

Sale of Hakkoden Holdings Co., Ltd. and Tokaitenrei Co., Ltd. by NSSK II

Nippon Sangyo Suishin Kiko (“NSSK”, <https://www.nssk-japan.com/>) is pleased to announce that investment partnerships managed or provided with services by NSSK affiliates (collectively, “NSSK II”) has entered into a share purchase agreement with Tear Corporation (“Tear”, <https://www.tear.co.jp/company/>) concerning the sale of all its shares of Hakkoden Holdings Co., Ltd. and its affiliates (collectively “Hakkoden Group”, <https://hakkoden.co.jp/>), as well as the holding companies of Hakkoden Group, NSSK-V3 Co., Ltd. and NSSK-VV3 Co., Ltd.. The agreement also includes the sale of all shares in Tokaitenrei Co., Ltd. (“Tokaitenrei”, <https://tokaitenrei.com/>) and its holding companies, NSSK C-H C Co., Ltd. and NSSK-TT Co., Ltd.. The transfer of these shares to Tear is scheduled to be executed on November 20, 2023.

Hakkoden Group was founded in 1947 and is headquartered in Yao City, Osaka Prefecture. Hakkoden Group operates an impressive network of funeral halls (9 in Yao City, 2 in Kadoma City, 2 in Shijonawate City, 2 in Daito City, and 1 in Matsubara City for a total of 16 halls) and has the largest market share of funeral services held in Yao City. Under the theme of "Emotional Funeral Services," the Hakkoden Group's staff, who have completed approximately 3,600 hours of training per person, provide courteous and high value-added services, which have been highly regarded by customers. This high customer satisfaction is underpinned by the Hakkoden Group's corporate philosophy, which aims to pursue the happiness of all employees and contribute to a better society.

Tokaitenrei was established in 1983 and is headquartered in Toyokawa City, Aichi Prefecture. Tokaitenrei operates an impressive network of funeral halls (22 funeral halls in total, located in various cities: 11 in Toyokawa City, 2 in Shinshiro City, 3 in Gamagori City, 4 in Toyohashi City, 1 in Nagoya City, and 1 in Shizuoka Prefecture). Due to the success of area-dominant strategy, the company holds the leading market share by the number of funeral ceremonies performed in Toyokawa City. In keeping with its corporate motto, “Fulfill Wishes of Customers,” Tokaitenrei delivers exceptional and high value-added customer services. The company's funeral services are highly rated, and its brand is widely recognized in the areas where it operates.

Since making its funeral platform business investments in Tokaitenrei in June 2019 and Hakkoden Group in March 2021, NSSK has been actively supporting both companies in strengthening their management foundations. This support has been comprehensive, covering a wide range of areas such as accounting, finance, compliance, governance, ESG initiatives, and digital transformation through its unique NSSK Value Up Program (“NVP”). Specifically, NSSK has supported improving profitability by budget control and accelerating monthly settlements. Additionally, NSSK has supported the expansion of the companies' dominant areas by opening new halls, introducing a sales management system, and implementing digital marketing strategies. Support has also been given to strengthen human resource recruitment and

introduce digital transformation of business processes. Furthermore, NSSK has focused on improving service quality and profitability, as well as pursuing synergies through the accumulation and sharing of management know-how between funeral platform businesses.

Tear Corporation was established in 1997 and is headquartered in Nagoya City, Aichi Prefecture. It operates an extensive network of over 150 funeral halls throughout Japan, including franchise locations. The company conducts more than 20,000 funerals annually and is known for providing high-quality services as well as comprehensive follow-up services to meet the needs of bereaved families. As part of its strategy to expand its footprint nationwide, Tear is actively considering mergers and acquisitions, in addition to developing new halls and establishing franchise partnerships. Looking ahead, Tear aims to leverage the strong regional brand equity of both Tokaitenrei and the Hakkoden Group. The company plans to integrate these brands into its existing nationwide procurement network and leverage its marketing expertise to drive further growth.

Going forward, NSSK believes that Tokaitenrei and Hakkoden Group can achieve further growth and improve their corporate value by realizing synergies with Tear's nationwide procurement network, expertise in funeral service execution and marketing, and financing capabilities of a publicly traded company with creditworthiness.

The growth achieved by Tokaitenrei and Hakkoden Group to date is due to the outstanding contributions of all their employees. Deep appreciation is extended for their collaborative efforts during the partnership with NSSK. As this chapter closes and the companies transition away from being group members, NSSK sincerely hopes that the experience to date will serve as a lasting asset for all involved, and that enduring relationships will continue, whether as alumni of NSSK or through ongoing personal connections.

NSSK's mission is to build a leading alternative asset investment business in Japan by investing in attractive Japanese companies in partnership with management and contributing to the Environment, Society and Governance of Japan and beyond. NSSK's investment strategy is to seek to generate superior outcomes by applying global investment discipline, operating expertise and human capital to Japanese companies originating from our proprietary and differentiated sourcing network.

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Investor Name:	Nippon Sangyo Suishin Kiko (https://www.nssk-japan.com/)
Founded:	December 2014
Headquarters:	Atago Green Hills MORI Tower 17F 2-5-1, Atago, Minato-ku, Tokyo, Japan
Representative:	Jun Tsusaka
Overview:	NSSK is an independent Japanese alternative investment management company with a focus on Japan. NSSK pursues superior outcomes by applying global investment discipline, operating expertise and human capital to attractive Japanese companies and contribute to the Environment, Society and Governance of Japan and beyond.

Company name:	Hakkoden Holdings Co., Ltd.
Founded:	September 1947
Headquarters:	2-12-4 Honmachi, Yao City, Osaka Prefecture
Overview:	Holding company of Hakkoden Co., Ltd.

Company name:	Hakkoden Co., Ltd. (www.hakkoden.co.jp)
Founded:	March 2012
Headquarters:	2-12-4 Higashihonmachi, Yao City, Osaka Prefecture
Overview:	The Company operates 16 ceremony halls mainly in Yao City, Osaka Prefecture. Under the theme of "Emotional Funerals," the Company provides courteous, high value-added services by staff who have completed approximately 3,600 hours of training per person, and has

	the largest market share in Yao City in terms of the number of funerals held.
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Company name:	Tokaitenrei Co., Ltd. (www.tokaitenrei.com)
Founded:	October 1983
Headquarters:	Ushikuboekidori 5-16-1, Toyokawa City, Aichi Prefecture, Japan
Overview:	The company operates 22 ceremony halls in Toyokawa City, Aichi Prefecture and areas adjacent to the city and operates the largest number of funeral homes in Toyokawa City. It has an in-house flower arrangement team, which produces high-quality altar flower arrangements.