

JASDAQ 8892

March 5, 2015

To all shareholders:

2-15-9 Uchikanda, Chiyoda-ku, Tokyo

ES-CON JAPAN Ltd.

Takatoshi Ito, President and Representative Director

## Announcement of 20<sup>th</sup> Regular General Meeting of Shareholders

Thank you for your ongoing support. We would like to request your attendance at the 20<sup>th</sup> Regular General Meeting of Shareholders, which is to be held as outlined below.

Moreover, even you do not wish to attend on the day, you can exercise your voting right in writing, so please consider the “Reference Documents for the General Meeting of Shareholders” in the postscript and then state your yes/no vote in the enclosed Form for Exercise of Voting Right, returning the completed form to arrive by the end of business hours (6 p.m.) on March 19<sup>th</sup> (Thurs), 2015.

Yours sincerely

1. Date and time 10 a.m. March 20<sup>th</sup> (Fri), 2015

2. Location 3-1-3 Azuchimachi, Chuo-ku, Osaka-shi, Osaka-fu  
Crystal Room, 2<sup>nd</sup> floor, Viale Osaka

(Please refer to the “General Meeting of Shareholders venue map”  
provided at the end of this document.)

3. Objectives

Reported items 1. Term 20 (January 1<sup>st</sup> to December 31<sup>st</sup>, 2014) Contents of business reports and consolidated account statements, as well as consolidated account statement audit reports from Auditors and Board of Company Auditors

2. Term 20 (January 1<sup>st</sup> to December 31<sup>st</sup>, 2014) Items reported in account statements

Items for voting

Agenda item 1 Disposal of surplus

Agenda item 2 Election of seven Directors

Agenda item 3 Election of one Auditor

Agenda item 4 Election of one Deputy Auditor

Agenda item 5 Regarding presentation of retirement bonus to retiring auditor

Agenda item 6 Regarding decision on amount and details of performance-based stock rewards for company directors

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When attending on the day, please submit the enclosed Form for Exercise of Voting Right to the reception desk at the venue.

Moreover, 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 (<http://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.

# 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 continuously and in a stable manner in accordance with 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: 3 yen per normal share in ES-CON JAPAN Ltd. 206,713,161 yen
3. Date on which surplus dividend takes effect: March 23<sup>rd</sup>, 2015

### Agenda item 2 Election of seven Directors

The terms of office of six Directors will expire as of the end of this General Meeting. Accordingly, we would like to elect six new Directors. Accordingly, this is a request for the addition of one member of personnel and nomination of 7 company directors to strengthen the management organization.

Candidates are as follows.

Candidate no.	Full name (date of birth)	History and position/area of responsibility in ES-CON JAPAN Ltd. (main concurrent posts)	Number of shares held in ES-CON JAPAN Ltd.
1	Takatoshi Ito (b.	September 2001 - Joined	972,200

	September 1, 1971)	<p>ES-CON JAPAN Ltd. February 2006 - Operating Officer, ES-CON JAPAN Ltd.</p> <p>March 2007 - Managing Director, ES-CON JAPAN Ltd</p> <p>November 2010 - Head of Business Division, ES-CON JAPAN Ltd.</p> <p>March 2011 - President and Representative Director, ES-CON JAPAN Ltd. (present post)</p> <p>January 2012 - Head of Tokyo Office, ES-CON JAPAN Ltd. (present post)</p> <p>May 2013 - President and Representative Director, ES-CON PROPERTY Ltd. (present post)</p> <p>August 2013 - Head of Development Division, ES-CON PROPERTY Ltd.</p> <p>July 2014- Director, ES-CON ASSET MANAGEMENT Ltd. (present post)</p> <p>November 2014- President and Operating Officer (present post)</p>	
2	Keiko Akashi (b.	September 2001 - Joined	220,400

	December 16, 1963)	<p>ES-CON JAPAN Ltd. February 2005 - Head of Sales Integration Dept., Residential Development Division, ES-CON JAPAN Ltd.</p> <p>March 2007 - Head of Business Management Office, ES-CON JAPAN Ltd.</p> <p>March 2010 - Director, ES-CON JAPAN Ltd. (present post)</p> <p>November 2010 - Head of Management Dept., ES-CON JAPAN Ltd.</p> <p>March 2011 - Head of Business Management Dept., ES-CON JAPAN Ltd.</p> <p>February 2013 - Head of Planning and Sales Dept., ES-CON JAPAN Ltd.</p> <p>May 2013 - Director, ES-CON PROPERTY Ltd. (present post)</p> <p>August 2013 – Head of Planning and Sales Dept., ES-CON PROPERTY Ltd. (present post)</p> <p>November 2014 - Operating Officer (present post)</p>	
3	Minoru Nakanishi (b. September 14,	April 1975 - Joined Yasuda Trust & Banking Co., Ltd. (currently	55,900

	1952)	<p>Mizuho Trust &amp; Banking Co., Ltd.)</p> <p>April 2005 - Executive Officer (Head of Osaka Branch Office)</p> <p>April 2007 – Joined Kobayasahijutaku 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>January 2012 - Executive Officer (Management Planning Office), ESCON JAPAN Ltd. Head of Finances Dept., 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. (present post)</p> <p>May 2013 - Director, ES-CON PROPERTY, Ltd. (present post)</p> <p>August 2013 - Head of Management Division, ES-CON JAPAN Co., Ltd.. (present post)</p>	
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		<p>January 2014 - Head of Investment Consultancy Dept., ES-CON JAPAN Co., Ltd.</p> <p>July 2014 -Director, ES-CON ASSET MANAGEMENT Ltd. (present post)</p> <p>November 2014 -Operating Officer (present post)</p>	
4	Hiroshige Ueda (b. June 9, 1961)	<p>April 1990 - Joined Nitto Denko Corporation</p> <p>April 1996 - Moved to Head Office Auditing Dept.</p> <p>September 2002 - Joined Seiryu Corporation</p> <p>March 2010 - Inaugurated as Representative Director, Seiryu Business Co., Ltd.</p> <p>March 2011 - Director, ES-CON JAPAN Ltd. (present post) Head of Finance, ES-CON JAPAN Ltd.</p> <p>January 2012 - Head of Finance and Accounting Dept., ES-CON JAPAN Ltd.</p> <p>June 2012 - Head of Management Planning Office, ES-CON JAPAN Ltd.</p>	100,700

		<p>October 2012 - Head of Internal Auditing Office, ES-CON JAPAN Ltd.</p> <p>March 2013 - Director, E-STATE Co., Ltd. (present post)</p> <p>November 2014 -Operating Officer and Head of General Research Department (present post)</p>	
5	*Tomohiko Egashira(b.July 1, 1965)	<p>April 1990 -Joined Hoyu Kensetsu K.K.</p> <p>January 1992 -Joined Fuji Corporation, Ltd.</p> <p>April 2002 -Joined ES-CON JAPAN Ltd.</p> <p>January 2012- Head of Executive Officer Division, ES-CON JAPAN Ltd.</p> <p>July 2012- Head of Executive Officer Tokyo Division, ES-CON JAPAN Ltd.</p> <p>February 2013- Head of Executive Officer Development Division, ES-CON JAPAN Ltd. (present post)</p>	39,300
6	Junya Kikuchi (b. October 1, 1967)	<p>October 1992 - Joined KPMG Century Auditing Corporation (currently Ernst &amp; Young ShinNihon LLC)</p>	210,000



		<p>April 1996 - Joined Hokuto Auditing Corporation (currently Gyosei &amp; Co.)</p> <p>June 2004 - Representative Director, WIN Consulting (present post)</p> <p>August 2004 - Representative, WIN Tax Accountant Corporation (currently WIN Consulting) (present post)</p> <p>March 2010 - Director, ES-CON JAPAN Ltd. (present post)</p> <p>June 2014- Representative, YUHO Auditing Corporation (present post)</p> <p>(Main concurrent posts)  Representative, WIN Consulting  Representative, YUHO Auditing Corporation  Outside Director, Nissei Build Kogyo Co., Ltd.  Auditor, Seiryu Asset Management Co., Ltd.  Auditor, Seiryu Housing Co., Ltd.  Auditor, NB Construction Co.Ltd</p>	
7	Kotaro Niwa (b. November 26,	October 2000 - Joined Oshima Partners Law Office as	0

	1974)	Registered Lawyer May 2006 - Head of Niwa Partners Law Office  May 2010 - Partner, IPAX Law Office (present post)  March 2011 - Director, ES-CON JAPAN Ltd. (present post)  (Main concurrent posts) Partner, IPAX Law Office Outside Auditor, TAC, Inc.	
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Note: 1. \*Newly inaugurated company director candidates.

2. There are no special interests between these candidates and our company.

3. Junya Kikuchi and Kotaro Niwa are candidates for positions as Outside Directors.

4. The reason for nominating Junya Kikuchi as a candidate for the position of Outside Director is that the candidate's rich career as a certified public accountant and specialist knowledge will be utilized in the management of ES-CON JAPAN Ltd. It has been decided that he is capable of performing the duties of an Outside Director for the reasons stated above. Moreover, Junya Kikuchi's term in office as an Outside Director of ES-CON JAPAN Ltd. is for 5 years as of the conclusion of the General Meeting.

5. The reason for nominating Kotaro Niwa as a candidate for the position of Outside Director is that the candidate's professional expertise as a lawyer will be utilized in the management of ES-CON JAPAN Ltd. The candidate does not have previous experience of contributing to a company from an Outside Director position, but it has been decided that he is capable of performing the duties of an Outside Director for the reasons stated above. Kotaro Niwa also reports as an independent official of Tokyo Securities Exchange. Moreover, Kotaro Niwa's term in office as an Outside Director of ES-CON JAPAN Ltd. is for 4 years as of the conclusion of the General Meeting.

6. With regards to limited liability agreements with Outside Directors, the company statute of ES-CON JAPAN Ltd. establishes provisions dictating that agreements be executed between the company and its Outside Directors, limiting the company's liability in relation to compensation for damages so as to ensure that capable personnel are adopted as Outside Directors. ES-CON JAPAN Ltd. has executed limited liability agreements with Junya Kikuchi and Kotaro Niwa in accordance with Article 427, Paragraph 1 of the Companies Act.

If the Outside Director candidates Junya Kikuchi and Kotaro Niwa are elected, ES-CON JAPAN Ltd. will perpetuate the limited liability agreements that have been executed with both parties.

An outline of these agreements is as follows.

- In case an Outside Director causes ES-CON JAPAN Ltd. to bear liability for compensation for damages due to his/her own negligence in the performance of duty, the Outside Director shall bear the legally established minimum limit of liability.
  
- The limited liability described above shall be approved only when the Outside Director performed the causal duties in good faith, and provided that there is no serious accident.

#### Agenda item 3 Election of one Auditor

The term of office of auditor Minoru Noguchi has expired as of the end of this general meeting, so we hereby request the nomination of one new auditor.

Moreover, agreement with this bill has been obtained from the board of auditors.

The auditor candidate is as follows.

Full name (date of birth)	History and position/area of responsibility in ES-CON JAPAN Ltd. (main concurrent posts)	Number of shares held in ES-CON JAPAN Ltd.
Hiroto Mizobata(b. July 31, 1963)	April 1986- Joined KPMG Asahi Shinwa Accounting, Inc. (now known as KPMG AZSA LLC)	0

	<p>March 1988- Registration as certified public accountant</p> <p>December 1991 Registered as licensed tax accountant</p> <p>March 1992 -Representative of Mizobata Certified Public Accountant Office (present post)</p> <p>(Main concurrent posts)</p> <p>Representative of Mizobata Certified Public Accountant Office</p> <p>External Auditor, Yamaki Co., Ltd.</p>	
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Note: 1. There are no special interests between these candidates and our company.

2. Hiroto Mizobata is candidates for positions as Outside Auditor.

3. The reasons for putting forward Hiroto Mizobata as the candidate for the position of external auditor are that he possesses a wealth of experience and broad knowledge as a certified public accountant and licensed tax accountant, which we would like to put to use in the audits of this company. Also, although Mr. Mizobata does not have experience of having participated in company management by methods other than previous work as an outside director, from the reasons outlined above we have concluded that he is capable of accomplishing professional duties as an external auditor in an appropriate manner.

4. If the Auditor candidates- Hiroto Mizobata is elected, ES-CONJAPAN Ltd. will execute limited liability agreements with Hiroto Mizobata in accordance with Article 427, Paragraph 1 of the Companies Act.

An outline of these agreements is as follows.

- In case an Outside Auditor causes ES-CON JAPAN Ltd. to bear liability for compensation for damages due to his/her own negligence in the performance of duty, the Outside Auditor shall bear the legally established minimum limit of liability.

• The limited liability described above shall be approved only when the Outside Auditor performed the causal duties in good faith, and provided that there is no serious accident.

5. There was not conflict with the criteria for determining director independence, Hiroto Mizobata will reports as an independent official of Tokyo Securities Exchange.

#### Agenda item 4 Election of one Deputy Auditor

In order to prevent the number of Auditors from falling below the legally established requirement, we would like to elect one Deputy Auditor.

Moreover, this agenda items has been approved by the Board of Company Auditors.

The Deputy Auditor candidate is as follows.

Full name (date of birth)	History and position in ES-CON JAPAN Ltd. (main concurrent posts)	Number of shares held in ES-CON JAPAN Ltd.
Tadashi Fukuda (b. March 4, 1953)	April 1986- Registered as lawyer  December 2012- Outside Auditor, ES-CON JAPAN Ltd. (present post)  (Main concurrent posts) Outside Auditor, SHINYEI KAISHA	0

Note: 1. There are no special interests between these candidates and our company.

2. Tadashi Fukuda is a deputy Outside Auditor.

3. The reason for appointing Tadashi Fukuda as a deputy Outside Auditor is that he has a wealth of experience as a lawyer and extensive expertise, which will be reflected in audits for ES-CON JAPAN Ltd. The candidate does not have previous experience of contributing to a company from an Outside Director position, but it has been decided that he is capable of performing the duties of an Outside Auditor for the reasons stated above.

4. If Tadashi Fukuda assumes the post of a Deputy Auditor, ES-CONJAPAN Ltd. will execute limited liability agreements with Tadashi Fukuda in accordance with Article 427, Paragraph 1 of the Companies Act.

An outline of these agreements is as follows.

- In case an Outside Auditor causes ES-CON JAPAN Ltd. to bear liability for compensation for damages due to his/her own negligence in the performance of duty, the Outside Auditor shall bear the legally established minimum limit of liability.
- The limited liability described above shall be approved only when the Outside Auditor performed the causal duties in good faith, and provided that there is no serious accident.

Agenda item 5 Regarding presentation of retirement bonus to retiring auditor

In order to reward Minoru Noguchi for his labor while in office, having retired from his position of auditor with the expiration of his term of office as of the end of this general meeting, we would like to present Mr. Noguchi with a retirement reward within the scope of the corresponding amount in accordance with this company's defined standards.

We would like to entrust the specific amount, timing and method of presentation, etc. based on discussions with the auditor. The retiring auditor's career history in brief is as follows.

Full name	Career history in brief
Minoru Noguchi	August 2000 Full-time auditor at ES-CON JAPAN Ltd March 2014 Auditor at ES-CON JAPAN Ltd (present post)

Agenda item 6 Regarding decision on amount and details of performance-based stock rewards for company directors

1. Reasons for proposal and reward

Remuneration of this company's directors was organized around basic remuneration with money, but this company intends to carry out a review of the remuneration system for company directors, and as part of a review of officer remuneration including abolition of the existing retirement reward system, etc., we would like to request approval for the introduction of a new performance-based stock reward system (hereinafter, "this system") for company directors (not including outside directors). Moreover, we would like to entrust to

discussions with the board of directors the details relating to this system within the scope of the upper limit of reward amounts, as established below in section 2.(3).

The introduction of this system is thought to be appropriate as it further clarifies company directors' remuneration and the relationship between the company's performance and stock price, with directors not only benefiting from stock price rises but also sharing the same risks as everyone else in relation to stock price falls, thereby aiming to increase awareness of contribution to the medium-to-long-term improvement of performance and increase of corporate value.

Specifically, this bill is separate from the company director remuneration limit amount (not including employee salary of employees and directors) for which approval was received at the regular general meeting of stockholders held on March 24th, 2006, and we would like to request approval payment to this company's directors (not including outside directors) based on the new system of performance-based stock rewards starting from the fiscal year closing at the end of December 2015.

The number of directors subject to this system provided that Bill no. 2 is approved and adopted as per the original draft, will be 5 directors (excluding outside directors).

Moreover, the current company director retirement reward system shall be abolished with Bill no. 5 of this general meeting, "Regarding presentation of retirement bonus to retiring auditor", and it has been decided that auditors and directors remaining in office after the end of this general meeting shall not receive rewards based on the current company director retirement reward system regardless of their still being in office.

## 2. Reward amount and details, etc. in this system

### (1) Outline of this system

This system is a performance-based stock reward system in which this company contributes money to a trust (the upper limit of which is as per section (3) below), with the relevant trust acquiring this company's stock with the applicable money as capital, and this company's stock being paid to this company's directors through a trust in accordance with performance, etc. Performance level shall be determined in accordance with the rate of achievement of forecast ordinary profit in the consolidated base at the start of each fiscal year, as disclosed in the summary of accounts, and this company's stock shall not be paid if the performance achievement rate is less than 100%. Moreover, the timing for payment of stocks to directors shall in general be upon their retirement from office.

(2) Parties subject to this system

This system shall apply to the directors (not including outside directors) of this company.

(3) Upper limit of money to be contributed by this company

For the 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 (hereinafter, “the first target period”; with the first target period and each subsequent period of five fiscal years referred to respectively as “target periods”), the company shall contribute money not exceeding 240 million yen as the acquisition capital for stocks for payment to parties subject to this system, and shall establish a beneficiary trust (hereinafter, “this trust”) for directors who meet the prescribed requirements. Moreover, during the first target period, this company shall be able to add acquisition capital for stocks within the scope of the applicable amount of 240 million yen.

Also, after the expiration of the first target period and until the end of this system, this company shall make additional contributions not exceeding 240 million yen in each target period. However, when making additional contributions, when there is residual company stock (excluding items for which payment to the subject parties has not been completed with this company’s stock in proportion to the number of points assigned to the subject parties (refer to section (6) below for details regarding points)) and money (hereinafter collectively referred to as “residual stocks, etc.”) within the trust assets on the last day of the target period immediately before the target period in which additional contributions are to be made, the residual stocks, etc. shall be paid to the subject parties in the next target period based on this system or appropriated in capital for acquisition of stocks for payment to the subject parties, and the upper limit of the amount that can be additionally contributed by this company in the relevant target period shall be the amount of 240 million yen minus the amount of residual stocks, etc.

(4) Method of calculating number of stocks to be paid to parties subject to this system

The subject parties are assigned points in accordance with positions and rate of performance achievement in each fiscal year of each target period (hereinafter, “assessed fiscal year”). The assigned points are converted at a rate of one company stock for every 10 points when paying stocks (however, when stock split, free stock allocation or reverse stock split, etc. has been carried out with regards to this company’s stock after the approval of this bill, the conversion rate shall be adjusted in a reasonable way in accordance with the relevant rate, etc.).



On a fixed date after the end of the assessed fiscal year, the subject parties shall be assigned a certain number of points calculated by multiplying the basic points for position in the relevant assessed fiscal year with a performance-based coefficient calculated in accordance with the rate of performance achievement. The performance-based coefficient shall be established in accordance with the forecast ordinary profit in the consolidated base at the start of each fiscal year, as disclosed in the summary of accounts, and the specific coefficient shall be between 0 and 1.5. Moreover, this company's stock shall not be paid if the performance achievement rate is less than 100%.

(5) Method of stock acquisition by means of this trust

This trust shall take as its capital the money contributed by this company, with this company's stock to be acquired through financial instruments exchange markets, etc. or by means of a method where this company's own stock disposal is underwritten, etc.

(6) Timing of payment of stock in this company to the person concerned

When a director of this company resigns or has fulfilled the beneficiary requirements, there shall be payment of the number of this company's stocks in accordance with the number of definition points established at the time of retirement by means of the prescribed beneficiary definition procedure.

(7) Exercise of voting right within this trust

Voting rights relating to this company's stock shall not be exercised within this trust.

(8) Handling of dividends of this company's stock within this trust

Dividends relating to this company's stock within this trust shall be received by the trust, with appropriation of trust-related expenses such as acquisition of this company's stock and trust fees, etc. Moreover, when this trust ends, the dividends remaining in this trust shall be proportionally divided between company directors subject to this system who are in office at that point in time, in accordance with the accumulated points of each individual, or contributed to charitable corporations.

(9) Handling at expiration of this trust

This trust shall be closed in cases where this company's stock has been delisted or the officer stock payment regulations have been abolished, etc.

Of the residual assets of this trust when this trust is closed (excluding stocks to be issued to subject parties in office with the possibility of fulfilling the beneficiary requirements at the

time of closure of the trust), this company's stocks shall be erased or contributed to charitable corporations by means of a resolution of the board of directors, with all of this company's stock having been acquired free of charge. Of the residual assets of this trust when this trust is closed, money shall be proportionally divided between company directors subject to this system who are in office at that point in time, in accordance with the accumulated points of each individual, or contributed to charitable corporations.

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