

Accounts Briefing Materials for Consolidated Term Ended December 2016

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❖ Summary of consolidated term ended December 2016 (22nd term)	P.4
❖ Main action plans in term ended December 2016	P.5
❖ Consolidated P/L summary of term ended December 2016	P.6
❖ Results in segment of term ended December 2016	P.7
❖ B/S summary of term ended December 2016	P.8
❖ Strategic initiatives	
❖ Report on results of “Make the One for 2016” medium-term management plan	P.9-11
❖ 2nd medium-term management plan “IDEAL to REAL 2019”	
❖ Basic policy and corporate strategy	P.13
❖ Growth action plan	P.14
❖ Management index and dividend strategy (progressive dividend policy)	P.15
❖ Performance plan	P.16
❖ Plan for term ending December 2017 (23rd term)	
❖ Real estate sales business	P.18
❖ Real estate lot sales business	P.19
❖ Hotel development business	P.20
❖ Leasing business	P.21
❖ Strategic business expansion of ES-CON JAPAN Group	P.22
❖ Information	P.23



Summary of Consolidated Term Ended December 2016 (22nd Term)

Main Actions in Term Ended December 2016

- Jan** Acquisition of new business sites (Josaicho II, Takatsuki-shi) (Kakegawa, Shizuoka) (Tomigaya, Shibuya-ku)
- Feb** Selected as “Kawachinagano-shi, Uwahara and Tako District Industrialization Study Partner” urban development business
Acquisition of new business site (Wakamatsucho II, Shinjuku-ku)
Acquisition of new leasehold commercial facility (Nikko-shi, Tochigi) (Nabari-shi, Mie)
Changed to a company with audit and supervisory committees
Acquisition of own stock
- Mar** Acquisition of new business sites (Nishigahara, Kita-ku) (Chuo-ku, Sapporo-shi) (Oyamamachi, Kanazawa-shi) (Awajimachi, Chuo-ku, Osaka-shi)
Acquisition of new leasehold commercial facility (Daisen, Sakai-ku, Sakai-shi)
- Apr** Acquisition of new business sites (Hayabusacho, Chiyoda-ku) (Toyoda II, Hino-shi) (Uchidehama, Otsu-shi)
Acquisition of new business sites for commercial development (Kitatsumori, Nishinari-ku, Osaka-shi)
Acquisition of new commercial facility (Shiroi-shi, Chiba)
- May** **Started hotel development business, current initiatives**
“Le JADE Takatsuki” and “Le JADE Yokohama Tsurumi” sold out
Acquisition of new leasehold commercial facility (Mitani, Nishi-ku, Kobe-shi)
Business partnership with Ichigo Group Holdings
Listed in the 1st Section of the Tokyo Stock Exchange
- Jun** “Le JADE Nishitanabe Abeno Hannancho” and “Fukuoka Kasuga residential development district” sold out
Acquisition of new business sites (Hananoki, Minami-ku, Yokohama-shi) (Sakurajosui, Setagaya-ku)
Sales of “Le JADE Minami kasai Park Arena” commenced
- Jul** Fukuoka Kasuga Development Project completed
Acquisition of new business sites (Minamisenba I, Chuo-ku, Osaka-shi) (Awajimachi II, Chuo-ku, Osaka-shi)
Acquisition of new commercial facilities (Chiba-shi, Chiba) (Tsuuchiura-shi, Ibaraki)
Business partnership with BALNIBARBI Co., Ltd regarding the simple accommodation facility “CALENDAR HOTEL” at JR Otsu station
- Aug** Acquisition of new business sites (Kitakyuhoji, Chuo-ku, Osaka-shi) (Minamisenba II, Chuo-ku, Osaka-shi)
Sales of “Le JADE Takatsuki The Marks” and “FEEL GARDEN Minamisenri” commenced
Commenced initiatives aimed at establishing an integrated investment corporation listed on the stock exchange mainly investing in leasehold commercial facilities
“ES-CON JAPAN REIT Investment Corporation” established
- Sep** “Le JADE Musashisakai” sold out
New company “ES-CON LIVING SERVICE Ltd.” established
Acquisition of new business sites (Fushimi-ku, Kyoto-shi) (Tenjin 1-chome, Kita-ku, Osaka-shi) (Horikawashinmachi, Kanazawa-shi) (Awajimachi III, Chuo-ku, Osaka-shi)
Simple accommodation facility “CALENDAR HOTEL” at JR Otsu station opened
Café-restaurant “Café Apartment 183” opened
- Oct** Acquisition of new commercial facility (Fujimino-shi, Saitama)
Acquisition of new business site (Tsurunocho, Kita-ku, Osaka-shi)
Participated in the reconstruction project of Hananokita Mall & Apartments in Himeji-shi, Hyogo

- Nov** Sales of “Le JADE Sakurajosui Tiara”, “Le JADE Komagome” and “Le JADE Vert Komagome” commenced
“Le JADE Kasai” sold out
2nd medium-term management plan “IDEAL to REAL 2019” established
Change in basic policy of dividend strategy (introduction of progressive dividend policy)
Upward revision of dividend forecast for term ended December 2016 (commemorative dividend)
Sale of hotel development projects in partnership with Ichigo Inc. (Oyamamachi, Kanazawa-shi; Hiranomachi, Chuo-ku, Osaka-shi), acquisition of new leasehold commercial project (Midori-ku, Chiba-shi)
- Dec** Sales of “Le JADE Otsu Nagisakoen” and “Grand Le JADE Wakamatsucho Residence” commenced
“Le JADE Takatsuki The Marks” and “Park JADE Suginami Izumi” sold out
Transfer of inventory and fixed assets
Stock selected as part of the new “JPX-Nikkei Mid and Small Cap Index”
Acquisition of new business sites (Nagaokakyo-shi, Kyoto) (Yushima, Bunkyo-ku, Tokyo)
Acquisition of own stock

◆No. of new business sites acquired

	Metropolitan area	Kinki region	Other areas	Total
Real estate business site	6	5		11
Commercial site	4	3	2	9
Hotel site	1	7	3	11
Other revenues	1		1	2
Total	12	15	6	33



P/L in Consolidated Term Ended December 2016

- ❖ In addition to the smooth progress of the real estate lot business, income and profit were in excess of both the same term in the previous year and the initial forecast due to the sales of revenue-generating real estate and land planning and sales.

(Unit: Million yen)

	Consolidated term ended December 2016 (current term)	Consolidated term ended December 2015 (previous term)	Amount of increase/de crease	Compared to previous term	Consolidated term ended December 2016 (initial forecast)	Difference between forecast and results	Forecast to results ratio
Sales	34,347	27,705	6,642	24.0%	32,700	1,647	5.0%
Gross profit	8,852	6,690	2,162	32.3%			
Selling, general and administrative	4,172	2,677	1,495	55.8%			
Selling expenses	1,931	1,140	791	69.4%			
General administrative expenses	2,241	1,536	705	45.9%			
Operating profit	4,680	4,012	668	16.7%	4,200	480	11.4%
Interest expenses	999	795	204	25.7%			
Ordinary income	3,575	3,126	449	14.4%	3,300	275	8.3%
Net income in current term	3,936	3,039	897	29.5%	3,200	736	23.0%
Net income per share in current term	58.76	44.65	14.11	31.6%			

Segment Results in Consolidated Term Ended December 2016

- ❖ Total number of sales of real estate lots and transferred properties was 491, largely achieving the original target of 516 by 95.2%, while real estate lot business sales increased by 44.5% compared to the previous year.
- ❖ In addition to the rental income from projects purchased in the previous year such as Oak Town Yamato-Takada fully contributing to the leasing business, the commercial facilities and leaseholds acquired during the term (such as Asumigaoka, Soyoka Fujimino and Daisen, Sakai-shi) have led to an increase in income and profits compared to the previous year.

(Unit: Million yen)

	Sales					Segment income		
	Consolidated term ended December 2016 (current term)	Consolidated term ended December 2015 (previous term)	Compared to same period in previous term	Initial forecast	Forecast to results ratio	Consolidated term ended December 2016 (current term)	Consolidated term ended December 2015 (previous term)	Compared to same period in previous term
Real estate sales business	30,687	24,629	24.6%	29,450	4.2%	4,798	3,769	27.3%
Condominium sales	20,865	14,439	44.5%	22,800	-8.5%	2,557	1,671	53.0%
Other sales	9,822	10,210	-3.8%	6,650	47.7%	2,241	2,097	6.9%
Real estate leasing business	3,594	2,857	25.8%	3,100	15.9%	2,058	1,606	28.1%
Real estate planning agency and consulting business	65	199	-67.3%	150	-56.7%	65	173	-62.4%
Total	34,347	27,705	24.0%	32,700	5.0%	6,921	5,549	24.7%

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(Unit: Residences)

Condominium business	Location	Total no. of residences	Initial inventory for term ended December 2016	No. of residences delivered in term ended December 2016	Closing inventory for 2nd quarter of term ended December 2016	Contract and delivery progress as of February 20 (inventory)
Le JADE Higashimukojima	Sumida-ku, Tokyo	36	2	2	—	—
Le JADE Kasai	Edogawa-ku, Tokyo	48	28	28	0	Sold out
Park JADE Suginami Izumi	Suginami-ku, Tokyo	18	15	13	2	Sold out
Park JADE Akatsuka-koen	Itabashi-ku, Tokyo	12	6	9	1	1
Grand Le JADE Shukugawa Kurakuenguchi	Nishinomiya-shi, Hyogo	71	—	62	9	4
Le JADE Musashisakai	Musashino-shi, Tokyo	25	—	25	0	Sold out
Le JADE Minami Kasai	Edogawa-ku, Tokyo	33	—	28	5	4
Le JADE Toyoda	Hino-shi, Tokyo	55	—	55	0	Sold out
Le JADE Setagaya Kinuta	Setagaya-ku, Tokyo	25	—	20	5	4
Le JADE Musashino Residence	Musashino-shi, Tokyo	25	—	14	11	4
Le JADE Nishitanabe Abeno Hannancho	Abeno-ku, Osaka-shi	38	—	38	0	Sold out
Le JADE Yokohama Tsurumi	Yokohama-shi, Kanagawa	45	—	45	0	Sold out
Le JADE Takatsuki	Takatsuki-shi, Osaka	136	—	136	0	Sold out
Le JADE Minami Kasai Park Arena	Edogawa-ku, Tokyo	35	—	16	19	12
Total			51	491	52	29

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Other businesses	Possession status	Business scheme
Fukuoka Kasuga District 7	Residential land	Sale of residential land
Shimamachi, Chuo-ku, Osaka-shi	Leasing residence	Sale of leasing residence
Otsukadai, Nishi-ku, Kobe-shi	Commercial land with leasehold	Sale of commercial land with leasehold
Tsuchiura-shi, Ibaraki	Commercial land with leasehold	Sale of commercial land with leasehold
Sunadabashi, Nagoya	Anonymous partnership investment	Sale
Kikyogaoka, Nabari	Commercial land with leasehold	Sale of commercial land with leasehold
Nikko-shi, Ibaraki	Commercial land with leasehold	Sale of commercial land with leasehold
Misumicho, Chigasaki-shi	Land planning and sale	Sale of land
Josaicho, Takatsuki-shi	Land planning and sale	Sale of land

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Leasing business (main properties owned)	Location	Possession status
Garden Mall Seiwadai	Kawanishi-shi, Hyogo	Current asset (for sale)
Garden Mall Minamisenri	Suita-shi, Osaka	Fixed asset
Aeon Minamisenri	Suita-shi, Osaka	Fixed asset
Hakuyukai Kuzuha Hospital	Hirakata-shi, Osaka	Fixed asset
Fukuoka Kasuga Project	Kasuga-shi, Fukuoka	Fixed asset
Oak Town Yamato-Takada	Yamatotakada-shi, Nara	Current asset (for sale in process)
Asumigaoka	Chiba-shi, Chiba	Current asset (for sale in process)
Daisennishi, Sakai-ku, Sakai-shi	Sakai-shi, Osaka	Current asset (for sale in process)
Soyoka Fujimino	Fujimino-shi, Saitama	Current asset (for sale in process)
Otsukadai, Nishi-ku, Kobe-shi	Nishi-ku, Kobe-shi	Current asset (for sale in process)
Nikko-shi, Tochigi	Nikko-shi, Tochigi	Current asset (for sale in process)
Nishishiroi	Shiroi-shi, Chiba	Current asset (for sale in process)
Kakegawa	Kakegawa-shi, Shizuoka	Current asset (for sale in process)
Nitori Tsuchiura	Tsuchiura-shi, Ibaraki	Current asset (for sale in process)
Kikyogaoka, Nabari-shi	Nabari-shi, Mie	Current asset (for sale in process)

To be sold during term
To be sold during term
To be sold during term
To be sold during term
To be sold during term
To be sold during term
To be sold during term
To be sold during term

	No. of units sold	No. of units delivered by end of term	Achievement rate
Term ended December 2016 (current term)	516	491	95.2%

B/S in Consolidated Term Ended December 2016

- In terms of fixed assets (including part of inventory), despite the increase in inventory due to the active procurement of sites through multifaceted business schemes such as real estate sales business sites, hotels and commercial sites, consideration was given to balancing assets through transfers of commercial leasehold projects as part of initiatives in preparation to be a publicly listed REIT.
- Diversification was also achieved in terms of assets by business type through real estate lots, commercial and hotel sites.
- Despite the slight decrease in equity ratio by 23.7% compared to the previous year due to active business expansion, stability has improved as cash deposit balance has increased by 181.7% compared to the previous year.

(Unit: Million yen)

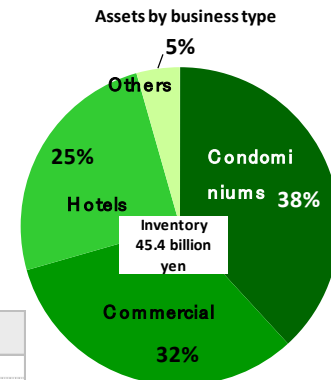
	Term ended December 2016 (current term)	Term ended December 2015 (previous term)	Amount of increase/decrease
Current assets	57,654	35,578	22,076
Cash and deposits	8,204	4,516	3,688
Real estate for sale	6,103	4,744	1,359
Real estate for sale in process	39,319	22,676	16,643
Fixed assets	16,048	22,483	-6,435
Tangible fixed assets	13,147	21,848	-8,701
Intangible fixed assets	17	11	6
Investments and other assets	2,883	623	2,260
Total assets	73,703	58,088	15,615

※The increase is due to an increase in deferred tax assets due to tax effects. (Unit: Million yen)

	Term ended December 2016 (current term)	Term ended December 2015 (previous term)	Amount of increase/decrease
Current liabilities	25,492	13,490	12,002
Short-term loans	4,308	1,267	3,041
Current portion of long-term loans	16,753	8,317	8,436
Current portion of bonds	40	557	-517
Fixed liabilities	30,847	30,603	244
Corporate bonds	150	-	150
Long-term loans	29,784	29,588	196
Total liabilities	56,339	44,094	12,245
Total net assets	17,363	13,994	3,369
Total liabilities and net assets	73,703	58,088	15,615
Equity ratio	23.6%	24.1%	-0.5 points

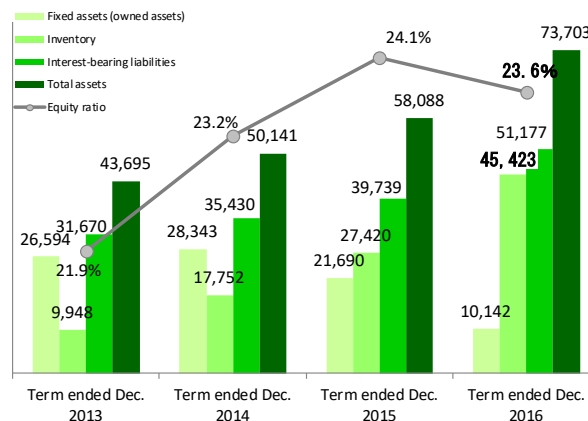
(Unit: Million yen)

Condominium	17,340
Commercial	14,709
Hotel	11,372
Others	2,002
Total	45,423

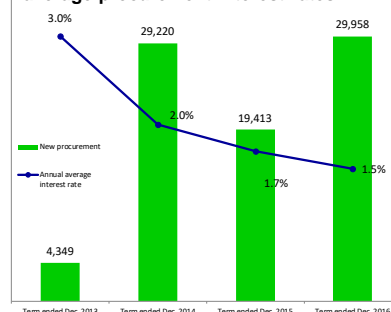


Leasing business (main properties owned)	Location	Possession status
Garden Mall Seiwadai	Kawanishi-shi, Hyogo	Current asset (for sale)
Garden Mall Minamisenri	Suita-shi, Osaka	Fixed asset
Aeon Minamisenri	Suita-shi, Osaka	Fixed asset
Hakuyukai Kuzuha Hospital	Hirakata-shi, Osaka	Fixed asset
Oak Town Yamato-Takada	Yamatotakada-shi, Nara	Current asset (for sale in process)
Asumigaoka	Chiba-shi, Chiba	Current asset (for sale in process)
Daisennishi, Sakai-ku, Sakai-shi	Sakai-shi, Osaka	Current asset (for sale in process)
Soyoka Fujimino	Fujimino-shi, Saitama	Current asset (for sale in process)
Nishishiroi	Shiroi-shi, Chiba	Current asset (for sale in process)
Kitatsumori, Nishinari-ku	Nishinari-ku, Osaka-shi	Current asset (for sale in process)
Mitani, Nishi-ku, Kobe-shi	Nishi-ku, Kobe-shi	Current asset (for sale in process)
Kakegawa	Kakegawa-shi, Shizuoka	Current asset (for sale in process)
Ikaruga	Ikaruga-shi, Ikaruga-gun, Nara	Current asset (for sale in process)

Rental income assets (inventory + fixed assets) 27.5 billion yen
 NOI of owned revenue-generating real estate is approx. 6.7%



◆ Changes in new procurement and average procurement interest rates



Strategic Initiatives

Topics1 Listed in the 1st Section of the Tokyo Stock Exchange

Reassignment to the 1st Section of the Tokyo Stock Exchange was achieved on June 23, 2016.

We aim to steadily improve company value and firmly advance to the next stage.

Topics2 “ES-CON JAPAN REIT Investment Corporation” established

As part of our Group’s strategy to reach the next stage of growth, “ES-CON JAPAN REIT Investment Corporation”, an integrated investment corporation mainly investing in leasehold commercial facilities with the aim of becoming a publicly listed REIT, was established in September 2016.

Through the supply of superior real estate to this investment corporation, we aim to contribute to the further development of the REIT market in addition to our growth as a comprehensive developer.

Topics3 New company “ES-CON LIVING SERVICE Ltd.” established

As part of our Group’s strategy to reach the next of growth, “ES-CON LIVING SERVICE Ltd.” was established (September 1, 2016), a new company which aims to create and strengthen operations such as apartment building management, café operations, hotel operations, vacation rentals, and renovation business.

Topics4 2nd medium-term management plan announced; on to the next stage

Having achieved the 1st medium-term management plan, the 2nd medium-term management plan “IDEAL to REAL 2019” was announced. This new plan will span 3 years, from the term ending December 2017 to the term ending December 2019. On to the next stage.

Topics5 Business partnership with Ichigo Group Holdings

We entered into a business partnership with Ichigo Group Holdings, which runs a comprehensive real estate service business, as the mutual development of our businesses can be expected through the sharing of information (regarding hotel development business projects from our company and commercial leasehold projects from Ichigo Group Holdings).

Topics6 Café-restaurant “Café Apartment 183” opened

“Café Apartment 183”, the first café developed and operated under our café business, was opened in September 2016 on the 1st floor of the condominium “Le JADE Setagaya Kinuta. In addition to providing concierge services only possible under direct management of our Group, we aim to create a place for communication not just for residents but also for the people in the neighborhood.



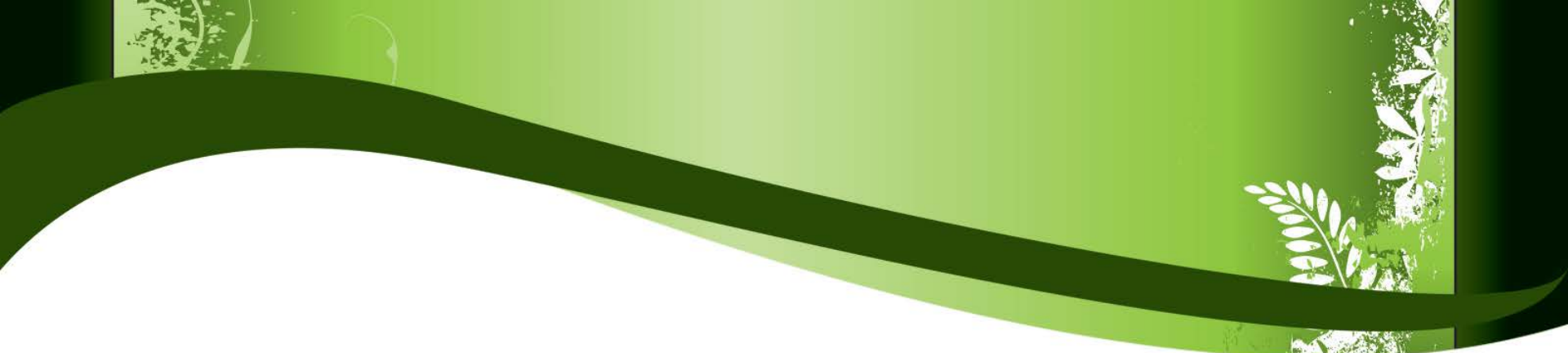
Topics7 Filming of new advertisement for “Le JADE series” started

Filming of a new television advertisement for our condominium brand “Le JADE” started (from January 2017). We endeavor to continue improving our company value and brand, and aim to be “Life Developers” developing our customers’ style of living by pursuing their “ideals” and turning them into “reality”.



Topics8 Selected as part of the new “JPX-Nikkei Mid and Small Cap Index”

Our stock was selected as part of the new “JPX-Nikkei Mid and Small Cap Index” jointly developed by Tokyo Stock Exchange, Inc. and Nikkei, Inc. scheduled to be calculated and published in March 2017.



Report on Results of “Make The One for 2016” Medium-term Management Plan

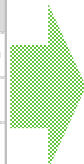
Report on Results of “Make The One for 2016” Medium-term Management Plan

- ❖ As a result of striving to “construct a firm management structure that can withstand any economic environment”, almost all management and performance objectives were achieved.
- ❖ Reassignment to the 1st Section of the Tokyo Stock Exchange was achieved in June 2016, and market capitalization rose by 2.4 times from 12.5 billion yen at the time of the medium-term management plan announcement (August 2013) to 30.8 billion yen at the end of the 2016 term. Dividend growth was implemented for 4 consecutive terms up to 15 yen per share for the latest fiscal year as part of shareholder return policy, and targets for both payout ratio and total return ratio were achieved at 25.5% and 36.8% respectively.
- ❖ During the period between FY2012 and the end of FY2016, both net assets value and cash balance increased by 4.1 times and 3.6 times respectively, steadily constructing a firm structure that can withstand any economic environment.

(Management objectives)

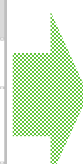
	Term ended December 2013 (Results)	Term ended December 2016		Achievement rate
		(Plan)	(Results)	
Equity ratio	21.9%	30.0% or more	23.6%	78.5%
ROE (return on equity)	27.7%	13.0% or more	25.1%	193.2%
ROA (return on assets)	4.3%	3.6% or more	6.0%	165.9%
ROIC (return on invested capital)	4.2%	6.4% or more	6.5%	101.2%
EPS (earnings per share)	31.14 yen	32 yen or more	58.76 yen	183.6%
BPS (basis point of net assets per share)	137.14 yen	245 yen or more	259.07 yen	105.7%
Dividend payout ratio	3.2%	25.0% or more	25.5%	102.1%
Dividend	1 yen	12 yen	15 yen (estimate)	—
Total return ratio	3.2%	35.0%	36.8%	105.1%

	As of August 8, 2013 (announcement of medium-term management plan)
Market capitalization	Approx. 12.5 billion yen
Closing stock price	180 yen
Nikkei stock average (reference)	13,605 yen



Term ended December 2016	Comparison
Approx. 30.8 billion yen	Approx. 2.4 times
437 yen	Approx. 1.4 times
19,114 yen	

	Term ended December 2012 (results)
Net assets	4.203 million yen
Cash balance	2.234 million yen



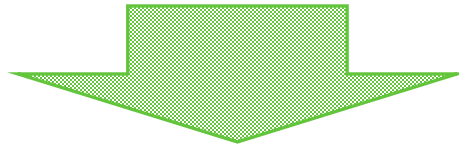
Term ended December 2016	Comparison
17.363 million yen	Approx. 4.1 times
8.204 million yen	Approx. 3.6 times

Report on Results of “Make The One for 2016” Medium-term Management Plan

(Performance objectives, August 8, 2013 announcement – Initial forecast)

(Unit: Million yen)

	Term ended December 2013	Term ended December 2014	Term ended December 2015	Term ended December 2016
Sales	13,750	17,600-18,800	17,700-20,000	18,500-22,500
Real estate sales business	11,300	15,200-16,400	15,200-17,500	16,000-20,000
Real estate leasing business	2,150	2,100	2,200	2,300
Real estate planning agency and consulting business	300	300	300	300
Operating income	1,790	2,300-2,500	2,200-2,600	2,300-2,800



(Performance objectives, results, initial forecast for term ended December 2016 and immediate plan)

(Unit: Million yen)

	Term ended December 2013	Term ended December 2014	Term ended December 2015	Term ended December 2016			Comparison with initial forecast
	(Results)	(Results)	(Results)	(Initial forecast)	(Immediate plan)	(Results)	
Sales	13,558	18,842	27,705	32,700	34,300	34,347	1,647
Real estate sales business	10,991	16,227	24,649	29,450	30,680	30,687	1,237
Real estate leasing business	2,234	2,479	2,857	3,100	3,560	3,594	494
Real estate planning agency and consulting business	331	136	199	150	60	65	-85
Operating income	1,844	2,815	4,012	4,200	4,580	4,680	480
Ordinary income	1,200	2,075	3,126	3,300	3,500	3,575	275



2nd Medium-term Management Plan IDEAL to REAL 2019

Basic Policy

IDEAL to REAL 2019

Turning ideals into reality and creating a new future.

We will follow our basic policy of putting our customers first, fully accomplishing our mission as “Life Developers” who develop the living styles of our customers, and continuing to evolve and grow as a company indispensable to society.

Corporate Strategy

1. Maximization of company value and returns to shareholders
2. Construction of a firm management foundation that can withstand any economic environment
3. Diversification of business for continuous and stable growth
4. Construction of a firm management foundation (quality), rather than expansion of company size (quantity)
5. Fulfillment of corporate social responsibility to return not only to shareholders but also to all stakeholders and society

2nd Medium-term Management Plan – Growth Action Plan

1. Further strengthening of core business

For the condominium sales business, which is our core business, instead of merely increasing the number of lots, we aim to provide a stable supply of 500 to 600 lots per year.

In FY2019, the final year of our 2nd medium-term management plan, we aim to completely shift the sales of condominiums to our own sales structure, further acquiring our customers' trust and improving the profit ratio by internalizing the sales expenses that had been flowing out in the conventional sales structure.

2. Improving company value through diversification of multiple core businesses

While keeping the condominium sales business as our main core business, we will also establish the commercial development business and the hotel development business as new core businesses.

In addition, we aim to diversify real estate related businesses and to become a comprehensive developer that can repeatedly grasp business opportunities through multiple core businesses

3. Securing stable long-term stock revenue through active development of real estate leasing business

Through the active development of the real estate leasing business, we aim to reduce the risk of price fluctuation of our real estate products caused by diversification of businesses, hold high-quality assets that produce stable long-term rental income, and further improve the management stability.

Specifically, at the end of FY2019, the final year of our 2nd medium-term management plan, we aim to hold or develop lease assets that can fully cover general administrative expenses with rental income.

4. Expansion of real estate sales business through stable supply of high-quality real estate as a main sponsor of the listed REIT formation

We aim to achieve the listing of the new investment corporation established in August 2016 on the Tokyo Stock Exchange early, and as a main sponsor of the REIT's external growth strategy, we will ensure the stable supply of high-quality real estate with a focus on leasehold commercial facilities, supporting sustainable growth of the REIT and expanding the real estate sales business of our company.

5. Expanding the range and depth of real estate development capabilities through enhancement of real estate operation business

We aim to be a peerless comprehensive developer that not only develops real estate but also possessing operational function suited to the utility form of the real estate.

Specifically, in addition to AM businesses and PM businesses such as commercial facilities, we will actively engage in the management of hotels, food and beverage businesses such as cafés, apartment building management and renovation businesses of our group companies, maximizing the value of real estates in the process.

6. Improving corporate brand power

We will implement aggressive public relations strategies and improve our corporate brand power. We will also thoroughly pursue improvement in the quality of our condominium brand "Le JADE" in order to gain the overwhelming trust and support of our customers, thereby improving the awareness of the product brand.

2nd Medium-term Management Plan – Management Index

	Term ended December 2016 22nd term	→	Term ending December 2019 25th term
	Results		Plan
Equity ratio	23.6%		33.0% –35.0%
ROE (return on equity)	25.1%		18.0% –21.0%
ROA (return on assets)	6.0%		6.0% –7.0%
ROIC (return on invested capital)	6.5%		7.0% –9.0%
EPS (earnings per share)	58.76 yen		75 yen–85 yen

※ROIC (return on invested capital): Net operating profit after tax / (Shareholders' equity + Interest-bearing liabilities)

Dividend Policy

In order to achieve a stable return to shareholders, progressive dividend policy will be introduced for dividend per share (DPS) during the period covered by the 2nd Medium-term Management Plan (2017 to 2019), whereby the DPS of the previous fiscal year will be set as the lower limit and, depending on the progress of business performance, either maintain or increase the DPS (“no reductions” in principle).

This progressive dividend policy with a clear policy of “no reductions in dividends, only maintained or increased” in principle is a promise of sustainable improvement of value to all our shareholders.

By introducing this progressive dividend policy, we will strive to achieve stable dividends, enhance transparency of future dividend scales, along with further strengthening returns to shareholders and improving sustainable company value.

2nd Medium-term Management Plan – Performance Plan

(Unit: Million yen)

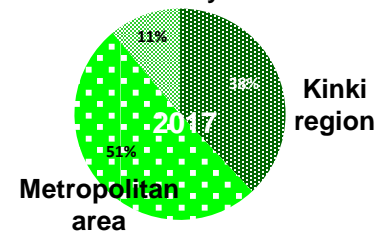
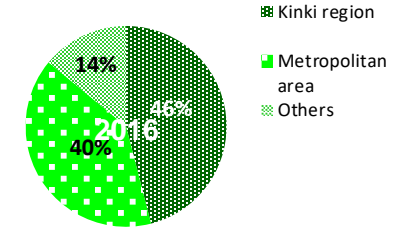
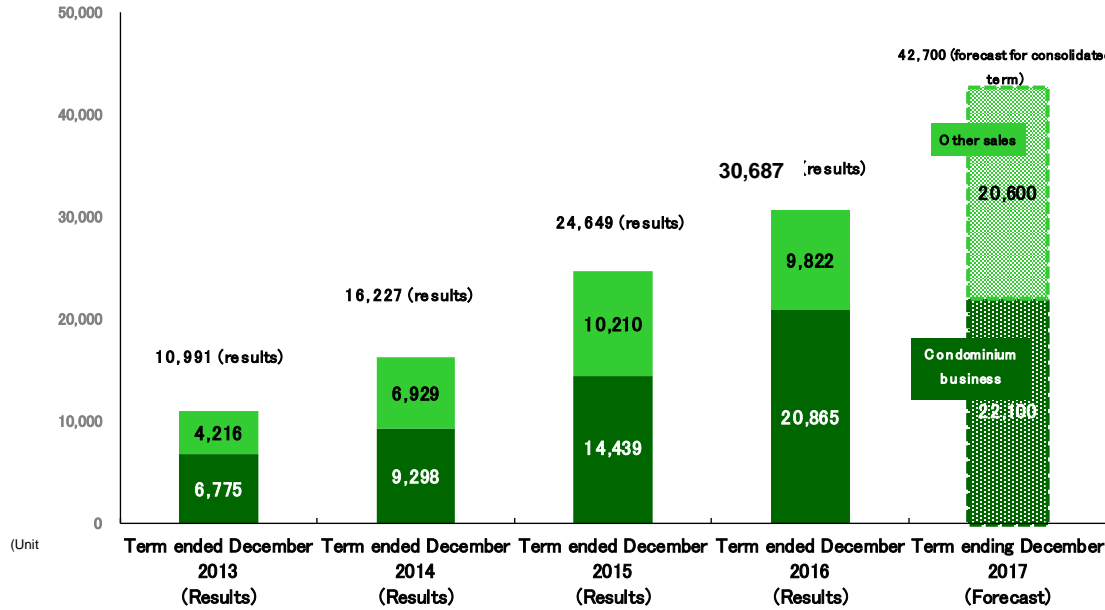
Performance plan	Term ended December 2016 22nd term	Term ending December 2017 23rd term	Term ending December 2018 24th term	Term ending December 2019 25th term
	Results	Plan	Plan	Plan
Sales	34,347	45,500	57,000	60,000
			-58,000	-62,000
Real estate sales business	30,687	42,700	54,900	57,800
			-55,800	-59,700
Real estate leasing business	3,594	2,600	1,900	2,000
			-2,000	-2,100
Real estate planning agency and consulting business	65	200	200	200
Operating income	4,680	5,700	7,500	8,200
			-8,500	-9,500
Ordinary income	3,575	4,800	6,500	7,200
			-7,500	-8,500



Plan for Term Ending December 2017 (23rd Term)

Term Ending December 2017 – Real Estate Sales Business

- ❖ Regarding the real estate lot sales business, 541 units are supplied, mainly in the Metropolitan and Kinki areas
- ❖ In addition to hard development, we will provide competitive products through specialized planning as a “life developer” that develops lifestyles
- ❖ We will promote commercial development and hotel development in addition to real estate lots as the 3 main pillars of our business, and aim to differentiate ourselves from other companies by developing a multifaceted business ahead of its time



	2013 (19th term)	2014 (20th term)	2015 (21st term)	2016 (22nd term)	2017 (23rd term)
Real estate lots sales business	<ul style="list-style-type: none"> Neverland Namba Park Air (Kinki region) Neverland Abeno Nishitanabe (Kinki region) Neverland Abeno Showcho Brahm's (Kinki region) JADE Higashi-Toyonaka (Kinki region) Leaf Create Feel City (Kinki region) Le JADE Kamikatazawa (Metropolitan area) 	<ul style="list-style-type: none"> Le JADE IX (Kinki region) Le JADE Esaka (Kinki region) Neverland Bentencho Hagakumi-momachi (Kinki region) Neverland Himeji Eki-mae The Station Front (Kinki region) Le JADE Shimomoguro (Metropolitan area) Le JADE Higashi-Mukojima (Metropolitan area) 	<ul style="list-style-type: none"> The Neverland Akashi Harbor Gate (Kinki region) Grand Le JADE Kyoto Kawamachi (Metropolitan area) Le JADE Kasai (Metropolitan area) Park JADE Suginami Izumi (detached house) (Metropolitan area) Park JADE Akatsuka-koen (detached house) (Metropolitan area) 	<ul style="list-style-type: none"> Grand Le JADE Shukugawa Kurakuenguchi (Kinki region) Le JADE Takatsuki (Metropolitan area) Le JADE Nishitanabe Abeno Hannancho (Kinki region) Le JADE Yokohama Tsurumi (Metropolitan area) Le JADE Musashisaka (Metropolitan area) Le JADE Toyoda (Metropolitan area) Le JADE Minami Kasai (Metropolitan area) Le JADE Musashino Residence (Metropolitan area) Le JADE Minami Kasai Park Arena (Metropolitan area) Le JADE Setagaya Kinuta (Metropolitan area) 	<ul style="list-style-type: none"> Le JADE Takatsuki The Marks (Kinki region) Le JADE Takatsuki Cross (Kinki region) Le JADE Fushimi Chushojima (Kinki region) Le JADE Otsu Nagisa-koen (Metropolitan area) Le JADE Komagome (Metropolitan area) Le JADE Vert Komagome (Metropolitan area) Grand Le JADE Wakamatsucho Residence (Metropolitan area) Le JADE Sakurajouji Tama (Metropolitan area) Le JADE Yokohama Hananoki (Metropolitan area)
No. of real estate lots delivered	224 units (results)	309 units (results)	349 units (results)	Approx. 491 units (results)	Approx. 541 units (forecast)
Commercial development/revenue-generating real estate business/land planning and sales	<ul style="list-style-type: none"> Hirakabe-shi Onuma Mirami Project (commercial leasehold) (Kinki region) Yodogawa-ku Higashi-makajima Project (revenue-generating real estate) (Kinki region) Kabe-ku Hirano Project (revenue-generating real estate) (Metropolitan area) 	<ul style="list-style-type: none"> Kobe Akamatsuda Project (commercial leasehold) (Kinki region) Yodogawa-ku Miyahara Project (revenue-generating real estate) (Kinki region) Kyoto Risaku Project (revenue-generating real estate) (Kinki region) Nishiku Urabehoromachi Project (revenue-generating real estate) (Kinki region) Shibuya-ku Horanashi Project (land planning) (Metropolitan area) Nishikyushu Nishihara Project (revenue-generating real estate) (Metropolitan area) 	<ul style="list-style-type: none"> Yachiyo Takatsuki Project (commercial leasehold) (Kinki region) Yodogawa-ku Miyahara Project (revenue-generating real estate) (Kinki region) Kyoto Risaku Project (revenue-generating real estate) (Kinki region) Nishiku Urabehoromachi Project (revenue-generating real estate) (Kinki region) Shibuya-ku Horanashi Project (land planning) (Metropolitan area) Fukusaka Kasuga Project (land planning) (Metropolitan area) Neeze Sandabashi Project (anonymous partnership investment) (Others) Mie Nabari-shi Project (land planning) (Others) Tochiya Nikkoshi Project (commercial leasehold) (Others) 	<ul style="list-style-type: none"> Chuo-ku Shinomachi Project (revenue-generating real estate) (Kinki region) Kabe-ku Nishi-ku Onokada Project (commercial leasehold) (Kinki region) Takatsuki-ku Jauchou Project (land planning) (Kinki region) Baraki Tsuchinashi Project (commercial leasehold) (Metropolitan area) Chigasaki-shi Misunouchi Project (land planning) (Metropolitan area) Fukusaka Kasuga Project (land planning) (Metropolitan area) Neeze Sandabashi Project (anonymous partnership investment) (Others) Mie Nabari-shi Project (land planning) (Others) Tochiya Nikkoshi Project (commercial leasehold) (Others) 	<ul style="list-style-type: none"> Chuo-ku Hirano Project (hotel) (Kinki region) Garden Mall Seiwada Project (commercial leasehold) (Kinki region) Nhonbashi Kayabacho Project (hotel) (Metropolitan area) Nhonbashi Bakurocho Project (hotel) (Metropolitan area) Asumigasaki Project (commercial leasehold) (Metropolitan area) Soyuka Fujinino Project (commercial leasehold) (Metropolitan area) Nishiku Kawazashi Project (land planning) (Metropolitan area) Sendagaya Project (revenue-generating real estate) (Metropolitan area) Kanazawa-shi Oyamamachi Project (hotel) (Metropolitan area) Sapporo-shi Project (hotel) (Others) Fukuoka Kasuga Project (land planning) (Others)

Real Estate Lot Sales Business

FY2017



Le JADE Komagome (Metropolitan area)

Location: Kita-ku, Tokyo
Access: 6 mins. walk from Komagome Station on JR Yamanote Line
No. of residences: 36 (including 6 lots not for sale)
Occupancy date: To start at end of July 2017



Le JADE Vert Komagome (Metropolitan area)

Location: Kita-ku, Tokyo
Access: 7 mins. walk from Komagome Station on JR Yamanote Line
No. of residences: 33
Occupancy date: To start at end of October 2017



Grand Le JADE Wakamatsu Residence (Metropolitan area)

Location: Shinjuku-ku, Tokyo
Access: 3 mins. walk from Wakamatsu-kawada Station on Toei Oedo Line
No. of residences: 31
Occupancy date: To start at end of June 2017



Le JADE Sakurajosui Tiara (Metropolitan area)

Location: Setagaya-ku, Tokyo
Access: 4 mins. walk from Sakurajosui Station on Kero Line
No. of residences: 42 (plus management office)
Occupancy date: To start at end of August 2017



Le JADE Yokohama Hananoki (Metropolitan area)

Location: Yokohama-shi, Kanagawa
Access: 4 mins. walk from Maiba Station on Yokohama Municipal Subway Blue Line,
10 mins. walk from Minamita Station, 14 mins. walk from Idogaya Station on Keiyou Main Line
No. of residences: 69
Occupancy date: To start at end of November 2017



Le JADE Otsu Nagisako (Kinki region)

Location: Otsu-shi, Shiga
Access: 11 mins. walk from Zeze Station on JR Tokaido Main Line,
4 mins. walk from Ishiba Station on Keihan Ishiyama Sakamoto Line
No. of residences: 44
Occupancy date: To start at end of November 2017



Le JADE Fushimi Chushojima (Kinki region)

Location: Fushimi-ku, Kyoto
Access: 7 mins. walk from Chushojima Station on Keihan Main Line and Uji Line
No. of residences: 83 (plus management office)
Occupancy date: To start at end of November 2017



Le JADE Takatsuki The Marks (Kinki region)

Location: Takatsuki-shi, Osaka
Access: 10 mins. walk from JR Takatsuki Station
No. of residences: 95 (plus management office and a library lounge)
Occupancy date: To start at end of October 2017



Le JADE Takatsuki Cross (Kinki region)

Location: Takatsuki-shi, Osaka
Access: 12 mins. walk from Tonda Station, 15 mins. walk from Sojiji Station on Hankyu Kyoto Line,
14 mins. walk from Settsu-Tonda Station on JR Kyoto Line
No. of residences: 80 (plus management office and a lounge/meeting room)
Occupancy date: To start at end of December 2017

FY2018

● **Le JADE Kawasaki (Metropolitan area)**

Location: Kawasaki-shi, Kanagawa
Access: 17 mins. walk from Kawasaki Station on Keiyou Line,
18 mins. walk from Kawasaki Station on JR Tokaido Line and Keihin-Tohoku Line

● **Bunkyo-ku Yushima Project (Metropolitan area)**

● **Katase Kaigan Project (Metropolitan area)**

● **Meguro-ku Yakumo Project (Metropolitan area)**

● **Kugenuma Kaigan Project (Metropolitan area)**

● **Kobe-shi Higashinada-ku Project (Kinki region)**

● **Osaka-shi Kita-ku Tenjinbashi Project (Kinki region)**

● **Kyoto Nakaokakyō-shi Project (Kinki region)**



FEEL GARDEN Minamisenri (Kinki region)

Location: Suita-shi, Osaka
Access: 11 mins. walk from Senriyama Station on Hankyu Senri Line
No. of residences: 214 (plus management office and a meeting room)
Occupancy date: To start at end of March 2018



Grand Le JADE Shibuya Tomigaya (Metropolitan area)

Location: Shibuya-ku, Tokyo
Access: 5 mins. walk from Yoyogi-Koen Station on Tokyo Metro Chiyoda Line,
5 mins. walk from Yoyogi-Hachiman Station on Odakyu Odawara Line
No. of residences: 25 (plus management office)
Occupancy date: To start at end of March 2018



Le JADE Southern Gate Toyoda (Metropolitan area)

Location: Hino-shi, Tokyo
Access: 2 mins. walk from Toyoda Station on JR Chuo Line
No. of residences: 51 (including 7 lots not for sale, a shop and management office)
Occupancy date: To start at end of February 2018

FY2019

● **Shinjuku-ku Daikyocho Project (Metropolitan area)**

● **Himeji Hananokita Mall Project (Kinki region)**

● **Kuzuha Project (Kinki region)**

● **Takatsuki-shi Tenjin Project (Kinki region)**

● **Hamaotsu Project (Kinki region)**



Sapporo-shi,
Hokkaido
Scheduled for
April 2017
144 rooms



Oyamamachi,
Kanazawa-shi
Scheduled for
December 2017
47 rooms



Kayabacho,
Nihonbashi
Opened in
December 2016
102 rooms



Bakurocho,
Nihonbashi
Scheduled for
April 2017
63 rooms

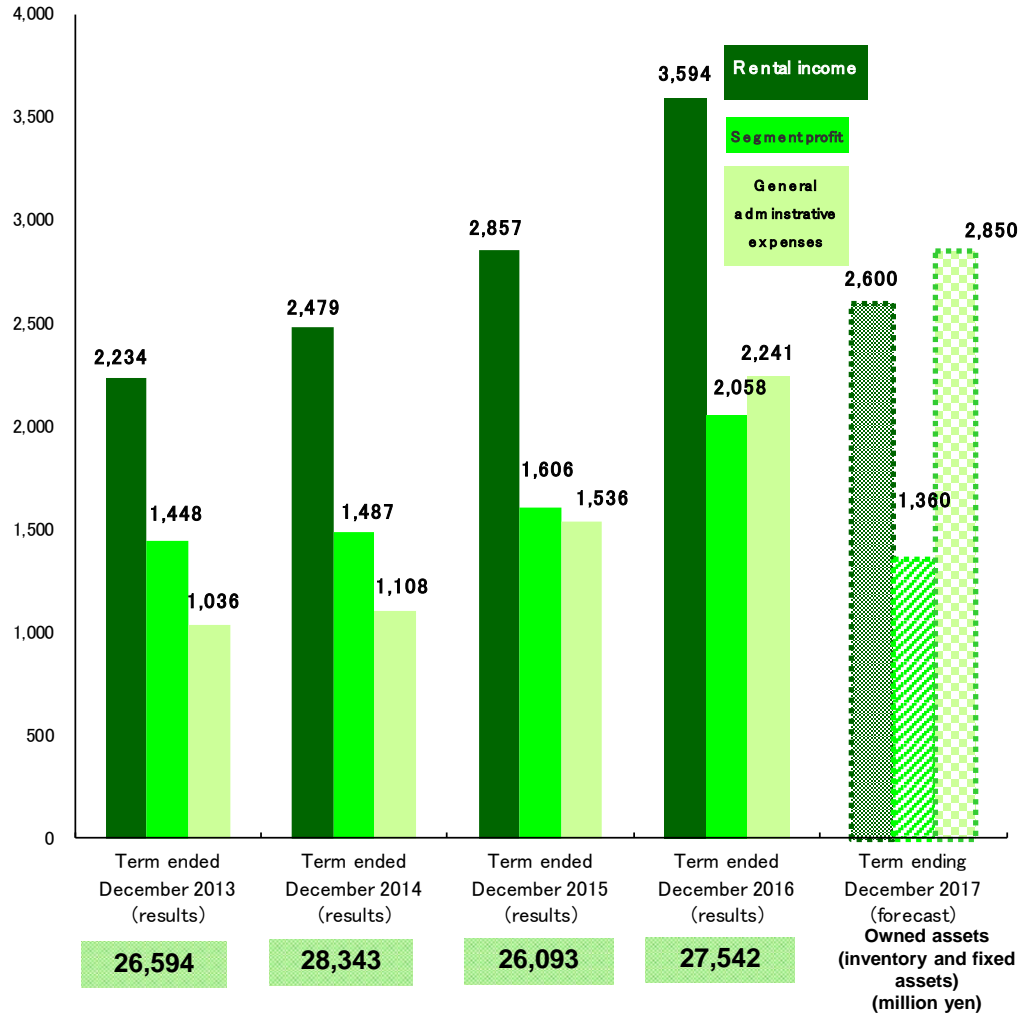


Hiranomachi, Chuo-ku,
Osaka-shi
Scheduled for April
2017
96 rooms

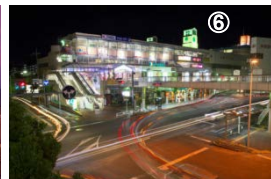
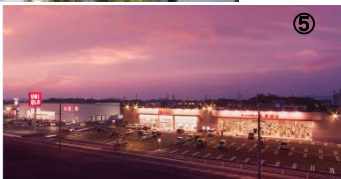
- Osaka-shi Chuo-ku Awajicho I Project
- Osaka-shi Chuo-ku Awajicho II Project
- Osaka-shi Chuo-ku Awajicho III Project
- Osaka-shi Chuo-ku Minamisenba I Project
- Osaka-shi Chuo-ku Minamisenba II Project
- Osaka-shi Chuo-ku Minamisenba III Project
- Osaka-shi Kitakyuhojimachi Project
- Osaka-shi Kita-ku Tsurunocho Project
- Tokyo Chiyoda-ku Hayabusacho Project
- Kanazawa-shi Horikawashinmachi Project

Kinki region	9 projects
Metropolitan area	3 projects
Others	3 projects
Total	15 projects

Term Ending December 2017 – Real Estate Leasing Business



- ① Garden Mall Seiwadai
- ② Garden Mall Minamisenri
- ③ Aeon Minamisenri
- ④ Hakuyukai Kuzuha Hospital
- ⑤ Fukuoka Kasuga commercial leasehold
- ⑥ Oak Town Yamato-Takada
- ⑦ Daisennishi, Sakai-ku, Sakai-shi
- ⑧ Shiroy-shi, Chiba
- ⑨ Asumigaoka
- ⑩ Soyoka Fujimino
- ⑪ Pare Marche Nishiharu



Business Expansion of ES-CON JAPAN Group

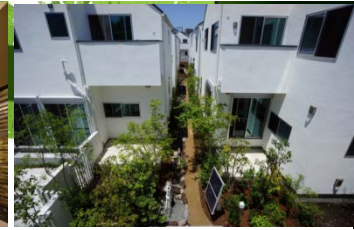
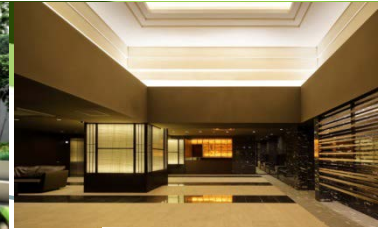
A comprehensive developer operating a multifaceted real estate business, with the real estate lot sales business as its core, in addition to commercial development, hotel development and revenue-generating real estate development

IDEAL to REAL -Turning ideals into reality and creating a new future-

Rather than merely focusing on hard development, we aim to imagine the happiness of the people who live there and develop living itself.



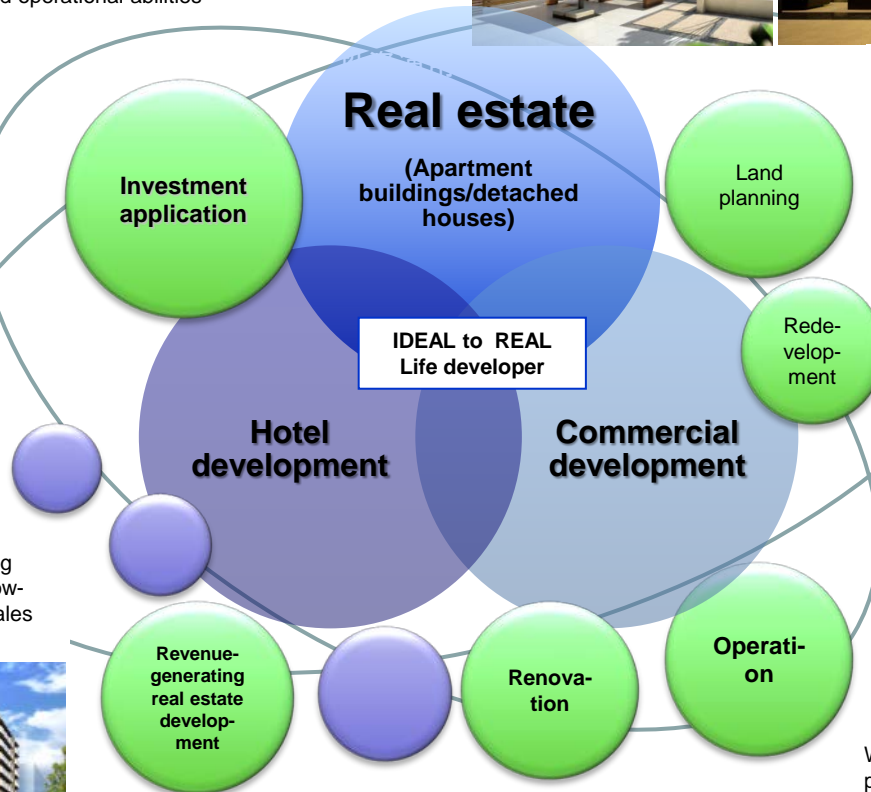
Aiming for listing on J-REIT market for group companies
Contributing to our country's issue of "from savings to investment" through our Group's development and operational abilities



Responding to inbound needs by developing hotels in major cities throughout the country in partnership with hotel operators



Creating new living spaces, making use of our planning ability and know-how cultivated in the real estate sales business to date



As our core business, we will propose competitive and refined product plans, and provide a stable supply of 500 to 600 units mainly around the Metropolitan area and Kinki region



Making maximum use of our know-how as a comprehensive developer and multifaceted business construction capability, proposing new urban development and living by means of land planning and redevelopment in long-term projects



Making maximum use of our commercial development achievements, experience and know-how in the Fukuoka Kasuga Project, and engage in commercial leasehold development

Utilizing our planning ability, which is one of our strengths, and our multifaceted business structure in the fee revenue business and renovation business that responds to the needs of the times



We aim to be a peerless comprehensive developer that possesses operational function suited to the utility form of the real estate



Thank You!

✓ Information

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Chuo-ku, Osaka 541-0044

✓ ☎06-6223-8055

The background features a central vertical gradient from light blue at the top to light green at the bottom. On the left side, there are intricate, overlapping floral and leaf patterns in shades of green and blue. On the right side, there are vertical bands of similar floral and leaf patterns, also in shades of green and blue.

www.es-conjapan.co.jp