

## NEWS RELEASE

2023/1/10

To all members of the press

YARUKI Switch Group Holdings Co., Ltd.  
Nomura Real Estate Holdings, Inc.

### **YARUKI Switch Group HD and Nomura Real Estate HD form a Capital and Business Alliance**

YARUKI Switch Group Holdings Co., Ltd. (Head Office: Chuo-ku, Tokyo; CEO: Naoshi Takahashi; hereinafter referred to as "**YARUKI Switch Group HD**") and Nomura Real Estate Holdings, Inc. (Head Office : Shinjuku-ku, Tokyo; CEO: Eiji Kutsukake; hereinafter referred to as "**Nomura Real Estate HD**") have agreed to enter into a capital and business alliance as follows:

Nomura Real Estate HD will make an investment by acquiring approximately 9% of the total outstanding shares in YARUKI Switch Group HD from a fund serviced by Advantage Partners, Inc. (hereinafter referred to as "**AP Fund**").

YARUKI Switch Group HD's mission and corporate philosophy is as follows: "We are dedicated to finding the Jewel within every single child of the world and providing full support to make the Jewel shine. Consequently, contributing to create a society in which individuals live happily by performing to the best of their abilities."

And under the umbrella of its operating company, the comprehensive education service company, YARUKI Switch Group Co., Ltd., has developed 7 different school brands, including the individual education cram school, "School IE<sup>®</sup>", the all-English pre-school and afterschool care, "Kids Duo<sup>®</sup>", and the bilingual kindergarten, "Kids Duo International<sup>®</sup> -KDI-". YARUKI Switch Group Co., Ltd. currently operates more than 2,000 schools in Japan and abroad with more than 120,000 students.

Under the Group Vision "New Value, Real Value" Nomura Real Estate HD, as a comprehensive real estate developer, is engaged in a wide range of development projects in Japan and overseas, including housings, office buildings, logistics facilities, and retail facilities, and also provides real estate-related services such as brokerage and CRE business.

In addition, Nomura Real Estate Group 2030 Vision is, "Be a 'Life & Time Developer,' as never seen before," which is based on the two core concepts of "Life," people's respective lives, and "Time," every moment of their time. Nomura Real Estate Group is working to create new value centered on the two core values of "Life"

and "Time".

Through this alliance, the two companies aim to expand business opportunities and areas of value creation by leveraging the knowledge, expertise, and customer bases of both companies. The alliance will accelerate the expansion and reach of the "YARUKI Switch" brand served by YARUKI Switch Group HD, as well as collaborate with Nomura Real Estate HD in its business for children, including its after-school childcare business, and begin considering the development of new preschools. The two companies will work together to develop and provide services and products that contribute to the learning of children who will lead the future, and to enhance the added value of urban development through the use of such services and products. The specific roles of the two companies and the details of the collaboration will be determined through discussions between the two companies.

◆Purpose of the Capital Alliance

The alliance is expected to generate the following synergies for both companies.

<Expected synergies for YARUKI Switch Group HD>

- ① Expansion of business volume through brokerage by Nomura Real Estate Group and the opening of branches in facilities owned and operated by Nomura Real Estate Group, including large-scale mixed-use developments.
- ② Expansion of business domain and improvement of customer satisfaction by utilizing Nomura Real Estate Group's customer base.
- ③ Expansion of business domain through the development of new preschool education services and products in collaboration with Nomura Real Estate Group, which operates fitness clubs and children's businesses.
- ④ Expansion of overseas business through collaboration in the overseas development business of Nomura Real Estate Group.

<Synergies Expected for Nomura Real Estate HD>

- ① The opening of stores operated by YARUKI Switch Group will add value to the urban development projects undertaken in Japan and overseas, and increase the value of the facilities owned and operated by Nomura Real Estate Group.
- ② Utilization of the customer base of YARUKI Switch Group will expand the scope of business and increase customer satisfaction.
- ③ Expansion of the business domain of Nomura Real Estate Group through the development of new preschool education services and products in collaboration with YARUKI Switch Group.

◆Overview of the Capital Participation

As of December 16th, 2022, Nomura Real Estate HD acquired shares in YARUKI Switch Group HD from AP Fund with the following details.

Number of transferred shares	Percentage of transferred shares to issued shares	Transfer price
------------------------------	---	----------------

3,284,900 Common Shares	Approx. 9%	Approx. 2.7 billion Japanese yen
-------------------------	------------	----------------------------------

**YARUKI Switch Group Holdings Co., Ltd.**

Company name : YARUKI Switch Group Holdings, Co., Ltd.

Representative : President and CEO - Naoshi Takahashi

URL : <https://www.yarukiswitch-holdings.co.jp/en>

Business activities : As the holding company of YARUKI Switch Group Co., Ltd. the purpose of the company is to engage in the following business activities.

Management and administration of Individual education cram schools, English conversation schools, early childhood education and childcare facilities of YARUKI Switch Group and their franchise businesses and any and all incidental or related work

Established : January, 2020

Capital : 100 million yen (as of August 2022)

Head Office : Hatchobori Daiichi Seimei Bldg, 2-24-2 Hatchobori, Chuo-ku, Tokyo

**Nomura Real Estate Holdings, Inc.**

Company name : Nomura Real Estate Holdings, Inc.

Representative : President and Representative Director Eiji Kutsukake

URL : <https://www.nomura-re-hd.co.jp/english/>

Business activities : As the holding company of Nomura Real Estate Group, the purpose of the Company is to manage the business activities and provide management guidance to their group companies.

Established : June, 2004

Capital : 118.6 billion yen (as of March 31<sup>st</sup>, 2022)

Head Office : 1-26-2 Nishi-shinjuku, Shinjuku-ku, Tokyo