

# Fact Book 2017

23rd term (January 1 - December 31, 2017)

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## (Consolidated) Main financial data over 5 years

(Units: million yen)

	19th term Ending Dec. 2013	20th term Ending Dec. 2014	21st term Ending Dec. 2015	22nd term Ending Dec. 2016	23rd term Ending Dec. 2017
<b>Fiscal year</b>					
Sales	13,558	18,842	27,705	34,347	44,724
Gross profit	3,547	4,893	6,690	8,852	11,559
Operating income	1,844	2,815	4,012	4,680	7,042
Ordinary income	1,200	2,075	3,126	3,575	5,988
Net income attributable to parent	1,905	2,411	3,039	3,936	5,456
Cash flow from business activities	4,093	△ 1,803	△ 3,877	△ 14,684	△ 10,694
Cash flow from investment activities	2,294	△ 1,041	61	7,656	9,167
Cash flow from financial activities	△ 4,450	3,368	3,683	11,003	3,979
Information per share (yen)					
Net income	31.14	34.59	44.65	58.76	81.77
Diluted net income per share	30	34.38	44.50	57.41	79.81
Net assets	137.14	169.05	208.28	259.07	315.14
Dividend amount	1	3	8	15	18
<b>End of fiscal year</b>					
Total assets	43,695	50,141	58,088	73,703	86,435
Net assets	9,587	11,656	13,994	17,363	21,433
Cash and deposits	4,161	4,733	4,516	8,204	10,667
Real estate for sale	2,050	5,054	4,744	6,103	4,162
Real estate for sale in process	7,898	12,698	22,676	39,319	60,057
Interest-bearing liabilities	31,670	35,430	39,739	51,177	56,544
Total no. of employees	60	71	106	125	158
<b>Main management indicators</b>					
Operating profit margin ratio (%)	14.9	14.9	14.5	13.6	15.7
Interest coverage ratio <sup>*1</sup> (fold)	6.1	-	-	-	-
ROA <sup>*2</sup> (%)	4.3	5.1	5.6	6.0	6.8
ROE <sup>*3</sup> (%)	27.7	22.7	23.7	25.1	28.1
ROIC <sup>*4</sup> (%)	5	6.7	7.2	6.5	8.4
Dividend payout ratio (%)	3.2	8.7	17.9	25.5	22.0
Debt-to-equity ratio (%)	72.5	70.7	68.4	69.4	65.4
Capital adequacy ratio (%)	21.9	23.2	24.1	23.6	24.8
Total return ratio <sup>*5</sup> (%)	3	21.0	30.2	36.8	30.9

\*1 Interest coverage ratio= operating cash flow/interest payment

\*2 ROA: Return on assets

\*3 ROE: Return on equity

\*4 ROIC: Return on invested capital= operating profit after tax/(shareholders'equity+ interest-bearing liabilities)

\*5 Total return ratio= (total dividends+ total share buyback amount) / net income

\* 1,405,400 shares of treasury stock were acquired between November 17 and 18, 2014 (total share buyback amount: 299 million yen)  
(Number of treasury stock retained as of end of December 2014: 1,413,500 shares)

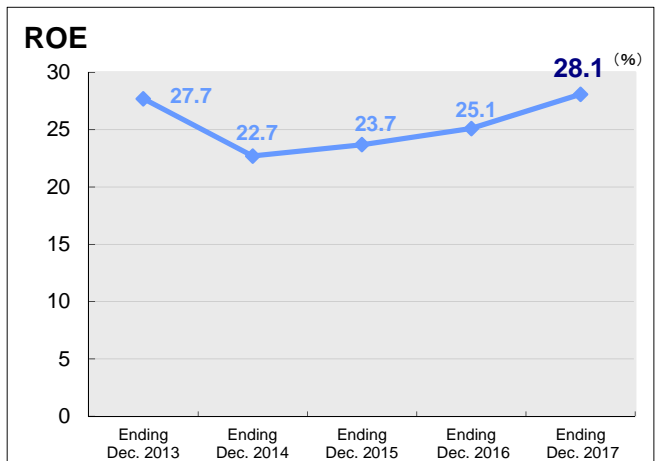
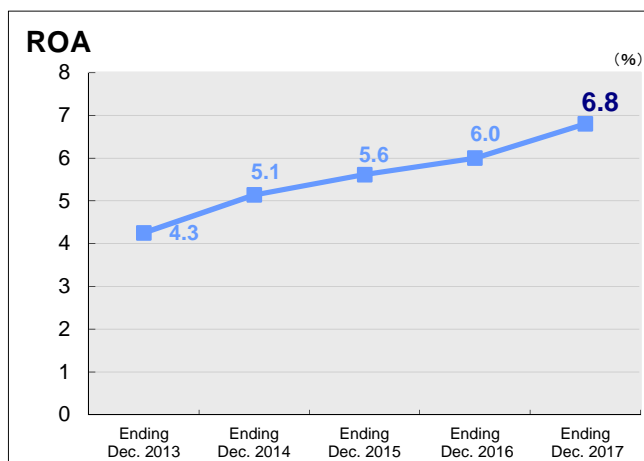
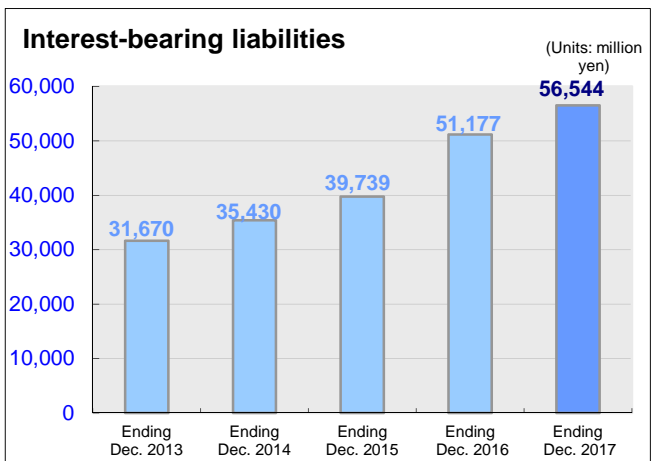
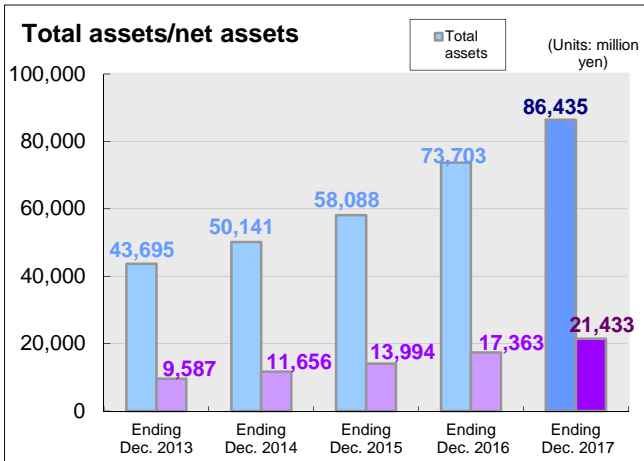
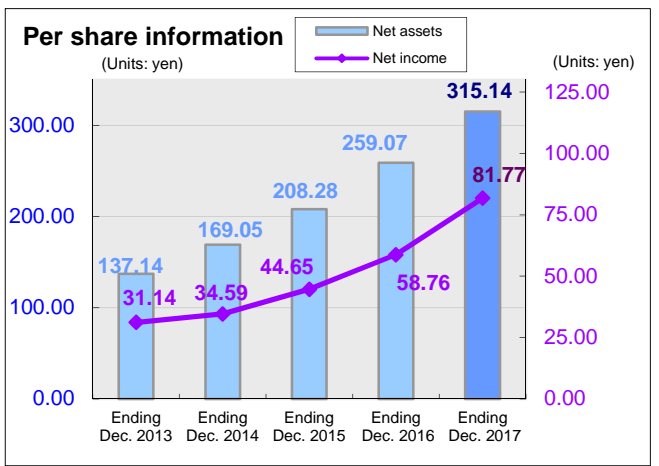
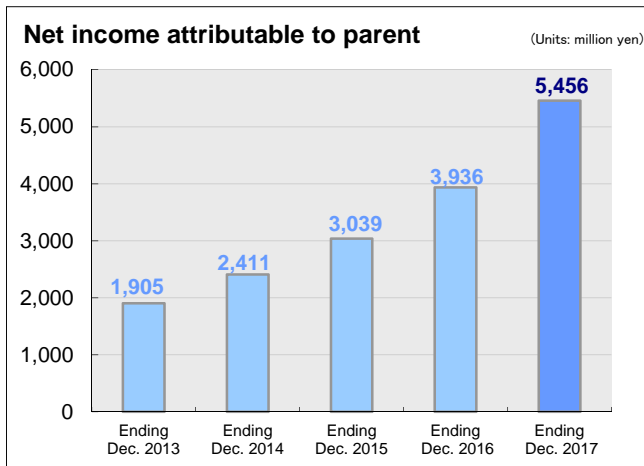
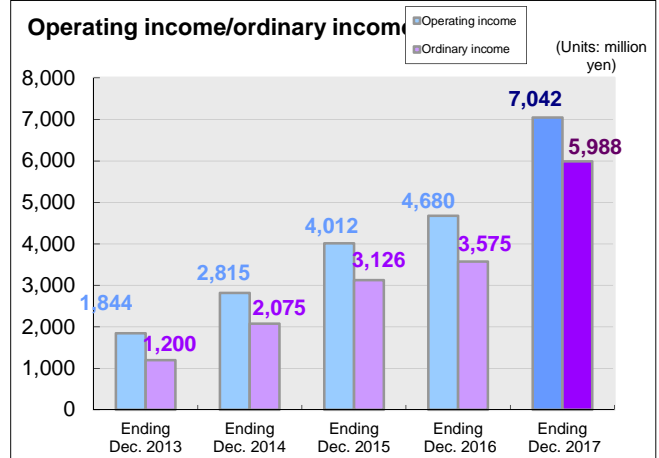
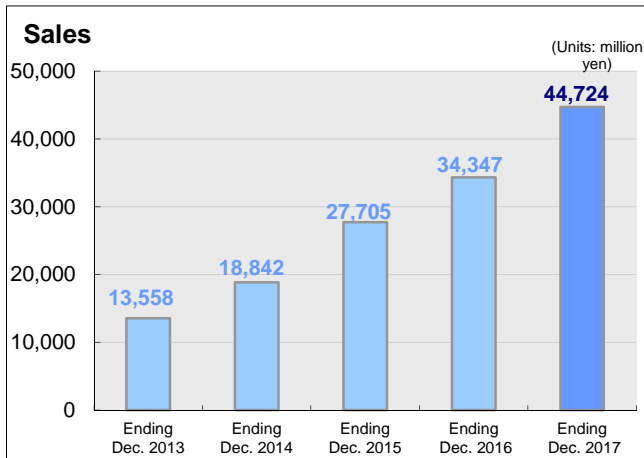
\* 1,138,900 shares of treasury stock were acquired between September 14 and October 7, 2015 (total share buyback amount: 319 million yen).  
(Number of treasury stock retained as of end of December 2015: 2,552,400 shares)

\* 241,700 shares of treasury stock were acquired between February 15 and 16, 2016 (total share buyback amount: 55 million yen)  
(Number of treasury stock retained as of end of December 2016: 2,794,100 shares)

\* 972,800 shares of treasury stock were acquired between January 4 and 11, 2017 (total share buyback amount: 430 million yen).  
450,000 shares of treasury stock were acquired between December 11 and 21, 2017 (total share buyback amount: 319 million yen).  
1,800,000 shares of treasury stock were retired on March 30, 2017.

(Number of treasury stock retained as of the end of December 2017: 2,416,900 shares)

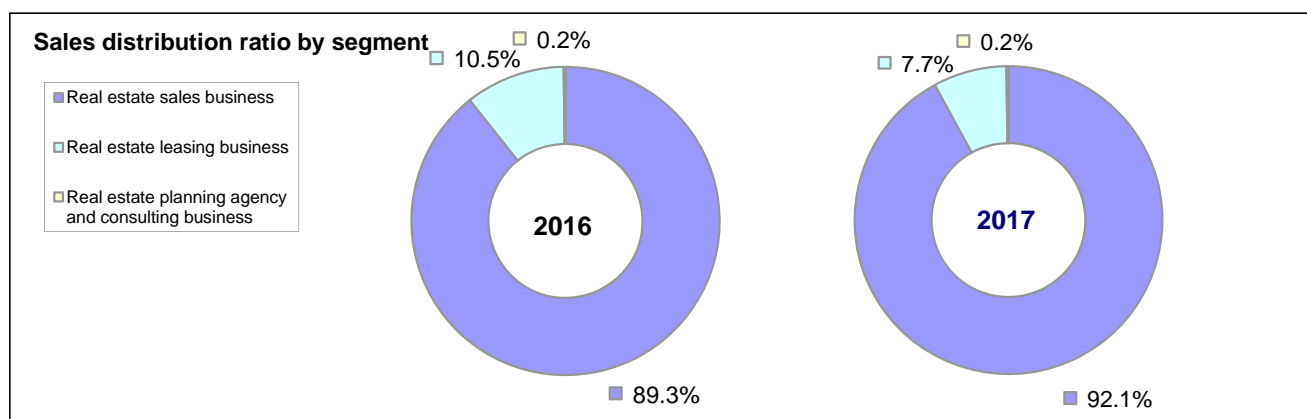
# (Consolidated) Main changes to financial data



## (Consolidated) Segment information

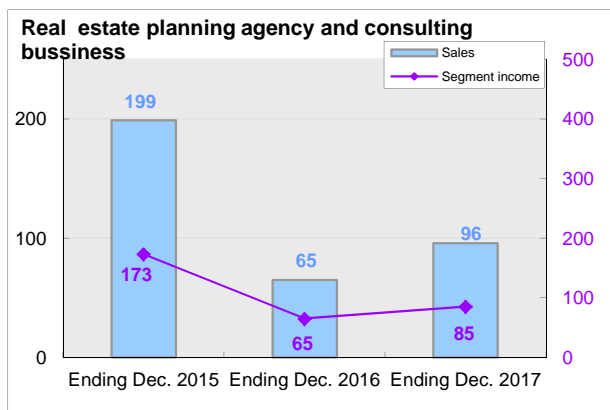
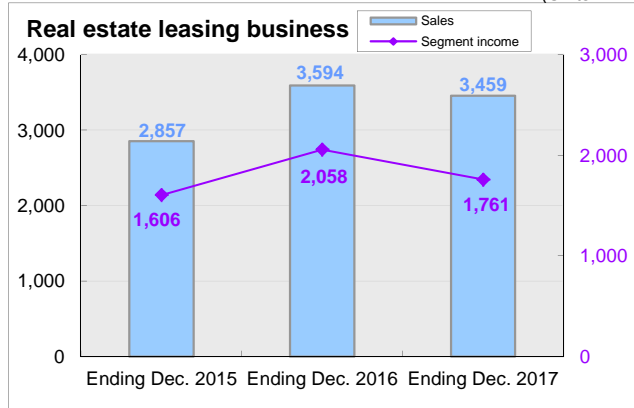
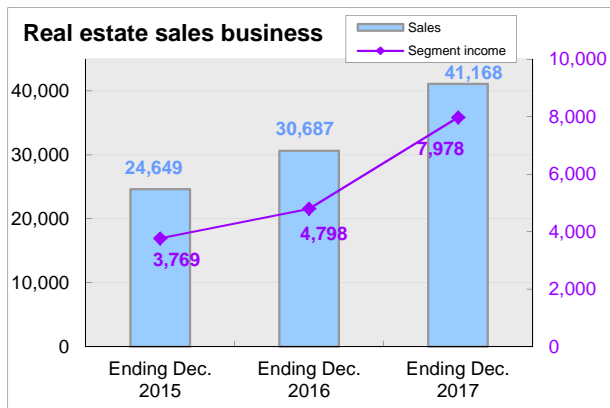
(Units : million yen)

	21st term Ending Dec. 2015	22nd term Ending Dec. 2016	23rd term Ending Dec. 2017
<b>Sales</b>			
Real estate sales business	24,649	30,687	41,168
Real estate leasing business	2,857	3,594	3,459
Real estate planning agency and consulting business	199	65	96
<b>Total</b>	<b>27,705</b>	<b>34,347</b>	<b>44,724</b>
<b>Segment margin</b>			
Real estate sales business	3,769	4,798	7,978
Real estate leasing business	1,606	2,058	1,761
Real estate planning agency and consulting business	173	65	85
<b>Total</b>	<b>5,549</b>	<b>6,921</b>	<b>9,825</b>



## (Consolidated) Changes by segment

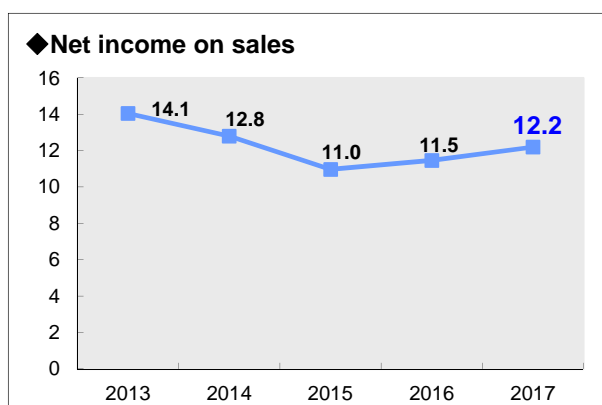
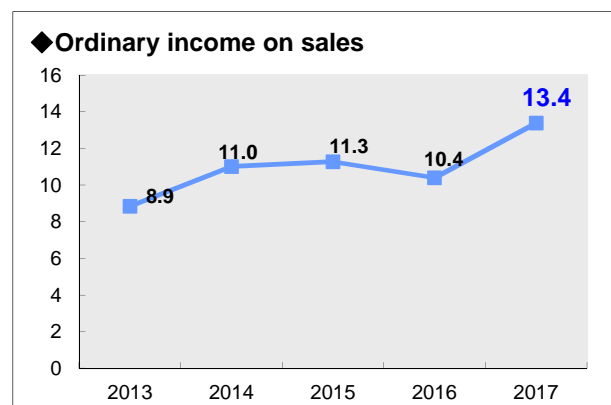
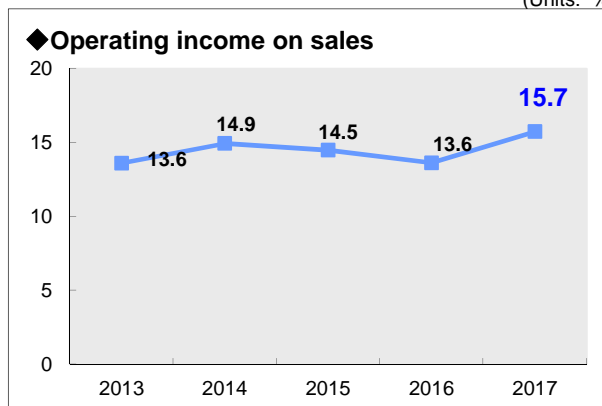
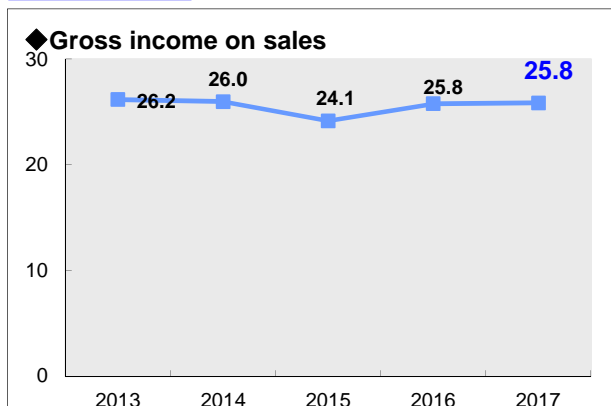
(Units: million yen)



## (Consolidated) Changes to main management indicators

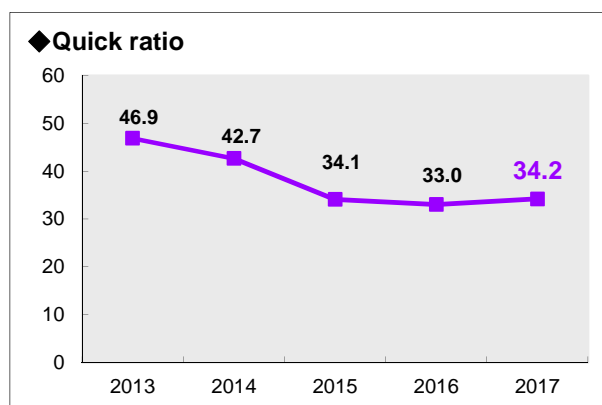
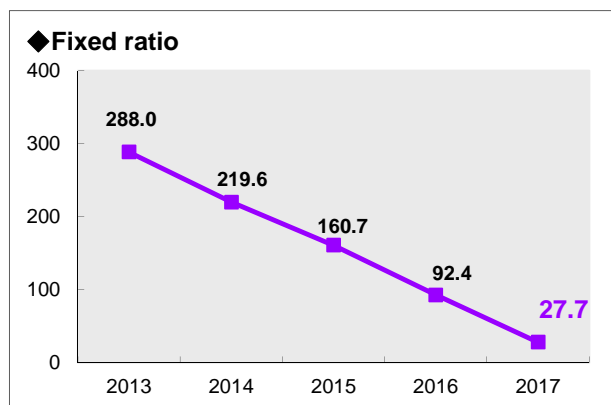
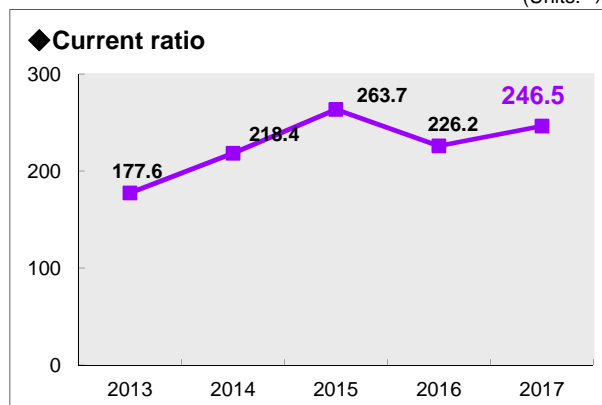
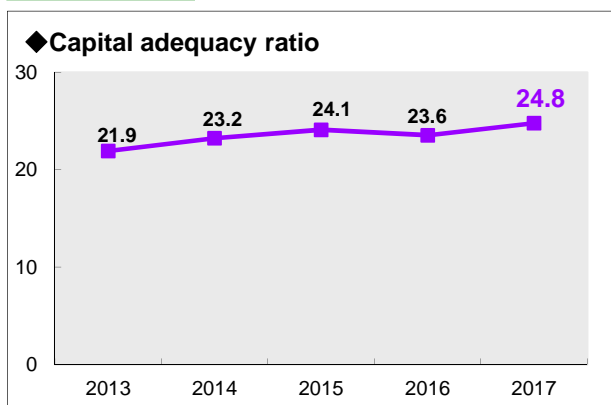
### Profitability

(Units: %)



### Security

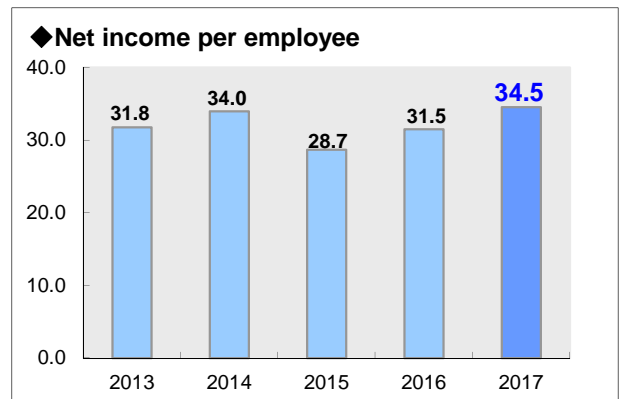
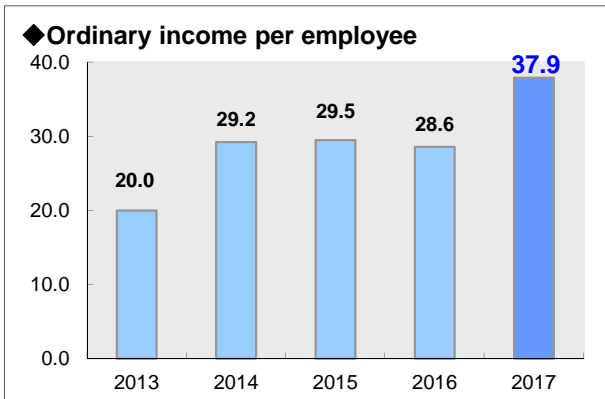
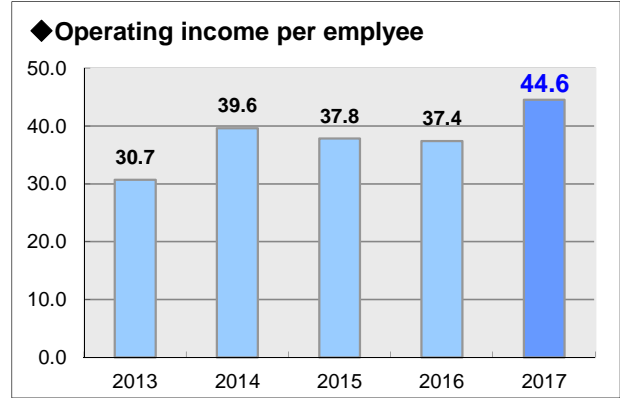
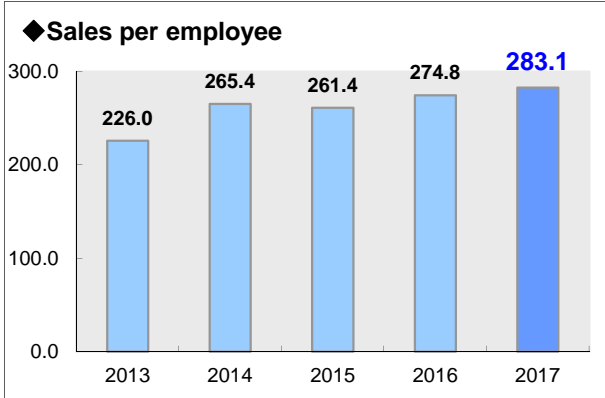
(Units: %)



Quick ratio (%) = [(cash and deposits + notes receivable) - allowance for doubtful accounts] ÷ current liabilities × 100

**Productivity**

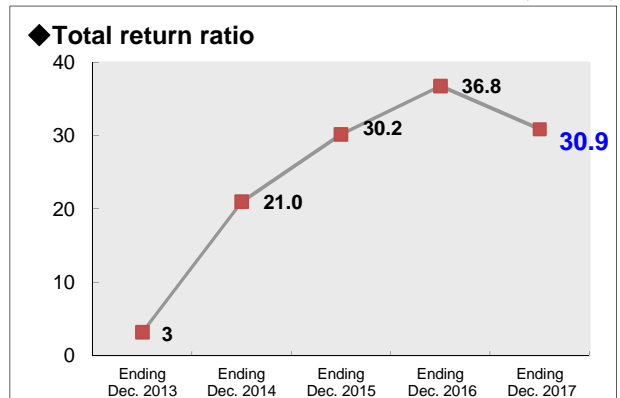
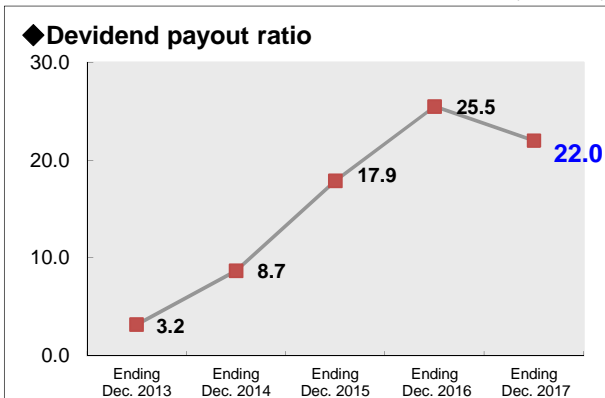
(Units: million yen)



**Dividend payout ratio/Total return**

(Units: %)

(Units: %)



## Share information (as of December 31, 2017)

<b>Total no. of shares</b>	72,000,000 shares
<b>Total no. of shares issued</b>	71,203,387 shares
<b>Total number of shareholder</b>	9,529

\* The total number of shares issued increased by 2,408,500 due to the exercise of share warrants and decreased by 1,800,000 due to the retirement of treasury stock

## Major shareholders (as of December 31, 2017)

Name/title	No. of shares owned (shares)	Ownership ratio (%)
Koryu Oh	10,600,000	15.4
Tenma Seiryu Co., Ltd.	9,000,000	13.1
Nissei Build Kogyo Co., Ltd.	6,500,000	9.4
Sanai Housing Corp.	6,090,000	8.9
Seiryu Asset Management Co., Ltd	3,000,000	4.4
Japan Trustee Services Bank, Ltd.	1,942,800	2.8
Takatoshi Ito	1,198,400	1.7
The Master Trust Bank of Japan, Ltd. (account in trust)	836,100	1.2
NS Corporation	800,300	1.2
Japan Trustee Services Bank, Ltd. (account in trust)	661,000	1.0

\* ES-CON Japan, Ltd., retains 2,416,900 shares of its own stock but is not among the major shareholders listed above.

\* Shareholding ratio is calculated without including treasury stock.

\* Tenma Seiryu Co., Ltd., became a new major shareholder through its acquisition and merger with Seiryu Amusement, K.K., and Seiko Leisure Co., Ltd.

## Changes in capital stock/no. of shares

	Capital stock at end of term (million yen)	No. of shares issued at end of term (Shares)	(Of which treasury stock) (Shares)	Remarks
17th term - 2011	4,211	333,964	81	
18th term - 2012	4,270	35,196,400	8,100	Nov. 2012 Dec. 2012 Third-party allocation of shares (18,000 shares) Stock split (1 share split into 100 shares)
19th term - 2013	5,998	69,748,887	8,100	Jul. 2013 Rights offering (addition of 34,552,487 shares)
20th term - 2014	6,019	70,317,887	1,413,500	Exercise of stock option by executives (addition of 569,000 shares) Nov. 2014 Acquisition of treasury stock (1,405,400 shares)
21st term - 2015	6,029	70,511,887	2,552,400	Exercise of stock option by executives (addition of 194,000 shares) Oct. 2015 Acquisition of treasury stock (1,138,900 shares)
22nd term - 2016	6,034	70,594,887	2,794,100	Exercise of stock option by executives (addition of 83,000 shares) Feb. 2016 Acquisition of treasury stock (241,700 shares)
23rd term - 2017	6,224	71,203,387	2,416,900	Exercise of stock option by executives (addition of 2,408,500 shares) Mar. 2017 Retirement of treasury stock (decrease of 1,800,000 shares) Jan.-Dec. 2017 Acquisition of treasury stock (1,422,800 shares)



## Company overview (as of December 31, 2017)

<b>Established</b>	April 18th, 1995
<b>Capital stock</b>	6,224,000,000 yen
<b>Sales</b>	44,724,000,000 yen
<b>No. of employees</b>	158 (consolidated), 123 (parent only)
<b>Locations</b>	Tokyo Head Office 12th Floor, Try Edge Ochanomizu, 4-2-5 Kanda Surugadai, Chiyoda-ku, Tokyo 101-0062 Osaka Head Office 13th Floor, Meiji Yasuda Seimei Osaka Midotsuji Building, 4-1-1 Fushimimachi, Chuo-ku, Osaka-shi, Osaka 541-004 Fukuoka Branch 9th floor, Yasuda No. 7 Building, 13-15 Kamikawabata-machi, Hakata-ku, Fukuoka-shi, 812-0026
<b>Main business activities</b>	Real estate sales business, real estate leasing business, real estate planning agency and consulting business

## Affiliated companies

Company name	Capital stock (million yen)	Main business activities	Ratio of voting rights owned (%)
(Consolidated subsidiary) ES-CON Property Co., Ltd.	10	Commercial facility management Condominium management	100.0
(Consolidated subsidiary) ES-CON Asset Management Co., Ltd.	100	Investment management, Type II financial instruments business, investment advice, agency Real estate management and renovation, operation of hotels and restaurants	100.0
(Consolidated subsidiary) ES-CON Living Service Ltd.	40	Real estate sales business Real estate leasing business	100.0
(Consolidated subsidiary) E-STATE Co., Ltd.	10	Real estate sales business Real estate leasing business	— [100.0]
(Consolidated subsidiary) Aries Investment Two, LLC	3	Real estate sales business Real estate leasing business	— [100.0]
(Equity method affiliates) NBNS Investment Limited Liability Partnership	2,060	Real estate leasing business	50.0 (4.9)

\* Items in [ ] indicate ownership ratios held by close or assenting individuals and are not included in the above figure. The items in ( ) indicate ownership ratios for shares held by consolidated subsidiaries and are included in the above figure.

For inquiries regarding this matter:

**ES-CON Japan IR Information Inquiry Desk**

**06 - 6223 - 8055**



(Operating hours: 9:00-18:00 on weekdays, closed on weekends and public holidays)