiary.

The Company is currently driving the business under the 5th Medium-term Management Plan (from fiscal year ended March 2025 to fiscal year ending March 2027), in which improving the recurring revenue ratio is set as one of its management targets. Based on the policy to accumulate revenue-generating properties in operation through the execution of the Agreement, we expect the acquisition to contribute to the Company’s profitability enhancement and the stabilization of our management base. Furthermore, this matter will involve the acquisition of shares in ARK REAL ESTATE after its company split. The execution date of the Agreement is scheduled for October 30, 2026.

2. Overview of the Major Subsidiary to Be Transferred

(i)	Company name	ARK REAL ESTATE Co., Ltd.
(ii)	Location	2-5-8 Imahashi, Chuo-ku, Osaka-shi, Osaka
(iii)	Name and title of representative	Yuichiro Goto, Representative Director
(iv)	Business description	Real estate operations including sales and purchase, leasing, brokerage, and management
(v)	Share capital	90 million yen
(vi)	Establishment date	October 17, 1995
(vii)	Major shareholders and ownership ratio	Individual (Not disclosed) 57% (Note 1) Seven Individuals (Not disclosed) 43% (Note 2)

(viii) Relationship between the Company and the relevant company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	The Company has a history of real estate transactions with ARK REAL ESTATE. While some of these transactions exceeded 1% of the Company's consolidated net sales, all such transactions were conducted at arm's length based on fair market prices.

(ix) Operating results for the past three years (Note 3)				(Millions of yen)
Fiscal year ended March 31,	2023	2024	2025	
Net sales	28,067	30,756	39,371	
Operating income	2,499	3,822	5,831	
Ordinary income	2,492	3,812	5,035	
Profit	1,475	2,019	1,936	
Net assets	22,136	23,889	25,722	
Total assets	63,770	77,579	92,507	

(Note 1 and 2) As all shareholders, including the major shareholder, are individuals, their names will not be disclosed.

(Note 3) Figures represent values prior to the company split. ARK REAL ESTATE's post-split net assets, total assets, and net sales are projected to be 4,500 million yen, 18,800 million yen, and 1,600 million yen, respectively.

3. Overview of the Counterparty to the Share Acquisition

(i) Name	Not disclosed (Note 4)
(ii) Address	Not disclosed (Note 5)
(iii) Relationship between the Company and the relevant individual	Capital relationship: The individual holds 0.32% of the Company's shares. Personnel relationship: No matters to be reported. Business relationship: No matters to be reported.

(Notes 4 and 5) As all shareholders, including the major shareholder, are individuals, their names and addresses will not be disclosed.

4. Number of Shares to Be Acquired, and Status of Shares Held Before and After the Acquisition

(i) Number of shares held before the change	0 shares (Ratio of shares held: 0%)
(ii) Number of shares to be acquired	1,800 shares
(iii) Number of shares held after the change	1,800 shares (Ratio of shares held: 100%)

5. Acquisition Price (Estimated)

Acquisition price of the shares	11,000 million yen
Estimated expenses	31 million yen
Total acquisition cost	11,031 million yen

The acquisition price of the shares is an estimate as of today and will be finalized by the execution date of the share transfer. Any changes to the price will be announced separately once finalized.

The acquisition price of the shares was determined based on the net asset value at market price, reflecting the mark-to-market valuation of the owned real estate properties. Financial due diligence has confirmed that there are no significant concerns regarding net assets. Furthermore, the mark-to-market valuation of the owned real estate was conducted for major properties, based on real estate due diligence and engineering reports from external investigative agencies. Accordingly, the Company has determined that the acquisition price of the shares is fair and appropriate.

6. Schedule

(i)	Execution date of the Agreement	March 19, 2026
(ii)	Closing date of share transfer	October 30, 2026 (scheduled)

7. Outlook

The impact of this share acquisition on the Company’s consolidated financial results for the current fiscal year is expected to be immaterial. Should any matters requiring disclosure arise in the future, the Company will promptly disclose them.