

Term Ended December 2018

February 21, 2019

Explanatory materials



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Summary of Term Ended December 2018

Main Activities in Term Ended December 2018

JANUARY

- Acquisition of treasury stock
- All units in Le JADE Minamimorimachi, Le JADE Takatsuki Cross, and Le JADE Kawasaki sold
- Participation in planning of Neolife Kuzuha Condominium Rebuilding Project
- Acquisition of site for Genboen land readjustment project in Koga, Fukuoka

APRIL

- Acquisition of new business sites (Yasuicho, Nishinomiya-shi) (Aoba-ku, Yokohama-shi) (Kumata, Higashiumiyoshi-ku)
- Sales commence for Grand Le JADE Shonan Enoshima R134.



JULY

- All units sold in Le JADE Komagome
- Acquisition of new business sites (Okurayama, Kohoku-ku) (Honjonishi, Kita-ku) (commercial leasehold, Shiroishi-ku, Sapporo-shi)
- Upward revision to projected consolidated results for 2Q of Fiscal Year Ending December 2018
- Efforts to promote ZEH-M commence.

OCTOBER

- All units sold in Le JADE Nagaokakyo, Grand Le JADE Shibuya Tomigaya
- Acquisition of new business site (Minami-Otsuka, Toshima-ku)
- Joint research agreement concluded with Tokyo University of Science on environmental design system
- Grand Le JADE Wakamatsucho Residence wins 2018 Good Design Award.



FEBRUARY

- All units sold in Grand Le JADE Okamoto and Le JADE Vert Komagome
- Acquisition of new business sites (Sawaraginishi, Ibaraki-shi) (Miyanocho, Takatsuki-shi) (Masumicho, Ikeda-shi)

MAY

- Sales commence for Le JADE Nagaokakyo, Grand Le JADE Takatsuki Tenjin, Le JADE Takatsuki Kosobe, and Le JADE Bio Funabashi Kitanarashino.
- Le JADE Bio renovation business launched.
- Acquisition of new business site (Kotoen, Nishinomiya-shi)
- All units sold in Grand Le JADE Wakamatsucho Residence and Le JADE Otsu Nagisakoen
- Work commences on Hyogo Tojo Interpark (tentative name) logistics facility project.
- Tokyo Minato Ward Shirogane joint project (tentative name) with Mitsubishi Jisho Residence Co., Ltd. announced.

AUGUST

- Acquisition of treasury stock
- Sales commence for Le JADE Sumakaihin Koen, Le JADE Nakano, and Le JADE Shinkanaoka Park Fields.
- Again selected for JPX-Nikkei Mid Small index
- Preparations for listing on J-REIT market and transfer of real estate for sale
- Changes in largest shareholder, other major shareholders, and other affiliates
- Capital and business partnerships with Chubu Electric Power Co., Ltd. and sale of stock**
- Acquisition of new business site (Tamadaira, Hino-shi)

NOVEMBER

- Sales commence for Le JADE Otsu LUXE, Le JADE Hama-Otsu, Le JADE Minami-Ibaraki MUSE.
- Acquisition of new business sites (Besshonakanochi, Takatsuki-shi) (Mukomotomachi, Amagasaki-shi) (Nishi-Shinsaibashi hotel project, Chuo-ku, Osaka-shi)

● Number of new business sites acquired in term ended December 2018

	Metropolitan area	Kinki region	Other	Total
Condominium	5	12		17
Hotel		1	1	2
Land readjustment project			1	1
Commercial (including commercial facilities)	1	2	1	4
Rental residential	2	1		3
Total	8	16	3	27

MARCH

- Acquisition of new business sites (Hamaotsu 3-chome, Otsu-shi) (Shinkanaoka, Kita-ku, Sakai-shi) (Matsubara, Setagaya-ku) (Hinokuchi, Nishinomiya-shi)
- Sales commence for Grand Le JADE Jiyugaoka.
- Details of growth strategies added to Medium-Term Management Plan IDEAL to REAL 2019

JUNE

- All units sold in Le JADE Fushimi Chushojima
- Acquisition of new business sites (Shimotakaido 4-chome, Suginami-ku) (Zaimokuza, Kamakura-shi) (Nakasu 5-chome hotel project, Hakata-ku)
- Projected consolidated results for Fiscal Year Ending December 2018 revised upward; increase in expected dividend
- Five Company-owned hotels sold

SEPTEMBER

- All units in Le JADE Yokohama Hananoki sold
- Sales commence for Le JADE Kuzuha.
- Grand opening of tonarie Yamato Takada community shopping center announced for November 23, 2018 (Friday, a holiday)



DECEMBER

- Acquisition of new business sites (Mukonosohonmachi, Amagasaki-shi) (Ikegami, Nishi-ku, Kobe-shi) (Myohoji Ekimae)
- Acquisition of commercial facilities (Tsukuba Q't, Tsukuba MOG)
- Projected year-end dividends and full-year consolidated results for term ending December 2018 revised upwards
- Launch of student housing business
- Nagoya Office opens.
- ESCON JAPAN REIT Investment Corporation listing on J-REIT market approved**
- Contract concluded for transfer of real estate for sale to ESCON JAPAN REIT Investment Corporation
- New TV commercial introduced for Grand Le JADE: "ROMEIO and Le JADE"

P/L in Term Ended December 2018

- Both sales and profits increased dramatically from the previous term, driven by progress in the condominium sales business and sales of hotels and other revenue-generating real estate.
- Profits increased, although somewhat less than projected in the initial plans.
- Ordinary income exceeded 10 billion yen, setting a new record high.
- Earnings per share in the current term were up 29.6% YoY to 105.98 yen.

(Unit: Million yen)

	Full year ended December 2018 (term under review)	Full year ended December 2017 (previous term)	Amount of increase/ decrease	Compared to previous term	Full year ended December 2018 (initial plan)	Difference from plan	Percentage vs. initial plan
Sales	54,325	44,724	9,601	21.5%	55,700	-1,375	-2.5%
Gross profit	16,927	11,559	5,368	46.4%			
Selling, general and administrative expenses	5,366	4,517	849	18.8%			
Selling expenses	2,088	1,734	354	20.4%			
General administrative expenses	3,277	2,782	495	17.8%			
Operating profit	11,561	7,042	4,519	64.2%	9,900	1,661	16.8%
Interest expenses	1,020	1,093	-73	-6.7%			
Ordinary income	10,498	5,988	4,510	75.3%	8,700	1,798	20.7%
Net income in current term	7,226	5,456	1,770	32.4%	6,000	1,226	20.4%
Earnings per share in current term	105.98	81.77	24.21	29.6%			

Segment Results for Term Ended December 2018

CONDOMINIUM SALES BUSINESS

- We sold 539 condominiums, or 92.1% of the full-year plan (585).
- Reasons for the failure to reach the planned figure include short sales periods for Grand Le JADE Jiyugaoka and Le JADE Nakano, both of which are low-rise projects, and delays in setting up full model units.
- Condominium profit margins rose by 2.3 points (from 12.1% last year to 14.4% this term).
- Completed inventory declined from 89 units at the end of December 2017 to 48 units at the end of December 2018.
- As in the preceding term, sales of hotel properties contributed significantly to profits.
- Hotel profit margins have remained high, above 30%, since last year, rising 3.4 percentage points from the previous year (from 34.3% last year to 37.7% this term).

OTHER SALES BUSINESS

(Unit: Million yen)

	Sales					Segment income		
	Full year ended December 2018 (term under review)	Full year ended December 2017 (previous term)	Compared to previous term	Initial plan	Percentage vs. initial plan	Full year ended December 2018 (term under review)	Full year ended December 2017 (previous term)	Compared to previous term
Real estate sales business	50,519	41,168	22.7%	52,600	-4.0%	12,341	7,978	54.7%
Condominium sales	25,089	19,500	28.7%	27,980	-10.3%	3,617	2,363	53.1%
Other sales	25,429	21,667	17.4%	24,620	3.3%	8,723	5,614	55.4%
Real estate leasing business	3,400	3,459	-1.7%	2,900	17.2%	2,128	1,761	20.8%
Real estate planning agency and consulting business	405	96	321.9%	200	102.5%	369	85	334.1%
Total	54,325	44,724	21.5%	55,700	-2.5%	14,839	9,825	51.0%

Condominium sold/sales	Sales				Hotels sold/sales	Sales		
	Units sold	Amount (millions yen)	Price per unit (10,000 yen)	Profit margin		Number of projects sold	Amount (millions yen)	Profit margin
Term ended December 2017 (previous term)	476	19,500	4,096	12.1%	Term ended December 2017 (previous term)	5	9,370	34.3%
Term ended December 2018 (term under review)	539	25,089	4,654	14.4%	Term ended December 2018 (term under review)	7	21,680	37.7%

	Planned units sold	Units sold at end of term	Achievement rate
Term ended December 2018 (term under review)	585	539	92.1%

Segment Results for Term Ended December 2018

CONDOMINIUM SALES BUSINESS

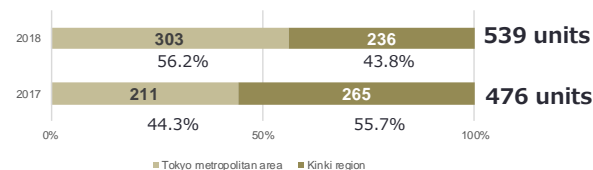
Condominium sales	Location	Total no. of units	(Unit: Units)			
			Initial inventory for term ended December 2017	No. of units delivered in term ended December 2018	Closing inventory for term ended December 2018	Contract and delivery progress as of February 18 (inventory)
Le JADE Komagome	Kita-ku, Tokyo	36	7	7	0	Sold out
Le JADEVert Komagome	Kita-ku, Tokyo	33	2	2	0	Sold out
Grand Le JADE Wakamatsucho Residence	Shinjuku-ku, Tokyo	31	5	5	0	Sold out
Le JADE Yokohama Hananoki	Yokohama-shi, Kanagawa	69	29	29	0	Sold out
Le JADE Otsu Nagisako	Otsu-shi, Shiga	44	8	8	0	Sold out
Le JADE Fushimi Chushojima	Fushimi-ku, Kyoto	83	31	31	0	Sold out
Le JADE Takatsuki Cross	Takatsuki-shi, Osaka	80	7	7	0	Sold out
Le JADE Southern Gate Toyoda	Hino-shi, Tokyo	52	-	52	0	Sold out
Le JADE Kawasaki	Kawasaki-shi, Kanagawa	80	-	80	0	Sold out
Feel Garden Minamisenri	Suita-shi, Osaka	107	-	107	0	Sold out
Grand Le JADE Shibuya Tomigaya	Shibuya-ku, Tokyo	25	-	25	0	Sold out
Le JADE Minamimorimachi	Kita-ku, Osaka	29	-	29	0	Sold out
Grand Le JADE Ochanomizu	Bunkyo-ku, Tokyo	53	-	51	2	1
Grand Le JADE Okamoto	Higashinada-ku, Kobe	19	-	19	0	Sold out
Grand Le JADE Jiyugaoka	Meguro-ku, Tokyo	23	-	7	16	16
Le JADE Nakano	Nakano-ku, Tokyo	25	-	9	16	14
Le JADE Nagaokakyo	Nagaokakyo-shi, Kyoto	35	-	35	0	Sold out
Le JADE Bio Funabashi Kitanarashino	Funabashi-shi, Chiba	50	-	36	14	13
Total			89	539	48	44

OTHER SALES BUSINESS

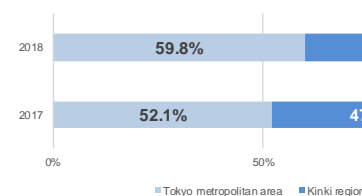
Other sales	Type	Business scheme	Sales (millions yen)
Hayabusacho, Chiyoda-ku	Hotel	Sale	4,600
Kitakyuhojimachi, Chuo-ku	Hotel	Sale	3,450
Awajicho I, Chuo-ku	Hotel	Sale	3,420
Awajicho II, Chuo-ku	Hotel	Sale	3,420
Tsurunochi, Kita-ku, Osaka-shi	Hotel	Sale	2,910
Horikawashinmachi, Kanazawa-shi	Hotel	Sale	2,030
Minamisenba III, Chuo-ku	Hotel	Sale	1,850
31 Wakamatsucho, Shinjuku-ku	Apartments	Sale	1,968
Sendagaya 5-chome, Shibuya-ku	Apartments	Sale	1,317
Kasuga, Fukuoka	Land	Sale	413

Non-condominium project profit margin	Results		
	Sales (millions yen)	Project profits (millions yen)	Prof it margin
Term ended December 2017 (previous term)	21,667	5,614	25.9%
Term ended December 2018 (term under review)	25,429	8,723	34.3%

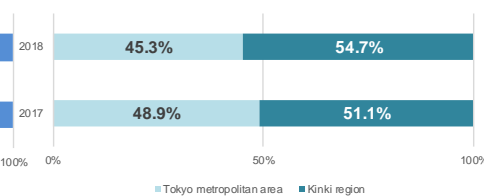
Number/percentage of condominium units delivered by area



Percentage of sales by area



Percentage of project profits by area



LEASING BUSINESS

Leasing business (major owned properties)	Location	Possession status
Kansai Medical University Kuzuha Hospital	Hirakata-shi, Osaka	Fixed asset
tonarie Yamatotakada	Yamatotakada-shi, Nara	Current asset (for sale in process)
soyoca Fujimino	Fujimino-shi, Saitama	Current asset (for sale in process)
Ikaruga, Ikoma-gun	Ikoma-gun, Nara	Current asset (for sale in process)
Omiachiman	Omiachiman-shi, Shiga	Current asset (for sale in process)
Kakegawa	Kakegawa-shi, Shizuoka	Current asset (for sale in process)
(Provisional name) tonarie Toga-Mikita	Sakai-shi, Osaka-fu	Current asset (for sale in process)
Hyogo Tojo Interpark	Kato-shi, Hyogo	Current asset (for sale in process)
Tsukuba Q't, MOG	Tsukuba-shi, Ibaraki	Current asset (for sale in process)
Yamada Denki Sapporo Shiroishi store	Shiroishi-ku, Sapporo-shi	Current asset (for sale in process)
Daisen-nishi I, Sakai-shi, Osaka-fu	Sakai-shi, Osaka-fu	Current asset (for sale in process)
Mukomotomachi, Amagasaki-shi	Amagasaki-shi, Hyogo	Current asset (for sale in process)
Kamiueno, Muko-shi	Muko-shi, Kyoto-fu	Current asset (for sale in process)
Ikegami, Nishi-ku, Kobe-shi	Nishi-ku, Kobe-shi	Current asset (for sale in process)
Nishishirai	Shirai-shi, Chiba	Current asset (for sale)
Asumigaoka Brand-New Mall	Chiba-shi, Chiba	Current asset (for sale)
Daisen-nishi II, Sakai-shi, Osaka-fu	Sakai-shi, Osaka-fu	Current asset (for sale)
K's Denki Oyumino shop	Chiba-shi, Chiba	Current asset (for sale)
Kasuga, Fukuoka (Sukesan)	Kasuga-shi, Fukuoka	Current asset (for sale)
Mitani, Nishi-ku, Kobe-shi	Nishi-ku, Kobe-shi	Current asset (for sale)
Pare Marche Nishiharu	Kitanogaya-shi, Aichi	Current asset (for sale)

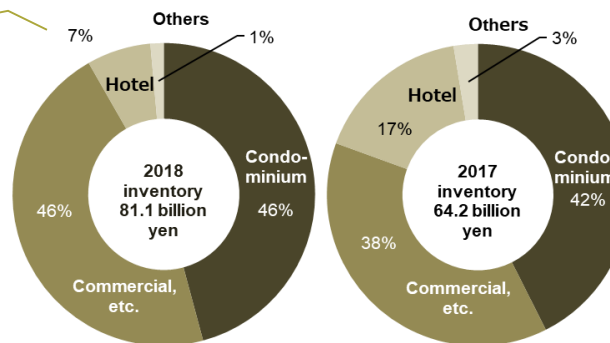
Transferred to ESCON JAPAN REIT Investment Corporation in February 2019
Total transfer amount: 13,748 million yen
Gross profit on transfer: 2,282 million yen

B/S in Term Ended December 2018

(Unit: Million yen)

	Term ended December 2018 (term under review)	Term ended December 2017 (previous term)	Increase/ decrease
Current assets	104,890	80,504	24,386
Cash and deposits	16,598	10,667	5,931
Real estate for sale	15,308	4,162	11,146
Real estate for sale in process	65,890	60,057	5,833
Fixed assets	4,856	5,930	-1,074
Tangible fixed assets	1,658	1,729	-71
Intangible fixed assets	30	28	2
Investments and other assets	3,167	4,173	-1,006
Total assets	109,747	86,435	23,312

- We took the initiative in acquiring sites for a wide range of businesses beyond condominiums, including hotels and land readjustment projects, increasing inventories by 16.9 billion yen from the previous term
- An increase of 11,146 million yen in real estate for sale includes assets sold to ESCON JAPAN REIT Investment Corporation (approx. 11.4 billion yen)

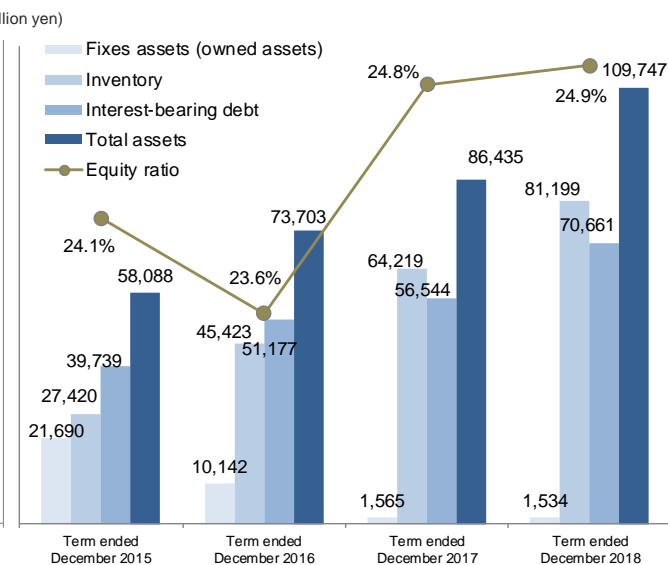
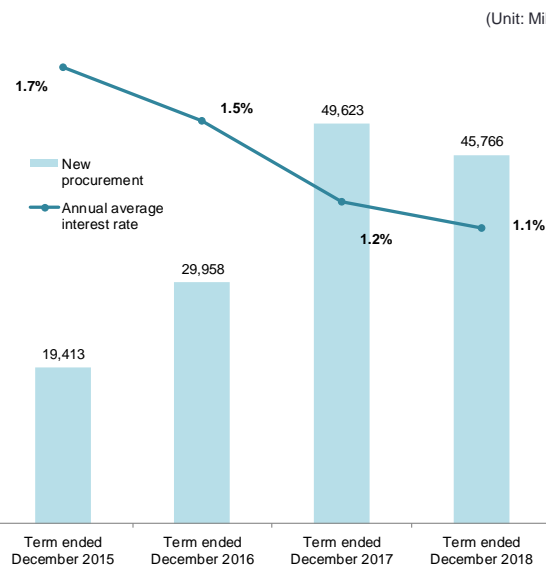


(Unit: Million yen)

	2018	2017
Condominium	37,198	27,344
Commercial, etc.	37,280	24,390
Hotel	5,564	10,821
Others	1,156	1,664
Total	81,199	64,219

(Unit: Million yen)

	Term ended December 2018 (term under review)	Term ended December 2017 (previous term)	Increase/ decrease
Current liabilities	37,210	32,664	4,546
Short-term loans	1,720	1,953	-233
Current portion of long-term loans	23,993	22,462	1,531
Current portion of bonds	40	40	0
Fixed liabilities	45,176	32,337	12,839
Corporate bonds	270	110	160
Long-term loans	44,568	31,874	12,694
Total liabilities	82,387	65,002	17,385
Total net assets	27,359	21,433	5,926
Total liabilities and net assets	109,747	86,435	23,312
Equity ratio	24.9%	24.8%	+0.1 point



2018 Topics

Capital and business partnership with Chubu Electric Power Co., Inc.

In August 2018, we concluded a capital and business partnership with Chubu Electric Power, becoming an equity method affiliate of Chubu Electric Power, which holds 33.3% of voting rights of our company.

Strengthening the real estate business through capital and business partnership with the Chubu Electric Power Group

Chubu Electric Power Group

Delivering new communities to local customers through urban development and other efforts to increase corporate value



- Expertise in energy and other businesses
- Sales infrastructure in the Chubu region

Synergies

- Real estate business expertise
- Sales infrastructure in the metropolitan area and Kansai region

ES CON JAPAN IDEAL to REAL



Proactively promoting development businesses with an eye to future generations as a life developer giving concrete form to ideals for people's lives and residences



Urban development, community revitalization

Drawing on ES-CON Japan's real estate expertise and Chubu Electric Power's strong ties to local communities in urban development and community revitalization that deliver new communities to local customers

Condominium and other development businesses

Drawing on ES-CON Japan's real estate expertise in joint developments with Chuden Real Estate; sales of energy from Chubu Electric Power to properties developed and owned in the metropolitan area, Kansai region, and elsewhere; providing ancillary works with the Chubu Electric Power Group, etc.

Details of capital and business partnership with the Chubu Electric Power Group

1 Promoting joint projects

Joint deployment of projects contributing to society through realization of compact cities, urban development, and revitalization of local communities
Deploying joint ventures in the real estate development business

 **Joint meetings began soon after the partnership was concluded.**

2 Mutually complementary business areas

Growing the real estate business in the Chubu region

 **Nagoya Office set to open March 1, 2019**


3 Making effective use of real estate owned by the Chubu Electric Power Group

4 Joint research and implementation of next-generation smart houses, connected homes, etc.

5 Prospective buyers for our real estate development projects

6 Exchange of human resources

Seconding employees between the two companies based on business needs

 **Plans call for seconding a number of our employees to Chubu Electric Power from April 2019.**

7 Respect for autonomy

Respect for our autonomous, dynamic management as a listed company
One director dispatched from Chubu Electric Power

 **Plans call for appointing Kenji Fujita from Chubu Electric Power as Director at the General Meeting of Shareholders in March 2019.**

ESCON JAPAN REIT Investment Corporation listed on J-REIT market

ESCON JAPAN REIT Investment Corporation was listed on the J-REIT market on February 13, 2019.

1 Enriching local communities by building a portfolio centered on commercial facilities that people depend on in their daily lives

Highly competitive and convenient locations with roots in the community
 Stressing local community building
 Prominent and competitive tenants with strong community ties
 Providing products and services centered on everyday needs and resistant to e-commerce threats



2 Investing in highly stable land ownership

Stable rent income over the long term
 Realizing low cost of ownership through freedom from depreciation, maintenance costs, and repair costs
 Expansion of the land transaction market
 Low risk of drop in asset prices due to disasters



3 Maximizing value to investors through real estate development capabilities, strength in management, and sponsor support from comprehensive developer ES-CON Japan and support from the Chubu Electric Power Group

Awarding priority purchase rights and priority negation rights
 Supporting redevelopment through sponsorship
 Attracting and replacing tenants through in-house tenant leasing abilities
 Attracting tenants with strong ties to community needs



Property listing at time of IPO	Type	Size
Kasuga, Fukuoka	Land	Assets at time of IPO: 41.6 billion yen Land: 54.9% Commercial facilities: 45.1%
Otsukadai, Kobe-shi	Land	
Toyoda, Nikko-shi	Land	
Kikyogaoka, Nabari-shi	Land	
Nitori Tsuchiura	Land	
Daisen-nishi II, Sakai-shi	Land	
Mitani, Nishi-ku, Kobe-shi	Land	
Oyumino, Chiba	Land	
Kitatsumori, Nishinari-ku	Land	
Oimatsucho, Kurashiki-shi	Land	
tonarie Minamisenri	Commercial facility	
tonarie Seiwadai	Commercial facility	
Nishishiroi Ekimae	Commercial facility	
Asumigaoka Brand-New Mall	Commercial facility	
Pare Marche Nishiharu	Commercial facility	

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 & Current Progress

	Further strengthening of core business	Improving company value through diversification of multiple core business	Securing stable long-term stock revenue through active development of real estate leasing business	Expansion of real estate sales business through stable supply of high-quality real estate as a main sponsor of the listed REIT formation
Current progress	For the condominium sales business, which is our core business, instead of merely increasing the number of units, we aim to provide a stable supply of 500 to 600 units 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.	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.	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.	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.
	For our core condominium sales business, we secured sites sufficient for about 800 units for each of the next two years (FY2020, FY2021). We're making steady progress in expanding our sales force, which currently numbers 31. The project profit margin is also increasing steadily (from 12.1% in FY2017 to 14.4% in FY2018).	Steadily making progress in diversification of our businesses beyond the condominium sales, commercial development, and hotel development businesses, we've ventured into new domains, including logistics development and land readjustment projects.	In the commercial development business, we're strengthening NSC development efforts through strong ties to local communities. tonarie Yamato-Takada held its grand opening in November 2018, attracting a large number of customers. Its second phase is currently under development. We're identifying assets suitable as long-term holdings to strike a balance with assets for the REIT and assets to be sold to third parties.	ESCON JAPAN REIT Investment Corporation was listed on the REIT market on February 13, 2019.
Current progress	Expanding the range and depth of real estate development capabilities through enhancement of real estate operation business	Improving corporate brand power	ESG initiatives to create new value and achieve sustainable growth	
	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.	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.	We're committed to enhancing corporate value by putting customers first and accounting for the needs of society, governance, and the environment. Through our urban development efforts, we rise to meet the changing values of these times and strive to address, as a life developer responsible for creating living spaces, the issues confronting society. E: Pursuing proactive initiatives to help solve global environmental issues and business activities that provide safe, comfortable lives and help establish sustainable societies S: Establishing management foundations to achieve stable growth and meet our corporate social responsibilities in local communities G: Enhancing our approach to governance companywide based on the Corporate Governance Code	
Current progress	In addition to the AM business, the PM business of commercial facilities, the operation of cafés and other food and beverage businesses, and apartment building management, we have launched a renovation business. In this and other ways, we intend to continue to maximize the value of our real estate.	We're continuing to air TV commercials for the Grand Le JADE brand as a sponsor for popular TV shows. We intend to continue focusing on strengthening our corporate brand.	As a new growth strategy, we are currently focusing on efforts to be the first company in the real estate industry to secure a GRESB rating.	

2nd Medium-term Management Plan – Management Index & Performance Plan

- We overhauled our plans in this second and final year of our Medium-term Management Plan (2018) to boost sales and profits to far exceed initial plans.
- Management index: We failed to reach our equity ratio target, due mainly to aggressive property acquisition to achieve growth and the resulting inventory increase.
- Dividends grew by 12 yen from initial plans to 32 yen per share. We plan a dividend payout ratio of 30% or more in the final year.

(Unit: Million yen)

Performance plan	Term ended December 2017 23rd term	Term ended December 2018 24th term			Term ending December 2019 25th term		
	Results	Initial plan	Results	vs. plan	Initial plan	Revised plan	vs. plan
Sales	44,724	55,700	54,325	-1,374	60,000 to 62,000	74,800	14,800
Real estate sales business	41,168	52,600	50,519	-2,080	57,800 to 59,700	70,250	12,450
Real estate leasing business	3,459	2,900	3,400	500	2,000 to 2,100	4,300	2,300
Real estate planning, brokerage, and consulting businesses	96	200	405	205	200	250	50
Operating income	7,042	9,900	11,561	1,661	8,200 to 9,500	12,500	4,300
Ordinary income	5,988	8,700	10,498	1,798	7,200 to 8,500	11,200	4,000

Management index	Term ended December 2017 23rd term	Term ended December 2018 24th term	Term ending December 2019 25th term	
	Results	Results	Initial plan	Revised plan
Equity ratio	24.8%	24.9%	33.0% to 35.0%	22.6%
ROE (return on equity)	28.1%	29.6%	18.0% to 21.0%	25.9%
ROA (return on assets)	6.8%	7.4%	6.0% to 7.0%	6.1%
ROIC (return on invested capital)	8.4%	10.2%	7.0% to 9.0%	6.9%
EPS (earnings per share)	81.77 yen	105.98 yen	75 to 85 yen	115.10 yen

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

Dividend policy

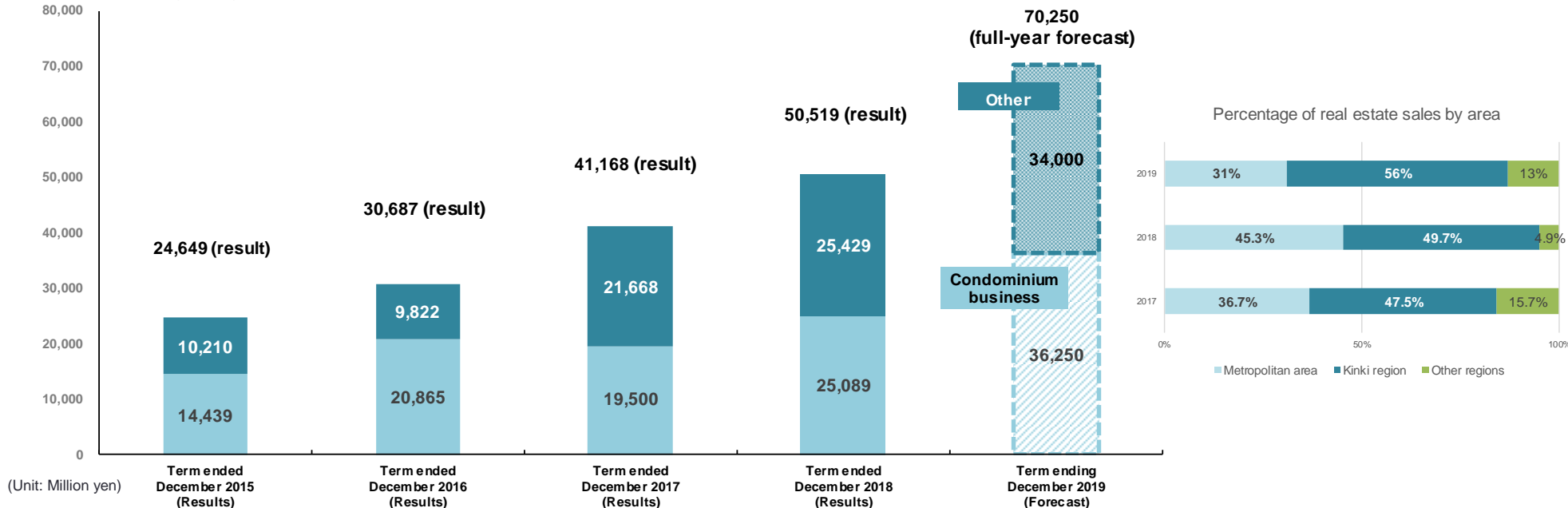
To provide even more stable returns to shareholders, we have adopted a progressive dividend policy for the period covered by the 2nd Medium-term Management Plan (2017 to 2019). Under this policy, the dividend per share (DPS) must be equal to or greater than the DPS for the previous term. In other words, our basic stance is not to cut dividends. This progressive dividend policy, which clearly states that we will maintain or increase dividends, not reduce them, represents a promise to shareholders to enhance our value in a sustained manner. 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.

Dividend trend	Term ended December 2017 23rd term	Term ended December 2018 24th term		Term ending December 2019 25th term
	Results	Initial plan	Revised	Plan
Dividend (yen)	18	20	[+12]	32
Dividend payout ratio	22.0%	22.7%	[+7.5%]	30.2%
Acquisition of treasury stock (million yen)	449	-	-	-
Total payout ratio	30.9%	-	30.2%	30.4%

Plan for Term Ending December 2019 (25th Term)

Term Ending December 2019 – Real Estate Sales Business

- In the condominium sales business, we plan to sell 759 condo units worth 36.2 billion yen (up 11.1 billion yen from 2018) in 2019.
- In other businesses, in addition to sales of hotels, we plan to sell commercial facilities and land to the REIT (ESCON JAPAN REIT Investment Corporation).
We are targeting sales of 34 billion yen (up 8.5 billion yen) in 2019.



	2015 (21st term)	2016 (22nd term)	2017 (23rd term)	2018 (24th term)	2019 (25th term)
Condominium sales business	<ul style="list-style-type: none"> The Newland Akashi Harbor Gate (Kinki region) Grand Le JADE Kyoto Kawaramachi (Metropolitan area) Le JADE Kasai (Metropolitan area) Park JADE Sugiyama Izumi (detached houses) (Metropolitan area) Park JADE Akatsuka-koen (detached houses) (Metropolitan area) 	<ul style="list-style-type: none"> Grand Le JADE Shakugawa Kurakugayutsu (Kinki region) Le JADE Takatsuki (Kinki region) Le JADE Nishitamae Abeno Hanancho (Metropolitan area) Le JADE Washinomiya Tsurumi (Metropolitan area) Le JADE Matsushiro (Metropolitan area) Le JADE Toyota (Metropolitan area) Le JADE Minami Kasai (Metropolitan area) Le JADE Masatsubo 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 Ono Nagatsubo (Metropolitan area) Le JADE Sazan Gate Toyota (Metropolitan area) Le JADE Vert Komagome (Metropolitan area) Grand Le JADE Wakamatsucho Residence (Metropolitan area) Le JADE Sakurajima Tama (Metropolitan area) Le JADE Yokohama Hananoki (Metropolitan area) 	<ul style="list-style-type: none"> Feel Garden Miramisan (Kinki region) Le JADE Miramisanmachi (Kinki region) Grand Le JADE Okamoto (Kinki region) Le JADE Nagatsubo (Kinki region) Le JADE Sazan Gate Toyota (Metropolitan area) Le JADE Kawasaki (Metropolitan area) Grand Le JADE Shinjaya Tomiyama (Metropolitan area) Grand Le JADE Ochomaru (Metropolitan area) Le JADE Nakano (Metropolitan area) Le JADE Bio Furubashi Kitarashino (Metropolitan area) Grand Le JADE Jiyugaoka (Metropolitan area) 	<ul style="list-style-type: none"> Miraita City Himaji (Kinki region) Le JADE Otsu LUXE (Kinki region) Grand Le JADE Takatsuki Tenjin (Kinki region) Le JADE Hama-Ono (Kinki region) Le JADE Takatsuki Kosobe (Kinki region) Le JADE Sumakashi Koen (Kinki region) Le JADE Shinrakasa Park Fields (Kinki region) Le JADE Miura Izumi KASEI (Kinki region) Le JADE Tsujido Higashi Kaigan (Metropolitan area) Grand Le JADE Sanbancho (Metropolitan area) Grand Le JADE Todotoki (Metropolitan area) Grand Le JADE Shonan Enoshima R1344 (Metropolitan area)
	349 units (results)	491 units (results)	476 units (results)	539 units (results)	759 units (forecast)
Other (commercial, revenue-generating real estate, land planning, hotel, and other businesses)	<ul style="list-style-type: none"> Yao-shi Takamoko Project (commercial leasehold) (Kinki region) Yodogawa-ku Myahara Project (revenue-generating real estate) (Kinki region) Kyoto Rokkakui Project (revenue-generating real estate) (Kinki region) Nishi-ku Utsurohonomachi Project (revenue-generating real estate) (Kinki region) Shibuya-ku Horomachi Project (land planning) (Metropolitan area) Nishitokyo-shi Nishihara Project (revenue-generating real estate) (Metropolitan area) 	<ul style="list-style-type: none"> Chuo-ku Shimamachi Project (revenue-generating real estate) (Kinki region) Kobe-shi Nishi-ku Otsukada Project (commercial leasehold) (Kinki region) Takatsuki-shi Jozacho Project (land planning) (Kinki region) Sakai-shi Tsururashi Project (commercial leasehold) (Metropolitan area) Chigasaki-shi Misumicho Project (land planning) (Metropolitan area) Fukuoka Kasuga Project (land planning) (Other) Nagoya Suradabashi Project (anonymous partnership investment) (Other) Me Nabaat-shi Project (land planning) (Other) Tochigi Neko-shi Project (commercial leasehold) (Other) 	<ul style="list-style-type: none"> Chuo-ku Hirano Project (hotel) (Kinki region) Izumi-ku Seiwada Project (commercial leasehold) (Kinki region) Izumi-ku Minamisanriwa Project (commercial leasehold) (Kinki region) Sakai-shi Daisen II Project (commercial leasehold) (Kinki region) Nitoribashi Kayabacho Project (hotel) (Metropolitan area) Nitoribashi Bakurocho Project (hotel) (Metropolitan area) Nishi-ku Kawauchi Project (land planning) (Metropolitan area) Sendai-gaya Project (revenue-generating real estate) (Other) Kanazawa-shi Oyamamachi Project (hotel) (Other) Sapporo-shi Project (hotel) (Other) Kurashiki-shi Omatsucho Project (commercial leasehold) (Other) Fukuoka Kasuga Project (land planning) (Other) 	<ul style="list-style-type: none"> Miramisanba II Project (hotel) (Kinki region) Kita-ku Tsurunouchi Project (hotel) (Kinki region) Awajcho I Project (hotel) (Kinki region) Awajcho II Project (hotel) (Kinki region) Kita-ku Tsurunouchi Project (hotel) (Kinki region) Sendai-gaya Project (revenue-generating real estate) (Metropolitan area) Wakamatsucho 31 Project (revenue-generating real estate) (Metropolitan area) Chiyoda-ku Hayabusa-cho Project (hotel) (Other) Kanazawa-shi Honkawa-temmachi Project (hotel) (Other) Fukuoka Kasuga Project (land planning) (Other) 	<ul style="list-style-type: none"> Miramisanba I Project (hotel) (Kinki region) Nagatoribashi Ekimae Project (hotel) (Kinki region) Awajcho II Project (hotel) (Kinki region) Sakai-shi Daisen-cho II Project (commercial) (Kinki region) Kobe-shi Nishi-ku Mera Project (commercial) (Kinki region) Shimokita-cho A Project (revenue-generating real estate) (Metropolitan area) Nakano-ku Nakano Project (land) (Metropolitan area) Asumagaoka Project (commercial) (Metropolitan area) Chiyoda-ku Oyamato Project (commercial) (Metropolitan area) Nishitokyo-shi Ekimae Project (commercial) (Metropolitan area) Fukuoka Kasuga Project (land planning) (Other) Fukuoka Koga Project (land planning) (Other)
	Completed	Completed	Sold out	Sold out	Sold out

Condominium Sales Business “Le JADE Series” Fiscal 2019



Grand Le JADE Shonan Enoshima R134 (Metropolitan area)

Location: Fujisawa-shi, Kanagawa
 Access: 9-minute walk from Katase Enoshima Station on Odakyu Enoshima Line
 9-minute walk from Shonan Kaigan Koen Station on Enoshima Dentetsu Line
 No. of residences: 24 (including 2 units not for sale)
 Occupancy date: Slated to start late March 2019



Grand Le JADE Todoroki (Metropolitan area)

Location: Setagaya-ku, Tokyo
 Access: 12-minute walk from Todoroki Station; 12-minute walk from
 Oyamada Station on Tokyu Oimachi Line
 No. of residences: 43
 Occupancy date: Slated to start late November 2019



Mirakita City Himeji (Kinki region)

Location: Himeji-shi, Hyogo
 Access: 4-minute walk from Nozato Station on JR Bantan Line
 No. of residences: 143 (including 9 units not for sale)
 Occupancy date: Slated to start mid-February 2019



Le JADE Tsujido Higashi Kaigan (Metropolitan area)

Location: Fujisawa-shi, Kanagawa
 Access: 17-minute walk (SEA-SIDE VILLA)/18-minute walk (GARDEN-SIDE VILLA) from Kugenuma Station on
 Odakyu Enoshima Line; 9-minute bus ride from Tsujido Station on JR Tokaido Line and 3-minute walk (SEA-SIDE
 VILLA)/4-minute walk (GARDEN-SIDE VILLA) from Shoyo Chugakko-ma bus stop
 No. of residences: 51 (25 in SEA-SIDE VILLA, 26 in GARDEN-SIDE VILLA)
 Occupancy date: Slated to start late December 2019



Le JADE Shinkanaoka Park Fields (Kinki region)

Location: Sakai-shi, Osaka
 Access: 4-minute walk from Shinkanaoka Station on the Osaka Metro
 Midotsuji Line
 No. of residences: 204 (plus one management office, one guest room,
 one party room and library/conference room)
 Occupancy date: Slated to start late October 2019



Le JADE Sumakaihjin Koen (Kinki region)

Location: Kobe-shi, Hyogo
 Access: 3-minute walk from Sumakaihjin Koen Station on the JR
 Kobe Line
 No. of residences: 30 (plus management office)
 Occupancy date: Slated to start late September 2019

Sold out



Le JADE Takatsuki Kosobe (Kinki region)

Location: Takatsuki-shi, Osaka
 Access: 15-minute walk from Takatsuki Station on JR Kyoto Line
 14-minute walk from Takatsuki-shi Station on Hankyu Kyoto Line
 No. of residences: 181 (plus one management office, one grand kitchen
 [conference room], one owners' library, one indoor park, and one guest room)
 Occupancy date: Slated to start late September 2019



Le JADE Otsu LUXE (Kinki region)

Location: Otsu-shi, Shiga
 Access: 11-minute walk from Zeze Station on the JR
 Tokaido Main Line/Biwako Line; 3-minute walk from
 Ishiba Station on the Keihan Ishiyama-Sakamoto Line
 No. of residences: 35 (including three offices, plus
 one management office)
 Occupancy date: Slated to start late December 2019

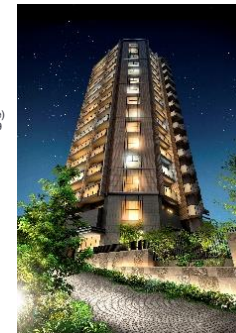


Grand Le JADE Takatsuki Tenjin (Kinki region)

Location: Takatsuki-shi, Osaka
 Access: 7-minute walk from Takatsuki Station
 on JR Kyoto Line
 17-minute walk from Takatsuki-shi Station on
 Hankyu Kyoto Line
 No. of residences: 28 (plus management office)
 Occupancy date: Slated to start late June 2019

Le JADE Minami-Ibaraki MUSE (Kinki region)

Location: Ibaraki-shi, Osaka
 Access: 7-minute walk from Minami-Ibaraki Station
 on the Hankyu Kyoto Line; 9-minute walk from
 Minami-Ibaraki Station on the Osaka Monorail Line
 No. of residences: 40 (plus one management office)
 Occupancy date: Slated to start late August 2019



Le JADE Hama-Otsu (Kinki region)

Location: Otsu-shi, Shiga
 Access: 4-minute walk from Biwa-ko Hama-Otsu
 Station on the Keihan Keishin Line; 3-minute walk
 from Midera Station on the Keihan Ishiyama-
 Sakamoto Line
 No. of residences: 51 (plus one management office)
 Occupancy date: Slated to start late December 2019

Condominium Sales Business “Le JADE Series” Fiscal 2020, 2021



Le JADE Kotoen (Kinki region)
 Location: Nishinomiya-shi, Hyogo
 Access: 5-minute walk from Kotoen Station on Hankyu Imazu Line; 6-minute walk from Kotoen bus stop on Hankyu bus route
 No. of residences: 49
 Occupancy date: Slated to start late January 2020



Le JADE Kuzuha Condominium Redevelopment Project (Kinki region)
 Location: Hirakata-shi, Osaka
 Access: 16-minute walk from Kuzuha Station on the Keihan Main Line
 No. of residences: 78 (including 31 units not for sale)
 Occupancy date: Slated to start late February 2020



Le JADE Takatsuki Miyanocho (Kinki region)
 Location: Takatsuki-shi, Osaka
 Access: 18-minute walk from Takatsuki-shi Station on Hankyu Kyoto Line
 No. of residences: 99
 Occupancy date: Slated to start late February 2020



Le JADE Higashisumiyoshi Imagawa Ryokudo (Kinki region)
 Location: Osaka-shi, Osaka
 Access: 4-minute walk from Tobushijomae Station on JR Kansai Main Line
 No. of residences: 41 (plus management office)
 Occupancy date: Slated to start late February 2020



Le JADE Ikeda Masumicho (Kinki region)
 Location: Ikeda-shi, Osaka
 Access: 2-minute walk from Ikeda Station on Hankyu Takarazuka Line
 No. of residences: 35
 Occupancy date: Slated to start late April 2020



Le JADE Utsukushigaoka (Metropolitan area)
 Location: Yokohama-shi, Kanagawa
 Access: 6-minute walk from Azamino Station on Tokyo Denentoshi Line and Yokohama Municipal Subway Blue Line
 No. of residences: 90
 Occupancy date: Slated to start late July 2020

- Nishinomiya-shi Hinokuchi Project (Kinki region)
- Nishinomiya-shi Yasui-cho Project (Kinki region)
- Hino-shi Tamadaira Project (Metropolitan area)
- Yokohama-shi Kohoku-ku Okurayama Project (Metropolitan area)
- Hiratsuka-shi Matsukazecho Project (Metropolitan area)
- Kamakura-shi Zaimokuza Project (Metropolitan area)

- Fiscal 2021**
- Minato-ku Shirogane Project (metropolitan area)
 - Takatsuki-shi Besshonakanochi Project (Kinki region)
 - Akashi-shi Nishiakashi Ekimae Project (Kinki region)
 - Amagasaki-shi Mukonosohonmachi Project (Kinki region)
 - Myohoji Ekimae Project (Kinki region)



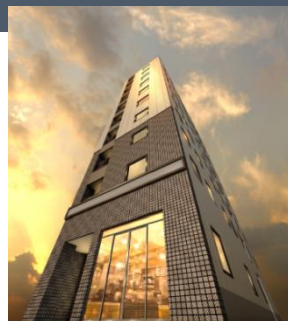
Le JADE Meidaimae (Metropolitan area)
 Location: Setagaya-ku, Tokyo
 Access: 4-minute walk from Meidaimae Station on Keio Inokashira Line
 No. of residences: 45
 Occupancy date: Slated to start late February 2020

Hotel Development Business



Kayabacho, Nihonbashi
Opened in December 2016
 102 rooms

Sold



Bakurocho, Nihonbashi
Opened in April 2017
 63 rooms

Sold



Hiranomachi, Chuo-ku,
 Osaka-shi
Opened in April 2017
 96 rooms

Sold



Sapporo-shi, Hokkaido
Opened in July 2017
 144 rooms

Sold



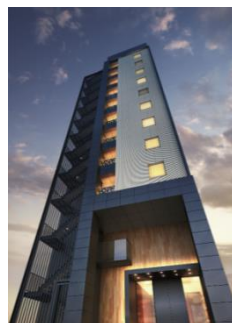
Oyamamachi, Kanazawa-shi
Opened in December 2017
 47 rooms

Sold



Minamisenba III,
 Chuo-ku, Osaka-shi
Opened in January 2018
 100 rooms

Sold



Hayabusacho, Chiyoda-ku
Opened in April 2018
 102 rooms

Sold



Horikawa Shinmachi,
 Kanazawa-shi
Opened in April 2018
 121 rooms

Sold



Awajicho I, Chuo-ku,
 Osaka-shi
Opened in May 2018
 168 rooms

Sold



Awajicho II, Chuo-ku,
 Osaka-shi
Opened in June 2018
 168 rooms

Sold



Kitakyuhojimachi,
 Osaka-shi
Opened in June 2018
 182 rooms

Sold



Tsurunocho, Kita-ku,
 Osaka-shi
Opened in November
 2018
 134 rooms

Sold



Nagahoribashi Station
Opened in December
 2018
 96 rooms

Contracted



Awajicho III, Chuo-ku,
 Osaka-shi
 Slated for Feb. 2019
 184 rooms



Minamisenba I, Chuo-ku,
 Osaka-shi
 Slated for May 2019
 256 rooms

Contracted

Nishi-Shinsaibashi,
 Chuo-ku, Osaka-shi
 Slated for July 2020
 52 rooms

Nakasu, Hakata-ku,
 Fukuoka-shi
 Slated for March 2020
 103 rooms

● Numbers of hotel projects

	Tokyo metropolitan area	Kinki region	Other	Total
Sold	3	6	3	12
Sales contract signed		2		2
Other		2	1	3
Total	3	10	4	17

Commercial Development Business, Logistics Business, Land Readjustment Business



Daisen-nishi I, Sakai-ku, Sakai-shi



tonarie Yamato-Takada (Yamato-Takada-shi, Nara)



Interior of tonarie Yamato-Takada



(Provisional name) tonarie Toga-Mikita (Sakai-shi, Osaka)
(Artist's impression of the building exterior)



soyoca Fujimino (Fujimino-shi, Saitama)



Aeon Minamisenri (Suita-shi, Osaka)



Tsukuba Q't/MOG (Tsukuba-shi, Ibaraki)



Yamada Denki Sapporo Shiroishi store (Sapporo-shi, Hokkaido)



(Provisional name) Hyogo Tojo Interpark (Kato-shi, Hyogo)
(Artist's impression of the building exterior)



Koga-shi Genboen land readjustment project (Koga-shi, Fukuoka)

Left: aerial photo

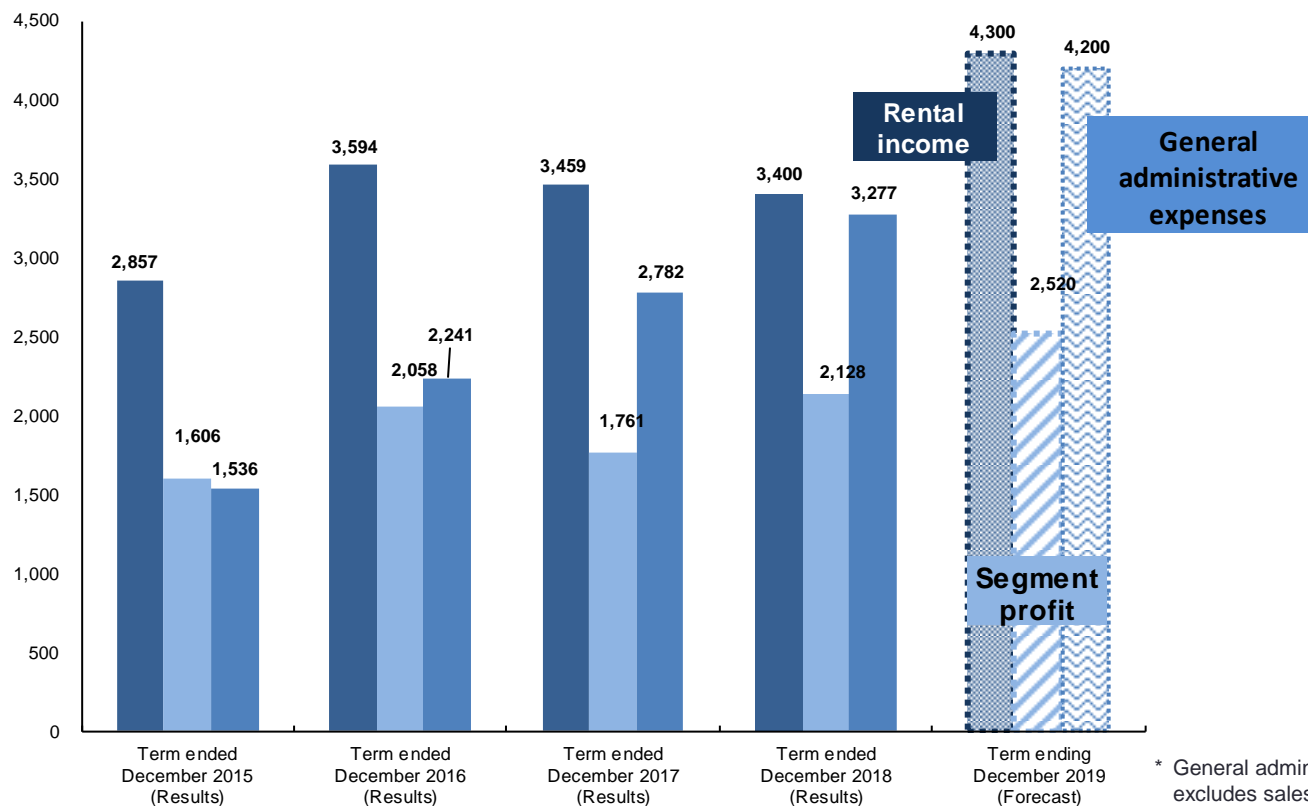
Right: Current site plan, conditions of neighboring land



Term Ending December 2019 – Real Estate Leasing Business

- Due to property sales and other factors, rental income in 2018 slightly fell. However, we plan to increase rental income by 900 million yen thanks to rental income from new commercial facilities opening in 2019.
- We will continue to focus on this business, which is expected to generate stable revenues.

(Unit: Million yen)



* General administrative expenses: excludes sales expenses.

Strategic Business Expansion of ES-CON JAPAN Group

Our condominium sales business efforts primarily target the Kanto and Kansai regions. We plan to branch out into development work in the Chubu region and Fukuoka as new strategic targets.

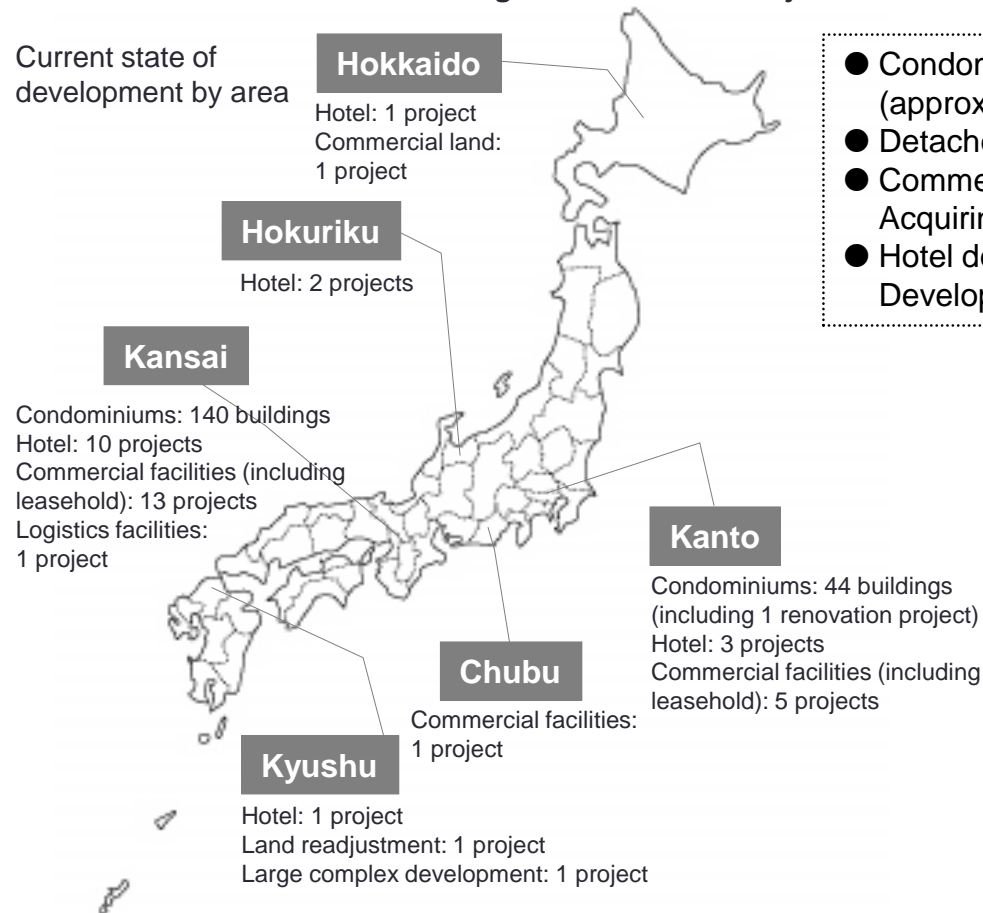
In the sphere of commercial development, we are currently at work developing projects in major cities across Japan and their environs. We are also focusing on NSC development projects with close ties to local communities.

Our hotel development business is active in major cities across Japan.

We also launched efforts in the logistics and land readjustment businesses and plan to intensify efforts in these areas.

As of February 19, 2019

■ Current state of development by area



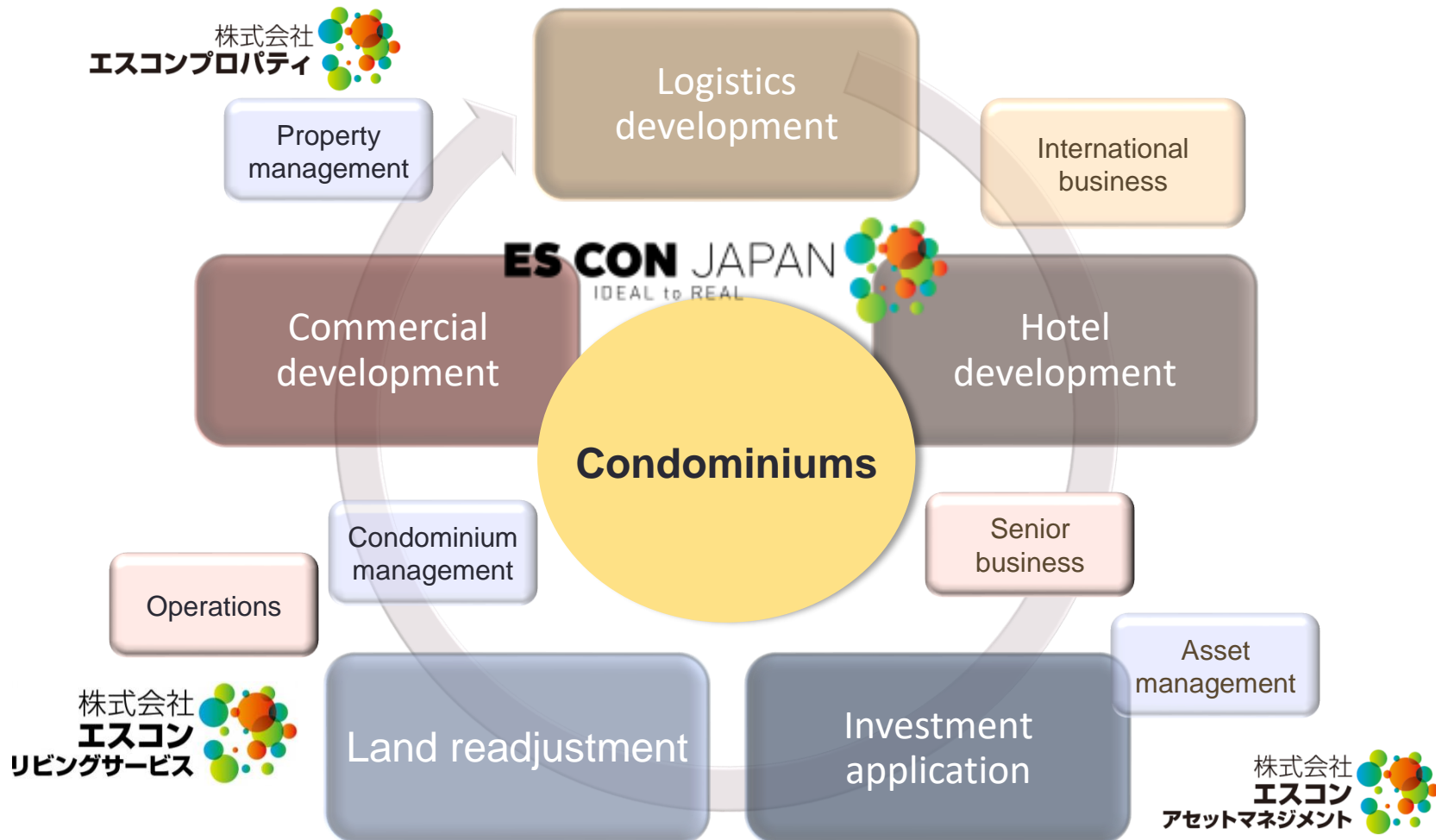
- Condominium units: approx. 10,230 units (approx. 8,248 units in Kansai; approx. 1,982 units in Kanto)
- Detached houses/housing land development: approx. 700 sections
- Commercial development etc.: Acquiring and developing properties throughout the country
- Hotel development: acquisition of land for over approx. 2,118 rooms
Developing in Tokyo, Osaka, Hokkaido, Kanazawa, and Fukuoka

We will maintain our focus on the Kansai region, which promises market vitalization thanks to the planned exposition, IR, etc.
We will focus on continuing growth in the enormous Kanto market.
Proactive deployment in the Chubu region through capital and business partnership with Chubu Electric Power
Full-scale deployment in the Fukuoka region

We will seek to identify globalization strategies, including overseas development.

Strategic Business Expansion of ES-CON JAPAN Group

Comprehensive developer operating a multifaceted real estate business with a core focus on condominium sales business and active in commercial development, hotel development, logistics development, land readjustment project, and other businesses



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