September 29, 2023

Company Name: NIPPON KANZAI Holdings Co., Ltd.
Representative: Shintaro Fukuda, President and Representative Director (Code No. 9347, Tokyo Stock Exchange, Prime Market)
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Notice Regarding Acquisition of Shares of Ackermann Hausverwaltung GmbH, a Residential Management Company in Munich

Nippon Kanzai Holdings Co., Ltd. (hereinafter “Nippon Kanzai Holdings”) is pleased to announce that its subsidiary Nippon Kanzai Deutschland GmbH (hereinafter “Nippon Kanzai Deutschland”), acquired 75% shares of Ackermann Hausverwaltung GmbH (hereinafter “Ackermann”), a residential management company in Munich, Bayern, Germany. Ackermann will be an equity-method affiliate of Nippon Kanzai Holdings.

1. Purpose of the share acquisition

Ackerman operates in Munich, the city with the third largest population and a robust economic foundation in Germany, which boasts the largest economic scale in the EU. The business includes the rental management of properties such as condominiums. Additionally, through Ackerman’s wholly owned subsidiaries, also engaged in the management of owner’s association properties, buying, selling and rental brokerage, and facility management, as well.

Ackermann is one of the top three players in the city of Munich, with approximately 12,000 rental units（ca. 260 clients）and 5,000 owner’s association units (about 150 associations) under management.

On the other hand, Nippon Kanzai Holdings has expanded its business internationally including Australia, California and Hawaii, USA. This acquisition is expected to share the business experiences of Nippon Kanzai Holdings group with Ackermann, and to bring synergies within the group as well as contributing to our business results.

2. Overview of the equity-method affiliate, Ackermann (as of December 31, 2022)

Company name	Ackermann Hausverwaltung GmbH
Headquarters	Garmischer Straße 7, 80339 München, Germany
Name and title of the representative	Henning Schrödter, CEO Dr Ditmar Unger, CEO

Business	Residential management
Date of incorporation	May 14, 2001 (Business started in 1919)
Paid-in capital	EUR 250,000 (39 million yen)
Major shareholders and shareholding ratio	G.H. Schrödter Invest GmbH (100.0%)
Relationship with Nippon Kanzai Holdings	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.

Business results and financial position of the company for the last three years.

Financial year	**Year ended 31 December 2020**	**Year ended 31 December 2021**	**Year ended 31 December 2022**
Net Assets	EUR 2,006 thousand (315 million yen)	EUR 2,256 thousand (354 million yen)	EUR 1,305 thousand (205 million yen)
Total Assets	EUR 3,560 thousand (559 million yen)	EUR 3,662 thousand (575 million yen)	EUR 2,336 thousand (367 million yen)
Net Sales	EUR 5,181 thousand (814 million yen)	EUR 6,936 thousand (1,090 million yen)	EUR 7,678 thousand (1,207 million yen)
Operating Income	EUR 126 thousand (19 million yen)	EUR 381 thousand (59 million yen)	EUR 21 thousand (3 million yen)
Ordinary Income	EUR 106 thousand (16 million yen)	EUR 344 thousand (54 million yen)	EUR △13 thousand (△2 million yen)
Net Profit	EUR 294 thousand (46 million yen)	EUR 230 thousand (36 million yen)	EUR △800 thousand (△125 million yen)

The TTM rate of 157.26 yen/EUR on 28 September 2023 is used.

3. Overview of the seller (as of December 31, 2022)

Company name	G.H. Schrödter Invest GmbH
Headquarters	Georgenstraße 2, 82049 Pullach, Germany
Name and title of the representative	Henning Schrödter, CEO Silvia Schrödter, CEO
Business	Real Estate Management etc.
Foundation date	October 13, 2004
Paid-in capital	EUR 25,000 (3 million yen)
Relationship with Nippon Kanzai Holdings	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.

The TTM rate of 157.26 yen/EUR on 28 September 2023 is used.

4. Overview of the subsidiary investing the New Entity

Company name	Nippon Kanzai Deutschland GmbH
Headquarters	Goethestrasse 7, 60313 Frankfurt am Main, Germany
Business	Provision of real estate-related services in Europe, particularly in Germany, and investment in affiliated companies.
Net Sales	No results available as the company was established in July

	2023.
Foundation date	July 12, 2023
Paid-in capital	EUR 25,000 (3 million yen)
Relationship with Nippon Kanzai Holdings	Nippon Kanzai Holdings owns 100% of the common shares of Nippon Kanzai Deutschland and appoints all four Directors of Nippon Kanzai Deutschland. Nippon Kanzai Holdings made a loan to Nippon Kanzai Deutschland.

The TTM rate of 157.26 yen/EUR on 28 September 2023 is used.

5. 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 (75.0%)

   (3) Number of shares after transaction 187,500 (75.0%)

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

6. Closing date September 29, 2023 (Central European Time)

7. Impacts on business forecasts

   The impact on Nippon Kanzai Holdings' consolidated business forecast of the current fiscal year is relatively limited.