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December 17, 2024

To whom it may concern

Name of company SAAF Holdings Co., Ltd.
 Representative Representative Director and President Toshimori Mae
 (Ticker code: 1447, Tokyo Stock Exchange, Growth Market)
 Inquiry Senior Executive Officer, General Manager of Takashi Noma
 Management Headquarters and CFO
 ((MAIL: info@saaf-hd.co.jp))

Notice regarding change in consolidated subsidiary (stock transfer)

We would like to inform you that we have resolved to transfer all shares of san-ai-home Inc. (hereinafter referred to as "san-ai-home"), a consolidated subsidiary of the Company to GRANDES, Inc. (hereinafter referred to as "GRANDES") at the Board of Directors meeting held today as follows.

Details

1. Reason for stock transfer

As per the timely disclosure "Notice of Changes to Medium-Term Management Plan" dated May 16, 2022, our group has changed its management policy to "social problem-solving company" and "selection and concentration." Since the change in policy, we have placed top priority on increasing our group's profits and improving our corporate value. In fiscal 2024, we will continue to rebuild our group's earnings structure by consolidating group companies, strengthening our strategic portfolio with a focus on core businesses, and strengthening group governance. Under these circumstances, after carefully considering the positioning of san-ai-home as part of our "selection and concentration" efforts, we have decided to transfer all of the company's shares to new shareholders.

The transferee, GRANDES is aiming to expand its business by leveraging its strengths in selling condominiums with "low price x high performance x simple design" based on the concept of "Your ideals and aspirations at an affordable price." Currently, GRANDES is developing its business mainly in western Japan, but as part of its business expansion, it has a group company in Saitama Prefecture. This time GRANDES is planning to further expand its business in eastern Japan, starting with the acquisition of shares in san-ai-home engaged in a real estate company. Therefore, the Company has determined that transferring san-ai-home shares to GRANDES, whose main business is the sale of ready-built homes, will lead to the expansion of the business of GRANDES.

2. Summary of the subsidiary to be transferred

(1) Corporate name	san-ai-home Inc.
(2) Location	Koueicho 10-11, Kawagoe City, Saitama Prefecture
(3) Title and name of representative	Representative Director, Atsushi Kasahara
(4) Business description	Sales of land and ready-built houses, contracted construction of custom-built houses, real estate rental and brokerage, etc.
(5) Capital	JPY 80 million
(6) Date of establishment	September 1, 1998
(7) Major shareholders and shareholding ratio	SAAF Holdings Co., Ltd. 100%

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(8)	Relationship with our company	Capital relationship	Wholly owned by our company	
		Personal relationship	One director and two employees of our company have been dispatched to serve as directors and auditors of the company.	
		Business relationship	Our company has been entrusted with business management services, etc. for this company, and our subsidiary has a track record of transactions related to real estate business.	
		Applicability to related parties	Not applicable	
(9)	Business results and financial position of the company for the past three years			
	Fiscal year end	FY ended March 2022	FY ended March 2023	FY ended March 2024
	Net assets	JPY 431million	JPY 467 million	JPY 396 million
	Total assets	JPY 1,394 million	JPY 1,232 million	JPY 1,487 million
	Net assets per share	JPY 2,156,270	JPY 2,338,779	JPY 1,983,164
	Sales	JPY 630 million	JPY 1,925 million	JPY 689 million
	Operating profit	JPY 202 million	JPY 120 million	JPY △4 million
	Ordinary profit	JPY 189 million	JPY 100 million	JPY △30 million
	Net profit	JPY 109 million	JPY 66 million	JPY △51 million
	Net profit per share	JPY 549,084	JPY 332,509	JPY △255,615
	Dividend per share	JPY 150,000	JPY 100,000	-

3. Summary of the recipient of the stock transfer

(1)	Corporate name	GRANDES,Inc..	
(2)	Location	Miyakomachi 2-1-10, Oita City, Oita Prefecture	
(3)	Title and name of representative	Representative Director, Hiroshi Kamei	
(4)	Business description	Sales of ready-built houses “FORLUX”, sales of investment condominiums “RESCO”, sales of investment apartments “Attrese”, construction contracting, construction/real estate consulting, etc.	
(5)	Capital	JPY 268 million (FY ended December 2023)	
(6)	Date of establishment	November 22, 2006	
(7)	Consolidated net assets	JPY 2,062 million (FY ended December 2023)	
(8)	Consolidated total assets	JPY 4,087 million (FY ended December 2023)	
(9)	Major shareholders and shareholding ratio (as of June 30, 2024)	Hiroshi Kamei	42.9%
		Easy Consulting Company Limited	11.4%
(10)	Relationship with our company	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable
		Applicability to related parties	Not applicable

4. Number of shares to be transferred, transfer price, and status of owned shares before and after transfer

(1)	Number of shares held before change	200 shares (Number of voting rights: 200) (Voting rights ownership ratio: 100%)
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(2)	Number of shares transferred	200 shares (Number of voting rights: 200)
(3)	Transfer price	JPY 455 million
(4)	Number of shares held after change	0 share (Number of voting rights: 0) (Voting rights ownership ratio: 0%)

5. schedule

(1)	Board of Directors resolution	December 17, 2024
(2)	Date of conclusion of stock transfer agreement	December 17, 2024
(3)	Stock transfer execution date	January 6, 2025 (scheduled)

6. Future outlook

As a result of this stock transfer, the gain on sale of affiliated company stocks is expected to be recorded as extraordinary income in the fourth quarter of the fiscal year ending March 2025. Please note that we will refrain from disclosing the estimated amount at this time, as the consolidated book value will need to be calculated after the end of the third quarter consolidated accounting period of the fiscal year ending March 2025. Additionally, we are currently examining the impact of this matter on our consolidated business results for the fiscal year ending March 2025, taking into account other factors. If any matters that require disclosure arise in the future, we will promptly notify you.