

# Accounts Briefing Materials for Consolidated Term **Ending December 2015**

February 17<sup>th</sup>, 2016



**ESCON Japan Ltd.**

# Table of contents

- Summary of consolidated term ending December 2015 (21<sup>st</sup> term)
  - Actions in term ending December 2015** P.4
  - Consolidated P/L summary** P.5
  - Results by segment** P.6
  - Consolidated B/S summary** P.7
- State of progress of “Make the One for 2016” medium-term management plan  
ES-CON JAPAN business growth
  - State of progress of medium-term management plan 2016** P.9
  - Real estate sales business** P.10
  - ES-CON JAPAN real estate sales development** P.11
  - Real estate leasing business** P.12
  - Development of ES-CON JAPAN** P.13
  - ES-CON JAPAN Group business expansion** P.14
  - Strategic initiatives of ES-CON JAPAN Group** P.15
  - Information** P.16

# Summary of consolidated term ending December 2015 (21<sup>st</sup> term)

# Actions in term ending December 2015

2015

- Jan** Acquisition of new business site (Josaicho, Takatsuki-shi)  
Selected as "Ibaraki-shi, Tamashima District Industrialization Study Partner" land planning business  
Acquisition of new business site (Hannancho, Abeno-ku, Osaka)
- Feb** Sale of real estate (Rokkaku, Kyoto)  
Introduced performance-based stock reward system  
Corporate brand reform: IDEAL to REAL - Creating a new future by turning the ideal into reality  
Upward revision of "Make The One for 2016" medium-term management plan and state of progress  
Acquisition of new business site (Sakai 3-chome, Musashino-shi)
- Mar** ES-CON JAPAN Asset Management Co., Ltd. registered as financial instruments business (2<sup>nd</sup> financial instruments business and investor advice/agency)  
Acquisition of new business site (Kinuta, Setagaya-ku)  
Stock payment-type ESOP introduced  
Sales of Le JADE TOYODA commenced  
Upward revision of earnings forecast for term ending December 2015
- Apr** Acquisition of new business site (Ikaruga, Ikoma-gun, Nara)  
Sales of Park JADE Sugunami Izumi commenced  
Acquisition of new business site (Kayabacho, Nihonbashi)  
Sales of Grand Le JADE SHUKUGAWA KURAKUENGUCHI commenced
- May** Acquisition of new business site (Tsurumi-ku, Yokohama-shi)  
Acquisition of new business site (Chigasaki-shi, Kanagawa)  
Shareholder special benefit plan introduced  
Agreement entered into for establishment of new borrowing limit  
Acquisition of new business site (Senriyama-nishi, Suita-shi)
- Jun** Neverland Bentencho Hagukuminomachi sold out  
Upward revision of consolidated earnings forecast for Q2 in term ending December 2015
- Jul** Acquisition of Oak Town Yamato-Takada commercial facility  
The Neverland Akashi Harbor Gate sold out  
Sales of Le JADE MUSASHISAKAI commenced  
Revision of consolidated earnings forecast for consolidated term ending Dec. 2015, and revision of dividend forecast for term ending Dec. 2015
- Sept** Market change to 2<sup>nd</sup> section of Tokyo Stock Exchange  
Acquisition of own stock  
Sales of Le JADE Nishitanabe Abeno Hannancho commenced  
Le JADE TOYODA sold out  
Sales of Le JADE Minami Kasai commenced  
Development of ES-CON JAPAN-managed Café Apartment 183 café-restaurant  
Park JADE Sugunami Izumi wins Good Design Award 2015  
Acquisition of new business site (Nihonbashi Bakurocho, Chuo-ku)

- Oct** Sales of Le JADE Takatsuki commenced  
Acquisition of new business site (Tote, Saiwai-ku, Kawasaki-shi)  
Sales of Park JADE Akatsuka-koen commenced  
Sales of LeJADE Yokohama Tsurumi commenced  
Acquisition of new business site (1-chome Nishigahara, Kita-ku)  
Sales of LeJADE MUSASHISAKAI Residence commenced
- Nov** Acquisition of new business site (Sendagaya 5-chome, Shibuya-ku)  
Acquisition of new business site (Hiranomachi, Chuo-ku, Osaka)  
Acquisition of new business site (Sakaemachi, Takatsuki-shi)  
Acquisition of new business site (Wakamatsucho, Shinjuku-ku)  
Upward revision of "Make The One for 2016" medium-term management plan
- Dec** Sales of Le JADE Setagaya Kinuta commenced  
Grand Le JADE Kyoto Kawaramachi sold out  
Tokyo Head Office moved  
Upward revision of earnings forecast for term ending December 2015



Park JADE Sugunami Izumi



Le JADE Takatsuki



Le JADE MUSASHISAKAI Residence



Grand Le JADE Kyoto Kawaramachi



Le JADE Setagaya Kinuta Café Apartment 183



Le JADE Setagaya Kinuta Café Apartment 183

## P/L in consolidated term ending December 2015

- There will be income and profit in excess of both the same term in the previous year and the initial forecast due to the real estate sales business, as well as sales of revenue-generating real estate and land planning and sales, etc.
- Multifaceted, progressive development of real estate business, building on strengths not only in the real estate sales business, but also in commercial site and revenue-generating real estate development, and land planning sales, etc.

(Units: million yen)

	Consolidated term ending December 2015 (current term)	Consolidated term ending December 2014 (previous term)	Amount of increase/de crease	Compared with same term in previous year	Consolidated term ending December 2015 (initial forecast)	Difference compared with forecast results	Forecast : results ratio
Sales	<b>27,705</b>	<b>18,842</b>	<b>8,863</b>	<b>47.0%</b>	<b>25,100</b>	<b>2,605</b>	<b>10.4%</b>
Gross profit margin	<b>6,690</b>	<b>4,893</b>	<b>1,797</b>	<b>36.7%</b>			
Sales and general administrative expenses	<b>2,677</b>	<b>2,077</b>	<b>600</b>	<b>28.9%</b>			
Sales	<b>1,140</b>	<b>969</b>	<b>171</b>	<b>17.6%</b>			
General administrative expenses	<b>1,536</b>	<b>1,108</b>	<b>428</b>	<b>38.6%</b>			
Operating income	<b>4,012</b>	<b>2,815</b>	<b>1,197</b>	<b>42.5%</b>	<b>3,130</b>	<b>882</b>	<b>28.2%</b>
Paid interest	<b>795</b>	<b>706</b>	<b>89</b>	<b>12.6%</b>			
Ordinary income	<b>3,126</b>	<b>2,075</b>	<b>1,051</b>	<b>50.7%</b>	<b>2,230</b>	<b>896</b>	<b>40.2%</b>
Net income in current term	<b>3,039</b>	<b>2,411</b>	<b>628</b>	<b>26.0%</b>	<b>2,200</b>	<b>839</b>	<b>38.1%</b>
Net income in current term per share	<b>44.65</b>	<b>34.59</b>	<b>10.06</b>	<b>29.1%</b>			



# Segment results in consolidated term ending December 2015

- Sales of real estate lots are changing to favorable conditions with two large projects (Kawaramachi/Akashi) completely sold out, and sales of non-condominium business (revenue-generating real estate, etc.) are also drastically increasing compared with the previous term
- Leasing business is increasing over the previous term, shifting to firm as a stable income business
- Planning and consulting business continues to be promoted as a business leveraging the strengths of ES-CON JAPAN

(Units: million yen)

	Sales					Segment income		
	Consolidated term ending December 2015 (current term)	Consolidated term ending December 2014 (previous term)	Compared with same term in previous year	Initial forecast	Forecast : results ratio	Consolidated term ending December 2015 (current term)	Consolidated term ending December 2014 (previous term)	Compared with same term in previous year
Real estate business	24,649	16,227	51.9%	22,400	10.0%	3,769	2,305	63.5%
Condominium sales	14,439	9,298	55.3%	16,200	-10.9%	1,671	1,224	36.5%
Other than condominium sales	10,210	6,929	47.4%	6,200	64.7%	2,097	1,081	94.0%
Real estate leasing business	2,857	2,479	15.2%	2,400	19.0%	1,606	1,487	8.0%
Real estate planning agency and consulting business	199	136	46.3%	300	-33.7%	173	130	33.1%
Total	27,705	18,842	47.0%	25,100	10.4%	5,549	3,924	41.4%

(Units: residencies)

	Sales results	
	No. of completed and delivered residencies	Total amount (million yen)
Term ending Dec. 2013 (two terms ago)	224	6,775
Term ending Dec. 2014 (previous term)	309	9,298
Term ending Dec. 2015 (current term)	349	14,439

Condominium business	Location	Access	Total no. of residencies	Inventory at start of term ending Dec. 2015	No. of residencies delivered in term ending Dec. 2015	Inventory at end of term ending Dec. 2015
Neverland Bentecho Hagakumi-no-machi	Minato-ku, Osaka-shi	9 mins. Walk from Bentecho Station on Metro Chuo Line	112	18	18	0
LeJADE Higashimukojima	Toyota-ku, Tokyo	6 mins. Walk from Higashimukojima Station on Tobu Skytree Line	36	23	21	2
The Neverland Akashi Harbor Gate	Akashi-shi, Hyogo	8 mins. Walk from Akashi Station on JR Kobe Line	149	-	149	0
Grand Le JADE Kyoto Kaw aramachi	Nakagyo-ku, Kyoto-shi	4 mins. Walk from Kaw aramachi Station on Hankyu Kyoto Line	135	-	136	0
LeJADE Kasai	Edogawa-ku, Tokyo	16 mins. Walk (Solario) or 17 mins. Walk (Resorte) from Kasai Station on Tokyo Metro Tozai Line	48	-	20	28
Park JADE Suginami Izumi	Suginami-ku, Tokyo	8 mins. Walk from Hounancho Station Metro Marunouchi Line	18	-	3	15
Park JADE Akatsuka-koen	Itabashi-ku, Tokyo	12 mins. Walk from Shin-Takashimadaira Station on Toei Mita Line	12	-	2	6
Total				41	349	51

\*Park JADE Akatsuka-koen has 8 of 12 compartments completed as of the term ending December 2015.

	No. of sold residencies	No. of contracted residencies	Progress ratio
Properties completed and delivered in 2015 (current term)	361	351	97.2%
Properties to be completed and delivered in 2016 (next term) (now on sale)	435	224	51.5%

Properties on sale to be delivered in 2016

- Grand LeJADE SHUKUGAWA KURAKUENGUCHI
- LeJADE Nishitanabe Abeno Hannancho
- LeJADE Takatsuki
- LeJADE MUSASHISAKAI
- LeJADE Musashino Residence
- LeJADE Toyoda
- LeJADE Yokohama Tsurumi
- LeJADE Setagaya Kinuta
- LeJADE Minami Kasai



Copyright ©2016 ES-CONJAPAN Ltd., All Rights Reserved

# B/S in consolidated term ending December 2015

- Procurement of sites through multifaceted business schemes such as real estate sales business sites, hotel development and commercial sites, etc. (10 projects in Kanto area, 7 projects in Kansai area)
- Project fundraising has also shifted to a favorable state, with average interest rates for new procurement also gradually decreasing
- Equity ratio also increased by 0.6 points compared with the previous year, providing stable improvement at 24.1%

(Units: million yen)

	Term ending December 2015 (current term)	Term ending December 2014 (previous term)	Amount of increase/decrease
Current assets	35,578	24,468	11,110
Cash and deposits	4,516	4,733	-217
Cash and deposits	4,744	5,054	-310
Real estate for sale	22,676	12,698	9,978
Fixed assets	22,483	25,593	-3,110
Tangible fixed assets	21,848	24,537	-2,689
Intangible fixed assets	11	15	-4
Investments and other assets	623	1,040	-417
Total assets	58,088	50,141	7,947

## Real estate for sales

4,744	condominium business 2,185
	non-condominium business 2,599
22,676	condominium business 10,415
	non-condominium business 12,261

## Real estate for sales in process

## Leasing businesses (owned properties)

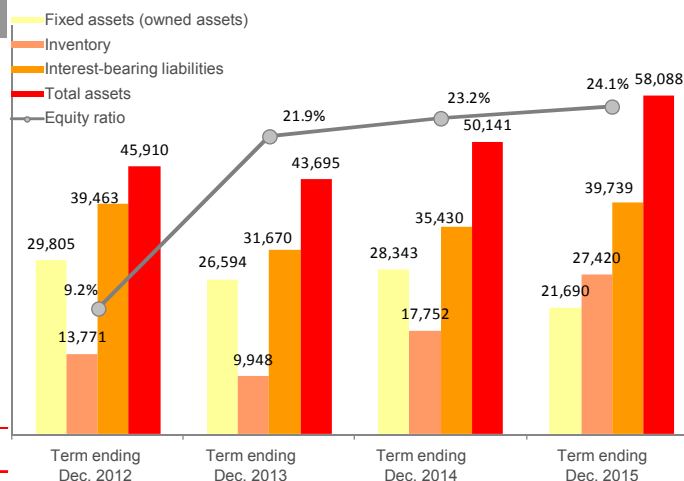
	Location	Access
Garden Mall Seiwadai	Kawanishi-shi, Hyogo	1 min. walk from Seiwadai Chuo stop on Hankyu Bus Line
Garden Mall Minami-Senri	Suita-shi, Osaka	1 min. walk from Minami-Senri Hankyu Station
Aeon Minami-Senri	Suita-shi, Osaka	10 mins. Walk from Minami-Senri Hankyu Station
Hakuyuka Kuzuha Hospital	Suita-shi, Osaka	7 mins. Walk from Kuzuha Station on Keihan Line
Fukuoka Kasuga Project	Kasuga-shi, Fukuoka	Approx. 5 mins. By car from JR Hakata Station
Oak Town Yamato-Takada	Yamatotakada-shi, Nara	Immediately next to Yamatotakada Station on Kintetsu Line

NOI yield of owned revenue-generating real estate is approx. 6.0%

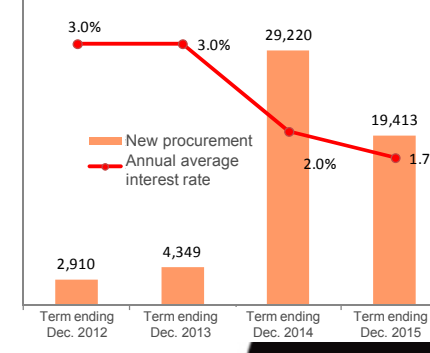
(Units: million yen)

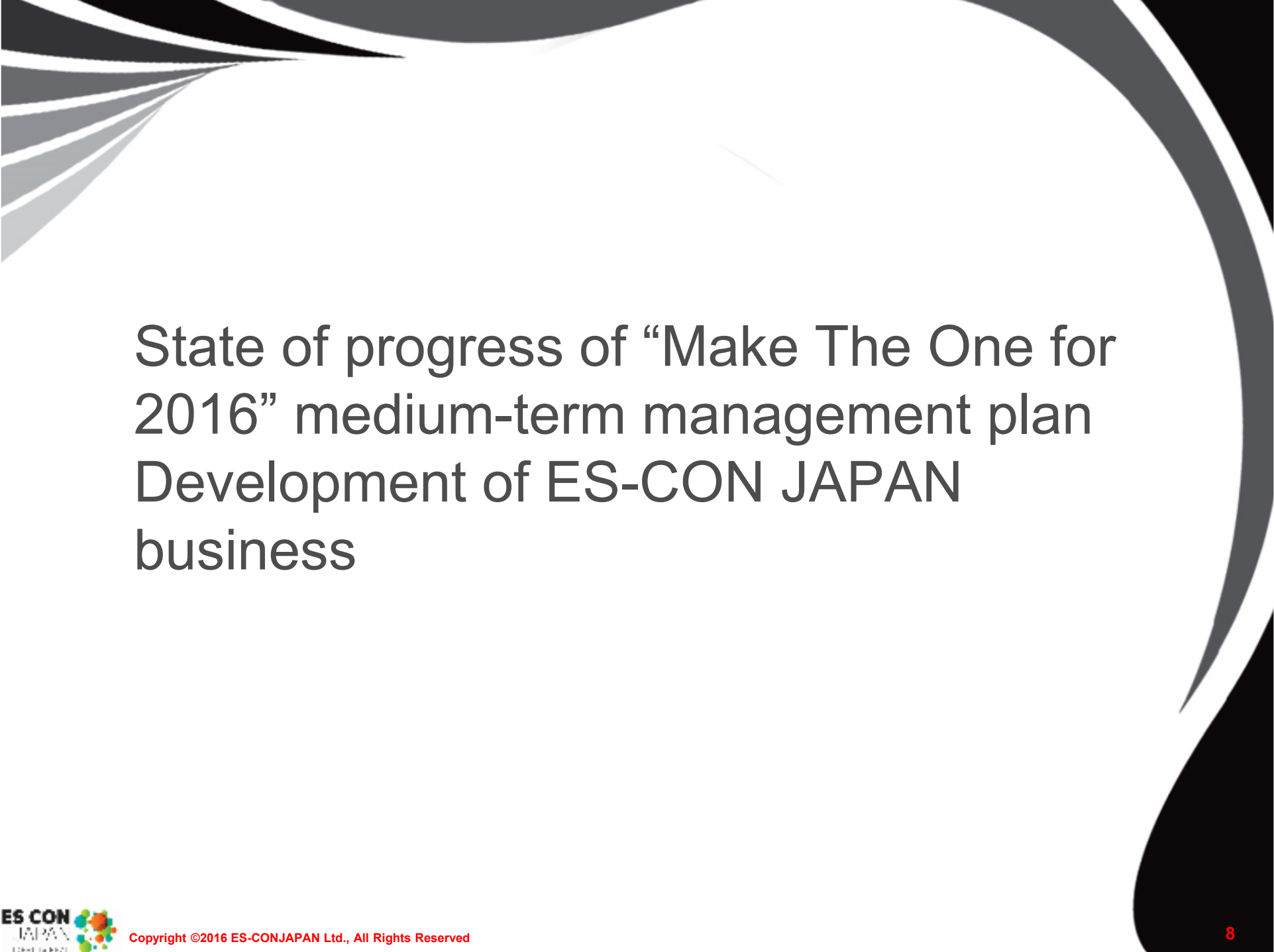
	Term ending December 2015 (current term)	Term ending December 2014 (previous term)	Amount of increase/decrease
Current liabilities	13,490	11,204	2,286
Short-term loans	1,267	2,180	-913
Long-term loans to be repaid within one year	8,317	6,519	1,798
Corporate bonds to be repaid within one year	557	557	0
Fixed liabilities	30,603	27,280	3,323
Corporate bonds	-	557	-557
Long-term loans	29,588	25,612	3,976
Total liabilities	44,094	38,484	5,610
Net total assets	13,994	11,656	2,338
Liabilities and net total assets	58,088	50,141	7,947

Equity ratio	24.1%	23.2%	+0.9points
--------------	-------	-------	------------



## Changes in new procurement and average procurement interest rates





# State of progress of “Make The One for 2016” medium-term management plan Development of ES-CON JAPAN business



# State of progress of “Make The One for 2016” medium-term management plan

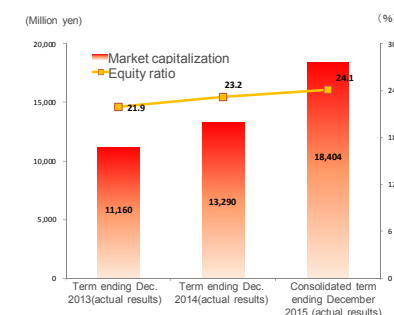
- Term ending Dec. 2015 also shifted to favorable for performance plan, with drastic upward revision from initial plan
- In addition to end-of-term dividend (8 yen), acquisition of own stock (374 million yen) 30.0% total return ratio target was also achieved
- There is also steady transition in management targets
- TSE 2nd market change was also achieved in September 2015, with the aim of further corporate value improvement

(Units: million yen)

Performance plan	19th term, ending Dec. 2013 (actual results)	20th term, ending Dec. 2014 (actual results)	21st term, ending Dec. 2015			22nd term, ending Dec. 2016	
			Consolidated term (actual results)	Consolidated term (initial forecast)	Comparative rate	Q2 (forecast)	Consolidated term (forecast)
Sales	13,558	18,842	27,705	17,700 - 20,000	+7,705 - +10,005	13,000	32,700
Real estate sales business	10,991	16,227	24,649	15,200 - 17,500	+7,149 - +9,449	11,450	29,450
Real estate leasing business	2,234	2,479	2,857	2,200	+657	1,500	3,100
Real estate planning agency and consulting business	331	136	199	300	-101	50	150
Operating income	1,844	2,815	4,012	2,200 - 2,600	+1,412 - +1,812	1,700	4,200
Ordinary income	1,200	2,075	3,126	1,500 - 1,850	+1,276 - +1,626	1,200	3,300
Net income in current term	1,905	2,411	3,039			1,300	3,200

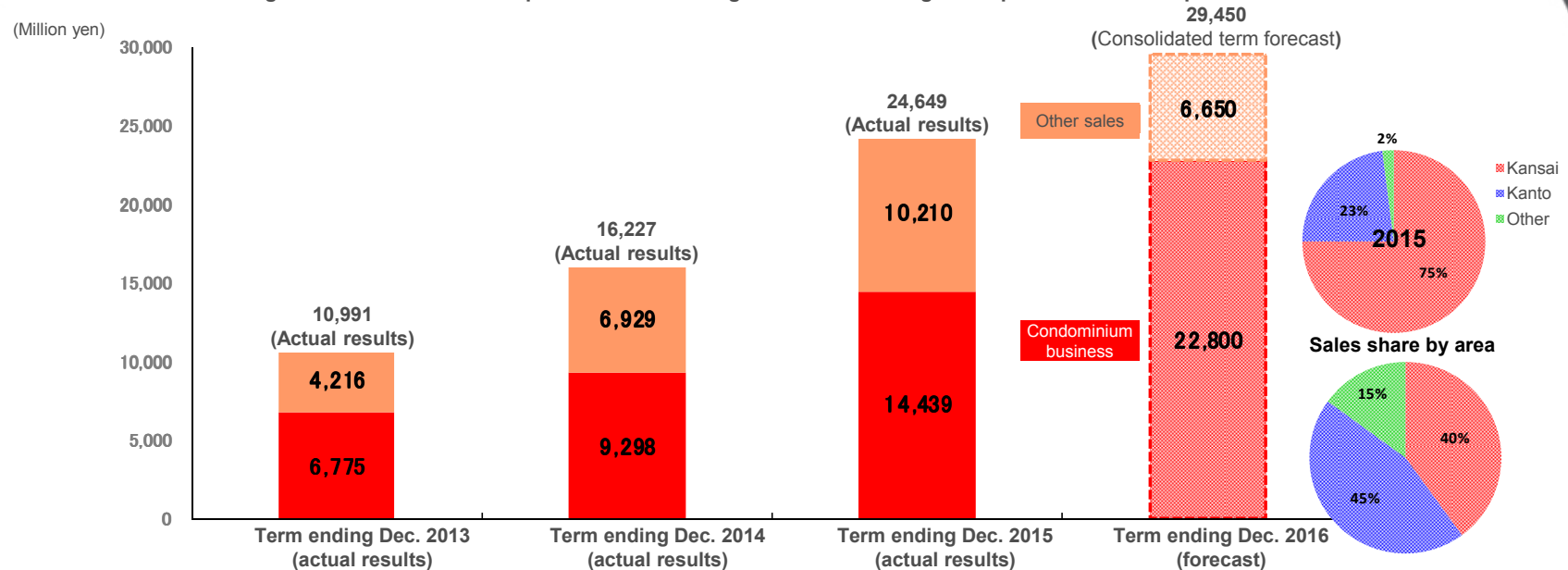
Management targets	19th term, ending Dec. 2013 (actual results)	20th term, ending Dec. 2014 (actual results)	21st term, ending Dec. 2015			22nd term, ending Dec. 2016	
			Consolidated term (actual results)	Consolidated term (initial forecast)	Comparative rate	Q2 (forecast)	Consolidated term (forecast)
Equity ratio	21.9%	23.2%	24.1%				30.0% or above
ROE (return on equity)	27.7%	22.7%	23.7%				13.0% or above
ROA (return on assets)	2.7%	5.1%	5.6%				3.6% or above
ROIC (return on invested capital)*	4.5%	6.7%	7.2%				6.4% or above
EPS (earnings per share)	31.14 yen	34.59 yen	44.65 yen				32円 or above
PS (basis point of net assets per share)	137.14 yen	169.05 yen	208.28 yen				245円 or above
Dividend payout ratio	3.2%	8.7%	17.9%				25.0% or above

Dividend	1 yen	3 yen	8 yen	6 yen	+2 yen	-	12 yen
Acquisition of own stock	-	299 million yen	374 million yen	-	-	-	-
Total return ratio	3.2%	21.0%	30.2%	30.0%	+0.2%	-	35.0%
Stock price per share at end of term	160 yen	189 yen	261 yen	-	-	-	-
Market capitalization	11,160 million yen	13,290 million yen	18,404 million yen	-	-	-	-



# Real estate sales business

- Regarding the real estate sales business, sites are being procured mainly around the Kanto and Kansai areas, and we are continuing to focus our attention on development of these sites as our core business with originality that creates new value, proposing commercial plans for living backed by ES-CON JAPAN's unique areas of expertise
- Rather than just sticking to condominium sales, we are attempting to differentiate ourselves from other companies with our development businesses (commercial sites, revenue-generating real estate, land planning, etc.) in various schemes that are ahead of the curve
- We are aiming to become a "life developer" and are evolving towards becoming a comprehensive developer



	2013 (19th term)	2014 (20th term)	2015 (21st term)	2016 (22nd term)
Sales business	<ul style="list-style-type: none"> <li>Neverland Namba Park Air</li> <li>Neverland Abeno Nishitanabe</li> <li>Neverland Abeno Showacho Brahms</li> <li>JADE Toyonaka</li> <li>Leaf Create Feel City</li> <li>Le JADE Kamikitazawa</li> </ul>	<ul style="list-style-type: none"> <li>Le JADE IX</li> <li>Le JADE Esaka</li> <li>Neverland Himeji Eki-mae The Station Front</li> <li>Neverland Bentencho Hagukumi-no-machi</li> <li>Le JADE Shimomoguro</li> <li>Le JADE Higashi-Mukojima</li> </ul>	<ul style="list-style-type: none"> <li>The Neverland Akashi Harbor Gate</li> <li>Grand Le JADE Kyoto Kawaramachi</li> <li>Le JADE Kasai</li> <li>Park JADE Suginami Izumi (detached houses)</li> <li>Park JADE Akatsuka Park Project (temporary name) (detached houses)</li> </ul>	<ul style="list-style-type: none"> <li>Grand Le JADE Shukugawa Kurakuenguchi</li> <li>Le JADE Takatsuki</li> <li>Le JADE Nishitanabe Abeno Hannancho</li> <li>Le JADE Yokohama Tsurumi</li> <li>Le JADE Musashisakai</li> <li>Le JADE Toyoda</li> <li>Le JADE Minami-Kasai</li> <li>Le JADE Musashino Residence</li> <li>Le JADE Setagaya Kinuta</li> </ul>
	224 residences (actual results)	309 residences (actual results)	349 residences (actual results)	Approx. 516 residences (TBC)
Commercial development/revenue-generating real estate development business	<ul style="list-style-type: none"> <li>Omine Minamimachi, Hirakata-shi Project (commercial)</li> </ul>	<ul style="list-style-type: none"> <li>Kobe Akamatsudai Project (commercial)</li> <li>Yodogawa-ku Higashi-nakajima Project (revenue-generating real estate)</li> <li>Koto-ku Hirano Project (revenue-generating real estate)</li> </ul>	<ul style="list-style-type: none"> <li>Takamicho, Yao-shi Project (commercial)</li> <li>Yodogawa-ku Miyahara Project (revenue-generating real estate)</li> <li>Kyoto Rokkaku Project (revenue-generating real estate)</li> <li>Nishiharacho Nishitokyo Project (revenue-generating real estate)</li> <li>Shibuya-ku Honmachi Project (land planning)</li> <li>Nishitokyo-shi Nishihara Project (revenue-generating real estate)</li> </ul>	<ul style="list-style-type: none"> <li>Chuo-ku Shimamachi Project (revenue-generating real estate)</li> <li>Kakegawa Project (revenue-generating real estate)</li> <li>Fukuoka Kasuga Project (land planning)</li> <li>Nagoya Sunadabashi Project anonymous partnership investment</li> </ul>

# Real estate sales business of ES-CON JAPAN

## 2016 Lineup



**LeJADE Musashino Residence (Kanto)**

Location: Musashino-shi, Tokyo  
Access: 7 mins. walk from Musashino Station on JR Chuo Line  
No. of residences: 25 (plus management office)  
Entry: To start at end of October 2016



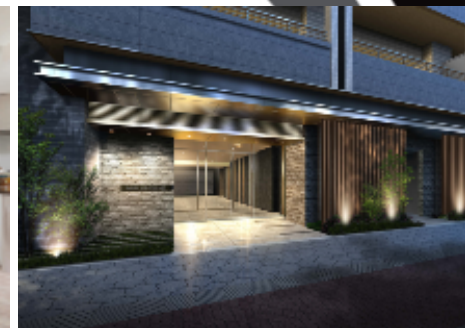
**Le JADE TOYODA (Kanto)**

Location: Hino-shi, Tokyo  
Access: 3 mins. walk from Toyoda Station on JR Chuo Line  
No. of residences: 53 (including 10 lots not for sale, plus shop, office and management office)  
Entry: To start at end of August 2016



**Le JADE MUSASHISAKAI (Kanto)**

Location: Musashino-shi, Tokyo  
Access: 4 mins. walk from Musashino Station (South Exit) on JR Chuo Line  
No. of residences: 25 (plus management office)  
Entry: Possible immediately (completed November 30th, 2015)



**Le JADE Nishitanabe Abeno Hannancho (Kansai)**

Location: Abeno-ku, Osaka  
Access: 4 mins. walk from Nishitanabe Station on Midosuji Line  
No. of residences: 38 (plus management office)  
Entry: To start at end of October 2016



**LeJADE Yokohama Tsurumi (Kanto)**

Location: Tsurumi-ku, Yokohama  
Access: 12 mins. walk from Tsurumi Station on JR Keihin-Tohoku Line  
No. of residences: 45 (plus management office)  
Entry: To start at end of November 2016



**Le JADE Setagaya Kinuta (Kanto)**

Location: Setagaya-ku, Tokyo  
Access: 15 mins. walk from Soshigaya-Okura Station on Odakyu Line  
No. of residences: 25 (plus management office and store)  
Entry: To start at end of August 2016



**Le JADE Minami Kasai (Kanto)**

Location: Edogawa-ku, Tokyo  
Access: 22 mins. walk from Kasai Station on Tokyo Metro Tozai Line (4 mins. by bus to Sogo Recreation Koen-mae stop, then 6 mins. walk)  
No. of residences: 33 (plus management office)  
Entry: To start at end of March 2016



**Grand Le JADE SHUKUGAWA KURAKUENGUCHI (Kansai)**

Location: Nishinomiya-shi, Hyogo  
Access: 9 mins. from Kurakuenguchi Station on Hankyu Koyo Line  
No. of residences: 71  
Entry: To start at end of March 2016



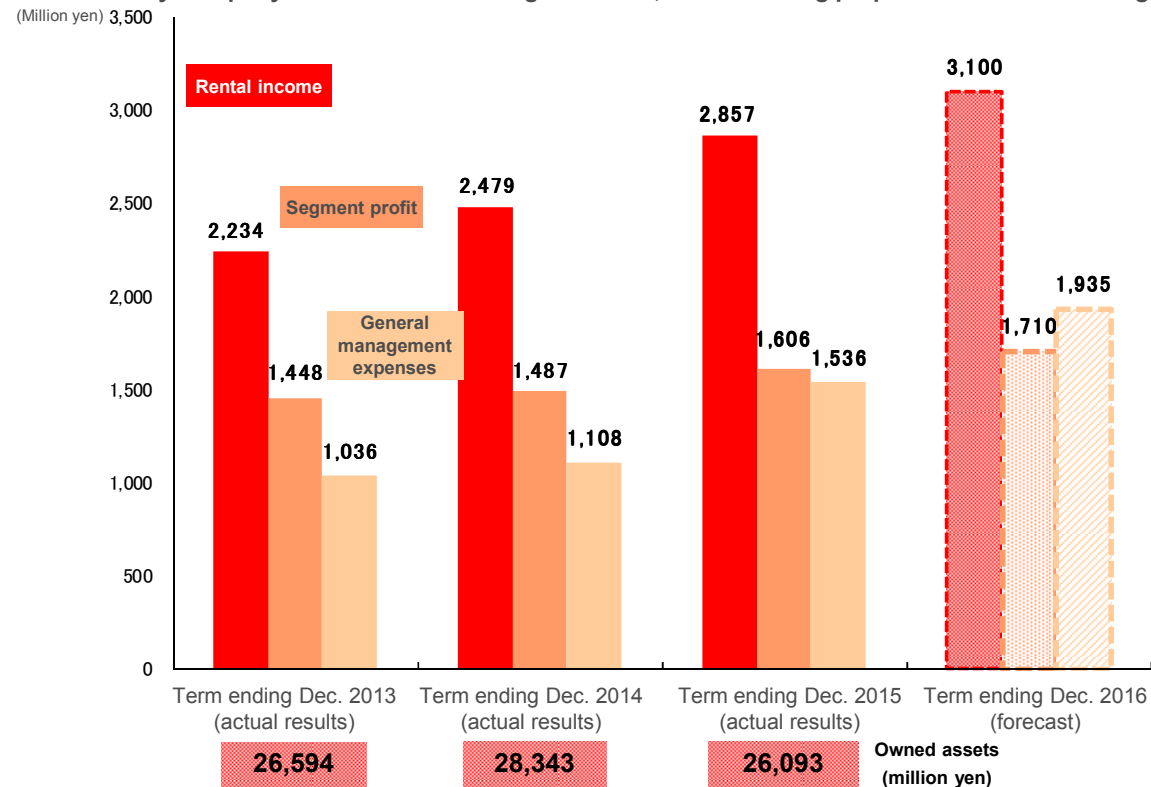
**Le JADE Takatsuki (Kansai)**

Location: Takatsuki-shi, Osaka  
Access: 9 mins. walk from JR Takatsuki Station  
No. of residences: 136 (plus management office, 2 lounge/meeting rooms)  
Entry: To start at end of December 2016



# Real estate leasing business

- Scale of annual segment income is reaching scale of 1.7 billion yen, being positioned as a stable stock revenue business that covers approximately 90% of general administrative expenses
- Making free use of our commercial development know-how and actual results, we are promoting commercial site development, revenue-generating real estate development and, newly, hotel development, etc. to move ahead with multifaceted growth incorporating leasing and PM business
- We are constructing high-income properties, establishing a system whereby dynamic growth is possible both from the view of ownership and sales
- Subsidiary company ES-CON Asset Management Co., Ltd. is making preparations for Reit listing



- (1) Garden Mall Seiwadai  
 (2) Garden Mall Minami-Senri  
 (3) Aeon Minami-Senri  
 (4) Hakuyukai Kuzuha Hospital  
 (5) Fukuoka Kasuga Commercial Site  
 (6) Oak Town Yamato-Takada



# Various businesses of ES-CON JAPAN

As a life developer, we are working not only in hard development, but also in various real estate businesses as a comprehensive developer of real estate creating new lifestyles for people.



La Fine Joyo Eki-mae The First

## Planning and consulting

Business making maximum use of ES-CON group's strengths in planning ability and multifaceted business construction capability



Oak Town Yamato-Takada



## Land planning and redevelopment

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

## Commercial site development

Using actual results, experience and know-how of commercial development in the Fukuoka Kasuga projects, we are working on commercial site development, multifaceted business development and strengthening development with focus on Reit listing by group companies



Owl Square The East City

## Renovation

Renovation of old apartment buildings, creating new living spaces



SEST Shin-Osaka

## Revenue-generating real estate (leased residence) development

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

Fukuoka Kasuga Project



Nihonbashi Kayabacho hotel development project

## Hotel development

Growth of budget hotel development (for which there is increasing need) while establishing links with hotel operators



Café Apartment 183

## Business as life developer with lifestyle proposals

In condominium apartment buildings that we work on, we create places for communication with people in the surrounding areas, providing a wealth of time to people living there, adding concierge functions and proposing new lifestyles, and we will continue to develop a wide range of proposals based on our unique expertise

# ES-CON JAPAN group business expansion



Life developer

- Maximization of corporate value and returns to shareholders
- Construction of firm management foundation that can withstand any economic environment

## IDEAL to REAL

Creating "new wealth", bringing people together and regions to their future

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



Real estate information



# Strategic initiatives of ES-CON JAPAN group

## Life developer

Rather than setting real estate sales business as core business and simply chasing numbers, we select businesses appropriate for a “life developer” creating “new wealth”, bringing people together and connecting regions to their future, and together with focusing on business development, we are armed with a one-stop system based on various forms of expertise, business construction capability and horizontal organizational cooperation, developing a multifaceted real estate business comprising commercial site development and revenue-generating real estate development, etc., which establishes a firm management foundation that is able to withstand any economic environment

## Fluidization of real estate

Subsidiary company ES-CON Asset Management Co., Ltd. is looking ahead to the next era by engaging in real estate investment application business as a new business development, as well as initiatives focused on Reit listing

## Governance system

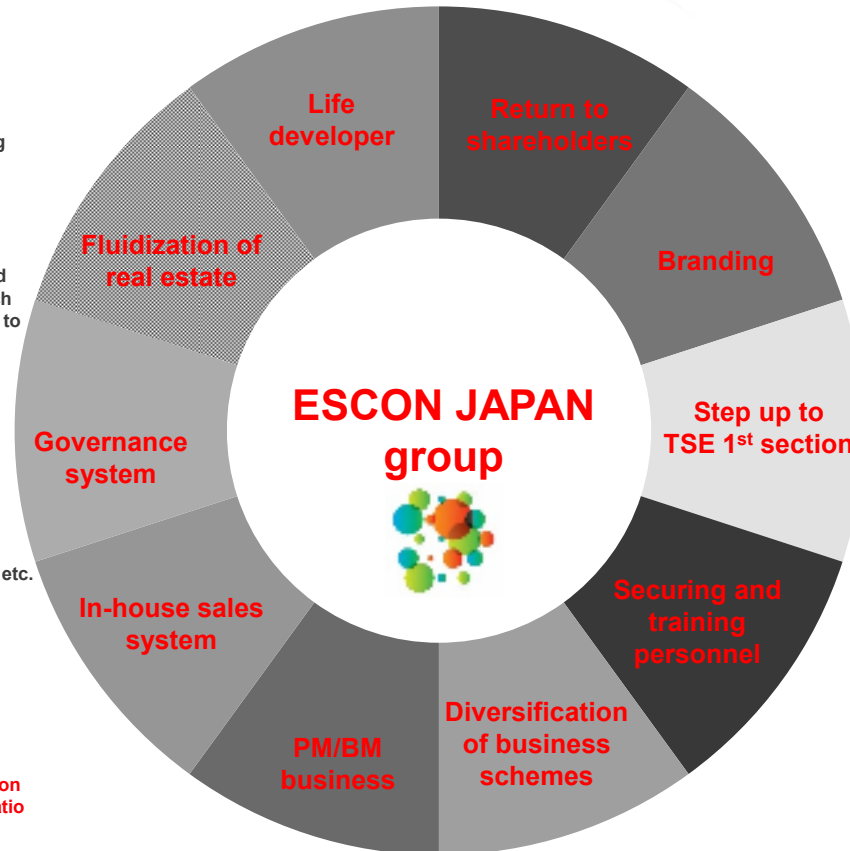
Planning to switch to company with board of auditors, etc. in order to further enhance corporate governance (scheduled for end of March 2016)  
Also aiming to enhance business management system and further improve corporate value

## In-house sales system

The system used to date was one where sales were outsourced, but we are now constructing an in-house sales system as we aim to improve customer satisfaction with in-house development leads and increase profit ratio by compressing project cost price

## PM/BMbusiness

Subsidiary company ES-CON Property Co., Ltd. is promoting property management business for commercial facilities, etc. and condominium apartment building management business



## Return to shareholders

We are steadily implementing a policy of return to shareholders with increased dividends, introduction of a shareholder rewards system, and achievement of “Total Shareholders Return” management index targets, etc.

## Branding

Corporate brand reform of IDEAL to REAL  
- turning the ideal into reality, creating a new future transmits new corporate branding message, forming an organizational entity with clear mission and unifying force, with the aim of becoming a unique, one-of-a-kind company and further enhancing brand strength with first Good Design Award received in real estate sales business and expressing our unique commercial planning with establishment of model room at new office when moving Tokyo HQ office, etc.

## Step up to TSE 1st section

Market change to TSE 2nd section was carried out in September 2015, and next stage is to shift to TSE 1st section market, with corporate value reliably increased by gradually increasing market capitalization together with steady achievement of medium-term management plan for equity ratio and ROE increase, etc.

## Securing and training personnel

Fixed-term employment of new graduate employees (around 10 persons) was resumed from 3 years ago, together with which we are enhancing the training of young personnel to carry the next generation and proper employees, introducing stock reward ESOP system for employees, new employee system, in-house venture system, and NISA workplace savings, etc., to increase the motivation of employees

## Diversification of business schemes

Hotel business development with multiple properties in Tokyo and Osaka, participation in land planning and redevelopment in Ibaraki-shi, Osaka and Kawachinagano-shi, acquisition of large-scale commercial facility with local ties in Yamatotakada-shi, Nara, on the basis of plans for new redevelopment, going forwards, and construction of multifaceted business schemes in addition to real estate sales business, as well as business acceleration

# Information



## ESCON Japan Ltd.

Email [ir@escon.jp](mailto:ir@escon.jp)

### Tokyo HQ

12<sup>th</sup> floor, Try Edge Ochanomizu  
4-2-5 Kanda Surugadai, Chiyoda-ku, Tokyo  
101-0062  
☎ 03-5297-6161

### Osaka HQ

13<sup>th</sup> floor, Meiji Yasuda Seimei Building  
4-1-1 Fushimimachi, Chuo-ku, Osaka  
541-0044  
☎ 06-6223-8055

