

October 19, 2020

**Company name: Daito Trust Construction Co., Ltd**  
**Representative: Katsuma Kobayashi**  
**President and Representative Director (CEO)**  
**Securities code: 1878**  
**Listed in the 1st section of Tokyo and Nagoya**  
**security exchange**  
**Address: 2-16-1, Konan, Minato-ku, Tokyo**

**Notice Regarding the Acquisition of Shares in INVALIDANCE Ltd.,**  
**an Investment Condominium Developer Specializing in the 23 Wards of Tokyo**

The Company resolved in the meeting of the Board of Directors held on October 19, 2020 to acquire an equity interest in INVALIDANCE Ltd. (head office: Shibuya-ku, Tokyo; representative director and president: Manabu Kogure; "INV Ltd."), which provides asset management condominiums within the 23 wards of Tokyo, and make it into a consolidated subsidiary of the Company to enter the unit ownership investment condominium market as part of efforts aimed at the Tokyo Metropolitan Area strategy for achieving the new five-year plan as described below.

**1. Purpose of full-scale entry into the investment condominium market in Tokyo and making a consolidated subsidiary**

The Daito Trust Group established a new five-year plan in 2019 with the slogan of being "a company that can grow sustainably, entrusted with dreams and the future" with the aim of being total lifestyle support company including strengthening of core businesses (March 2024 targets: 2.2 trillion yen in net sales, 180 billion yen in operating income). The Tokyo Metropolitan Area strategy is a particularly important issue in the strengthening of core businesses, and we believe that collaboration with INV Ltd., which boasts high performance in supplying investment condominiums centered in the 23 wards of Tokyo, will generate high synergy in supply chain.

Meanwhile, INV Ltd. was founded in 2004, is expanding its business as an investment condominium developer in the 23 wards of Tokyo, and has had stable performance such as the most recent figures showing it to be managing over 4,800 units with an occupancy rate in excess of 98%. It anticipates that it will swiftly and actively proceed with projects in the collaborative relationship with the Company in future.

At present, the buildings managed by INV Ltd utilize the products and services of ACCEL LAB Ltd. (head office: Shibuya-ku, Tokyo; representative director and president: Manabu Kogure; "A Ltd."), an IoT platformer. The Company has also taken over 10% of the shares and voting rights in A Ltd. on the same day and will strengthen its grip with A Ltd. as well.

The Company anticipates that household trends in Tokyo will remain steady, and that the real estate investment market will continue to have a certain scale. In such an environment, we believe that INV Ltd., which is a real estate developer, and the Company, which supplies and manages rental buildings, are in a complementary relationship and will not only be able to strengthen core businesses, but also develop and expand new businesses with each other.

## 2. Overview of the subsidiary subject to the change (INVALANCE Ltd.)

(1)	Name	INVALANCE Ltd.		
(2)	Address	Shibuya-ku, Tokyo		
(3)	Name and title of representative	Manabu Kogure, Representative Director		
(4)	Details of business	Development and sale of investment condominiums		
(5)	Paid-in capital	100 million yen		
(6)	Date established	May 17, 2004		
(7)	Major shareholders and shareholding ratio	Manabu Kogure (91.07%) INVALANCE Ltd. (6.21%) SBI Venture Fund No. 3 Investment LPS (0.65%) INVALANCE Ltd. Employee Shareholding Association (0.60%) SBI Venture Fund No. 4 Investment LPS (0.47%) SBI Venture Fund No. 2 Investment LPS (0.34%) SBI Venture Fund No. 1 Investment LPS (0.24%) Other shareholders (0.42%) Other shareholders are not disclosed due to a request from the party transferring the shares.		
(8)	Relationships between the listed company and the company subject to change	Capital relationships	Not applicable.	
		Personal relationships	Not applicable.	
		Business relationships	Not applicable.	
(9)	Consolidated management performance and consolidated financial condition of the company over the past three years			
	Fiscal year	FY09 / 17	FY09 / 18	FY09 / 19
	Net assets	3,623 million yen	4,453 million yen	5,405 million yen
	Total assets	7,519 million yen	9,029 million yen	11,316 million yen
	Net assets per share	1,282.85 yen	1,576.55 yen	1,920.92 yen
	Net sales	14,426 million yen	17,810 million yen	21,045 million yen
	Operating income	1,516 million yen	1,243 million yen	1,564 million yen
	Ordinary income	1,446 million yen	1,190 million yen	1,648 million yen
	Net income	1,010 million yen	830 million yen	1,045 million yen
	Net income per share	353.23 yen	293.70 yen	371.14 yen
	Dividend per share	0 yen	27 yen	27 yen

## 3. Overview of the other parties to the acquisition of shares

(1)	Name	Manabu Kogure
(2)	Address:	Setagaya-ku, Tokyo
(3)	Relationships between the listed company and the individual	There are no notable capital relationships, personal relationships or business relationships.

## 4. Number of shares acquired, acquisition price and state of shares held before and after acquisition

(1)	Number of shares held before change	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.0%)
(2)	Number of shares acquired	2,732,000 shares (Number of voting rights: 27,320)
(3)	Number of shares held after change	2,732,000 shares (Number of voting rights: 27,320) (Percentage of voting rights: 97.10%)

(Note) The acquisition price will not be disclosed due to the intention of the other party to acquire the shares.

**5. Schedule**

(1)	Date of resolution by the Board of Directors	October 19, 2020
(2)	Date of agreement	October 19, 2020
(3)	Date of execution of transfer of shares	November 02, 2020 (scheduled)

**6. Future outlook**

The acquisition will not have an impact of the consolidated forecast of the Group. Goodwill is expected to be recorded in association with this acquisition, and the impact on performance from next fiscal year onwards will be disclosed promptly once it becomes clear.