

June 20, 2022

Dear All:

Company name	Japan Living Warranty Inc.	
Name of representative person	Yoshitaka Adachi Representative director and president	(Code: 7320 TSE Growth)
Contact	Atsushi Yoshikawa Director and General Manager of the Administrative Division	(TEL: 03-6276-0401)

## Announcement of Transfer of Consolidated Subsidiary (Share Transfer)

Japan Living Warranty Inc. would like to announce that pursuant to the provisions of Article 370 of the Companies Act, the Board of Directors, effective today, adopted a resolution in writing on the transfer of all issued shares in its consolidated subsidiary Yokohama House Inc. (a wholly-owned subsidiary) to Miharu Information Center Co., Ltd. as detailed below.

Subsequent to the share transfer, Yokohama House will cease to be consolidated under Japan Living Warranty.

### Notice

#### 1. Reason for the share transfer

After acquiring all shares in Yokohama House in July 2020, Japan Living Warranty provided capital and personnel-related support to the company in an effort to explore synergies with Japan Living Warranty's own business endeavors, such as seeking to have Yokohama House take charge of one facet of the real service network strategy. However, in expanding said network, Japan Living Warranty shifted its strategy to digital platform-based expansion. Having come to the conclusion that it would be difficult to fully exercise synergies with Yokohama House in the future, Japan Living Warranty decided to transfer the entirety of its equity holdings in Yokohama House to Miharu Information Center.

#### 2. Overview of the subsidiary to be transferred

(1) Name	Yokohama House Inc.	
(2) Location	8-52-11 Sugita, Isogo-ku, Yokohama-shi, Kanagawa-ken	
(3) Name and title of representative	Representative Director Yasushi Nakamura	
(4) Description of business	Contracting of renovation work on detached homes, apartments, shops, etc.	
(5) Stated capital	10 million yen	
(6) Date of incorporation	July 30, 2004	
(7) Major shareholder and stake	Japan Living Warranty Inc. 100%	
(8) Relation to listed company	Capital	100% ownership.

(Japan Living Warranty)	Personnel	Japan Living Warranty has dispatched employees to hold concurrent positions as executives at Yokohama House.	
	Transactions	There has been consignment of repair work, etc. arranged between Japan Living Warranty and Yokohama House, and transactions which include a rental agreement for the head office and lending of funds.	
(9) Operating results and financial condition for the 3 most recent fiscal years (yen; K=1,000)			
Fiscal year	Year ending August 2019	Year ending June 2020	Year ending June 2021
Net assets	10,789 K	-5,075 K	-9,096 K
Total assets	40,887 K	74,099 K	172,618 K
Net assets per share	204.43 K	-25.37 K	45.48 K
Net sales	145,165 K	123,814 K	119,643 K
Operating profit/loss	6,491 K	16,734 K	-5,553 K
Ordinary profit/loss	6,492 K	30,998 K	-3,721 K
Net income/loss	6,052 K	-15,864 K	-3,796 K
Earnings/loss per share	30.26 K	-79.32 K	-18.98 K
Dividends per share	- yen	- yen	- yen

\*From the fiscal year ending June 2020, the fiscal period was changed to report financial results on a 10-month basis.

### 3. Overview of the share transfer counterparty

(1) Name	Miharu Information Center Co., Ltd.	
(2) Location	8-8-11 Hino, Konan-ku, Yokohama-shi, Kanagawa-ken	
(3) Name and title of representative	Representative Director Mahiro Haruki	
(4) Description of business	Real estate sales and rental agency, real estate management, custom-built home sales, home renovations, etc.	
(5) Stated capital	90 million yen	
(6) Date of incorporation	February 1977	
(7) Major shareholder and stake	Miharu Management, Inc. 65.4%	
(8) Relation to listed company (Japan Living Warranty) and to Yokohama House	Capital	N/A
	Personnel	N/A
	Transactions	N/A
	Situation regarding related parties	N/A

\*Note: At the request of the share transfer counterparty, which is an unlisted company, some information has been omitted.



4. Number of shares to be transferred, disposition price and shareholding status pre- and post-transfer

(1) Number of shares held pre-transfer	200 (number of voting rights: 200)
(2) Shares transferred	200
(3) Disposition price	Not published pursuant to non-disclosure agreement
(4) Number of shares held post-transfer	0 (number of voting rights: 0)

5. Timeline

Resolution adopted by Japan Living Warranty's Board of Directors	June 20, 2022
Execution of share transfer agreement	June 20, 2022
Execution of share transfer	June 30, 2022

6. Outlook

As a result of this share transfer, Japan Living Warranty expects to record an extraordinary loss of 11 million yen in its consolidated financial results for the year ending June 2022. If any revisions to the forecasted financial results for the year ending June 2022 are deemed necessary, including changes resulting from other factors, we will issue an announcement promptly.