

Securities code: 8892
March 11, 2020

To all shareholders:

2-10-4 Toranomom, Minato-ku, Tokyo
ES-CON JAPAN Ltd.
Takatoshi Ito, President and Representative Director

Announcement of 25th Regular General Meeting of Shareholders

Thank you for your ongoing support.

We request your attendance at the 25th Regular General Meeting of Shareholders. Information on the Meeting is provided below.

If you are unable to attend, you may exercise your voting rights in either of the two ways given below. Refer to the “Reference Documents for the General Meeting of Shareholders” in the following pages and exercise your voting rights no later than 6:00 p.m. on Wednesday, March 25, 2020.

[Exercising Voting Rights by Post Mail]

Give either your approval or disapproval of each agenda item in the enclosed Voting Right Execution Form, and then return so that it will be received by the above deadline.

[Exercising Voting Rights via the Internet, etc.]

Enter your approval or disapproval of each agenda item by the above deadline.

- | | |
|------------------|---|
| 1. Date and time | 10:00 a.m. March 26 (Thu.), 2020 |
| 2. Location | 8-1 Akasaka 1-chome, Minato-ku, Tokyo Akasaka Intercity Conference the AIR, 4th Floor, Akasaka Intercity AIR |
| 3. Objectives | |
| Reported items | <ol style="list-style-type: none">1. Term 25 (January 1 to December 31, 2019) Contents of business reports and consolidated account statements, as well as consolidated account statement audit reports from account auditors and the Auditors Committee2. Term 25 (January 1 to December 31, 2019) Items reported in account statements |

Items for voting

| | |
|---------------|---|
| Agenda Item 1 | Disposal of surplus |
| Agenda Item 2 | Election of five directors (excluding directors who are auditor directors) |
| Agenda Item 3 | Election of three directors who are auditor directors |
| Agenda Item 4 | Election of one director as reserve auditor director to fill potential vacancy |
| Agenda Item 5 | Continuation and partial revision of performance-based stock reward system for directors (excluding directors who are auditor directors and external directors) |

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- Please submit the enclosed form for Exercise of Voting Right to the reception desk at the venue when you arrive.
 - According to laws and ordinances, and the provision in Article 17 of our company's Articles of Incorporation, the following items are posted online on our company's website (<https://www.es-conjapan.co.jp/investor/library.php>), and therefore, are not included in the Reference Documents of this announcement.
(1) Consolidated statement of changes in net assets, (2) Notes to consolidated financial statements, (3) Statement of changes in net assets, (4) Notes to non-consolidated financial statements
Moreover, in addition to each reference document included in this announcement, of the account statements posted online at our company's website (<https://www.es-conjapan.co.jp/investor/library.php>) the consolidated account statements and account statements that are audited by the Auditor Committee and account auditors are the "Consolidated statement of changes in net assets" and "Notes to consolidated financial statements" of the consolidated account statements, and "Statement of changes in net assets" and "Notes to non-consolidated financial statements."
 - Any revisions to the reference documents for the General Meeting of Shareholders, business reports, consolidated account statements, and statement documents will be posted on our website (<https://www.es-conjapan.co.jp/>).
 - Exercise of a voting right by proxy shall be possible only if the person commissioned as a proxy is a shareholder with voting rights. Furthermore, only one proxy can be used.
 - No souvenirs will be provided to shareholders attending the Regular General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Agenda Items and References

Agenda Item 1 **Disposal of surplus**

ES-CON JAPAN Ltd. views the returning of profits to all of its shareholders as one of its main tasks, and its basic policy is to make decisions after comprehensively taking into consideration performance, replenishment of internal reserves, and dividend trends, etc., and to return profits to shareholders in an ongoing and stable manner corresponding to the company's growth potential.

Based on this policy, dividends at the end of the current term will be as follows:

| | | |
|---|---|--|
| 1 | Type of dividend assets | Cash |
| 2 | Items relating to allocation of dividend assets to shareholders, and total amount thereof | 36 yen per share of common stock of ES-CON JAPAN Ltd. 2,490,029,532 yen |
| 3 | Date on which surplus dividend takes effect | March 27, 2020 |

**Election of five directors
(excluding directors who are auditor directors)**

Except for directors who are auditor directors (the same applying hereafter), the term of office will expire for all five directors at the end of this General Meeting. We therefore propose the election of five directors.

Moreover, regarding this agenda item, the Auditor Committee has examined each candidate, and stated that there are no issues needing to be pointed out.

Candidates are as follows:

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|--------------------|---|---|--------------------------------|
| Reappointment 1 | Takatoshi Ito (September 1, 1971) | September 2001 - Joined ES-CON JAPAN Ltd. February 2006 - Operating Officer, ES-CON JAPAN Ltd. March 2007 - Managing Director, ES-CON JAPAN Ltd. November 2010 - Head of Business Division, ES-CON JAPAN Ltd. March 2011 - President and Representative Director, ES-CON JAPAN Ltd. (present post) January 2012 - Head of Tokyo Office, ES-CON JAPAN Ltd. May 2013 - President and Representative Director, ES-CON PROPERTY Ltd. August 2013 - Head of Development Division, ES-CON JAPAN Ltd. July 2014 - Director, ES-CON ASSET MANAGEMENT Ltd. (present post) November 2014 - President and Corporate Officer, ES-CON JAPAN Ltd. (present post) September 2016 - Director, ES-CON LIVING SERVICE Ltd. (present post) July 2018 - Director, ES-CON PROPERTY Ltd. (present post) July 2019 - Director, One's Own House Co., Ltd. (currently ES-CON HOME Ltd.) (present post) July 2019 - Director, Rise Home Co., Ltd. (currently ES-CON CRAFT Ltd.) (present post) December 2019 - Director, ES-CON GLOBAL WORKS Ltd. (present post) January 2020 - Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post) | 1,204,700 |
| | <p>Reason for Candidacy as Director</p> <p>As the President and Director of our company, he has been handling the management of our company group, has been leading the group with his strong leadership, has contributed to development and expansion into multiple businesses, has established a firm management foundation, and possesses abundant knowledge of overall business management. Therefore, we propose that he be reappointed as a director so as to continue contributing to the functional enhancement of the Board of Directors.</p> | | |

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|--|--|--|--------------------------------|
| 2 Reappointment | Minoru Nakanishi (September 14, 1952) | <p>April 1975 - Joined Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)</p> <p>April 2005 - Executive Officer (Head of Osaka Branch Office), Mizuho Trust & Banking Co., Ltd.</p> <p>April 2008 - Joined SOKEN Co., Ltd. Inaugurated as Senior Managing Director</p> <p>August 2011 - Joined ES-CON JAPAN Ltd.</p> <p>June 2012 - Executive Officer (Head of Finance and Accounting Dept.), ES-CON JAPAN Ltd.</p> <p>March 2013 - Director, ES-CON JAPAN Co., Ltd.</p> <p>May 2013 - Director, ES-CON PROPERTY, Ltd. (present post)</p> <p>August 2013 - Head of Management Division, ES-CON JAPAN Ltd. (present post)</p> <p>July 2014 - Director, ES-CON ASSET MANAGEMENT, Ltd. (present post)</p> <p>November 2014 - Operating Officer, ES-CON JAPAN Ltd.</p> <p>March 2015 - Executive Director, ES-CON JAPAN Ltd. Managing Executive Officer, ES-CON JAPAN Ltd.</p> <p>September 2016 - Director, ES-CON LIVING SERVICE Ltd. (present post)</p> <p>March 2017 - Senior Managing Director, ES-CON JAPAN Ltd. (present post) Senior Executive Officer, ES-CON JAPAN Ltd. (present post)</p> <p>December 2019 - Director, ES-CON GLOBAL WORKS Ltd. (present post)</p> | 145,500 |
| <p>Reason for Candidacy as Director</p> <p>As an administrator of our company, he has been supervising administrative divisions including Finance/Accounting, Personnel, General Affairs, and Legal Affairs, and took the initiative to establish a firm management foundation as a defensive keystone. It was determined that he is an essential human resource for contributing to the improvement of our company group's corporate value, and that he will contribute to sustainable improvement of corporate value in the future. Therefore, we propose that he be reappointed as a director.</p> | | | |

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|--------------------|--|---|--------------------------------|
| 3 Reappointment | Tomohiko Egashira (July 1, 1965) | <p>April 1990 - Joined Hoyo Construction Co., Ltd.</p> <p>January 1992 - Joined Fuji Corporation Limited</p> <p>April 2002 - Joined ES-CON JAPAN Ltd.</p> <p>January 2012 - Head of Corporate Officer Division, ES-CON JAPAN Ltd.</p> <p>July 2012 - Head of Corporate Officer Tokyo Division, ES-CON JAPAN Ltd.</p> <p>February 2013 - Head of Corporate Officer Development Division, ESCON JAPAN Ltd.</p> <p>March 2015 - Director, ES-CON JAPAN Ltd.</p> <p>January 2016 - Head and Corporate Officer of Development Division, ES-CON JAPAN Ltd. (present post)</p> <p>March 2017 - Managing Director, ES-CON JAPAN Ltd. (present post)</p> <p>Managing Executive Officer, ES-CON JAPAN Ltd. (present post)</p> <p>November 2017 - Head of Fukuoka Branch Office, ES- CON JAPAN Ltd.</p> <p>July 2018 - Director, ES-CON PROPERTY Ltd. (present post)</p> | 136,000 |
| | <p>Reason for Candidacy as Director</p> <p>As the Head of the Development Division, Mr. Egashira has handled real estate developments in various sectors, including condominiums, hotels, and income properties. He brings with him a proven track record for leading the overall real estate development business, as well as a reputation for keen judgment based on extensive experience. We believe he is ideally suited to serve as a director, and propose his reappointment.</p> | | |

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|--------------------|---|--|--------------------------------|
| 4 Reappointment | Kenji Fujita (April 14, 1963) | <p>April 1986 - Joined Chubu Electric Power Co., Inc.</p> <p>July 2011 - General Manager, HR/Labor and Operations Group, Chubu Electric Power Co., Inc.</p> <p>July 2013 - General Manager, HR Division, and General Manager, Labor and Operations Division, Chubu Electric Power Co., Inc.</p> <p>July 2014 - General Manager, Land Affairs Division, Okazaki Branch, Chubu Electric Power Co., Inc.</p> <p>April 2016 - General Manager, Land Affairs Division, Power Networks Company, Chubu Electric Power Co., Inc.</p> <p>March 2019 - Director, ES-CON JAPAN Ltd. (present post) Operating Officer, ES-CON JAPAN Ltd. (present post) Head of General Affairs Department, ES-CON JAPAN Ltd.</p> <p>January 2020 - Head of President's Office, ES-CON JAPAN Ltd. (present post)</p> | 3,000 |
| | <p>Reason for Candidacy as Director</p> <p>With a wealth of experience and strong track record of achievement acquired as the HR Division General Manager and Land Affairs Division General Manager with Chubu Electric Power Co., Inc., Mr. Fujita plays a key role in the administration of our company as Head of General Affairs and has also contributed to the building of friendly relations with Chubu Electric Power Co., Inc. In light of the high level of insight he possesses as a result of this experience and track record, it was determined that he is an essential director, so we propose that he once again be appointed as a director.</p> | | |

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|------------------------|---------------------------------------|--|--------------------------------------|
| 5 Reappointment | Junya Kikuchi (October 1, 1967) | <p>October 1992 - Joined KPMG Century Auditing Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>April 1996 - Joined Hokuto Auditing Corporation (currently Gyosei & Co.)</p> <p>June 2004 - Partner, Win Consulting Tax & Co. (currently Alpha Consulting) (present post)</p> <p>June 2005 - Part-time Director, Nissei Build Kogyo Co., Ltd.</p> <p>November 2009 - Part-time Director, Seiryu Asset Management Co., Ltd. (present post)</p> <p>Part-time Director, Sanai Housing Co., Ltd. (present post)</p> <p>March 2010 - Director, ES-CON JAPAN Ltd. (present post)</p> <p>January 2014 - Representative Director, Integrated Solutions Co., Ltd.</p> <p>June 2014 - Employee, Yuho Audit Corporation Representative, NB Networks</p> <p>August 2017 - Part-time Director, P-PARKING INTERNATIONAL PTE LTD</p> <p>October 2018 - Director, Space Value Holdings Co., Ltd. (present post)</p> <p>May 2019 - Employee, Yuho Audit Corporation (present post)</p> <p>(Main concurrent posts)</p> <p>Employee, Alpha Consulting</p> <p>Employee, Yuho Audit Corporation</p> <p>Part-time Auditor, Seiryu Asset Management Co., Ltd.</p> <p>Part-time Auditor, Sanai Housing Co., Ltd.</p> <p>Director, Space Value Holdings Co., Ltd.</p> | 216,200 |
| | | <p>Reason for Candidacy as Director</p> <p>Based on his abundant experience as a certified public accountant, and his specialized knowledge due to his abundant experience and accomplishments as a long-time corporate manager, it was determined that he is an essential director, so we propose that he be reappointed as a director.</p> | |

- (Note)
1. There are no special interests between these candidates and our company.
 2. ES-CON JAPAN Ltd. has executed a limited liability agreement with Junya Kikuchi as per Japan Companies Law No. 427-1. If selection of this candidate is approved, our company plans to conclude an agreement of the same content.
The following is an overview of this agreement:
 - In the event that a director (excluding personnel who are managing directors) causes ESCON JAPAN Ltd. to bear liability for compensation for damages due to his/her own negligence in the performance of his/her duties, that director shall bear the legally established minimum limit of liability.

Election of three directors who are auditor directors

The term of office will expire for all three directors who are auditor directors at the end of this General Meeting. We therefore propose the election of three directors who are auditor directors.

Moreover, this agenda item has been approved by the Auditors Committee. The reserve auditor director candidate is as follows:

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|-------------------|---|--|--------------------------------|
| New appointment 1 | Masayoshi Nishitake (September 9, 1962) | <p>April 1986 - Joined Daiwa Bank, Limited (currently Resona Bank, Limited)</p> <p>November 2005 - General Manager, Sales Dept. No.1, Kameido Branch and Kinshicho Branch, Resona Bank, Limited</p> <p>June 2007 - Branch Manager, Kitakyushu Branch, Resona Bank, Limited</p> <p>July 2010 - General Manager, Sales Dept. No.3, Ueno/Nippori Area, Resona Bank, Limited</p> <p>October 2012 - Head, Payment Solution Section, Corporate Solution Sales Dept., Resona Bank, Limited</p> <p>April 2018 - Executive Officer and General Manager, Product Development Sales Dept., Resona Kessai Service Co., Ltd. (present post)</p> | 0 |
| | <p>Reason for Candidacy as External Director</p> <p>Mr. Nishitake has a wealth of experience and strong track record of achievement acquired at a financial institution. In light of the high level of insight he thereby possesses, it was determined that he is an essential external director, so we propose that he be appointed as an external director. Although the candidate has had no previous involvement in the company's management other than as an external director, he is deemed capable of performing the duties of an external director for the reasons stated above.</p> | | |

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|--------------------|---|--|--------------------------------|
| Reappointment 2 | Hiroto Mizobata (July 31, 1963) | <p>April 1986 - Joined KPGM Asahi Shinwa Accounting, Inc. (currently KPMG AZSA LLC)</p> <p>March 1988 - Registered as a certified public accountant</p> <p>December 1991 - Registered as a tax accountant</p> <p>March 1992 - Representative, Mizobata CPA Office (present post)</p> <p>March 2015 - Auditor, ES-CON JAPAN Ltd.</p> <p>June 2015 - External Director (Auditor Director), Yamaki Co., Ltd. (present post)</p> <p>External Director, Kyocera Corporation (present post)</p> <p>March 2016 - Director (Auditor Director), ES-CON JAPAN Ltd. (present post)</p> <p>January 2020 - Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post)</p> <p>(Main concurrent posts)</p> <p>Representative, Mizobata CPA Office</p> <p>External Director (Auditor Director), Yamaki Co., Ltd.</p> <p>External Director, Kyocera Corporation</p> | 3,700 |
| | <p>Reason for Candidacy as External Director</p> <p>With his wealth of experience and wide-ranging insights gained as a certified public accountant, tax accountant, and corporate manager, he is able to provide appropriate advice concerning our business activities and our overall management. We therefore deem that he is able to properly carry out his duties as an external director. Although he is currently an external director of the company (auditor director), his term of office as an external director of the company (auditor director) will extend four years from the end of this General Meeting.</p> | | |

| Candidate No. | Name (Date of Birth) | History and Position / Area of Responsibility in Our Company (Main Concurrent Posts) | Number of Company Shares Owned |
|----------------------|-----------------------------------|---|--------------------------------|
| New appointment 3 | Tadashi Fukuda (March 4, 1953) | <p>April 1986 - Registered as lawyer Joined Daiichi Law Office (Currently Daiichi Law Office, P.C.)</p> <p>June 2000 - External Auditor, Shinyei Kaisha</p> <p>December 2012 - External Auditor, ES-CON JAPAN Ltd.</p> <p>June 2015 - External Director, Shinyei Kaisha External Auditor, EXEDY Corporation (present post)</p> <p>March 2016 - External Auditor, ES-CON JAPAN Ltd. Executive Partner, Daiichi Law Office, P.C. (present post)</p> <p>June 2016 - External auditor, Mitsubishi Tanabe Pharma Corporation (present post)</p> <p>(Main concurrent posts) Representative, Mizobata CPA Office External Director (Auditor Director), Yamaki Co., Ltd. External Director, Kyocera Corporation</p> | 0 |
| | | <p>Reason for Candidacy as Reserve Director</p> <p>The reason for nominating Tadashi Fukuda as an external director is that he has a wealth of experience as a lawyer and extensive expertise, which will be reflected in management of ES-CON JAPAN Ltd. The candidate does not have previous experience other than contributing to the company as an external director, but it has been decided that he is capable of performing the duties of an external director for the reasons stated here.</p> | |

- (Note)
1. There are no special interests between this candidate and our company.
 2. Mr. Nishitake, Mr. Mizobata and Mr. Fukuda are candidates for external director.
 3. Mr. Mizobata and Mr. Fukuda have served as non-managing directors of ES-CON JAPAN Ltd. (auditors) in the past.
 4. Mr. Fukuda served as an external director at Shinyei Kaisha until June 2017. After he left that post, it was revealed that improper business had been conducted at a consolidated subsidiary of that company while he served in that post. He was not aware of this misconduct until it was revealed, but he has cautioned the company of the importance of legal compliance at day-to-day meetings of the board of directors.
 5. ES-CON JAPAN Ltd. has executed a limited liability agreement with Mr. Mizobata in accordance with Japan Companies Law No. 427-1. If his appointment is approved, ES-CON JAPAN Ltd. will maintain such an agreement with him under similar terms. If the appointments of Mr. Nishitake and Mr. Fukuda are approved, ES-CON JAPAN Ltd. will execute limited liability agreements with them under similar terms.
The following is an overview of this agreement:
 - In the event that a director (excluding personnel who are managing directors) causes ES-CON JAPAN Ltd. to bear liability for compensation for damages due to his/her own negligence in the performance of his/her duties, that director shall bear the legally established minimum limit of liability.
 6. ES-CON JAPAN Ltd. has notified the Tokyo Stock Exchange that Mr. Mizobata is an independent officer. If his election is approved, we plan to notify the Tokyo Stock Exchange that he will continue to serve as an independent officer.
Mr. Fukuda meets the requirements for independent officer prescribed by the Tokyo Stock Exchange. If his election is approved, we plan to appoint him as an independent officer.

Agenda Item 4

Election of one director as reserve auditor director to fill potential vacancy

In order to prevent the number of auditors from falling below the legally established requirement, we propose the election of one director as reserve auditor director to fill potential vacancy.

Moreover, this agenda item has been approved by the Auditors Committee.

The reserve auditor director candidate is as follows:

| Name (Date of Birth) | History and Position (Main Concurrent Posts) | Number of Company Shares Owned |
|----------------------------------|--|--------------------------------------|
| Tomonao Iechika (May 7, 1976) | October 2005 - Registered as lawyer Joined Daiichi Law Office (Currently Daiichi Law Office, P.C.) July 2010 - Dispatched to the Inspection Bureau, Financial Services Agency January 2015 - Partner, Daiichi Legal Professional Corporation (present post) (Main concurrent posts) Partner, Daiichi Legal Professional Corporation | 31,300 |

Reason for Candidacy as Reserve Director

The reason for nominating Tadashi Fukuda as an external director is that he has a wealth of experience as a lawyer and extensive expertise, which will be reflected in management of ES-CON JAPAN Ltd. The candidate does not have previous experience other than contributing to the company as an external director, but it has been decided that he is capable of performing the duties of an external director for the reasons stated here.

- Note:
1. There are no special interests between this candidate and our company.
 2. Mr. Iechika is a candidate for deputy external director.
 3. If the appointment of Mr. Iechika is approved and he is elected to the position of director who is also a member of the Auditor Committee, ES-CON JAPAN Ltd. will execute a limited liability agreement with him in accordance with Japan Companies Law No. 427-1.
 The following is an overview of this agreement:
 - In the event that a director (excluding personnel who are managing directors) causes ES-CON JAPAN Ltd. to bear liability for compensation for damages due to his/her own negligence in the performance of his/her duties, that director shall bear the legally established minimum limit of liability

Agenda Item 5

Continuation and partial revision of performance-based stock reward system for directors (excluding directors who are auditor directors and external directors)

1. Reasons for the proposal and why the reward is deemed appropriate

With this agenda item, we are asking for the approval of the continuation and partial revision of the performance-based stock reward system (hereinafter the "System") for ES-CON JAPAN's directors (excluding directors who are auditor directors and external directors) (hereinafter the "Directors") introduced from fiscal 2015.

The System was introduced with the aim of further clarifying remuneration for Directors and the relationship between ES-CON JAPAN's performance and stock price, with Directors not only benefiting from a rise in stock price but also sharing the same risks as shareholders in relation to declines in stock price, thereby increasing awareness of the effects medium- to long-term performance has on corporate value. We therefore believe that such remuneration is appropriate.

Specifically, we request approval of the payment to Directors of performance-based stock rewards in addition to and separate from the maximum amount of compensation for Directors approved at the 21st Regular General Meeting of Shareholders held on March 25, 2016 (annual amount of no more than 400 million yen).

Note that we would like the amount of a compensation for Directors to not include the employee salaries they continue to receive for their concurrent roles as employees. If Agenda Item 2 is approved and adopted without modification, the number of Directors subject to this agenda item will be four.

2. Continuation of the System

The System is an incentive system by which ES-CON JAPAN contributes money to a trust (hereinafter the "Trust") (the upper limit of which is as per section 3. (2) below), with the Trust acquiring shares of ES-CON JAPAN using the applicable money as capital. Shares of ES-CON JAPAN or money equivalent to the fair market value of shares of ES-CON JAPAN (hereinafter "shares etc. of ES-CON JAPAN") will be granted to Directors through the Trust in accordance with factors such as the level of performance achieved.

3. Partial Revision to the System

(1) Target period after the continuation of the System

ES-CON JAPAN obtained approval for the introduction of the System with a target period of five fiscal years from the fiscal year closing at the end of December 2015 until the fiscal year closing at the end of December 2019 at the 20th Regular General Meeting of Shareholders held on March 20, 2015, and again obtained approval for the System at the 21st Regular General Meeting of Shareholders held on March 25, 2016, coinciding with ES-CON JAPAN's transition to a company with an audit committee.

ES-CON JAPAN will implement the System in a continuous manner by contributing additional money on the condition that approval is obtained at the General Meeting of Shareholders. In the System, the target period of ES-CON JAPAN's third medium-term management plan "IDEAL to REAL 2022" (hereinafter the "third medium-term management plan") comprised of the period lasting three fiscal years from the fiscal year closing at the end of December 2020 until the fiscal year closing at the end of December 2022, as well as each subsequent period of three fiscal years (hereinafter respectively referred to as "target periods"), has been set as the target period.

(2) Amount of money contributed to the Trust

ES-CON JAPAN will contribute money with an upper limit of 330 million yen (Note), calculated by multiplying 110 million yen per fiscal year by the target period, to the Trust as funds for acquisition of shares of ES-CON JAPAN to grant shares, etc. of ES-CON JAPAN to ES-CON JAPAN's directors, on the condition that approval is obtained at the General Meeting of Shareholders. Moreover, after the expiration of the first target period and until the end of the System, ES-CON JAPAN shall make additional contributions not exceeding the amount calculated by multiplying 110 million yen per fiscal year by the target period in each target period.

However, when making contributions or additional contributions, when there are residual company shares (excluding items for which granting to ES-CON JAPAN's directors has not been completed with shares of ES-CON JAPAN in proportion to the number of points assigned to ES-CON JAPAN's directors in each target period) and money (hereinafter collectively referred to as "residual shares, etc. immediately before the start of the target period"), the total amount of the residual shares, etc. immediately before the start of the target period and the amount of the trust money which will be additionally contributed shall be within the range of the upper limit of the trust money approved at the General Meeting of Shareholders.

(Note) The money to be allocated to trust expenses for the Trust and expenses for system operation such as trust fee will not be included in 330 million yen, which is the upper limit of the funds for acquisition of shares of ES-CON JAPAN mentioned above, and additional contribution of necessary money can be made.

(3) Calculation method and upper limit of number of shares to be granted to ES-CON JAPAN's directors

After the continuation of the System, consolidated operating income and total shareholder return (TSR) shall be adopted as the method for calculating the number of shares of ES-CON JAPAN to be granted to ES-CON JAPAN's directors, with an aim to provide incentive for business execution conscious of sustainable growth and setting as clear indicators from the viewpoint of shareholders the return of profits to shareholders and enhancement of corporate value. Specifically, ES-CON JAPAN will assign points (hereinafter the "annually assigned points") in accordance with the status of achievement of the goal on consolidated operating income (hereinafter the "performance-based coefficient (1) (*1)") based on the number of standard shares for each position stipulated at the beginning of the fiscal year in the third medium-term management plan, and the annually assigned points assigned to the subject parties will be accumulated (hereinafter the "cumulative assigned points during the target period") in the performance for the fiscal year ending December 2022, the final fiscal year in the third medium-term management plan. The obtained points (hereinafter the "assigned points ultimately decided") will be calculated by multiplying the cumulative assigned points during the target period by the rate of deviation between ES-CON JAPAN's TSR and the TSE First Section Real Estate TOPIX (hereinafter the "performance-based coefficient (2) (*2)") during the period of the third medium-term management plan. The points are converted at a rate of one company share for every 10 points when granting shares. However, when a stock split, free stock allocation or reverse stock split, etc. has been carried out with regards to the shares of ES-CON JAPAN after the approval of this proposal, the conversion rate shall be adjusted appropriately in accordance with the relevant rate, etc. The upper limit per fiscal year of the number of cumulative points assigned to ES-CON JAPAN's directors shall be 1,100,000 points (110,000 shares). The upper limit of the number of shares of ES-CON JAPAN acquired by the Trust in each target period is 3,300,000 points (330,000 shares), which is equivalent to the number calculated by multiplying the upper limit of the number of annually assigned points by three, the number of fiscal years during the target period.

(*1) Performance-based coefficient (1) will be determined within the range between 0.0 and 1.5 in accordance with the achievement rate of the forecast operating income on a consolidated basis.

(*2) Performance-based coefficient (2) will be determined within the range between 0.5 and 1.0 by comparing ES-CON JAPAN's TSR with the TSE First Section Real Estate TOPIX during the target period and based on the rate of deviation between them.

(4) Method of share acquisition by means of the Trust

The acquisition of shares of ES-CON JAPAN by the Trust is scheduled to be made through the disposal of treasury shares or from the stock market within the range of the upper limit of the amount of trust money and the number of acquired shares in 3. (2) and (3) above.

(5) Granting of shares of ES-CON JAPAN to ES-CON JAPAN's directors

When the directors of ES-CON JAPAN fulfill beneficiary requirements, payment of money will also be made as follows in addition to the granting of shares made previously. Accordingly, shares of ES-CON JAPAN equivalent to 70% of the total number of points assigned based on the System before the revision and the number of assigned points ultimately decided assigned based on the System after the revision will be granted to ES-CON JAPAN's directors. As for shares of ES-CON JAPAN equivalent to 30% of the total points, the money equivalent to the fair market value of shares of ES-CON JAPAN will be granted instead of shares of ES-CON JAPAN from the perspective of securing funds for tax payment. In addition, as for the total amount of shares of ES-CON JAPAN equivalent to the total number of points assigned based on the System before the revision and the number of assigned points ultimately decided assigned based on the System after the revision, money equivalent to the fair market value of shares of ES-CON JAPAN will be granted instead of shares of ES-CON JAPAN to the heir in the case the director of ES-CON JAPAN passes away during the trust term. Furthermore, the total amount of shares of ES-CON JAPAN equivalent to the total number of points assigned based on the System before the revision and the number of assigned points ultimately decided assigned based on the System after the revision will be granted to directors who will retire at their own convenience.

4. Overview of the System after Revision

(1) Overview of the System

The System is an incentive system in which ES-CON JAPAN contributes money to the Trust (the upper limit of which is as per section 3. (2) above), with the Trust acquiring shares of ES-CON JAPAN with the applicable money as capital, and shares, etc. of ES-CON JAPAN being granted to ES-CON JAPAN's directors through the Trust in accordance with the performance achievement rate, etc.

Moreover, the shares, etc. will be granted to the director of ES-CON JAPAN when the said director retires from the position of director.

(2) System beneficiaries

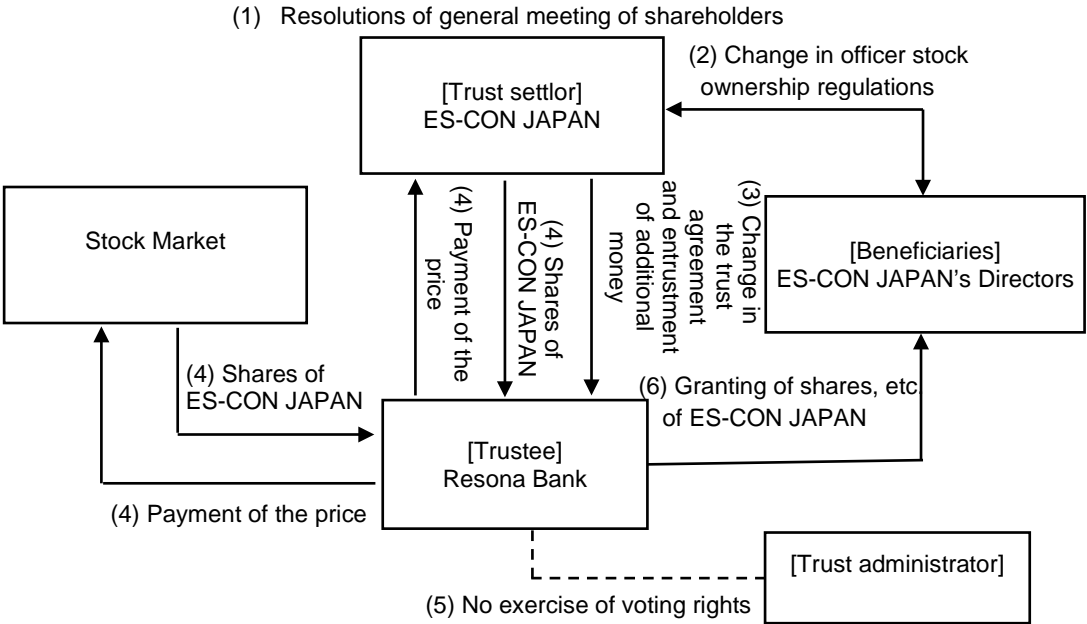
Directors of ES-CON JAPAN (excluding external directors and auditors)

(3) Target period

Three fiscal years from the fiscal year closing at the end of December 2020 until the fiscal year closing at the end of December 2022 and each subsequent period of three fiscal years.

(4) Establishment of the trust associated with operation of the System

ES-CON JAPAN shall establish and operate the following trust for operating the System based on mutual agreement with the trustee.



- (1) ES-CON JAPAN shall obtain a resolution for approval at the General Meeting of Shareholders concerning continuation and partial revision of the System.
- (2) ES-CON JAPAN shall change officer stock ownership regulations within the scope approved by the General Meeting of Shareholders.
- (3) ES-CON JAPAN shall change the existing trust agreement and entrust additional money within the scope approved by the General Meeting of Shareholders.
- (4) The Trust shall acquire shares of ES-CON JAPAN through the stock market, etc. or by the method of underwriting ES-CON JAPAN's disposal of treasury shares by using money entrusted in (3) above.
- (5) Voting rights shall not be exercised during the trust term with regard to shares of ES-CON JAPAN under the Trust.
- (6) During the trust term, the beneficiaries will be assigned points in accordance with the position and the performance achievement rate of the beneficiaries based on the stipulations of the officer stock ownership regulations in (2) above. Shares, etc. of ES-CON JAPAN will be granted to directors who have fulfilled the beneficiary requirements stipulated in the officer stock ownership regulations to a certain degree, including when a director resigns, at the number in accordance with the number of points assigned.

- (5) Trust term
From April 1, 2015, to the closing of the Trust (No specific closing date is determined for the trust term of the Trust and the Trust shall continue as long as the System continues. The System shall end due to delisting of shares of ES-CON JAPAN or abolishment, etc. of the officer stock ownership regulations.)
- (6) Upper limit of money and the number of shares to be contributed by ES-CON JAPAN
As described in 3. (2) and (3) above.
- (7) Method of acquisition of shares of ES-CON JAPAN by the Trust
The Trust shall acquire shares of ES-CON JAPAN through financial instrument exchange markets, etc. or by the method of underwriting ES-CON JAPAN's disposal of treasury shares within the upper limit of the amount of money to be contributed in to the Trust in (6) above.
- (8) Calculation method and upper limit of number of shares of ES-CON JAPAN to be granted to beneficiaries
As described in 3. (3) above.
- (9) Timing of granting of shares of ES-CON JAPAN to beneficiaries
When a director of ES-CON JAPAN resigns and has fulfilled the beneficiary requirements, there shall be granting of the number of shares, etc. of ES-CON JAPAN in accordance with the total number of the points assigned based on the System before the revision and the number of assigned points ultimately decided assigned based on the System after the revision, at the time of retirement by means of the prescribed beneficiary definition procedure.
- (10) Exercise of voting right of shares of ES-CON JAPAN within the Trust
Voting rights pertaining to shares of ES-CON JAPAN within the Trust shall not be exercised without any exception in order to secure independence of ES-CON JAPAN's management from the Trust.
- (11) Handling of dividends of shares of ES-CON JAPAN within the Trust
Dividends pertaining to shares of ES-CON JAPAN within the Trust shall be received by the Trust, and used for trust-related expenses such as acquisition of shares of ES-CON JAPAN and trust fees, etc. Moreover, when the Trust closes, it is planned that the dividends remaining in the Trust are to be granted to beneficiaries of the System who are in office at that point in time by proportionally dividing the dividends in accordance with the accumulated points of each individual or donated to public interest corporations.
- (12) Handling at the closing of the Trust
The Trust shall be closed in the event the shares of ES-CON JAPAN are delisted or the officer stock ownership regulations are abolished, etc.
Of the residual assets of the Trust when it is closed (excluding shares planned to be granted to directors in office at the time of the closing of the Trust with the possibility of fulfilling the beneficiary requirements), shares of ES-CON JAPAN shall be cancelled or donated to public interest corporations based on a resolution of the board of directors, after all of the shares of ES-CON JAPAN having been acquired by ES-CON JAPAN at no cost. Of the residual assets of the Trust when it is closed, money shall be paid to the beneficiaries of the System who are in office at that point in time by proportionally dividing the money in accordance with the accumulated points of each individual or donated to public interest corporations.