

Kakuyasu Group Co.,Ltd.

Representative Director and President Junichi Sato

(Ticker Code : 7686 Tokyo Stock Exchange Second Section)

Inquiry to Director Yoshiyuki Maegaichi

Stock Acquisition of Meiwa Bussan Co.,Ltd.

This is to announce that the Company resolved to acquire entire common stocks of Meiwa Bussan Co., Ltd. (headquartered in Chuo-ku, Tokyo; hereinafter "Meiwa Bussan") at the Board of Directors meeting convened today, making them a subsidiary company. Details are described as follows.

1. Purpose of the stock acquisition

The Company and its consolidated subsidiaries are determined and prepared to meet any customers' requests under the brand name "*Anything Liquor Store Kakuyasu*", aiming to be considered the most convenient liquor store by local customers. The primary focus of its management policy is to build distribution infrastructure principally for liquor. One of the Company's medium-term growth strategies is to evolve into a "delivery platform company" that provides enhanced last-mile delivery services by utilizing its existing distribution infrastructure, establishing distribution centers closer to end-users, and expanding the range of goods delivered other than liquor.

Meiwa Bussan is one of the distributors of Meiji Co., Ltd. and primarily delivers dairy products of Meiji. The company's trade areas are certain parts of Tokyo and surrounding prefectures, such as *Josai* and *Jonan* areas in Tokyo, suburban Tokyo, Chiba, and Kanagawa. It offers a subscription-based delivery of products that promote physical and mental health from nine bases. The products include milk and dairy products that are beneficial for health, a variety of other foods such as salads and other cooked or prepared foods that make meals enjoyable, and sundries and clothing that enrich one's life. The company's motto is "Deliver happiness and health." The delivery business has a wide range of sales channels and is highly recognized in Tokyo and surrounding prefectures.

The Company's decision to acquire Meiwa Bussan's common stocks and make it a subsidiary reflects its intention to expand the domestic business and take a step toward evolving into a delivery platform company. As home consumption expands amid the COVID-19 pandemic, the acquisition will allow both companies to refer customers to each other and create synergies. Moreover, they can enhance distribution efficiency and deliver a wider range of items beyond alcoholic and non-liquor merchandise, such as food and daily essentials. The Group aims to expand and strengthen its revenue base and enhance its corporate value.

2. Overview of the Acquiree

| | | | | |
|-----|---|---|----------------------|----------------------|
| (1) | Company Name | Meiwa Bussan Co.,Ltd. | | |
| (2) | Headquarters | 3-13-5, Nihonbashi, Chuo-ku, Tokyo | | |
| (3) | Representative | Akiyuki Aizu (Mr.) | | |
| (4) | Business | Home delivery and sales of dairy products | | |
| (5) | Paid-in Capital | JPY 80 million | | |
| (6) | Establishment | November 12, 1983 | | |
| (7) | Shareowner | Meiwa Holdings Co.,Ltd. | 100% | |
| (8) | Relationship between the Company and the acquiree | Capital Relationship | Not applicable. | |
| | | Personal Relationship | Not applicable. | |
| | | Business Relationship | Not applicable. | |
| (9) | Consolidated Financial Positions and Results of the Company in the latest three years | | | |
| | Fiscal Year Ending | December 31, 2017 | December 31, 2018 | December 31,2019 |
| | Net Assets | JPY 138,854 thousand | JPY 148,563 thousand | JPY 149,130 thousand |
| | Total Assets | JPY 237,250 thousand | JPY 250,544 thousand | JPY 249,484 thousand |
| | BVPS | JPY 54,559.54 | JPY 58,374.84 | JPY 58,597.35 |
| | Sales | JPY 237,461 thousand | JPY 899,387 thousand | JPY 928,747 thousand |
| | Operating Profit | JPY 7,613 thousand | JPY 15,867 thousand | JPY 21,777 thousand |
| | Recurring Profit | JPY 7,624 thousand | JPY 16,516 thousand | JPY 22,670 thousand |
| | Net Profit | JPY 4,982 thousand | JPY 9,502 thousand | JPY 764 thousand |
| | EPS | JPY 1,957.95 | JPY 3,733.92 | JPY 300.37 |

(Notes)

- Results for FY2017 (fiscal year ended December 31, 2017) are those only for the three months from October to December due to a change in the fiscal year. The previous fiscal year was from October 1, 2016 to September 30, 2017. From FY2018, the fiscal year is from January 1 to December 31.
- During the fiscal year ended December 31, 2019, the company recorded an impairment loss of 18,760 thousand yen on land as an extraordinary loss.
- On December 1, 2020, a share transfer was implemented, and as a result, the company became a wholly owned subsidiary of Meiwa Holdings Co., Ltd. The share transfer has not affected the company's assets, liabilities, or sales.

3. Overview of the Seller

| | | | |
|-----|---|--|-----------------|
| (1) | Company Name | Meiwa Holdings Co.,Ltd. | |
| (2) | Headquarters | 3-24-6, Ueno, Taito-ku, Tokyo | |
| (3) | Representative | Ichiro Fujita (Mr.) | |
| (4) | Business | Holding company's functions | |
| (5) | Paid-in Capital | JPY 80 million | |
| (6) | Establishment | December 1, 2020 | |
| (7) | Shareowner | JAPAN Creative Platform Group Co., Ltd. 100% | |
| (8) | Relationship between the Company and the Seller | Capital Relationship | Not applicable. |
| | | Personal Relationship | Not applicable. |
| | | Business Relationship | Not applicable. |
| | | Status of Related parties | Not applicable. |

※ Meiwa Holdings Co., Ltd. is a company established on December 1, 2020 and thus its net assets and total assets are undetermined.

※ Overview of the parent company of the seller

| | | | |
|------|--|--|--------|
| (1) | Company Name | JAPAN Creative Platform Group Co., Ltd. | |
| (2) | Headquarters | 3-24-6, Ueno, Taito-ku, Tokyo | |
| (3) | Representative | Ichiro Fujita (Mr.) | |
| (4) | Business | Control of group companies with related operations | |
| (5) | Paid-in Capital | JPY 400 million | |
| (6) | Establishment | January 5, 2015 | |
| (7) | Net Assets, as of September 30, 2020 | JPY 12,331 million | |
| (8) | Total Assets, as of September 30, 2020 | JPY 57.800 million | |
| (9) | Major Shareowners and its ownership, as of June 30, 2020 | TKO Co.,Ltd. | 43.12% |
| | | Employees Stock Ownership Association of JAPAN Creative Platform Group | 16.51% |
| | | Wellco Holdings Co.,Ltd. | 2.85% |
| (10) | Relationship between the Company and the acquiree | Capital Relationship | N.A. |
| | | Personal Relationship | N.A. |
| | | Business Relationship | N.A. |
| | | Status of Related parties | N.A. |

4. Acquiring shares, acquisition price, and post-acquisition ownership

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|-----|-----------------------------|-----------------|
| (1) | Acquiring shares | 2,545 shares |
| (2) | Corresponding voting rights | 2,545 |
| (3) | Post-acquisition ownership | 100.0% |
| (4) | Acquisition price | JPY 198 million |

5. Schedule

| | |
|----------------------------|-------------------|
| • Board Resolution | December 15, 2020 |
| • Signing Date | December 15, 2020 |
| • Closing Date (scheduled) | February 1, 2021 |

6. Future Outlook

The Company assumes that the transaction won't affect the consolidated financial results to a significant degree and announce some impact of the transaction if any revisions arise. The Company also assumes that the transaction leverages the strengths of both companies and contributes to improving our business performance over the medium to long term.