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## Notice of Business Alliance

Sun Frontier Fudousan Co., Ltd. (the “Company”) hereby announces that today its Board of Directors resolved to execute a business alliance agreement with Advantage Advisors Co., Ltd. (“Advantage Advisors”).

### 1. Purpose of Business Alliance

Founded in 1999, this year our corporate group is approaching its 25th anniversary. Since its founding, the corporate group has consistently upheld “Altruism” (i.e., a mindset that places the highest priority on how much one can contribute to people and society through one’s work throughout life, and a spirit of consideration for others) as our corporate moto, and the corporate group has strived to manage itself with the philosophy of “Protect all employees, pursue the material and intellectual happiness, with the heart of coexistence we contribute to the prosperity of society and humankind.” In particular, the corporate group is continuing to focus its efforts toward solving three important issues for realizing a sustainable society (materiality): “environmental protection,” “regional revitalization,” and “human resource development.”

Over the last several years, the promising and talented individuals in our corporate group have grown by overcoming the global financial crisis and the coronavirus pandemic, and as there is approximately a year and a half remaining in the current mid-term management plan, which will end in the fiscal year ending on March 31, 2025, the corporate group is aware that now the time has come to accelerate our growth strategy for the future while also drawing up our next mid-term management plan.

The business of our corporate group is comprised of the following four segments. First, we have the “Real Estate Revitalization Business” and the “Real Estate Service Business,” which aim to conduct urban development through the revitalization and efficient use of existing real estate. Next, we have the “Hotel and Tourism Business,” which is tied to the promotion of regional development. Finally, the overseas development and management business, construction business, and the like fall under our “Other” segment. In the midst of these segments, while our original “Real Estate Revitalization Business” has high social significance from both an environmental and economic perspective, the “Real Estate Service Business,” which serves as a platform, enhances our customer base, and the synergy between these two businesses will result in the corporate group further expanding our existing businesses, which have established pioneering positions. At the same time, the corporate group will meticulously and boldly take on challenges for new businesses in the field. In addition, the “Hotel and Tourism Business,” which engages in our hotel development and management businesses, is aiming to have 10,000 guest rooms in operation in the next 10 years, through the further refinement of the business hotels the corporate group established through success in its past challenges and by improving our “heartwarming and fun hotel” brand. Furthermore, we will deepen the possibility of growth opportunities through M&A in all of our business segments. Through these policies, we are endeavoring to grow the business of the corporate group and improve our market competitiveness while also continuing to find solutions to the important issues mentioned above.

In order to steadily advance each of the abovementioned measures, the corporate group believes that procuring investment funds and M&A funds for the hotel development business and others will be necessary, and also that acquiring a high level of external professional support will be effective. Under these

circumstances, the corporate group has received a proposal from Advantage Advisors (Address: Toranomon Towers Office 4-1-28 Toranomon, Minato-ku, Tokyo; Representative Director: Taisuke Sasanuma) regarding a business alliance with the corporate group in which Advantage Advisors would provide information, introduce clients, and provide business support as well as procure financing through third-party allotment for funds for which Advantage Advisors provides services. After careful consideration of Advantage Advisors' extensive track record in dealing with listed companies and the specifics of their proposal, the corporate group has determined that the proposal from Advantage Advisors is the most appropriate in order to improve the corporate value of the corporate group because it can receive from Advantage Advisors growth support consistent with the corporate group's mission and needs when tackling the management issues of which the corporate group is aware, and because the corporate group considers the issuance of the Bonds with Share Acquisition Rights by way of third-party allotment to be the most appropriate fundraising method. Therefore, the corporate group has resolved to conduct the financing through a third-party allotment and to execute a business alliance agreement with Advantage Advisors. The corporate group believes that, by receiving various support from Advantage Advisors through the use of the management know-how, networks and the like held by the Advantage Advisors group including Advantage Advisors, it will be able to steadily promote each of the abovementioned measures and also be able to realize its management philosophy and increase its corporate value. Specifically, the corporate group expects to be able to receive growth support such as management support in the form of searching functions and enhanced examination process of M&A candidates, supply of personnel with a high level of expertise and experience, establishment of various measures, and execution of those measures jointly with the corporate group.

As stated above and in conjunction with this business alliance, the Company will issue the Convertible Bonds with Share Acquisition Rights to the funds for which Advantage Advisors provide services. For details, please also refer to the timely disclosure "Notice of Offering of 1st Series Unsecured Convertible Bonds with Share Acquisition Rights to be Issued Through Third-Party Allotment" dated today.

2. Description of Business Alliance

In this business alliance, the Company will receive support from Advantage Advisors for (i) the provision of know-how for various efforts and the steady implementation of measures therefor, (ii) the search for M&A partner candidates, and the enhancement of the examination process and PMI, (iii) the expansion of sales networks by utilizing the diversified networks of Advantage Advisors, (iv) the establishment of business models and enhanced marketing, and (v) the improvement of productivity and efficiency, etc. by using external professionals with a high level of expertise. The corporate group aims to increase its corporate value and realize sustainable growth as a result of such growth support and by focusing on the following measures.

- (1) Expansion of Office Building Business area (expand business to the areas surrounding the five central wards of Tokyo/other areas)
- (2) Promotion of M&A (establish and develop the creation of the Office Building Business within the group, and reinforce the Hotel and Tourism Business)
- (3) Development and diversification of sales methods for the Office Building Business (increase small-lot owned products and expand sales thereof)
- (4) Accelerate growth of Hotel and Tourism Business (create highly profitable hotels and increase repeat customers)
- (5) Operational Upgrading Measures (promote DX to improve productivity, enhance procurement, support sales, and reduce costs)
- (6) Others (formulate the next mid-term management plan, enhance IR, and support personnel recruitment and training)

3. Outline of Advantage Advisors

(1) Trade name	Advantage Advisors Co., Ltd.
(2) Location	Toranomon Towers Office 4-1-28 Toranomon, Minato-ku, Tokyo
(3) Title and name of representative	Taisuke Sasanuma, Representative Director
(4) Description of business	Management consulting business
(5) Stated capital	500 thousand yen
(6) Date of establishment	January 5, 2018

(7) Major Shareholders and Ownership Ratio	Advantage Partners Pte. Ltd. 100%	
(8) Relationship with the Company	Capital relationship	Not applicable.
	Business relationship	Not applicable.
	Personal relationship	Not applicable.
	Status as a related party	Not applicable.
(9) Consolidated operating results and consolidated financial conditions for the last three years		
At the request of Advantage Advisors, consolidated operating results and consolidated financial conditions for the last three years will not be disclosed.		

#### 4. Schedule

(1) Resolution of Board of Directors for the execution of the Business Alliance Agreement	September 20, 2023
(2) Execution date of the Business Alliance Agreement	September 20, 2023
(3) Commencement date of business alliance	October 6, 2023 (scheduled)

#### 5. Future Outlook

Although this business alliance is expected to have a minimal impact on the operating results of the corporate group for the fiscal year ending March 2024, while receiving growth support from Advantage Advisors through the business alliance, the Company believes that it will be able to realize corporate value improvement for the corporate group and shareholder benefit maximization through allocating the funds procured by the third-party allotment for funds which Advantage Advisors provides services to investments required for hotel development and the like as well as funds for M&A.

The Company will promptly announce any matters which require announcement based on the facts.

End.