



ES-CON JAPAN Ltd. Integrated Report 2025



ES CON

Ideal to Real

Japanese trade name changed
from ES-CON JAPAN to
ES CON

The trade name ES CON combines the words “real estate” and “constellation,” reflecting ES-CON JAPAN’s founding vision and expressing a driving ambition to be a constellation in the real estate industry in which all those connected by ES-CON JAPAN act as lights of many colors that harmonize beautifully, shining brightly into the future.

Our participation in the development project centered on ES CON Field Hokkaido and securing the naming rights to the stadium has significantly raised the profile of the ES CON name across Japan. In response to these changes, ES-CON JAPAN has adopted the new Japanese trade name “ES CON” to further strengthen the corporate brand as the basis for advancing into global markets. The new trade name embodies our resolve to continue to pursue our ideals across Japan and around the world.

While remaining a company committed to bringing ideals into reality, we will continue to take on bold challenges —as expressed by our company name—as a constellation in the real estate industry.

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Foreword

To our shareholders and all stakeholders

Minoru Nakanishi
Senior Executive Officer
Head of Management Planning Division

Thank you for your interest in the ES-CON JAPAN Ltd. Integrated Report 2025.

This report aims to report business results for the relevant period as the yields from our business activities, and to help the reader understand the ES-CON JAPAN Group's sustainable growth process and the feasibility thereof. This report refers to various guidelines to provide all stakeholders, including shareholders and investors, with financial information and non-financial information in a structured manner to improve overall understanding of the Group and facilitate mutual dialogue.

The younger generation of ES-CON JAPAN employees played a central role in preparing this report. It is filled with their fresh sensibilities, free thinking, and strong passion for the future, and I believe it has succeeded in more clearly describing ES-CON JAPAN's present and future. By deeply understanding ES-CON JAPAN's value-creation process and seriously discussing how best to convey it to stakeholders, the young employees themselves have been able to grow to be even more vital assets to the Company.

I hope that through this Integrated Report we will be able to further intensify dialogue with stakeholders in order to build an even brighter future. I would encourage readers to look forward to seeing what the ES-CON JAPAN Group can do as we take on further challenges in the years to come.



Key members of the Integrated Report production team
(in their second to fifth years with the Company)

This report has been prepared with reference to the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 from the Ministry of Economy, Trade and Industry of Japan and the IFRS Foundation's International Integrated Reporting Framework.

- Published: August 2025
- Scope of coverage: ES-CON JAPAN Ltd. and Group companies
- Reporting period: Fiscal year ended March 31, 2025 (April 2024 through March 2025)

The report also contains material information that does not correspond to the above period.

The ES-CON JAPAN Group Management Philosophy Framework

In November 2023, to ensure sustainable long-term growth come what may, the Group revised the framework of the management philosophy by taking a fresh look at the Group's social significance. United under the management philosophy framework, the basis of our business activities, the entire Group will work as a team to continue contributing to society and to ensure sustainable growth.

PURPOSE

—The Group's raison d'être in society and the value of its presence from society's perspective—

Ideal to Real

Bringing ideals into reality to create a new future

We create value rooted in the community, helping to bring about cherished cities and living environments in which residents can take pride. The value we create represents our contributions to society. Consequently, each of us seeks to realize original forms of self-actualization through that value. While designing an ideal future, we will be creating a new future, with the aim of being regarded as a unique, essential presence by all our shareholders.

VISION

—Our ideal shape for achieving our Purpose—

Life Developer

To develop not just buildings but the lives of those who live in them, with their happiness in mind—this is the kind of lifeways developer we aspire to be. Through solutions proposed by cross-departmental teams made up of the best and brightest minds, we create a new prosperity unprecedented in the real estate industry, thereby connecting people with people and communities with the future.

PRINCIPLES OF ACTION

—Principles formulated to realize our Vision—

1. Provision of new value

We will use our information networks, planning ability, and product development expertise to tap the unlimited potential of real estate and to create new value that responds to every need of our clients.

2. Sustainability management

We will respond to various social challenges with precision and pursue scenarios in which our company and society can grow sustainably and side by side.

3. Growth and stability

Rather than pursuing volume and scale, we aspire to achieve high-quality growth based on a keen awareness of capital and cash efficiency. At the same time, we seek to build firm financial and operational foundations capable of accommodating a broad range of business risks.

4. Management awareness

We will strive to achieve a strong offense in management that is always one step ahead by ensuring that all Group employees are aware of management issues and by continuing to be a company that practices rapid decision-making.

5. Compliance

We will comply with all applicable laws, regulations, and societal norms both within and outside Japan; maintain a keen awareness of compliance and governance issues; take appropriate action as human beings; and form an organization with great bottom-up communication.

6. Gratitude

We will act at all times in ways that demonstrate our clear appreciation and respect for colleagues, whether within or outside the company. We will seek to build and maintain strong working relationships.




Our Businesses

As a "Life Developer" that develops the very lives of people, the ES-CON JAPAN Group meets multifaceted real estate needs through a diverse range of real estate businesses, including the condominium business.

Condo-minium Business

In the condominium business, one of our core businesses, by anticipating the lives of residents five to ten years into the future, we develop concepts that will bring out the appeal of the land to the fullest, to deliver ways of living and value like no other in the world. Our condominium brands include Le JADE and DIAMAS high-end residences.



DIAMAS Hayama

▶ pp. 31-32

Real Estate Development Business

By maximizing our diverse development know-how as a general developer, we promote the development of a wide range of revenue-generating properties, including commercial facilities, logistics facilities, hotels, and offices. We contribute to society by stimulating local communities through the planning and development of properties suited to community characteristics and needs, in ways that only we can.



seven x seven Itoshima (all units sold)

▶ pp. 33-34

Real Estate Leasing Business

We secure stable revenue (stock revenue) from rent collected on Group-owned commercial facilities and rental condominiums, including tonarie community-based commercial facilities and the TOPAZ rental condominium brand.



tonarie Fujimino

▶ pp. 35-36

Asset Management Business

We strive to maximize the value of real estate properties through property management of Group-owned commercial facilities, rental condominiums, etc. (PM business) and asset management of REITs and private investment funds (AM business).

- ES CON PROPERTY
- ES CON LIVING SERVICE
- ES CON ASSET MANAGEMENT
- ES CON INVESTMENT PARTNERS

▶ pp. 35-36

Other Business

Our overseas business—our next growth engine—is active primarily in markets like Asia and Hawaii. We also deploy multifaceted businesses, including the columbarium business and the brokerage and consulting business, as we create new real estate businesses to meet the needs of today, beyond the framework of a developer.



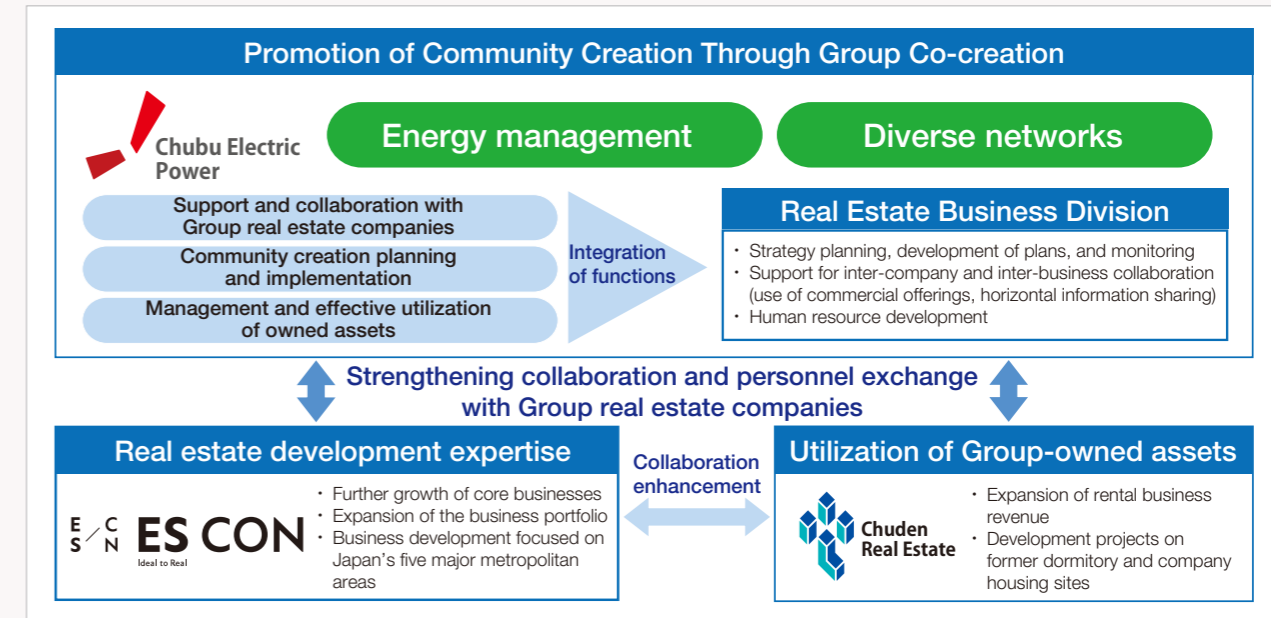
BRITANIA BANGNA KM.39

▶ pp. 37-38

In Pursuit of Ideal Modes of Life —The roll-out of urban development—

Chubu Electric Power establishes the Real Estate Business Division

We're accelerating urban development that makes the most of our development expertise and multifaceted business creativity as a general developer. Our parent company, Chubu Electric Power, sees the real estate business as an important pillar of new growth areas. In April 2025, it established the Real Estate Business Division, in order for Chuden Real Estate, ES-CON JAPAN, and the Chubu Electric Power Group to work together as one to accelerate the further growth of this business through the integration and enhancement of functions for community planning and development, collaborating with Chubu Electric Power Group companies, and putting its real estate holdings to effective use (real estate business ordinary income target for the fiscal year ending March 2026: 20 billion yen). As a member of the Chubu Electric Power Group, we promote sustainable community building in harmony with the region, that evolves with the times and environment.



Our strengths in urban development

Urban development track record

- Track record of involvement in a number of mixed-use station square and other development projects in major regional cities
- Participation in urban development at Hokkaido Ballpark F Village and in the JR Kitahiroshima Station West Area

▶ pp. 7-8

Topics.....

We established ES-CON Sports & Entertainment Ltd. in 2023. Collaborating with Fighters Sports & Entertainment and DeNA, we've established a framework for accelerating urban development centered on sports across the nation.

▶ p. 38

Real estate development know-how

- Various development capabilities as a general developer
- Thorough product planning that doesn't chase volume
- Tripartite coordination capability among organizations responsible for land procurement, planning, and sales
- Rapid decision-making and execution made possible by field staff and management working as one

ES-CON JAPAN as a member of the Chubu Electric Power Group

- Acquisition of urban development projects that take advantage of Chubu Electric Power's networks
- Utilizing Chubu Electric Power Group's energy management know-how (decarbonization approaches such as the use of renewable energy)
- Further creating synergies by stimulating exchange of human resources with the Chubu Electric Power Group
- Deployment of joint urban development projects with Chuden Real Estate

Examples



* MIRAI Design Power Co., Inc., a member of the Chubu Electric Power Group, supplies heat (cold water/steam) through pipelines and centrally manages air-conditioning, hot water supply, and other systems for multiple buildings in the Tsukuba Station Square area, as a district heat supply project that offers effective environmental, urban scenic, and disaster-prevention solutions while also putting energy to effective use.

Hokkaido Ballpark F Village



Hotel
Hotel under a brand operated by the Banyan Group, a leading independent international hospitality group. Slated to open in September 2027.



Condominiums
Handover of Le JADE Hokkaido Ballpark completed in March 2023.



Senior residences
Occupancy of MASTERS VARUS Hokkaido Ballpark began in June 2024.

Special Feature

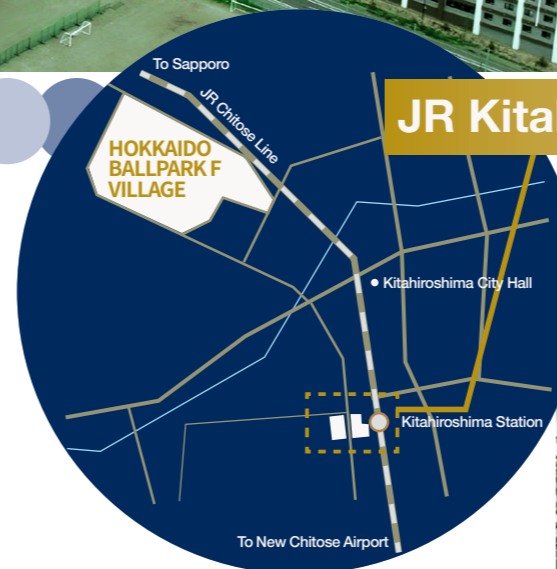
Creating New Value and Vitality Through Urban Development

Hokkaido Ballpark F Village and JR Kitahiroshima Station West Area vitalization project

We participate in the development of various real estate properties in Hokkaido Ballpark F Village, the areas centered on the home stadium of the Hokkaido Nippon-Ham Fighters professional baseball team. We also secured naming rights to the stadium, which opened in 2023.

At JR Kitahiroshima Station, an important access point for the stadium, we're improving and developing the station area in cooperation with the city.

Plans call for the opening of a new station near the stadium in 2028 and the relocation to F Village of the campus of Health Sciences University of Hokkaido, so further development is expected in the area. The Group is committed to contributing to urban development to create vitality to the entire Kitahiroshima area over the coming five to 10 years.



JR Kitahiroshima Station West Area



Urban structure facing challenges

- Station vicinity lacking vitality and appeal
- Outflow of urban functions due to low centripetal force
- Shrinking population due to declining birthrate and aging society
- Maintaining a planned urban area built 50 years ago

- Opening the ballpark
- Vitalizing the station west area

Sustainable urban structure

- Improving appeal by vitality and enhanced interactions
- Residential environment for diverse generations
- Attracting urban functions through stronger centripetal force
- Increasing fixed residency, interactions, and tourist population
- System for locally maintaining and managing the community

New urban development in the Chubu area

Drawing on the trust as a member of the Chubu Electric Power Group, we've acquired land for and participated in multiple large-scale urban development projects in the Chubu area.



Kariya, Aichi Prefecture (approx. 31,000 tsubo = 102,500 square meters)
Land acquired September 2024

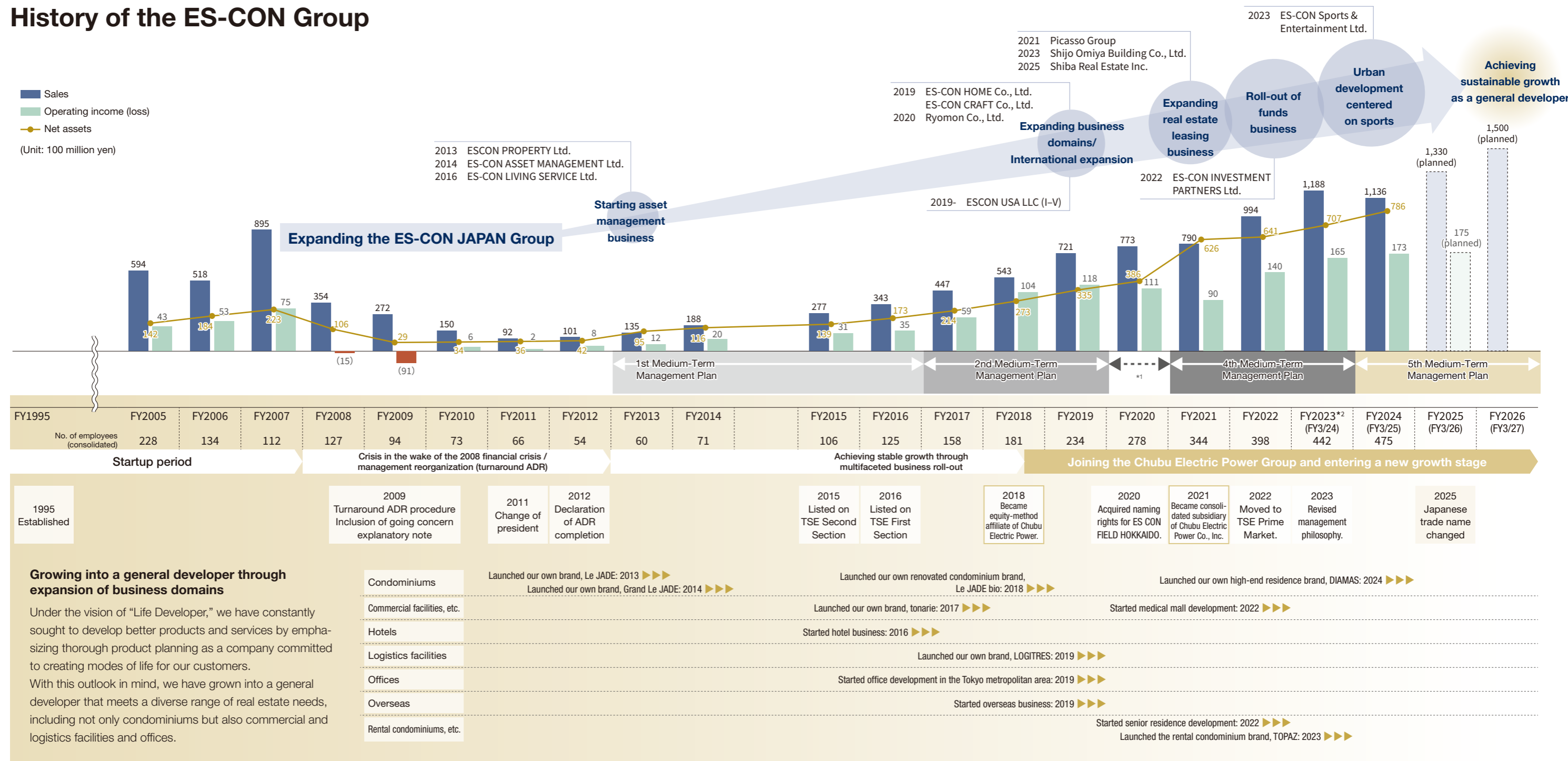


Toyota, Aichi Prefecture (approx. 12,000 tsubo = 39,700 square meters)
Land acquired January 2025



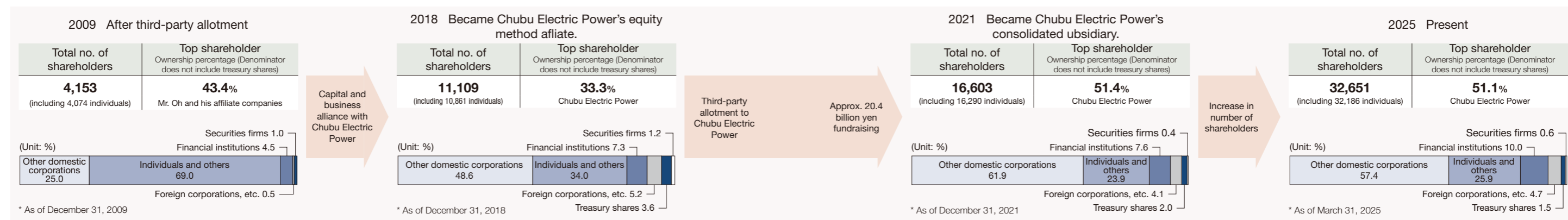
Development project on the former Nagoya Horse Racing Track site
Participated in project in 2022

History of the ES-CON Group



*1 The 3rd Medium-Term Management Plan was withdrawn due to uncertainties in the business environment attributable to COVID-19.
 *2 Due to a change in the accounting period, FY2023 spans 15 months from January 1, 2023 through March 31, 2024.

Changes in capital structure



Message from the CEO

Taking ES-CON JAPAN to the next stage alongside our stakeholders as a constellation in the real estate industry shining under our unchanging purpose “Ideal to Real”

Upon the 30th anniversary of our founding in 2025, we changed our Japanese trade name from ES-CON JAPAN to ES CON. This decision is more than a simple name change; it embodies our resolve to evolve into a presence that further embodies our purpose of bringing ideals into reality. This means to create a new future by giving concrete form to the ideal, in step with our founding philosophy, and connecting more deeply and more flexibly with our stakeholders as a constellation in the real estate industry that continues to shine by connecting with all stakeholders, like stars in a constellation.

In recent years, the ES CON brand has steadily gained wider recognition across Japan by securing naming rights to the home stadium of the Hokkaido Nippon-Ham Fighters professional baseball team in the city of Kitahiroshima, Hokkaido, and the JR Kitahiroshima Station West Area vitalization project. Amidst this momentum, we've chosen to redefine ourselves as an enterprise that embodies the ideals of society while working closely in people's lives under the ES CON brand name. We believe this is our responsibility and our challenge.

Looking Back on the First Year of Our 5th Medium-Term Management Plan

For the fiscal year ended March 31, 2025, we achieved record-high earnings, with operating income of ¥21.3 billion and ordinary income of ¥17.3 billion, both exceeding our initial targets. A look at the performance of individual business segments also shows steady progress, largely in line with plans. Among these, earnings from the three business pillars of the condominium business, the real estate development business, and the real estate leasing business provided well-balanced contributions to business results, and I'm confident that our stable earnings structure has begun to function effectively.

With segment income of 12 billion yen, the condominium business was able to secure stable earnings even though

construction costs continued to rise. Since our founding, we've consistently maintained the basic policy of competing more based on the strength of our products than our sales capabilities. Rather than merely pursuing supply volume, we have steadily delivered high-quality residences based on carefully selected land procurement and strong product planning capabilities.

The Real Estate Development Business maintained a high segment profit of ¥10.2 billion by promoting the development and sale of diverse assets. As a general developer, we will continue developing various assets, including commercial facilities, logistics facilities, hotels, and office buildings, and meeting diversifying needs.

Combined segment income of the real estate leasing business and the asset management business, which form the pillars of our stable earnings, reached approximately 8 billion yen, accounting for more than 26% of total income. Behind this strong performance is the shift from flow-oriented management to stock-oriented management realized under the 4th Medium-Term Management Plan. Our credit and funding capabilities were strengthened when we became a consolidated subsidiary of the Chubu Electric Power Group in 2021, building on our earlier capital and business partnership, and through M&A activities we added subsidiaries that hold numerous outstanding and highly profitable properties, such as the Picasso Group and Shijo Omiya Building. These initiatives have enabled us to break free from the previous business structure that tended to be dependent on flow revenues and establish a solid foundation for stable earnings.

Based on this steady performance in the fiscal year ended March 31, 2025, we've revised upward our operating income plans for the fiscal years ending on March 31, 2026, and March 31, 2027. As a result, I'm even more confident that we will achieve the growth forecasts for the entire period of the 5th Medium-Term Management Plan, and our path to sustainable growth in corporate value is even clearer.



Takatoshi Ito
President and Representative Director
ES-CON JAPAN Ltd.

Message from the CEO



Building an investment cycle-based business model and creating new value

The fiscal year ended March 31, 2025 was a year in which we at last began moving on initiatives toward an investment cycle from development through holding, operation, and redevelopment, which will be key to our future growth. Examples include our acquisition from ESCON JAPAN REIT Investment Corporation of three properties with a view to redevelopment. The real estate industry today is transforming from one of simple development and sale to an investment cycle-based business model that encompasses ownership, operation, and redevelopment. We have established a structure able to complete all stages of the investment cycle within the Group from development through ownership and operation, sale to REITs and investment funds, repurchase of aged properties, and redevelopment. As such, we see ourselves as an essential player in the community metabolic process.

In addition to the investment cycle-based business, we also see solving local issues as a pillar of future growth. In recent years we have focused in particular on development that addresses head on social issues, including the revitalization of aging railway station-square commercial facilities and mixed-use urban development in local cities. In the redevelopment of railway station commercial facilities in locations like the city of Tsukuba, Ibaraki Prefecture, we've launched projects based on our own expertise and credit, without relying on subsidies. We are also making

progress on acquisition of large-scale development sites in the Chubu area, including ones in the Aichi Prefecture cities of Kariya and Toyota, and are moving forward with designing and creating the community's future alongside local communities.

These initiatives have been enabled by our increasingly strong ties with the Chubu Electric Power Group. In April 2025, Chubu Electric Power established the new Real Estate Business Division, which includes two staff members seconded from ES-CON JAPAN. Progressive mutual exchange of expertise between both companies is creating new value in complex domains where energy, infrastructure, the environment, and real estate intersect.

We are also making steady progress on entering overseas markets. Our luxury condominium sales and marketing partnership with a local developer in Honolulu, Hawaii is proceeding smoothly. Our focus is on creating value with roots in the community, alongside partners who share our philosophy. This approach is oriented toward overseas expansion through business initiatives, rather than mere financial investment, and we believe results in laying solid groundwork for the full-fledged launch of the overseas business segment in the future.

Sustainability management centered on people and communities

In April 2025, we established the new Sustainability Promotion Committee, on which I myself, as President, serve as chairperson. This committee consists of three subcommittees: the Environment Committee, Social Committee, and Human Rights Committee. Previous efforts based on individual staff responsible have evolved to a cross-organizational Groupwide structure based on commitment at the management level. As a result, we're able to address society's strong demands in areas like decarbonization and diversity strategically, based on clear responsibilities.

On the environmental front, adoption of ZEH condominiums is progressing rapidly. In the fiscal year ended March 2025, 88.2% of condominiums had earned ZEH certification. This percentage is planned to reach 100% in the fiscal year ending March 2026 and beyond. This results from thoroughly reflecting energy efficiency in design from the initial development stage, and it embodies our philosophy of incorporating long-term environmental value into residences themselves.

Examples of our social initiatives include multifaceted efforts at tonarie Kitahiroshima (Kitahiroshima, Hokkaido) as

a partner in creating a community, including holding various events for community residents and a commemorative furniture project in which local high school students recycled trees felled during construction into furniture. This development approach of sharing memories and value with regional communities is expanding across Japan, resulting in development that does not end with construction completion but maintains everyday vitality and peace of mind by staying close to members of the community. Our view of sustainability is based on our commitment to this approach, which we consider to represent the essence of ES-CON JAPAN itself.

People represent another cornerstone of corporate sustainability. In FY2024, we conducted an employee engagement survey and achieved a female hiring ratio of 32.1%. Furthermore, in May 2025 we increased base salaries by 8.5% on average. In these and other ways, we've strived to enhance our human resources and organizational foundations. The organization is developing the flexibility to embrace diverse values, and by firmly establishing a corporate culture of fairness in which performance is evaluated fairly and reflected in promotion, we're building an environment in which each and every employee can take on challenges with pride and responsibility.

To remain a company aiming to grow into a celebrated tree

One of our mottoes we hold dear says that we should aim to grow into not a large tree, but a celebrated tree. This expresses our creed of being a one-of-a-kind company that is trusted by all stakeholders, rather than competing based on scale and capital alone.

Examples of this approach include attentive follow-up condominium aftersales service, support for community events at commercial facilities after they open, and area management to maintain the vitality of communities. No one of these efforts is directly linked to short-term profits. In fact, they may be said to have intangible value. But we believe the true essence of a company is found in such efforts, each of which I'm confident is the source of customer trust, employee pride, and empathy from the community.

A celebrated tree is one that grows steadily with deep roots while withstanding wind and snow. Over time, it becomes a landmark recognized from generation to generation. We, too, want to be a presence that builds value over the long term while interacting sincerely with society and the community and building up trust, rather than a fast-growing flash in the pan.

Connecting value to step into the future

Our businesses are not ones we run on our own. We can realize our purpose of bringing ideals into reality only by accumulating trust and performance with all stakeholders, including shareholders, business partners, customers, communities, governments, and individual employees.

Moving forward, we aim to remain a company that continues realizing sustainable growth—our mission as a publicly traded company—while contributing to a more enriched society and peace of mind in people's lives. To do so, it is vital that we further refine the essence of ES-CON JAPAN. Like the constellation that inspired our company name, we will combine individual strengths of all people connected to ES-CON JAPAN to harmonize them beautifully, thereby creating new value and an ever-shining future.

Powered by the continued support of all stakeholders, we will move forward with strength and integrity into the next 30 years.



Value Creation Process

ES-CON JAPAN's value creation process is a cycle of utilizing various management resources as inputs to further enhance management resources through the outputs that the Group delivers (multifaceted real estate businesses) and the outcomes that result from them (value, results). For the future of society and local communities, we're committed through this value creation process to creating a new future in accordance with our purpose, Ideal to Real, as an entity like no other for all our stakeholders.

External environment recognition

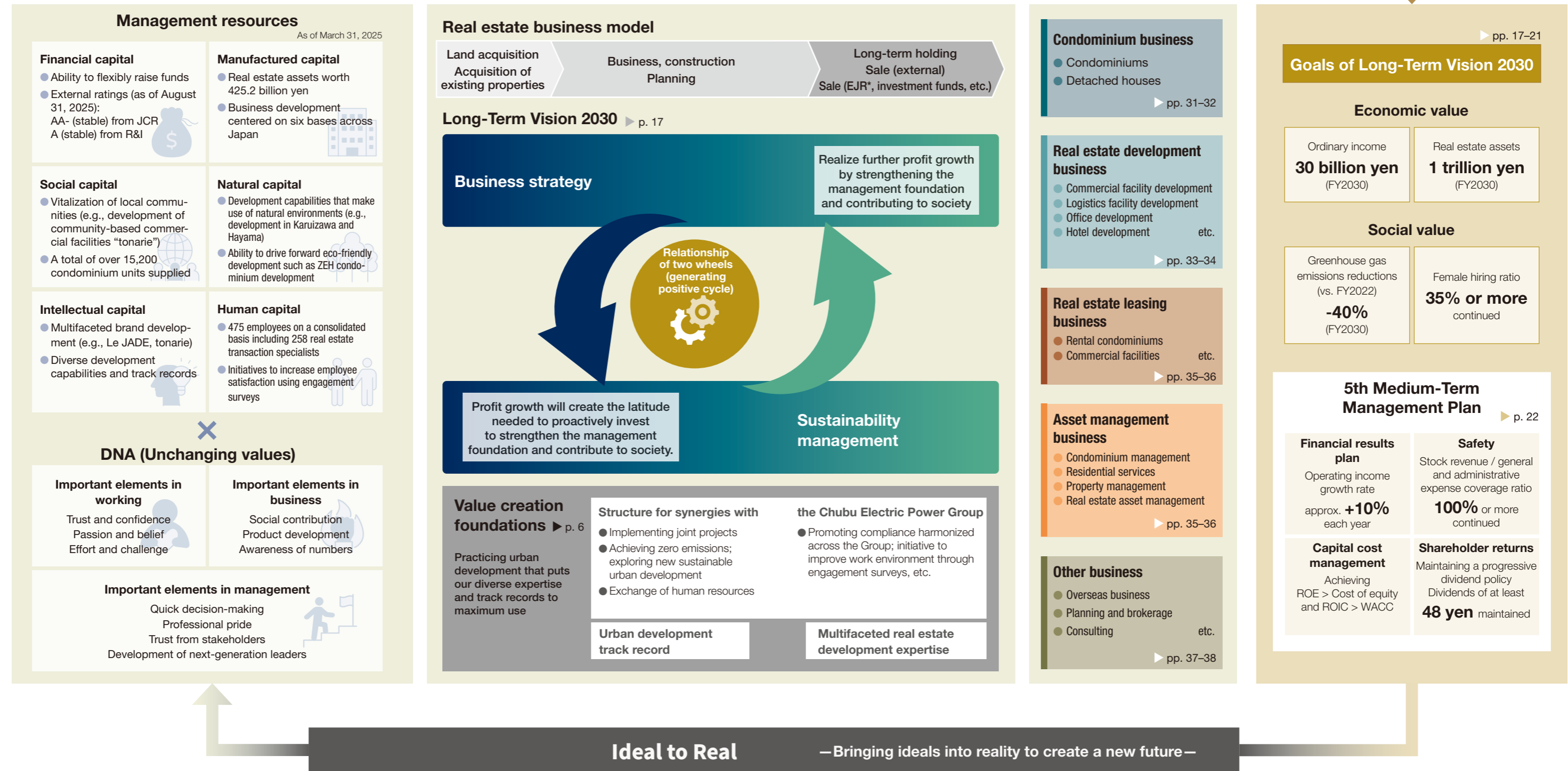
<p>Positive aspects</p> <ul style="list-style-type: none"> ● Expanding development opportunities due to accelerated population concentration in central areas ● Expanding businesses that target the wealthy ● Expanding hotel development opportunities due to increase in inbound demand 	<p>Negative aspects</p> <ul style="list-style-type: none"> ● Growing concerns over geopolitical risks ● Increases in construction costs and other costs ● Labor shortages everywhere
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Inputs

Business model

Outputs

Outcomes



* EJR: ESCON JAPAN REIT Investment Corporation

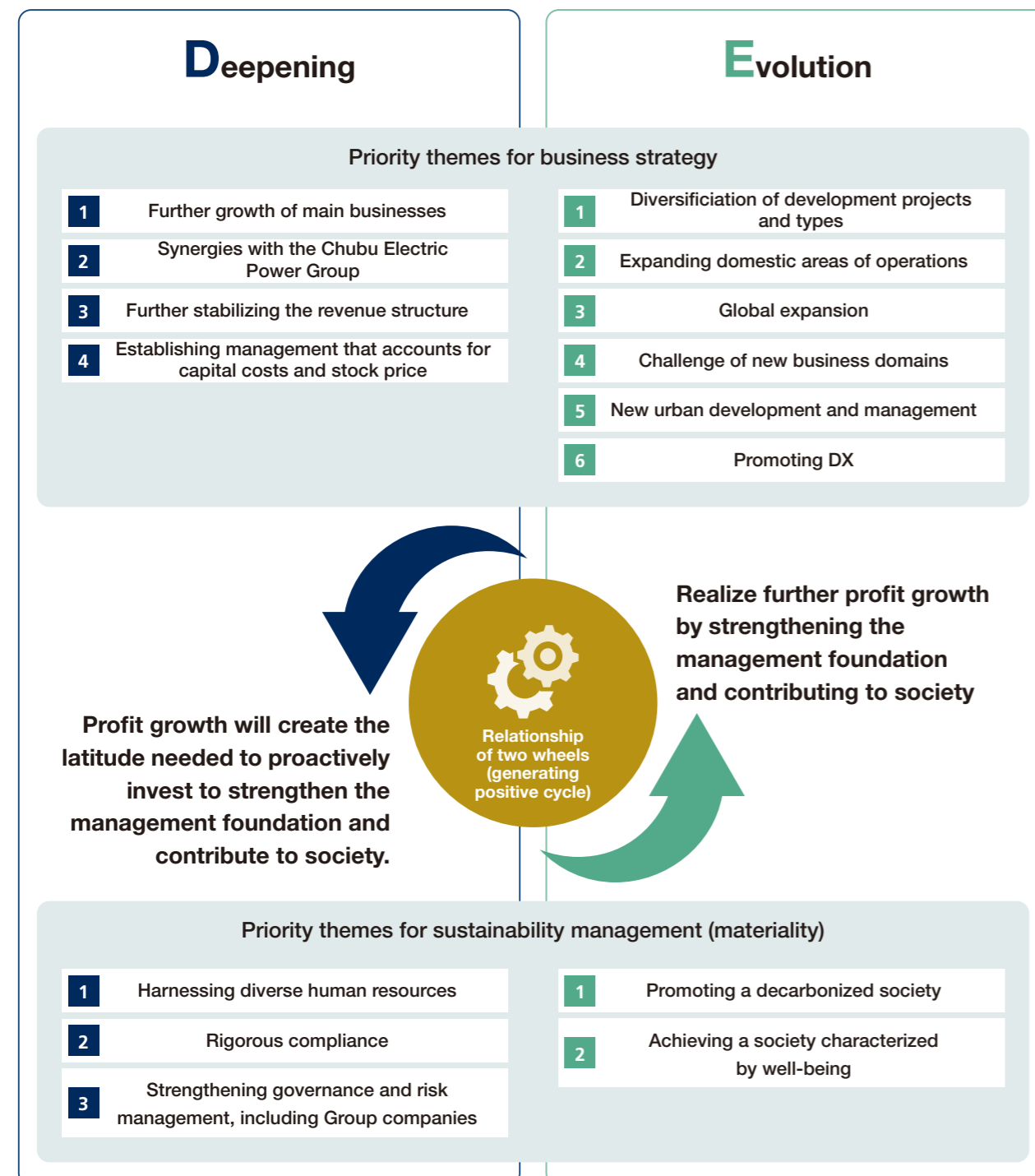
Long-Term Vision 2030

Generating positive cycle for sustainable growth on two wheels of business strategy and sustainability

management and raising true corporate value not indicated by financial indicators alone

In March 2024, we formulated the Long-Term Vision 2030 and 5th Medium-Term Management Plan as guidelines and strategies for achieving sustained long-term growth. As we have set the two axes of “deepening” and “evolution” as directions we should take in the years leading to FY2030, we will advance various initiatives.

Targeted directions

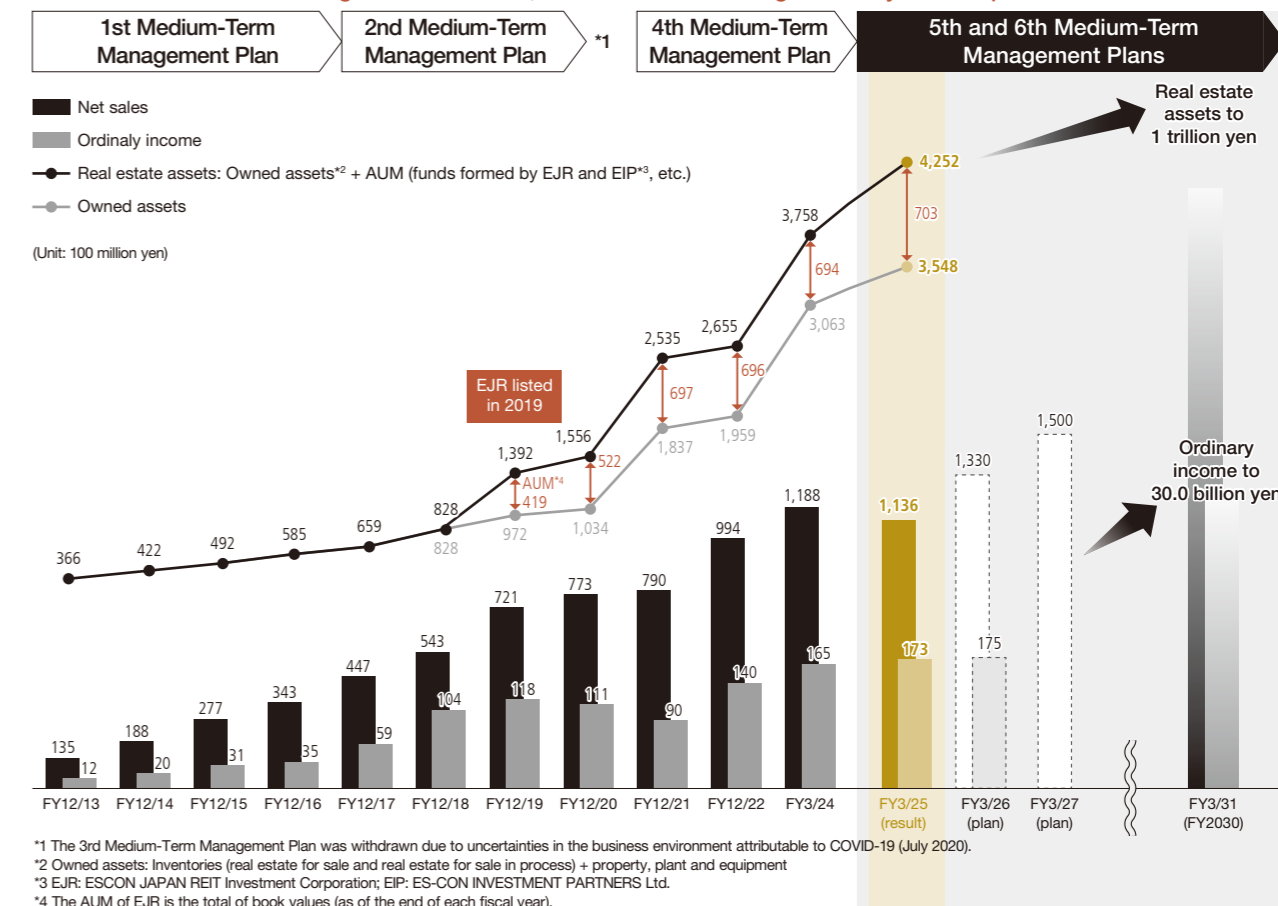


Overview of Long-Term Vision 2030

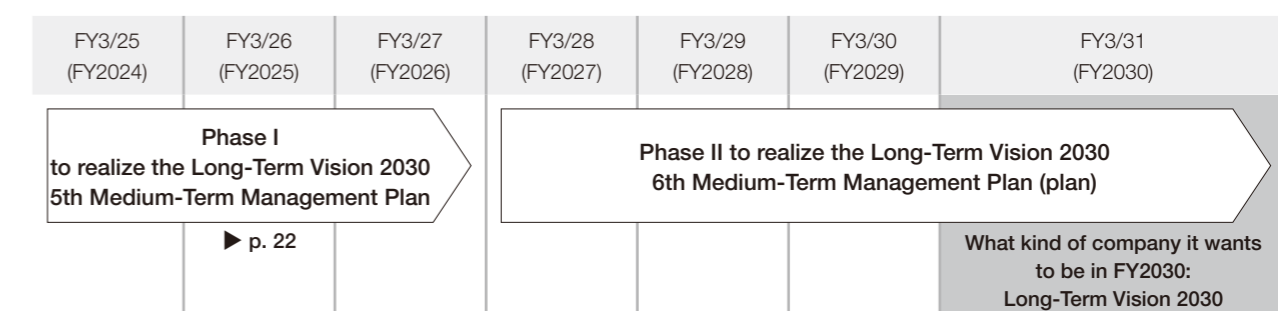
FY2030 Indicators
 Ordinary income **30.0** billion yen
 Real estate assets **1** trillion yen

Financial results trends

Since the 1st Medium-Term Management Plan, we have continued to increase revenue in a stable manner. Under the Long-Term Vision 2030, we will continue working to steadily raise corporate value.



Seven-year timeline to FY2030



Targeted directions — Priority themes for business strategy

We're promoting the following initiatives as priority themes for business strategy, one of the two wheels for achieving Long-Term Vision 2030:

Deepening

1 Further growth of main businesses

- **JR Kitahiroshima Station West Area vitalization project**
Opening tonarie Kitahiroshima and ES CON Field Hokkaido Hotel Kitahiroshima Ekimae (March 2025)
- **High-end residential development**
Developing high-value-added products that make the most of the distinguishing features of their locations, including DIAMAS Hayama and SEVENS VILLA Karuizawa



JR Kitahiroshima Station West Area vitalization project

SEVENS VILLA Karuizawa

2 Synergies with the Chubu Electric Power Group

- **Joint projects with Chuden Real Estate (urban development)**
Integrated development of residences, a clinic mall, a licensed nursery school, commercial facilities, and a park on the roughly 20,000-tsubo site of TSUNAGU GARDEN Senri Fujishirodai
- **Establishment of the Chubu Electric Power Real Estate Business Division (April 2025)**
Enhancing community planning and development by consolidating Chubu Electric Power's internal real estate sections
- **Exchange of human resources**
Active exchange of personnel between both companies, including dispatch of one director from Chubu Electric Power to ES-CON JAPAN



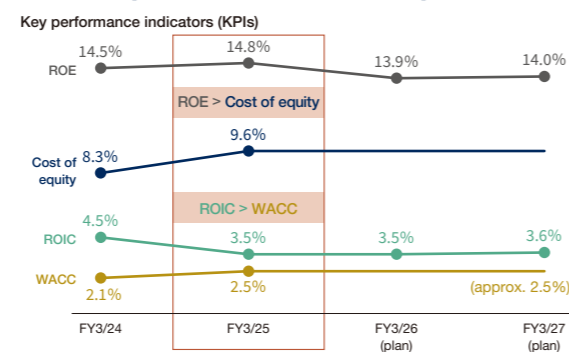
TSUNAGU GARDEN Senri Fujishirodai

3 Further stabilizing the revenue structure

- **Shiba Real Estate Inc. made a subsidiary**
Following the transfer of part of the real estate business operated by Mitsubishi Chemical Corporation and its subsidiary Dia Rix Corporation to the newly established Shiba Real Estate Inc. through an absorption-type split, we acquired all shares of stock in Shiba Real Estate (April 2025).
- **Issue of bonds with early redemption option (first issue: 7.4 billion yen; second issue: 10 billion yen)**
- **JCR credit rating changed (from A+ [positive] to AA- [stable]) (August 2025)**

4 Establishing management that accounts for capital costs and stock price

- **Realizing profit growth (to meet stakeholder expectations)**
- **Capital efficiency awareness (promoting management conscious of maintaining ROE > Cost of equity and ROIC > WACC)**
- **Aggressive returns to shareholders (continuing the progressive dividend policy and aggressive shareholder returns during the period of the 5th Medium-Term Management Plan as well)**
- **Constructive dialogue with shareholders and institutional investors (IR activities supervised and implemented by the representative director and the IR Office)**



Evolution

1 Diversification of development projects and types

- Began sales of Le JADE Sapporo Odori The Tower condominium units that allow minpaku private lodging (November 2024)
- Randor Hotel Sapporo Heritage project to pass along the history of the site, now underway
- Three properties acquired from ESCON JAPAN REIT Investment Corporation + one property sold (June 2024 and April 2025)



Le JADE Sapporo Odori The Tower

Randor Hotel Sapporo Heritage

2 Expanding domestic areas of operations

- **Okinawa Office opened (April 2024)**
- **Business development in the Tohoku region**
Chosen as the designated manager for part of Nanakita Park (Sendai Stadium and Gymnasium), sales of Midtower Iwaki (handover completed December 2024), Central Park Seinan Shintoshin (sales began July 2025)



Central Park Seinan Shintoshin

Midtower Iwaki

3 Global expansion

- Began sales and marketing business for Ālia luxury condominium units and Kuilei Place large-scale condominium units in Honolulu, Hawaii



Ālia

Kuilei Place

4 Challenge of new business domains

- **Pursuing future business opportunities through multifaceted business development by investing in various companies**
SHONAI Group: Development of agriculture-inspired hotels
SQUEEZE Inc.: Rising to the challenge of integrating IT and hotel management by investing in this company, the operating subcontractor for ES CON Field Hokkaido Hotel Kitahiroshima Ekimae



SHONAI HOTEL SUIDEN TERRASSE

ES CON Field Hokkaido Hotel Kitahiroshima Ekimae

5 New urban development and management

- **ES-CON Sports & Entertainment Ltd. established (December 2023)**
- **Large-scale urban development plans underway in the Aichi Prefecture cities of Kariya and Toyota**

6 Promoting DX

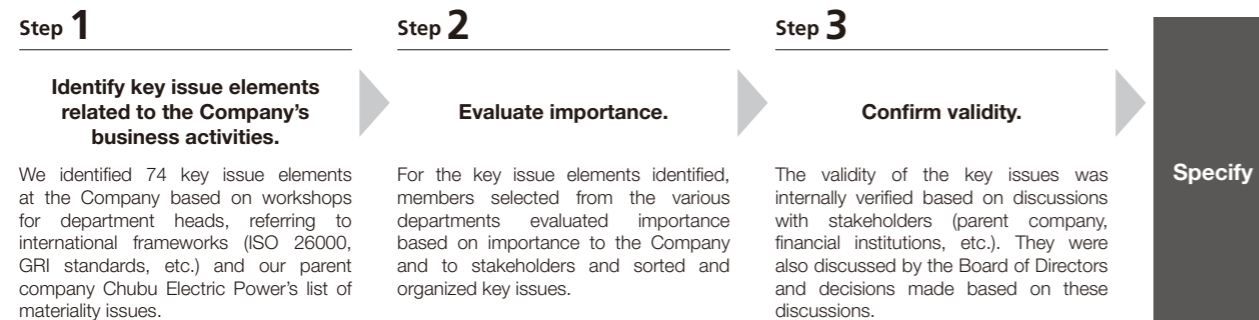
- **Information Systems Office established (April 2025)**
- **DX/Business Reforms Promotion Committee established (August 2025)**

5th Medium-Term Management Plan

Targeted directions — Priority themes for sustainability management (materiality)

We regard sustainability management as one of the two wheels for achieving sustainable growth for the Company and will promote related initiatives energetically. We have designated priority themes (materiality) as key issues in sustainability management.

Materiality specification process



KPIs and targets based on materiality — Initiatives are underway using each materiality-based achievement target as a guidepost.

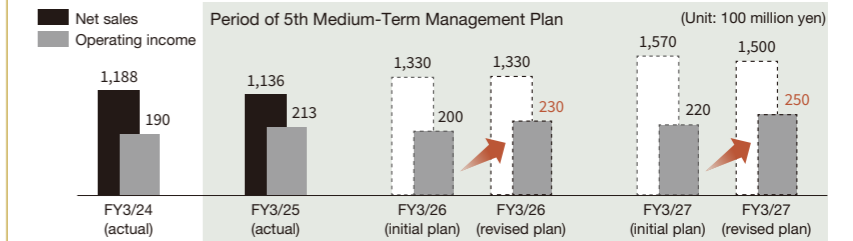
Deepening			
Materiality (key issue)	Achievement target	Achievement fiscal year	Progress (FY2024)
1 Harnessing diverse human resources	Female hiring ratio of 35% of higher	Each fiscal year	30.8%
	Improve engagement survey. ⇒ Firm improvement once survey starts (FY2024)	FY2030	Engagement survey (Groupwide) Rank: B
2 Rigorous compliance	Certified as Health & Productivity Management Outstanding Organization	Each fiscal year	Certified as Health & Productivity Management Outstanding Organization for 2025 (large corporation category)
	Carry out compliance promotion measures in collaboration with Chubu Electric Power.	Each fiscal year	Held training and seminars coordinated with Chubu Electric Power (participation rate for all: 100%)
3 Strengthening governance and risk management, including Group companies	Attendance at compliance training: 100%	Each fiscal year	100%
	Raise the effectiveness of the Board of Directors and make continual improvements.	Each fiscal year	Invested companies: Survey conducted to confirm the effectiveness of the Board of Directors Consolidated subsidiaries: Sections in charge of the submitting company participated in Board of Directors meetings of subsidiaries as observers.

Evolution			
Materiality (key issue)	Achievement target	Achievement fiscal year	Progress (FY2024)
1 Promoting a decarbonized society	Reduce GHG emissions by 40%* (vs. FY2022). *Scopes 1 and 2	FY2030	Under calculation
2 Achieving a society characterized by well-being	Contribute to regional revitalization and improved quality of life by promoting urban development that takes into account the environment and society.	FY2030	General facility development SAKURA MIRAI SHIN ŌMURA (urban development project for regional vitalization)
			Commemorative furniture project in JR Kitahiroshima Station area development

Financial results plan

In the fiscal year ended March 31, 2025, condominium sales and sale of properties in the real estate development business proceeded smoothly. Final operating income was higher than initially planned.

Consolidated operating income plans have been revised upward for the years ending March 31, 2026, and March 31, 2027.



Investment plan

Investment plans for the fiscal year ended March 31, 2025 proceeded smoothly.

Some investment plans for the years ending March 31, 2026, and March 31, 2027 have been revised. Planned cumulative gross investment amount over the three-year period (250 billion yen) remains unchanged.

	FY3/2025			FY3/2026		FY3/2027		Three-year cumulative total
	Actual	Plan	Difference	Revised plan	Initial plan	Revised plan	Initial plan	
Total gross investment	720	610	110	660	770	1,120	1,120	2,500
Condominium development	161	200	-39	200	200	250	250	611
Revenue-generating property development	*427	200	227	200	300	500	500	1,127
Acquisition of revenue-generating property in operation	78	150	-72	200	200	300	300	578
Overseas investment	54	50	4	60	60	60	60	174
Other	0	10	-10	0	10	10	10	10
Recovered amount	220	284	-64	325	308	400	417	945
Of which revenue properties	84	121	-37	144	142	277	242	505
Net investment amount	500	326	174	335	462	720	703	1,555

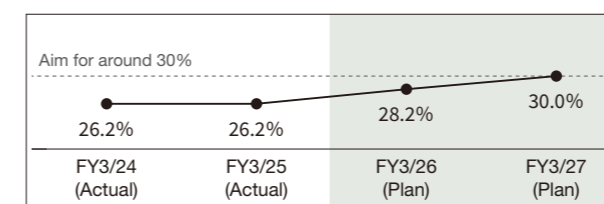
* Revenue-generating real estate development: Acquisition of large-scale development sites for urban development in the Aichi Prefecture cities of Kariya and Toyota
→ Actual gross investment amount in the fiscal year ended March 31, 2025 was 72 billion yen (on a contractual basis), vs. a planned figure of 61 billion yen.

Management indicators

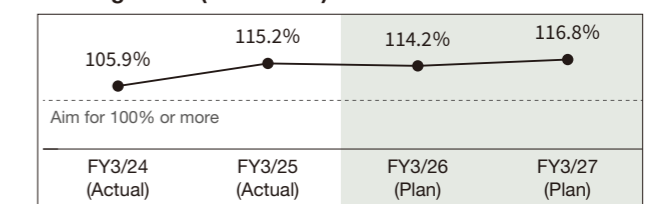
Capital efficiency indicators were higher than planned due to higher than planned income.
Safety indicators were also largely achieved as planned.

		FY3/2025			FY3/2026	FY3/2027
		Actual	Plan	Achievement rate	Plan	Plan
Safety	Stock revenue ratio*1	26.2%	30.4%	-4.2%	28.2%	30.0%
	Stock revenue / general and administrative expense coverage ratio (cash basis)*2	115.2%	119.0%	-3.8%	114.2%	116.8%
	Equity ratio	17.2%	17.5%	-0.3%	17.6%	17.5%
Capital efficiency	ROE	14.8%	13.4%	1.4%	13.9%	14.0%
	ROIC*3	3.5%	3.4%	0.1%	3.5%	3.6%

Stock revenue ratio



Stock revenue / general and administrative expense coverage ratio (cash basis)



*1 Stock revenue ratio: Stock revenue (real estate leasing segment profit + asset management segment profit) / total segment profit

*2 Stock revenue / general and administrative expense coverage ratio: (Stock revenue + real estate leasing segment depreciation + real estate leasing segment goodwill amortization) / (general and administrative expenses - general and administrative expense depreciation - overall goodwill amortization)

*3 ROIC: (Consolidated ordinary income + interest expenses - interest income - income taxes) / (average of [interest-bearing liabilities + net assets] at the beginning and end of period)

Message from the CFO



Minoru Nakanishi

Senior Managing Director
Head of Management Planning Division
ES-CON JAPAN Ltd.

Increasing corporate value through future-oriented strategies, backed by our philosophy

As the individual responsible for finance and IR, rather than striving to achieve numerical targets, I focus above all on continuing to ask what it truly means to increase corporate value. Merely achieving short-term KPIs does not help the Company earn true trust. I think it is my duty to support building the foundations for realizing sustained corporate value from financial and IR perspectives, including business potential, capital efficiency, and transparency in stakeholder dialogue.

Strong start to the 5th Medium-Term Management Plan and diversification of fundraising methods

In the fiscal year ended March 31, 2025, the first fiscal year of the 5th Medium-Term Management Plan, both operating income and ordinary income outperformed our plans. Particularly noteworthy is the fact that the three business pillars of the condominium business, the real estate development business, and the real estate leasing business provided well-balanced contributions to earnings. The distribution and cycle of earnings have started to become clear.

Behind these lies achieving both diversification of fundraising methods and increasing capital efficiency, as called for in the basic policies of our financial strategy. For example, we've developed a structure under which we can secure funds for growth with stability and flexibility by using the creditworthiness of our parent company to raise funds, through the issue of bonds with change-of-control (COC) clauses (clauses allowing for a demand for redemption in the event that the Company has been removed from the scope of consolidation of Chubu Electric Power). (The first issue of these bonds raised a total of 7.4 billion yen; the second issue raised 10 billion yen in total.) In this way, our ties to Chubu Electric Power have begun to have clear positive effects on our environment for raising funds.

At the same time, the financial environment remains uncertain. Responding to external risks such as interest-rate trends and rising construction costs remains an important issue. To be ready for such changes, we're proceeding with structural improvements to diversify the means of raising funds and ensure stability in cash flows. We believe this will enable us both to be better prepared to avoid missing opportunities for growth and to build the financial

Second unsecured bonds with early redemption option (with limited inter-bond pari passu clause)

Total amount of issue	10,000 million yen
Denomination per bond	100 million yen
Coupon rate	1.917% per annum
Issue price	100 yen for 100 yen of the amount of each bond
Amount to be redeemed	100 yen for 100 yen of the amount of each bond
Pay-in date	July 25, 2025
Maturity date	July 25, 2030
Use of proceeds	Working capital for expansion of domestic and overseas development projects
Coupon payment dates	January 25 and July 25 of each year
Lead managing underwriters	Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Daiwa Securities Co. Ltd.
Assistant bond administrator	Mizuho Bank, Ltd.
Book-entry transfer institution	Japan Securities Depository Center, Inc.
Rating acquired	AA- (Japan Credit Rating Agency, Ltd.)

foundations that are essential to effective management conscious of the cost of capital.

Sustainable growth supported by capital efficiency and an investment cycle-based business model

In dialogue with the capital markets, practicing management conscious of the cost of capital is one theme

Message from the CFO

that is attracting particular attention in recent years. Since our 1st Medium-Term Management Plan (formulated in August 2013), we've identified ROE and ROIC as key performance indicators, and these too continued to show strong performance at 14.8% and 3.5%, respectively, in the fiscal year ended March 31, 2025. We achieved our capital efficiency targets of ROE > Cost of equity and ROIC > WACC.

The business model based on the investment cycle that we aim for is one in which we will be able to complete within the Group all stages of the investment cycle from development through ownership and operation, sale to REITs and investment funds, repurchase of aged properties, and redevelopment, and thus to achieve both capital efficiency and stable earnings. We consider this to be more than just a business scheme, but as the essence of a capital management strategy based on an advanced design of what kinds of assets to utilize, and when and how to utilize them.

Specifically, we're focusing on a structure that organically connects REITs, investment funds, and asset management companies with intersection between stocks and flows of funds, to secure future investment capacity while preventing cash-flow interruptions. I believe the important roles assigned to the CFO is to verify the validity of exit strategies and funds recovery plans from a financial perspective and broaden the perspective of business evaluation more sterically, so that this cycle-based model functions properly.

Investment strategies and decision-making with an eye on the future

In investment strategies, rather than considering what to grow, I pay more attention to intent, or why we should grow it now. I try to calmly identify the profitability of investments based not on growth potential alone but on the multifaceted evaluation criteria of regional characteristics, funds recovery periods, exit strategies, and so on.

In the fiscal year ended March 31, 2025, we prepared multiple projects that will serve as future sources of earnings, including large-scale mixed-use developments and development of logistics facilities. Decisions are made on these projects from time-strategy perspectives: how the assets can be securitized and whether they might lead to reinvestment in future years. One of my key responsibilities is to make business plans persuasive by incorporating facts and consistency into these judgments.

People as the Engine for Growth: A Development Strategy Supported by Diverse Experience and OJT

Our human resource strategies focus on increasing specialization of duties and, at the same time, enabling individual employees to build up diverse experiences. A major feature of the Company is the workstyle in which each individual is trusted with multiple roles. For example, our employees gain experience in planning, purchasing, and sales of different types of assets such as residences, retail facilities, and offices, and involvement in each phase of the asset cycle: development, ownership, and operation.

This growth environment is supported by a culture that emphasizes on-the-job training (OJT). Direct feedback from superiors and senior colleagues in everyday duties helps human resources to develop their skills through practice. This hands-on, rather than relying on manuals and formal training, has been handed down in the Company through successive generations.

I'm particularly impressed that employees who joined the Company in the uncertain times immediately following the 2008 financial crisis have begun today to fill important positions as candidates for future core management posts. They have acquired broad-ranging perspectives and the capacity for high-level judgment by overcoming challenging conditions. They are included in the succession plan (successor candidate system) we're developing today, and how to develop human resources who can be trusted to lead the organization in future generations is becoming one of the important topics of management overall.

The power of human resources is the most important kind of infrastructure supporting corporate growth. By establishing both an environment in which people can take on diverse job challenges and systems for fair evaluation of effort and achievements, we will strive to bring out the potential of each and every employee to the maximum.

Launch of IR Office to deepen dialogue and maintain consistent returns to shareholders

While based on stable and progressive dividends, our policy on returns to shareholders also aims to increase our shareholder return capacity over the medium to long term. In the fiscal year ended March 31, 2024, which was a 15-month financial period, we increased the annual dividend to 48 yen/share (up 10 yen from the fiscal year ended December 31, 2022). In the fiscal year ended March 31, 2025, a 12-month period, we maintained the same level of 48 yen/share, which represents an effective

increase in dividends.

Our focus is on how to establish a structure that allows us to pay dividends, not how to pay dividends. We consider dividends to be an exit point of strategy. It is the quality of the balance sheet made and investment decision-making on the path to that exit point that is evaluated as corporate value.

To communicate this value, we established a new IR Office in April 2025. This is more than just an organizational change; it represents a structural enhancement to communicate true corporate value. To date, the PR section has handled IR operations too, but amid increasing demand for disclosure of nonfinancial information on sustainability and other topics, I've strongly felt for some time the need for an independent organization to specialize in IR. Still, it was not easy to achieve due to issues related to matters such as securing human resources and specialization. But over the several years since the initial planning stage we were finally able to establish an IR Office through development of IR human resources and gradually laying the groundwork for its establishment.

To deepen full-fledged dialogue with investors and shareholders, it is essential to explain attentively not just numerical figures but also the reasons behind results. I think it is also important to communicate the true intents of Long-Term Vision 2030 and the essential value of our focus on sustainability management alongside our aspiration, or why we're doing this now, rather than merely enumerating the measures we will take.

Moving forward, we will practice more persuasive IR to build trust by accurately communicating ES-CON JAPAN's unique individuality as an enterprise and aspiration with an eye on the future.

Toward the next 30 years: Transforming our unchanging philosophy into trust

As we stand at the milestone of the 30th anniversary since our founding, we're asking ourselves once again what true value ES-CON JAPAN provides as an enterprise. This is a story that cannot be told in its entirety through profit



figures alone. Since our founding, we have sought to be a truly essential presence in society and to continue working with sincerity to create value that customers will choose and that makes them happy as the unchanging foundations of all we do.

For example, we were able to survive the difficult times of the 2008 financial crisis by focusing on development centered on lifeways rather than turning to investment condominiums in pursuit of short-term gains. I truly feel that this conviction enabled us to chart a path of balancing contributions to society with business growth by building the relations of trust with Chubu Electric Power that led to our capital and business partnership and eventually to becoming a consolidated subsidiary.

This approach coincides with our current purpose of transforming the Ideal to Real. No matter how much the business environment may change, this principle remains our unchanging corporate attitude.

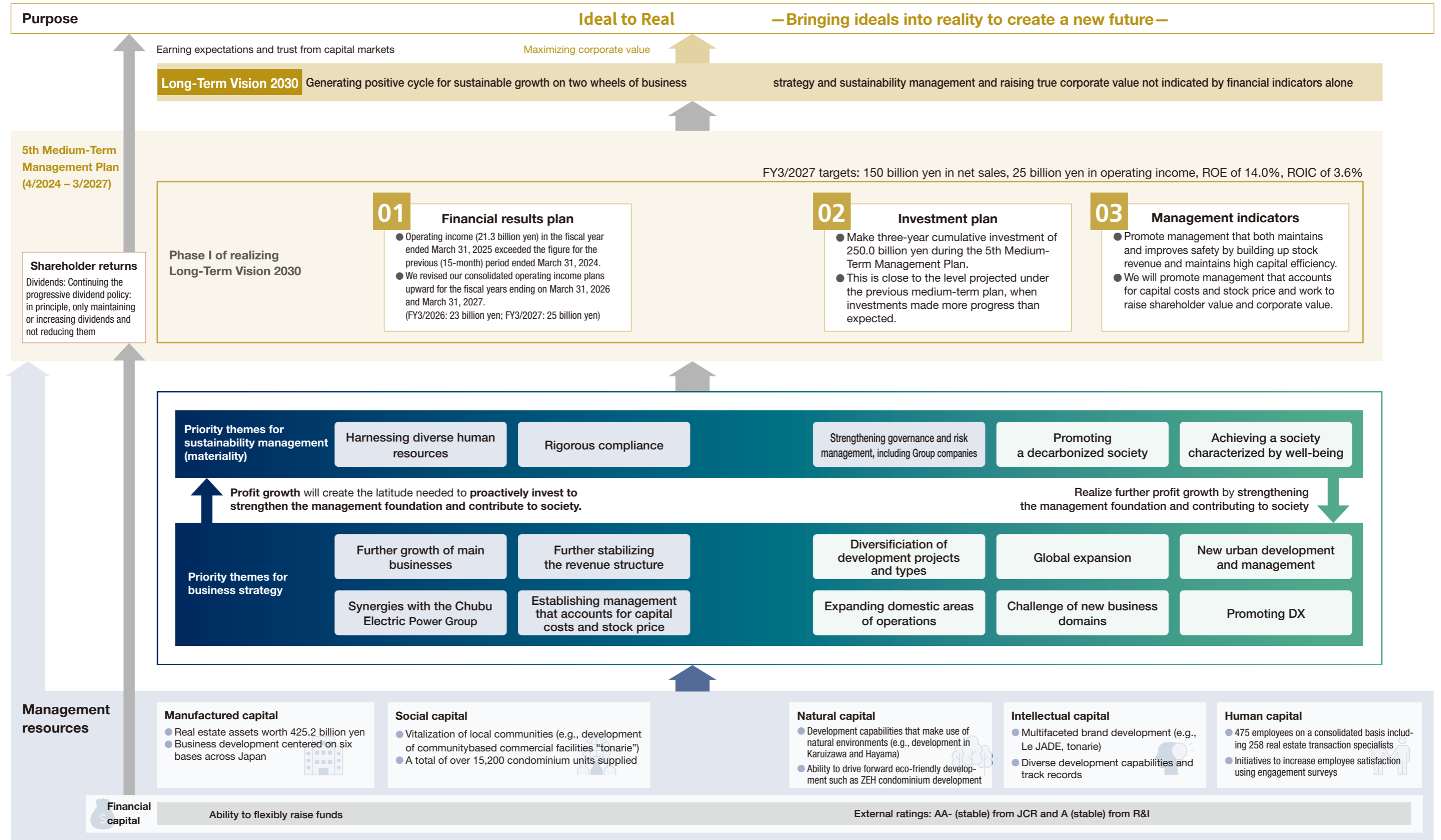
ES-CON JAPAN is not a company that works for profit alone. Our most important corporate value is visible in how we continue to address society in the best possible faith, steadfast to our principles. We pledge to maintain this unshakable approach over the next 30 years as well.

We sincerely hope that you will believe in this value and walk alongside us.

Connectivity Between Groupwide Strategies and Capital Enhancement

Toward realizing our purpose “Ideal to Real: Bringing ideals into reality to create a new future,” we have established Long-Term Vision 2030 and its first-stage plan, the 5th Medium-Term Management Plan, aiming for sustained improvement of corporate value based on the two wheels of business strategy for growing economic value and sustainability management for growing social and environmental value.

To achieve the Long-Term Vision and the 5th Medium-Term Management Plan, we’re addressing five priority themes for sustainability management and 10 priority themes for business strategy, by fusing these with enhancement of management capital. By seriously addressing each issue, we aim to turn our ideals into reality while meeting stakeholder expectations.

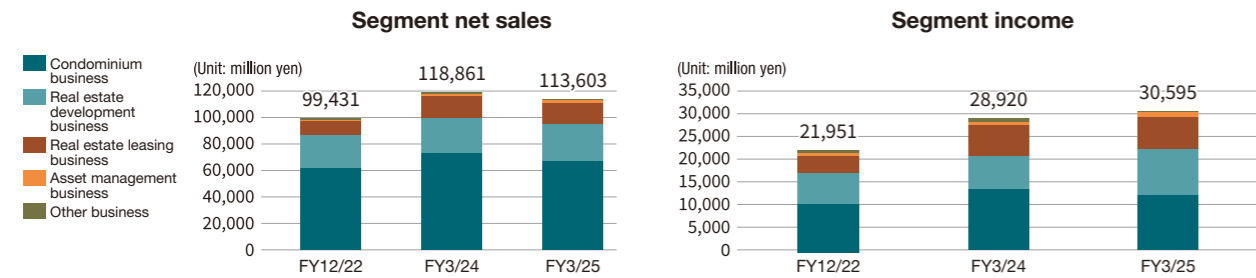




At a Glance

As a “Life Developer” that develops ways of living for people, the ES-CON JAPAN Group is rolling out businesses to meet real estate needs in every aspect.
 In the fiscal year ended March 31, 2025, net sales totaled 113,603 million yen, while segment income was 30,595 million yen. We maintained sales and profit levels roughly equal to those of the previous (15-month) consolidated fiscal year. (Fiscal year ended March 31, 2024: net sales of 118,861 million yen and segment income of 28,920 million yen)

Trends in net sales and income by segment

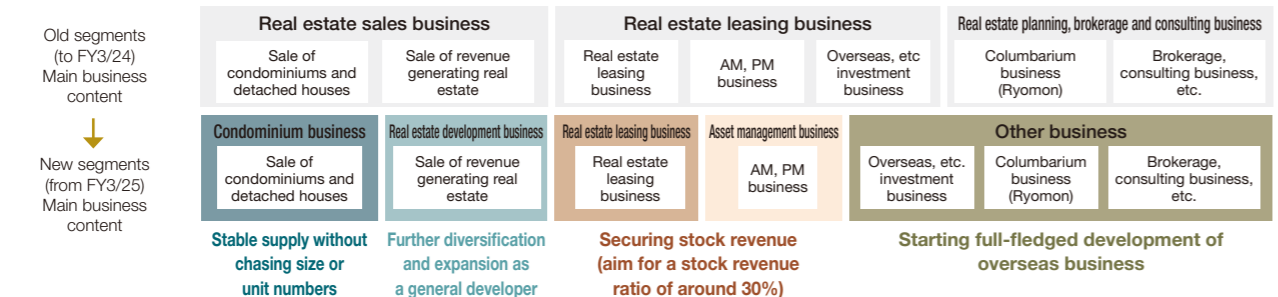


* Segment information shown for the fiscal year ended March 31, 2024 and earlier was prepared based on reporting segment categories in the consolidated fiscal year under review.
 * Figures for the fiscal year ended March 31, 2024 are those for a period of 15 months.

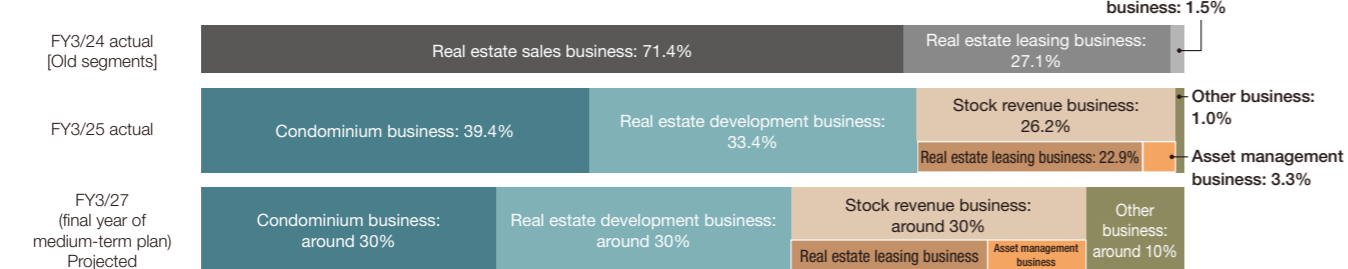
Segment changes

Until the fiscal year ended March 31, 2024, our disclosure had been based on three segments: the real estate sales business; real estate leasing business; and real estate planning, brokerage and consulting business. From the fiscal year ended March 31, 2025, to clarify our business portfolio and to achieve stable growth through segment-specific strategy formulation, we began using a new segmentation based on five reporting segments: condominium business; real estate development business; real estate leasing business; asset management business; and other business.

Change summary



Expected profit composition (segment income)



Area expansion

Business development structure established at six bases nationwide

Spreading our product development (= value) nationwide and to the world, regardless of area



Condominium business

pp. 31-32

Development and sale of condominiums and detached houses

	FY3/25 results	FY3/24 results
Net sales	66,908 million yen	73,183 million yen
Segment income	12,045 million yen	13,376 million yen
Income share	39.4%	46.3%



DIAMAS Hayama



Le JADE City Senri Fujishirodai

Real estate development business

pp. 33-34

Revenue-generating real estate development business for properties such as commercial facilities, logistics facilities, rental condominiums, hotels, offices, senior residences, clinic malls, and data center sites and land readjustment business

	FY3/25 results	FY3/24 results
Net sales	28,427 million yen	26,423 million yen
Segment income	10,212 million yen	7,283 million yen
Income share	33.4%	25.2%



seven x seven Itoshima (all units sold)



MASTERS VARUS Hokkaido Ballpark

Real estate leasing business / Asset management business

pp. 35-36

Real estate leasing, property management (PM) and asset management (AM) of owned assets, condominium management, etc.

	FY3/25 results	FY3/24 results
Net sales	17,246 million yen	18,025 million yen
Segment income	8,018 million yen	7,562 million yen
Income share	26.2%	26.2%



tonarie Fujimino



tonarie Yamato Takada (owned by ESCON JAPAN REIT Investment Corporation)

Other business

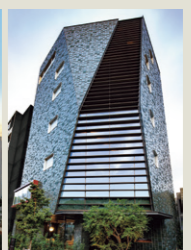
pp. 37-38

Overseas business, columbarium business (Ryomon), brokerage and consulting business

	FY3/25 results	FY3/24 results
Net sales	1,020 million yen	1,229 million yen
Segment income	319 million yen	698 million yen
Income share	1.0%	2.3%



Kullei Place



Ryomon columbarium

Condominium Business

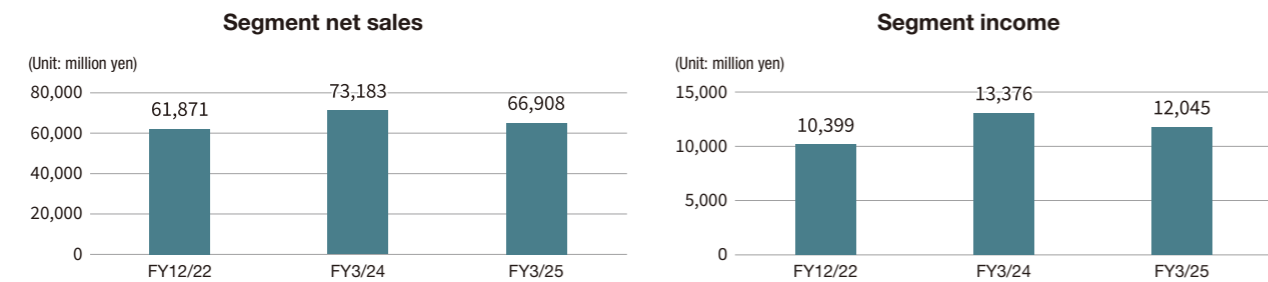
Business summary

Policy Under the vision of becoming a “Life Developer,” we will deliver to customers exclusive, high-quality products by making maximum use of our planning capabilities, a Company strength, without pursuing numbers of condominium units sold.

After identifying regional characteristics and market needs, we develop concepts that will bring out the appeal of the land to the fullest, breathing new life with our original planning capabilities and thus creating value like no other in the world. value like no other in the world.

Trends in net sales and income by segment

Note: FY3/24 spans 15 months from January 1, 2023 through March 31, 2024 due to a change in the accounting period.



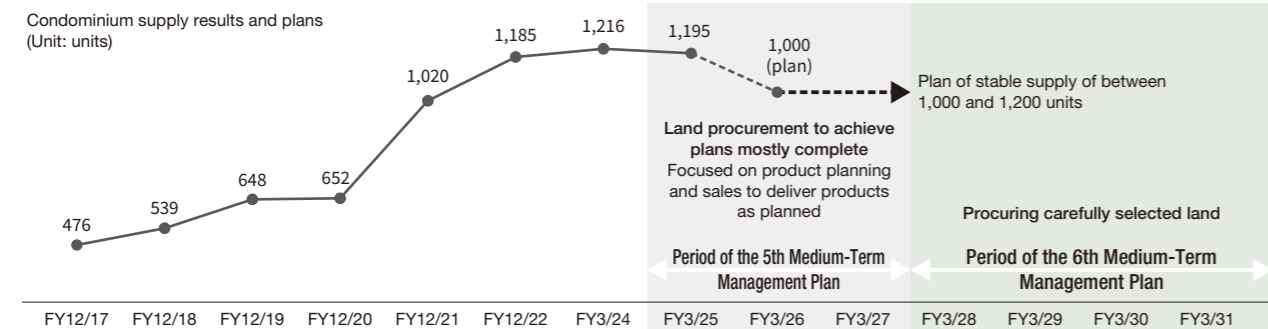
Segment review and progress on the 5th Medium-Term Management Plan

Sales of condominiums progressed steadily in the fiscal year ended March 31, 2025, resulting in net sales of 66,908 million yen and segment income of 12,045 million yen. Both sales and income were effectively up from the previous (15-month) period. Stable supply also continued, as we delivered 1,195 units to buyers.

As we work to achieve the goals of the 5th Medium-Term Management Plan, we will continue to pursue stably increasing earnings and supply of products for the fiscal year ending March 31, 2026, and beyond.

Stable supply of high value-added products

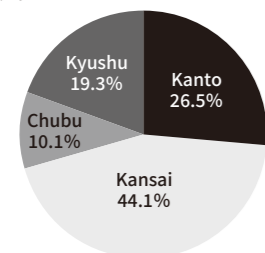
We provide a stable supply of quality products backed by carefully selected land procurement.



Expansion of business areas

We are working to expand shares in the Hokkaido, Chubu, and Kyushu areas and turning the projects there into core revenue sources, in addition to the Kanto and Kansai areas.

Share of each area in sales of for-sale condominiums in FY3/25



Le JADE Kumamoto Nisseki Dori



Le JADE Nagoya Marunouchi

* No condominium sales took place in Hokkaido in FY3/25.

Competitive advantage

Risks

- Uncertain prospects due to domestic and overseas interest rate hikes and exchange rate fluctuations, increased US tariffs, and geopolitical risks
- Declining demand due to shrinking populations, low birth rates, and an aging society
- Rising construction and other costs due to increasing land acquisition prices, labor costs, and raw material costs

Opportunities

- Changing and diversifying residential needs due to changing lifestyles and workstyles
- Increasing environmental awareness for decarbonization, carbon neutrality, etc.
- Growing residential demand in urban areas due to population inflows

Development in premium locations

We are taking on the challenge of developing high-value-added properties in exceptional locations—something we have had little experience in to date—including sites situated in areas of natural bounty and city centers.

We have launched the DIAMAS high-end residence brand, aimed at offering villas in exceptional locations that extend beyond the standard concept of a residence. Handover of the first property in this brand, DIAMAS Hayama, was completed in July 2025.



DIAMAS Hayama



SEVENS VILLA Karuizawa

Product-planning capabilities only we can offer

By securing carefully selected project sites and planning products that make the most of regional characteristics and through a tripartite approach of coordinating land procurement, planning, and sales, we strive to generate profits in excess of the impacts of rising construction costs and interest rates.



OST RESIDENCE KARUIZAWA



Le JADE Shin-Omura Station Front/Parkside



Grand Le JADE Mishuku Dori

Future development plans

Development of high-end residences

We are promoting the development of high-end residences in exceptional locations such as highly convenient city centers.

- (Tentative name) Hayamacho II Project
- (Tentative name) Karuizawa Nagakura Project
- (Tentative name) Minato-ku Nishi-Azabu 2-chome Project
- (Tentative name) Chiyoda-ku Kudan-Minami 1-chome Project

Promoting core projects for large-scale development

We are promoting projects that represent the core of urban development, such as mixed-use development projects. Recently, large-scale development projects are underway in the Hokkaido and Kansai areas.



Le JADE Hokkaido Kitahiroshima



Le JADE City Senri Fujishirodai

Real Estate Development Business

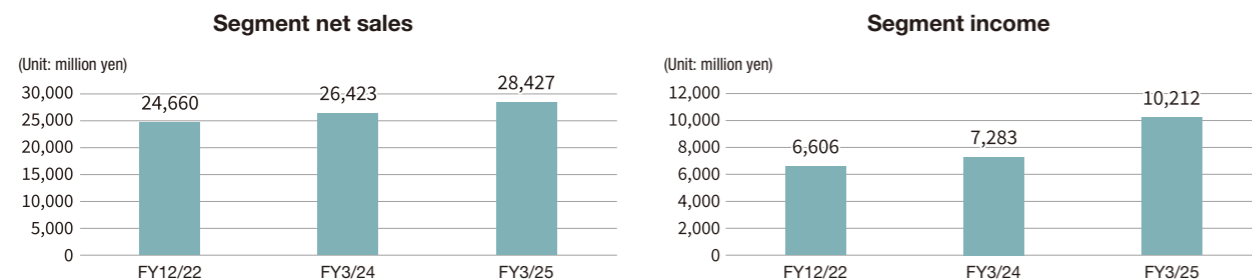
Business summary

Policy As a general developer, we will further promote diverse asset type developments with increased value and raise the profit ratio while expanding the investment-cycle business, including the fund business.

Positioned among our core businesses alongside the condominium business, the real estate development business involves developing commercial facilities, logistics facilities, rental condominiums, and hotels, where we can draw on our planning capabilities, know-how, and other strengths.

Trends in net sales and income by segment

Note: FY3/24 spans 15 months from January 1, 2023 through March 31, 2024 due to a change in the accounting period.



Segment review and progress on the 5th Medium-Term Management Plan

Sales of commercial facilities, hotels, and office buildings in the fiscal year ended March 31, 2025 resulted in net sales of 28,427 million yen and segment income of 10,212 million yen, both exceeding the results of the previous (15-month) period. As we work to achieve the goals of the 5th Medium-Term Management Plan, we will continue seeking to grow profits by developing diverse asset types and appropriately managing owned assets in light of economic and market conditions.

Competitive advantage

Risks

- Uncertain prospects due to domestic and overseas interest rate hikes and exchange rate fluctuations, increased US tariffs, and geopolitical risks
- Slowing of the investment fund business and REIT market due to changes in the real estate market

Opportunities

- Continuing strong demand for railway station-square commercial facilities even after post-COVID recovery
- Increasing hotel demand as inbound tourism recovers
- Value creation for the entire community through integrated development

Developing diverse asset types and increasing value

By maximizing diverse development know-how, we will promote the development of revenue-generating properties with high product value that maximize the value and appeal of the land.

Group asset types (other than condominiums)

Commercial facilities, logistics facilities, rental condominiums, hotels, offices, senior residences, clinic malls, data center sites, and land readjustment project sites



MASTERS VARUS Hokkaido Ballpark (senior residences, clinic mall) | tonarie Hoshida (sold) (commercial facility) | Randor Hotel Sapporo Heritage (hotel) | LOGITRES Narashino Shibaen (sold) (logistics facility)

Investment cycle-based business

Growing the real estate investment fund business by utilizing ESCON JAPAN REIT Investment Corporation and ES-CON INVESTMENT PARTNERS Ltd.

Investment cycle-based business results

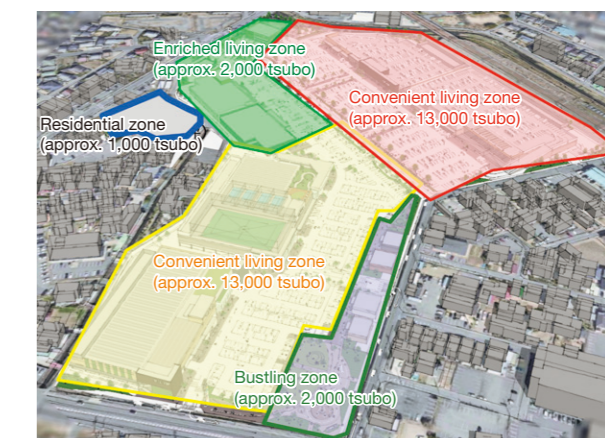
- June 2024 Three properties acquired from ESCON JAPAN REIT Investment Corporation
- April 2025 One property (land) sold to ESCON JAPAN REIT Investment Corporation

Future development plans

Promoting large-scale development

We're promoting large-scale projects such as mixed-use development projects that make the most of regional characteristics to contribute to making entire areas more attractive and livelier.

- Ikedacho, Kariya, Aichi Prefecture (former site of the Denso factory) We acquired this large-scale development site, our largest-ever in the Chubu-Tokai region (approx. 31,000 tsubo), in September 2024.
- Nichinancho, Toyota, Aichi Prefecture (former site of the Kewpie factory)
- JR Kitahiroshima Station West Area vitalization project



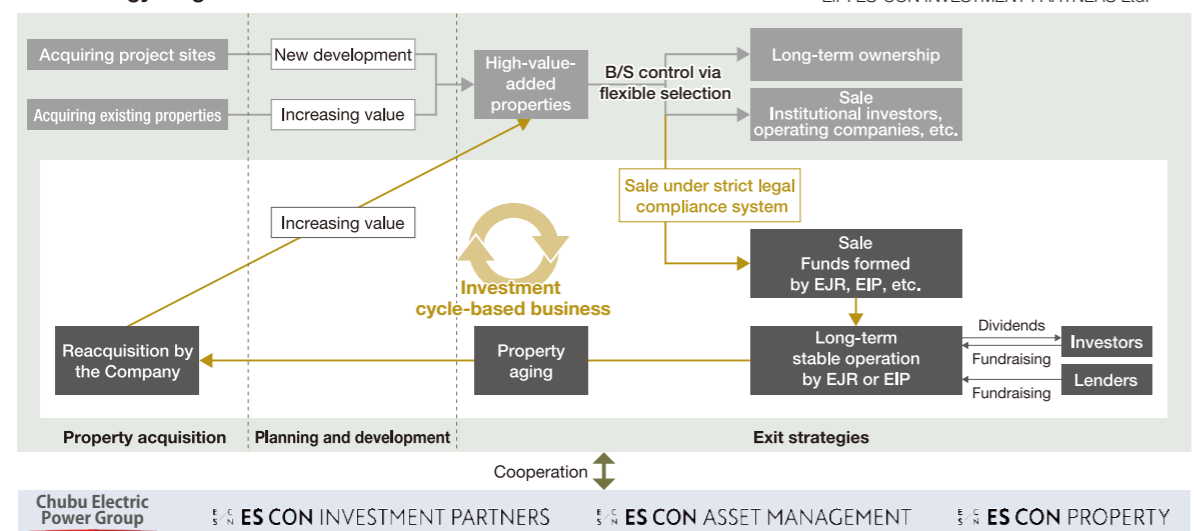
The Kariya commercial facility development site (planned)

TOPICS

Balance sheet control (diversification of exit strategies)

We seek to achieve sustainable growth through the investment cycle, maintain and improve asset efficiency, and control the balance sheet through flexible, appropriate, and timely sales of properties based on the diversification of exit strategies, enlisting member companies of the Chubu Electric Power Group and our own Group companies (e.g., ES-CON ASSET MANAGEMENT Ltd. and ES-CON INVESTMENT PARTNERS Ltd.).

Exit strategy diagram



Real Estate Leasing Business / Asset Management Business

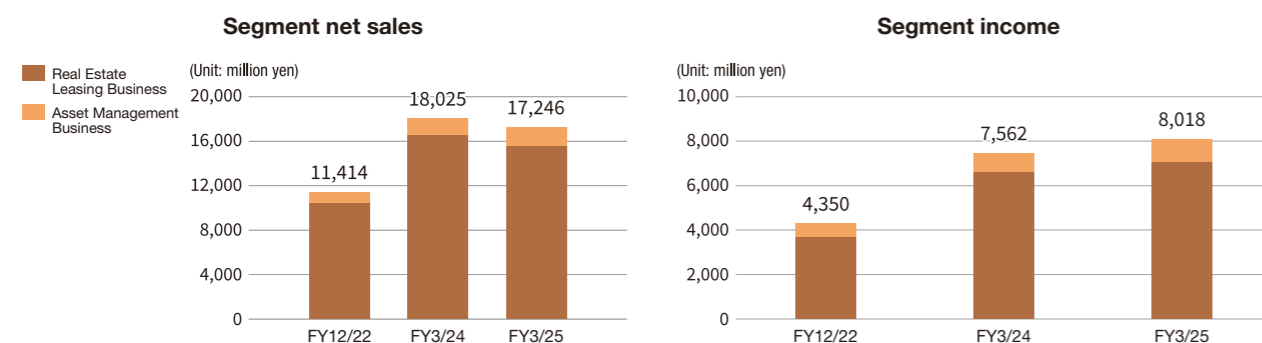
Business summary

Policy At the Company business segments that post stock revenue*1 (stable revenue), we seek to maintain and improve revenue by continually reshuffling (improving) assets.

The real estate leasing business and asset management business earn rental fees for properties, such as commercial facilities, rental condominiums, and tenant buildings, owned by ES-CON JAPAN and its subsidiaries Picasso Group, Shijo Omiya Building, and Shiba Real Estate. In addition, these business segments operate multifaceted real estate businesses, including the PM and AM business to boost the value of owned properties.

Trends in net sales and income by segment

Note: FY3/24 spans 15 months from January 1, 2023 through March 31, 2024 due to a change in the accounting period.



Segment review and progress on the 5th Medium-Term Management Plan

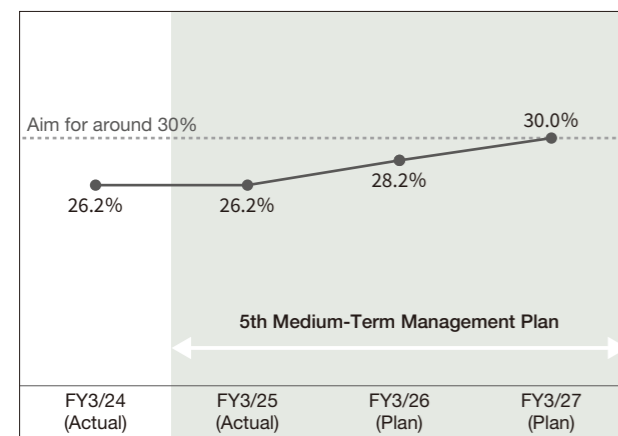
In the fiscal year ended March 31, 2025, revenues from Shijo Omiya Building, which was made a subsidiary in July 2023, contributed to full-year results, while asset management fees earned by ES-CON ASSET MANAGEMENT Ltd. increased in connection with sale of properties by ESCON JAPAN REIT Investment Corporation and property management fees increased with a higher number of condominium units under management by ES-CON LIVING SERVICE Ltd. As a result, both net sales and segment income increased from the previous (15-month) period, to 17,246 million yen and 8,018 million yen, respectively, for stock revenue.

We will continue pursuing stable profit growth and value provision in the fiscal year ending March 31, 2026 and beyond, as we work to reach the 5th Medium-Term Management Plan's targets: maintaining a stock revenue ratio of approximately 30% and a stock revenue/general and administrative expense coverage ratio of 100% or higher.

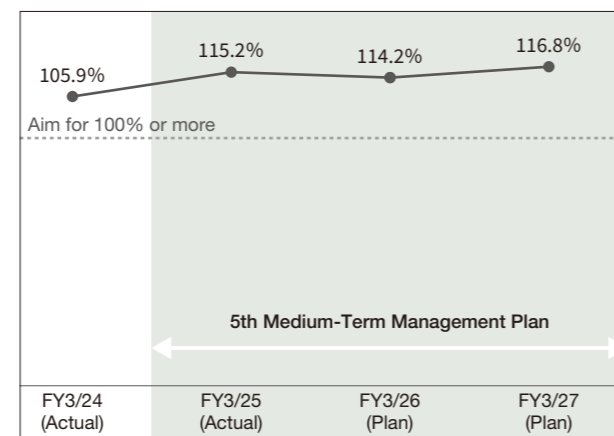
Stabilizing stock revenue

The 5th Medium-Term Management Plan calls for maintaining a stock revenue ratio of approximately 30% and a stock revenue/general and administrative expense coverage ratio of 100% or higher. We aim to maintain stable stock revenue consistently equaling or exceeding general and administrative expenses.

Stock revenue ratio*2



Stock revenue / general and administrative expense coverage ratio (cash basis)*3



*1 Stock revenue: Real estate leasing segment profit + asset management segment profit

*2 Stock revenue ratio: Stock revenue / total segment profit

*3 Stock revenue / general and administrative expense coverage ratio: (Stock revenue + real estate leasing segment depreciation + real estate leasing segment goodwill amortization) / (general and administrative expenses - general and administrative expense depreciation - overall goodwill amortization)

Competitive advantage

Risks

- Uncertain prospects due to domestic and overseas interest rate hikes and exchange rate fluctuations, increased US tariffs, and geopolitical risks
- Rising expenses due to external factors
- Declining demand due to shrinking populations, low birth rates, and an aging society

Opportunities

- Increasing demand for rental housing
- Rising trend in rents driven by inflation and wage hikes

Exit strategies conscious of balance sheet control

Based on the diverse exit strategies developed as described above (p. 33), we will make decisions on whether to hold or sell properties based on a comprehensive consideration of the stock revenue ratio and revenue/general and administrative expense coverage ratio (cash basis) at left, as well as the balance sheet and other factors.

Raising profitability by increasing value of owned properties and reshuffling owned assets

We will raise the profitability of the entire Group by leveraging Groupwide coordination, business development, and planning capabilities to increase the value of owned properties (including raising rents and cutting costs) and reshuffling owned assets (improving the portfolio), among other efforts.

Strengthening development of leasing properties based on diverse development know-how

We will harness our development capabilities in areas, including our tonarie commercial facility and TOPAZ rental condominium brands, to actively develop rental projects.



tonarie Yamato Takada
(owned by ESCON JAPAN REIT Investment Corporation)



TOPAZ Esaka

TOPAZ

Stable growth of Group companies

Through commercial facility PM, condominium management, and REIT and private fund AM, etc. maximize the value provided by the Group overall to customers (strengthen profitability) and stably grow asset management business revenue.

Shiba Real Estate Inc. made subsidiary

In April 2025, to secure rental income-generating real estate properties and assets for real estate trading, we made Shiba Real Estate Inc., whose businesses include real estate leasing and property management centered on the Tokyo metropolitan area, a subsidiary.

ES CON PROPERTY

▶ In charge of operation, management, etc. of commercial facilities

ES CON LIVING SERVICE

▶ In charge of condominium management, etc.

ES CON ASSET MANAGEMENT

▶ Asset manager for ESCON JAPAN REIT Investment Corporation

ES CON INVESTMENT PARTNERS

▶ Asset manager for private funds

FUEL Inc. renamed

In June 2025, to reflect changes in its core business, FUEL Inc. (made a subsidiary in January 2022) was renamed ES-CON INVESTMENT PARTNERS Ltd. By switching its focus from online funds to private funds, it will join ES-CON ASSET MANAGEMENT Ltd., which manages REIT assets, in promoting the real estate investment fund business.

Other Business

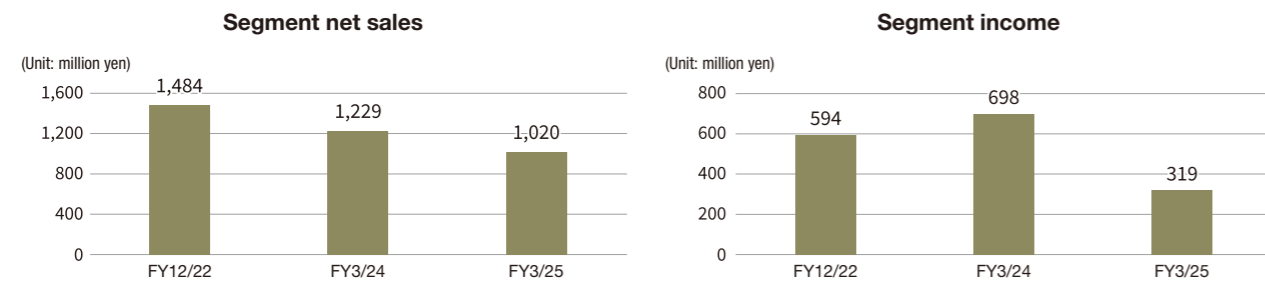
Business summary

Policy We will pursue the challenge of taking on new business domains with a view to the next generation. In particular, we will accelerate development of the overseas business into a future core business of the Company.

Making the most of our planning capabilities and business construction ability, we operate multifaceted real estate businesses focusing on new business domains, including the overseas business and the permanent use rights sale business for the Ryomon columbarium.

Trends in net sales and income by segment

Note: FY3/24 spans 15 months from January 1, 2023 through March 31, 2024 due to a change in the accounting period.



Segment review and progress on the 5th Medium-Term Management Plan

In the fiscal year ended March 31, 2025, sale of permanent use rights for the Ryomon columbarium and the overseas investment business contributed to net sales of 1,020 million yen and segment income of 319 million yen.

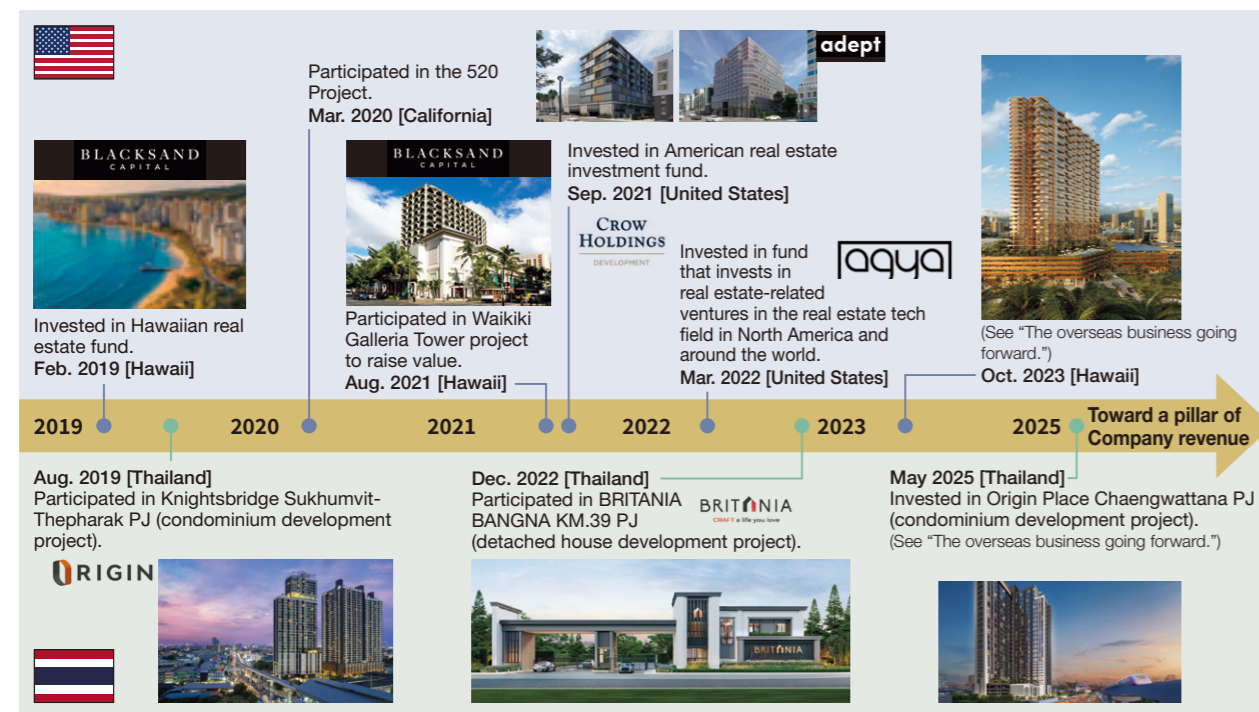
We will continue to invest and participate in new business domains in the next fiscal year and beyond.

Business development to date

Sale of permanent use rights for the Ryomon urban columbarium

We handle the sale of permanent use rights for the Ryomon urban columbarium in Hiroo, Minato Ward, Tokyo, and facility operation and management.

Overseas business initiatives



Competitive advantage

Risks

- Uncertain prospects due to domestic and overseas interest rate hikes and exchange rate fluctuations, increased US tariffs, and geopolitical risks
- Rising expenses due to external factors

Opportunities

- Economic growth in Asia and other overseas countries
- Generating synergies with our existing businesses or discovering new businesses to serve as pillars of our future earnings

The overseas business going forward

We will build relations with local developers and create new value through business participation and investment.

October 2023 [Hawaii]

Four companies signed a business partnership agreement:

- Seven Signatures International Corporation
- BlackSand Capital LLC
- Kobayashi Group LLC
- ES-CON JAPAN

As our first project, we participated as a domestic sales and marketing partner for the Ālia condominium units.

As our second project, we participated as a domestic sales and marketing partner for the Kuilei Place condominium units.



Ālia



Kuilei Place

May 2025 [Thailand]

Investment in large-scale condominium development projects

Following Knightsbridge Sukhumvit-Thepharak and BRITANIA BANGNA KM.39, both joint projects with the Origin Group, we invested in the Origin Place Chaengwattana development project as our third project in Thailand.



Origin Place Chaengwattana

New business initiatives

We are taking on various new business domains, with a view to the next generation.

Establishing ES-CON Sports & Entertainment (ESE)

ESE was established through joint investment from three companies: ES-CON JAPAN, Fighters Sports & Entertainment Co., Ltd. (FSE), and DeNA Co., Ltd. (DeNA), with the objective of studying and undertaking urban development. We aim to realize a society and community in which sports and entertainment are familiar presences, by combining the real estate and urban planning and development capabilities of ES-CON JAPAN with FSE's insights, knowledge, and operational know-how on Hokkaido Ballpark F Village and DeNA's ability to design urban development and capabilities in digital domains.



- Capital and business partnership with STYLY, which undertakes an XR (cross reality) business
- Developing agriculture-inspired hotels with the SHONAI Group

Taking on the challenge of integrating IT and hotel management by investing in SQUEEZE Inc.

We have invested in SQUEEZE Inc., which develops hotel management systems and operates hotels, since April 2020. ES CON Field Hokkaido Hotel Kitahiroshima Ekimae opened in March 2025, incorporating the latest smart technologies of SQUEEZE.

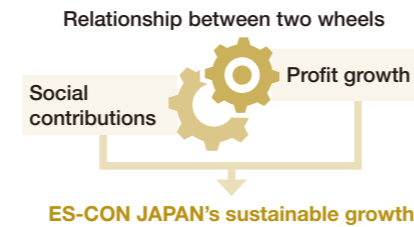


ES CON Field Hokkaido Hotel Kitahiroshima Ekimae

Sustainability Management

Sustainability Management

We regard **sustainability management** as one of the two wheels for achieving sustainable growth for the Company and will energetically promote related initiatives.



Management Philosophy and Basic Policy on Sustainability

Sustainability Management Philosophy

Based on our purpose of "Ideal to Real (Bringing ideals into reality to create a new future)," ES-CON JAPAN aims to realize a sustainable society and achieve sustainable growth by addressing social issues through the promotion of sustainability management as a life developer that responds to changing needs and creates ideal lifestyles.

Basic Sustainability Policy

We will comply with all legal regulations and ES-CON JAPAN's own commitments regarding the environment, society, and governance, and aim to grow as a company that is needed by society by promoting sustainability management.

Relevant SDGs

Environment

▶ pp. 41-

1. Creating new environmental value through next generation urban development and other measures to realize a carbon-neutral society by 2050
2. Promoting real estate development and corporate activities that give full consideration to the environment
3. Taking on the challenges of new business domains based on the key theme of the environment, thereby creating both environmental value and business value



Social

▶ pp. 43-

1. In addition to contributing to community vitality through urban development, creating new futures by promoting local community building
2. In addition to developing workplaces where employees can demonstrate their abilities to the fullest while doing rewarding work, promoting diversity to enable diverse human resources to thrive
3. Supporting safe and comfortable lives in our many communities by contributing to solutions to social challenges posed by health and welfare, including low birth rates and aging populations
4. Promoting business development to achieve SDGs on a global basis through international business development



Governance

▶ pp. 47-

1. Enhancing timely, appropriate, and fair disclosure of management information
2. Promoting governance structures capable of securing management stability, soundness, and transparency
3. Enhancing risk management capabilities in response to growing risks accompanying business expansion and diversification
4. Pursuing business activities based on the Corporate Ethics Charter and respect for the human rights of all



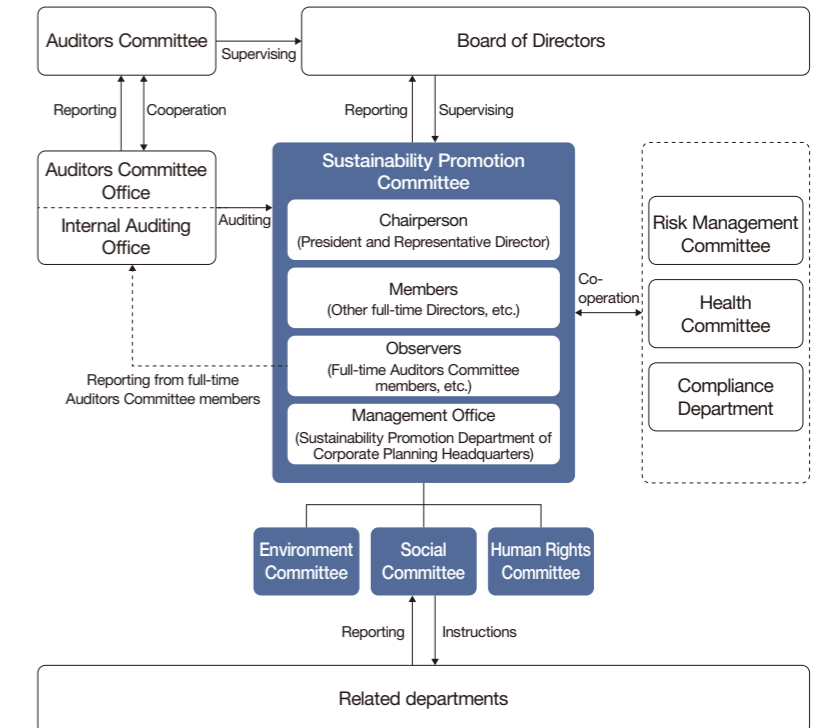
Establishment of a new promotion structure

With society's expectations for the corporate practice of sustainability management higher than ever before, ES-CON JAPAN established the Sustainability Promotion Committee in April 2025 to enhance our structure for activities to promote sustainability and to make clear management's involvement in sustainability.

Chaired by the President, this committee consists of members appointed by the chairperson as well as observers, including full-time Auditors Committee members. Furthermore, the committee has three subcommittees: the Environment Committee, the Social Committee, and the Human Rights Committee. In this way, it discusses and deliberates on specific initiatives based on the Basic Sustainability Policy. In addition, the Sustainability Promotion Department, which to date has promoted initiatives as the core of our sustainability management, serves as the committee's management office, handling committee operations and promoting activities with continuity from its previous initiatives.

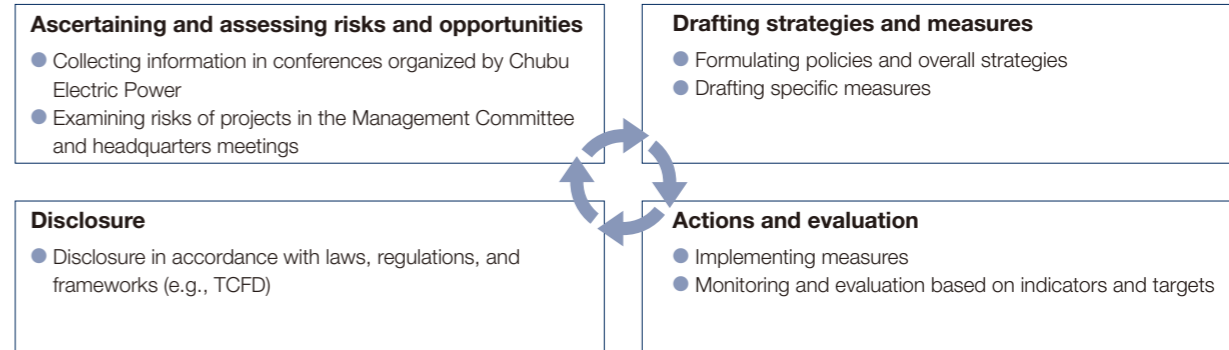
The Sustainability Promotion Committee reports on its deliberations to the Board of Directors for checking and oversight to ensure the efficacy of promotion of sustainability management.

The committee cooperates with the Risk Management Committee and other sections and organizations as appropriate to promote integrated sustainability management.



Sustainability study and promotion cycle

After ascertaining and assessing risks and opportunities related to ES-CON JAPAN's businesses, the Sustainability Promotion Committee considers overall strategies for sustainability management and specific measures in line with the themes of each subcommittee. It sets indicators and targets on each measure and drafts and implements measures. These are monitored and reviewed periodically and the results are disclosed appropriately to stakeholders in accordance with applicable laws and regulations and disclosure frameworks.



Environment

Initiatives for a decarbonized society

ES-CON JAPAN's Long-Term Vision 2030 identifies "Promoting a decarbonized society" as one of its materiality topics. We are reducing greenhouse gas (GHG) emissions through means such as promoting development of ZEH condominiums and use of fossil-fuel-free certificates.

Decarbonization target of ES-CON JAPAN Group

Reducing the Group's greenhouse gas emissions* **by 40% by FY2030 (vs. FY2022)**

* Scopes 1 and 2. Scope 3 will be considered in the future.

Quantitative data GHG emissions

(Unit: t-CO₂)

	FY2022 (January – December 2022)	FY2023* (April 2023 – March 2024)	FY2030 (target) (April 2030 – March 2031)
Scope 1	3,230	1,977	—
Scope 2	8,155	9,703	—
Subtotal (Scopes 1 and 2)	11,386	11,680	6,831
Scope 3	806,238	671,278	—

* Figures for 12 months of April 2023 – March 2024 are presented here though FY2023 spans 15 months due to a change in the accounting period.
* We plan to disclose actual GHG emissions for FY2024 on our website in September 2025.

Information disclosure based on TCFD recommendations

In June 2022 we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and began disclosing information based on the disclosure framework recommended by the TCFD (governance, strategies, risk management, indicators and targets related to climate-

change risks and opportunities).

We will actively work to realize a sustainable society based on the information disclosed.

▶ Link (Japanese only):

https://www.es-conjapan.co.jp/parts/pdf/esg/tcf_d_design_2025.pdf

Main external evaluations

Eco Action 21

We are working to build an environmentally friendly management structure, through initiatives in line with Eco Action 21, a unique Japanese environmental management system (EMS) developed by the Ministry of the Environment.



CDP

We strive to reduce our environmental impact and to disclose relevant information appropriately by responding to surveys by CDP, which evaluates environmental disclosure and other initiatives.



* We have been enhancing our sustainability initiatives and the content of related disclosure since 2025, aiming for inclusion in FTSE and other indices.

GRESB Real Estate Developer Assessment

We obtained Two Stars in the Development Benchmark of the 2024 GRESB Real Estate Assessment (reporting period: January 1– December 31, 2023). We also earned a Green Star for the sixth consecutive year.



TOPICS

Promotion of ZEH condominiums

By around 2026, all our new condominiums will meet the ZEH* standards for environmental performance.

ZEH condominium certification results and plans

FY2021 result	FY2022 result	FY2023 result	FY2024 result	FY2025 plan
1 building	2 buildings	5 buildings	15 buildings	13 buildings

[Introduction to (selected) FY2024 results]



Grand Le JADE Mishuku Dori



Le JADE Sapporo Odori The Tower



Le JADE Tezukayama



* ZEH (net zero energy housing): Housing that seeks to achieve net zero primary energy consumption annually by introducing renewable energy in addition to greatly improving the insulation performance of cladding materials and deploying highly efficient facility systems to achieve major energy savings while maintaining the quality of the indoor environment

SEVENS VILLA Karuizawa: Winner of merit award in Karuizawa Green Landscape Awards

Our SEVENS VILLA Karuizawa condominium residences won a merit award in the 2024 Karuizawa Green Landscape Awards, presented to outstanding projects that contribute to protecting nature in the town of Karuizawa.



tonarie Kitahiroshima, ES CON Field Hokkaido Hotel Kitahiroshima Ekimae: commemorative furniture project

The site of the tonarie Kitahiroshima and ES CON Field Hokkaido Hotel Kitahiroshima Ekimae mixed-use community-based facility project included a richly vegetated park at the station's west exit. The park was a popular place to relax for Kitahiroshima city residents. The commemorative furniture project is intended to preserve memories of the park for future generations and contribute to the community's vitality. Trees from the park were made into furniture by students of the local Shirakaba High School for Special Education. Their furniture was installed in the hotel lounge.



Furniture made through this project (inside the hotel lounge)



The previous park

Society

■ Building a robust human resource base and HR systems

We recognize our human resources to be an important management base, which we aim to make more robust by promoting various initiatives under three guidelines (see below). Such initiatives include creating a comfortable workplace environment, promoting employment of diverse human resources, including seniors and people with disabilities, and implementing development programs that consider the growth of each individual employee. We are also considering comprehensive revisions to HR systems, centered on remuneration and evaluation systems, in response to qualitative and quantitative changes in the human resources needed and to increasingly diverse employee values, spurred by the changing business environment.

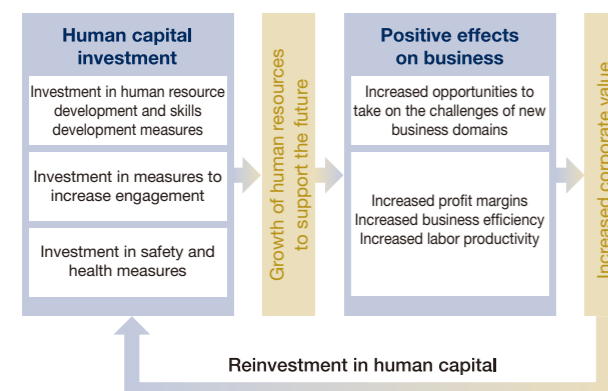
«Three guidelines»



■ Human capital investment forming a business base

ES-CON JAPAN believes that having all employees work enthusiastically and grow independently is a key to sustained corporate growth. The Basic Policy on Human Resource Development that we formulated in 2023 identifies seven important perspectives describing desired mindsets and skills. We actively invest in human resources to instill these mindsets and skills in all employees by enhancing various training and support programs focused on developing individual employees.

In addition, to generate further synergies in the Chubu Electric Power Group, we are also enhancing cooperation through active human resource exchanges within the Group.



«Basic Policy»

- Inheritance of DNA (values):** We work at all times with gratitude, putting customers first and remaining conscious of development and businesses that contribute to society.
- High aspirations and a sense of mission:** We recognize our mission to fulfill social responsibilities through work.
- Honesty, intelligence, energy, and physical strength:** While being honest and intelligent, we have sufficient energy and physical strength to handle diverse daily tasks.
- Exceptional leadership:** We work and do business in ways that involve others, while maintaining enthusiasm, consideration, and awareness of numerical results at all times.
- Foresight and strategy:** We keep improving ourselves while sensitively adapting to the changing external environment.
- Networking and communication skills:** Based on internal and external communication, we build rich interpersonal relationships of trust and confidence.
- Innovative experience:** We take on challenges and strive to realize innovative businesses with a spirit of inquiry that seeks out business models never before seen in the industry.

■ Promoting diversity, equity, and inclusion (DEI)

Harnessing diverse human resources

Having identified “Harnessing diverse human resources” as a materiality topic, ES-CON JAPAN is developing workplace environments in which women can thrive, as we work toward our annual target of maintaining a female hiring ratio of 35% or more. We also strive to reduce overtime and encourage men to take childcare leave, to support employees regardless of gender who engage in childcare or long-term care in balancing their work and family life. Furthermore, we also strive to provide opportunities and workplaces that empower human resources with diverse experiences and values, including those with disabilities, seniors (through re-employment after retirement), and midcareer hires.

■ Promoting health management

Safety and health maintenance and promotion initiatives

We consider employee safety and health to be foundations of our business activities and essential elements of sustainable growth. Accordingly, we have formulated the safety and health basic policy and Safety and Health Behavior Principles. We will promote further health management based on this basic policy and these behavior principles.

«Safety and health basic policy»

We create an environment where our colleagues can concentrate on their work in a safe and healthy manner, realize their ideals, and provide value to the local community.

«Safety and Health Behavior Principles»

- 1 Create a safe and comfortable working environment and maintain it by being organized.
- 2 Understand the health status of employees and their families, provide the necessary support, and act with health as the top priority.
- 3 We respect diverse values and foster a corporate culture where everyone can work with peace of mind and enthusiasm.
- 4 We will work together with consideration for the safety and health of all stakeholders involved in our business.

Certified as a Health & Productivity Management Outstanding Organization

We have earned certification in three consecutive years as a Health & Productivity Management Outstanding Organization (large corporation category) by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Providing regular health checkups (comprehensive medical checkups)

We provide annual regular health checkups. The percentage of employees undergoing the checkups has been 100% for three consecutive years. To better ascertain the health status of our employees, the foundation of our business, we also have decided to provide comprehensive medical checkups for all employees, free of copayments, beginning in FY2026.

■ Initiatives toward a more comfortable working environment

Initiatives to ascertain and improve employee engagement

To develop an environment in which each human resource can fully demonstrate their potential, we began implementing engagement surveys in FY2024 to quantitatively visualize the engagement of ES-CON JAPAN Group employees as organizational strengths and weaknesses. The results have been ascertained and shared at the management level and applied to promote initiatives to improve employee engagement by improving operations and workplaces.

FY2024 engagement survey result (entire ES-CON JAPAN Group)

Rank: B

■ Contributing to society through our businesses

Contributing to solving social challenges through food and agriculture

We carry out the following initiatives to contribute to solving social challenges through regional revitalization based on food and agriculture, addressing the shortage of agricultural workers, and stable supply of produce:

«Results of initiatives»

- Building an automated plant factory using fully artificial light, operated by TSUNAGU Community Farm (a joint venture with Chubu Electric Power, established in 2021)
- Cooperation with the SHONAI Group, a community development group that works to convert issues into hope in rural cities

Regional revitalization through community-based urban development

We engage in community-based urban development that inspires affection and pride in local residents. This includes the following initiatives to contribute to local community building and vitality:

«Results of initiatives»

- Urban development centered on Hokkaido Ballpark F Village in Kitahiroshima City, Hokkaido
- Development and operation of the tonarie series of community-based commercial facilities

Stakeholder Engagement

Relations with stakeholders

Basic approach

In developing the real estate business across Japan and around the world as a general developer, we interact with diverse stakeholders, including customers, shareholders (investors), local communities and residents, business partners, employees, and their families. By operating our Company in ways that take into consideration our stakeholders and the natural environment, which affects all of them, we aim to contribute to a sustainable society through our business activities.

ES-CON JAPAN's stakeholders



Specific initiatives

Stakeholder	Engagement (dialogue) methods	Reflecting in business activities
Customers	<ul style="list-style-type: none"> Surveying customer satisfaction Ascertaining customer opinions and needs at open house events 	<ul style="list-style-type: none"> Making improvements based on survey results and opinions Example: Facility improvements before handover to customers, etc.
Shareholders (investors)	<ul style="list-style-type: none"> Holding and streaming briefing sessions on financial results for institutional investors and analysts twice a year Conducting individual IR for domestic and overseas shareholders (investors), utilizing online meetings 	<ul style="list-style-type: none"> Implementing a progressive dividend policy
Local communities, local residents	<ul style="list-style-type: none"> Holding multiple briefing sessions for residents living near development project sites to ascertain their opinions and requests 	<ul style="list-style-type: none"> Deploying urban development that addresses issues side-by-side with the community Example: Condominium development that includes nursery schools which are in short supply, etc.
Business partners	<ul style="list-style-type: none"> Conducting surveys on the current status of CSR and ESG initiatives with highly relevant business partners 	<ul style="list-style-type: none"> Supporting and promoting partner CSR activities Example: Sharing materials from our human-rights training, etc.
Employees	<ul style="list-style-type: none"> Conducting engagement surveys Promoting use of the self-reporting system Appropriate operation of the internal whistleblowing system in cooperation with Chubu Electric Power 	<ul style="list-style-type: none"> Various measures to improve engagement Example: Gathering employee opinions to improve operations, etc. Responding swiftly to cases of compliance violations or harassment
Natural environment	<ul style="list-style-type: none"> Ascertaining GHG emissions and setting reduction targets Disclosure based on TCFD recommendations, and regular review 	<ul style="list-style-type: none"> Eco-friendly real estate development Example: ZEH-M, CASBEE certification, etc.

Our commitments to stakeholders through human rights initiatives

Basic Policy on Human Rights

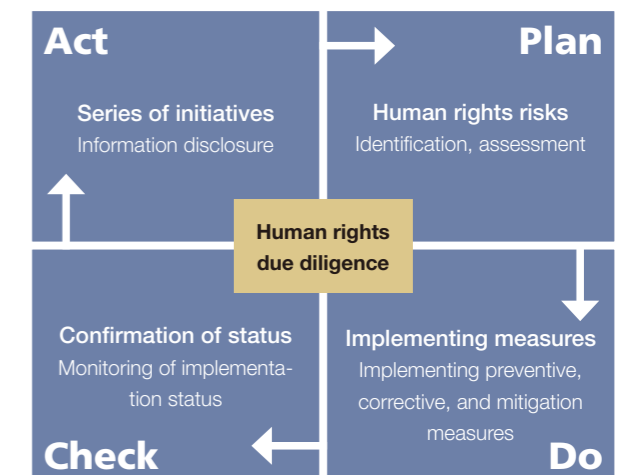
Our basic policy on sustainability calls for "Pursuing business activities based on the Corporate Ethics Charter and respect for the human rights of all," and we recognize respecting human rights to be one of our important initiatives. The Chubu Electric Power Group Basic Human Rights Policy (issued in July 2023) also calls for support and respect for international norms for human rights, including the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as striving to practice the United Nations (UN) Guiding Principles on Business and Human Rights. We are committed to respecting the human rights of all stakeholders in line with the Group policy.

Implementing human rights due diligence

We carry out continuous human rights due diligence to identify and assess human rights risks related to our business, including those of external stakeholders, and take measures to prevent the occurrence of any negative impacts on human rights.

(1) Identifying and assessing human rights risks

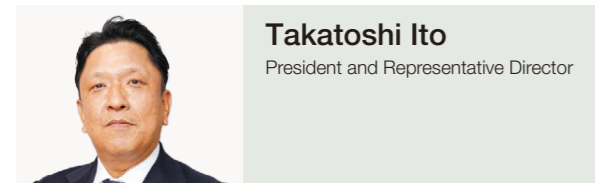
For the 26 types of major human rights risks that businesses are obliged to consider, as identified in the Ministry of Justice Human Rights Bureau document "Business and Human Rights Responses Required of Companies Today," we identify human rights risks related to stakeholders in each of our businesses. We then assess identified human rights risks based on the magnitude of impact, scope of impact, recoverability in the event of human rights violations, impact on people, and occurrence frequency.



(2) Initiatives to reduce human rights risks and prevent human rights violations

Stakeholder	Main initiatives															
Customers	<ul style="list-style-type: none"> Striving to ascertain customers' views by conducting surveys as appropriate, and implementing appropriate corrective measures for any issues impacting human rights 															
Local communities, local residents	<ul style="list-style-type: none"> Preventing negative impact on human rights of residents living near our project sites through compliance with laws and regulations on sunshine rights, privacy rights, etc. 															
Business partners	<ul style="list-style-type: none"> Conducting surveys on the current status of CSR and ESG initiatives with highly relevant business partners 															
Employees	<ul style="list-style-type: none"> Implementing annual human rights and compliance training for all employees and providing educational opportunities regarding potential human rights issues related to our businesses <p>«Main human rights training»</p> <table border="1"> <thead> <tr> <th>Implementation period</th> <th>Training name</th> <th>Subjects</th> </tr> </thead> <tbody> <tr> <td>June 2024</td> <td>Harassment prevention training for managerial personnel</td> <td>All ES-CON JAPAN Group managerial personnel</td> </tr> <tr> <td>July 2024</td> <td>Compliance training</td> <td>All ES-CON JAPAN Group employees</td> </tr> <tr> <td>November 2024</td> <td>Harassment prevention training for management</td> <td>ES-CON JAPAN directors and executive officers, Group company presidents</td> </tr> <tr> <td>December 2024</td> <td>Human rights training</td> <td>All ES-CON JAPAN Group employees</td> </tr> </tbody> </table> <p>* Human rights training is implemented jointly with Chubu Electric Power, using a combination of materials prepared by ES-CON JAPAN and Chubu Electric Power.</p>	Implementation period	Training name	Subjects	June 2024	Harassment prevention training for managerial personnel	All ES-CON JAPAN Group managerial personnel	July 2024	Compliance training	All ES-CON JAPAN Group employees	November 2024	Harassment prevention training for management	ES-CON JAPAN directors and executive officers, Group company presidents	December 2024	Human rights training	All ES-CON JAPAN Group employees
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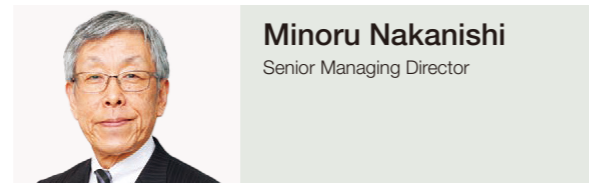
Officers (Directors)



Takatoshi Ito

President and Representative Director

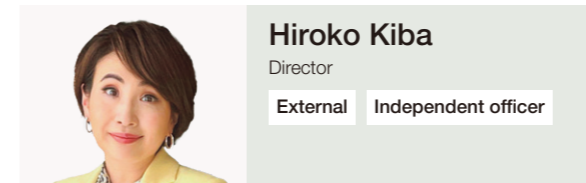
September 2001 Joined ES-CON JAPAN Ltd.
 February 2006 Executive Officer, ES-CON JAPAN Ltd.
 March 2007 Managing Director, ES-CON JAPAN Ltd.
 November 2010 Head of Business Division, ES-CON JAPAN Ltd.
 March 2011 President and Representative Director, ES-CON JAPAN Ltd. (current post)
 January 2012 Head of Tokyo Office, ES-CON JAPAN Ltd.
 May 2013 President and Representative Director, ES-CON PROPERTY Ltd.
 August 2013 Head of Development Division, ES-CON JAPAN Ltd.
 July 2014 Director, ES-CON ASSET MANAGEMENT Ltd.
 November 2014 President and Executive Officer, ES-CON JAPAN Ltd. (current post)
 September 2016 Director, ES-CON LIVING SERVICE Ltd.
 July 2018 Director, ES-CON PROPERTY Ltd.
 July 2018 Director, One's Own House Co., Ltd. (now ES-CON HOME Ltd.)
 July 2019 Director, Rise Home Co., Ltd. (now ES-CON CRAFT Ltd.)
 December 2019 Director, ES-CON GLOBAL WORKS Ltd.
 January 2020 Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (current post)
 October 2020 Director, Ryomon Co., Ltd. (current post)
 October 2021 Director, Picasso Co., Ltd. (current post)
 Director, Yuki Sangyo Co., Ltd. (current post)
 January 2022 Director, FUEL Inc. (now ES-CON INVESTMENT PARTNERS Ltd.)
 July 2023 Director, Shijo Omiya Building Co., Ltd. (current post)
 December 2023 Executive Chairman, ES-CON Sports & Entertainment Ltd. (current post)
 April 2025 Director, Shiba Real Estate Inc. (current post)



Minoru Nakanishi

Senior Managing Director

April 1975 Joined Yasuda Trust & Banking Co., Ltd. (now Mizuho Trust & Banking Co., Ltd.)
 April 2005 Executive Officer, Head of Osaka Branch Office, Yasuda Trust & Banking Co., Ltd.
 April 2008 Joined SOKEN Co., Ltd. as Senior Managing Director
 August 2011 Joined ES-CON JAPAN Ltd.
 June 2012 Executive Officer, Head of Finance and Accounting Department, ES-CON JAPAN Ltd.
 March 2013 Director, ES-CON JAPAN Ltd.
 May 2013 Director, ES-CON PROPERTY, Ltd.
 August 2013 Head of Management Division, ES-CON JAPAN Ltd.
 July 2014 Director, ES-CON ASSET MANAGEMENT Ltd.
 November 2014 Executive Officer, ES-CON JAPAN Ltd.
 March 2015 Executive Director, ES-CON JAPAN Ltd.
 Managing Executive Officer, ES-CON JAPAN Ltd.
 September 2016 Director, ES-CON LIVING SERVICE Ltd.
 March 2017 Senior Managing Director, ES-CON JAPAN Ltd. (current post)
 Senior Executive Officer, ES-CON JAPAN Ltd. (current post)
 October 2020 Director, Ryomon Co., Ltd. (current post)
 October 2021 Director, Picasso Co., Ltd. (current post)
 Director, Yuki Sangyo Co., Ltd. (current post)
 January 2023 Head of Management Planning Division, ES-CON JAPAN Ltd. (current post)
 July 2023 Director, Shijo Omiya Building Co., Ltd. (current post)

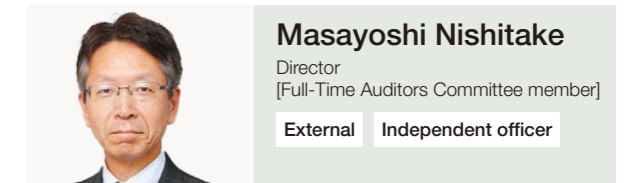


Hiroko Kiba

Director

External Independent officer

April 1987 Joined Tokyo Broadcasting System, Inc. (now Tokyo Broadcasting System Television, Inc.)
 April 2001 Part-time Lecturer, Faculty of Education, Chiba University
 April 2006 Specially Appointed Professor, Faculty of Education, Chiba University
 January 2007 Member, Cabinet Office Council for Regulatory Reform
 July 2007 Member, Ministry of Economy, Trade and Industry's Advisory Committee for Natural Resources and Energy
 February 2008 Member, Prime Minister's Office Council for the Implementation of Education Rebuilding
 March 2009 Member, Ministry of Land, Infrastructure, Transport and Tourism Council for Transport Policy
 April 2013 Visiting Professor, Chiba University (current post)
 March 2016 Member, Ministry of Land, Infrastructure, Transport and Tourism National Land Council (current post)
 June 2016 Director, The Ports and Harbours Association of Japan (current post)
 November 2017 Member, Ministry of Health, Labour and Welfare Medical Ethics Council (current post)
 February 2019 Member, Ministry of Education, Culture, Sports, Science and Technology Central Council for Education
 June 2019 Audit & Supervisory Board Member, INPEX Corporation (current post)
 June 2022 External Director, Central Japan Railway Company (current post)
 March 2025 Member, Ministry of Land, Infrastructure, Transport and Tourism Social Capital Maintenance Council (current post)
 June 2025 External Director, ES-CON JAPAN Ltd. (current post)
 Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (current post)



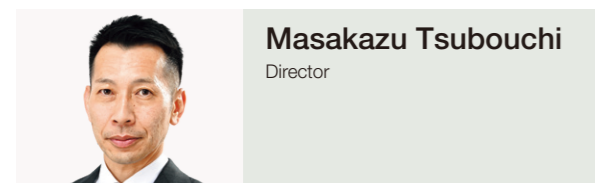
Masayoshi Nishitake

Director

[Full-Time Auditors Committee member]

External Independent officer

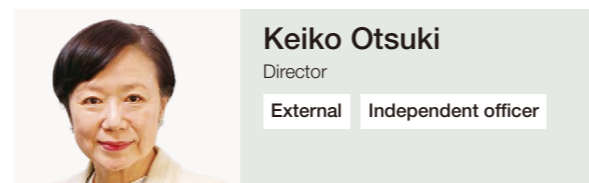
April 1986 Joined Daiwa Bank, Limited (now Resona Bank, Limited)
 November 2005 Manager, Sales Dept. No. 1, Kameido Branch, Resona Bank, Limited
 June 2007 Head, Kitakyushu Branch, Resona Bank, Limited
 July 2010 Manager, Sales Dept. No. 3, Ueno/Nippori Area, Resona Bank, Limited
 October 2012 Head, Payment Solutions Office, Corporate Solution Sales Dept., Resona Bank, Limited
 April 2018 Executive Officer and General Manager, Product Development & Sales Dept., Resona Kessai Service Co., Ltd.
 March 2020 External Director (Full-time Auditors Committee member), ES-CON JAPAN Ltd. (current post)
 Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (current post)



Masakazu Tsubouchi

Director

April 1996 Joined Chubu Electric Power Co., Inc.
 July 2013 Manager, Accounts Group, Accounting Division, Chubu Electric Power Co., Inc.
 July 2016 Seconded to JERA Co., Inc. as Head of Accounting Unit while affiliated with the Group Business Strategy Division, Chubu Electric Power Co., Inc.
 April 2020 Manager, Head of Accounts Group, Business Management Division, Chubu Electric Power Co., Inc.
 July 2023 General Manager, Head of Accounts Group, Business Management Division, Chubu Electric Power Co., Inc.
 April 2025 Deputy Head of Management Division, ES-CON JAPAN Ltd.
 Executive Officer, ES-CON JAPAN Ltd. (current post)
 June 2025 Director, ES-CON JAPAN Ltd. (current post)
 Compliance Officer, ES-CON JAPAN Ltd. (current post)
 Head of Management Division, ES-CON JAPAN Ltd. (current post)
 Head of President's Office (current post)

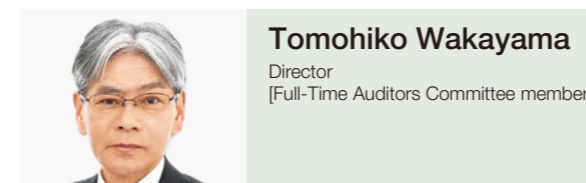


Keiko Otsuki

Director

External Independent officer

April 1979 Joined Mitsubishi Electric Corporation
 February 1985 Joined Credit Lyonnaise Bank (now Credit Agricole Bank)
 January 1991 Joined Morgan Stanley Dean Witter (now Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.)
 January 1996 Joined UBS Securities Japan (now UBS Securities Co., Ltd.)
 January 1998 Joined Morgan Stanley Dean Witter (now Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.)
 Vice President/Senior Analyst, Equities Research Division
 April 2003 Joined Morgan Stanley Japan Global Properties (now Morgan Stanley Capital Co., Ltd.)
 Executive Director
 January 2008 Joined Morgan Stanley Japan (now Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.)
 Managing Director
 June 2018 Director, Japan Promote Organization for Medical Resources Development (MRD) (current post)
 February 2020 External Director, KRS Corporation (current post)
 March 2021 External Director, ES-CON JAPAN Ltd. (current post)
 March 2023 Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (current post)

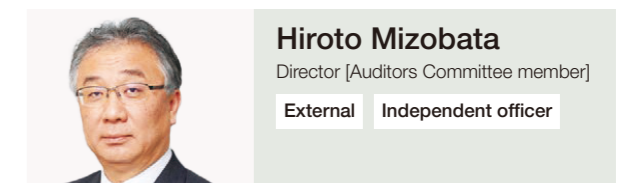


Tomohiko Wakayama

Director

[Full-Time Auditors Committee member]

April 1985 Joined Chubu Electric Power Co., Inc.
 July 2010 General Manager, Budget Group, Accounting Division, Chubu Electric Power Co., Inc.
 November 2011 Seconded to Toenec Corporation while affiliated with the Group Business Promotion Division, Chubu Electric Power Co., Inc.
 July 2013 General Manager, Fuels Division, Chubu Electric Power Co., Inc.
 October 2013 Seconded to Chubu Electric Power Australia Pty Ltd while affiliated with the Fuels Division, Chubu Electric Power Co., Inc.
 July 2016 General Manager, Business Strategy Office, Sales Company, Chubu Electric Power Co., Inc.
 April 2018 General Manager, General Affairs Division, Sales Company, Chubu Electric Power Co., Inc.
 June 2019 Auditor, Cenergy Co.
 June 2022 Auditor, CEPO Handa Biomass Power Co., Ltd.
 Auditor, CS Aqua Co., Ltd.
 March 2023 Auditor, Nakao Geothermal Power Generation Corporation
 June 2023 Director (Auditors Committee member), ES-CON JAPAN Ltd.
 Director (Full-Time Auditors Committee member), ES-CON JAPAN Ltd. (current post)

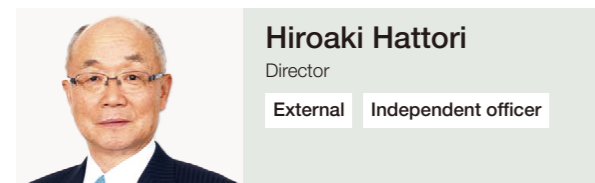


Hiroto Mizobata

Director [Auditors Committee member]

External Independent officer

April 1986 Joined KPMG Asahi Shinwa Accounting, Inc. (now KPMG AZSA LLC)
 March 1988 Registered as certified public accountant
 December 1991 Registered as licensed tax accountant
 March 1992 Representative, Mizobata CPA Office (current post)
 March 1995 External Auditor, ES-CON JAPAN Ltd.
 June 2015 External Director (Auditors Committee member), Yamaki Co., Ltd. (current post)
 External Director, Kyocera Corporation
 January 2016 Representative Partner, Mizobata CPA Office (current post)
 March 2016 External Director (Auditors Committee member), ESCON JAPAN Ltd. (current post)
 January 2020 Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd.

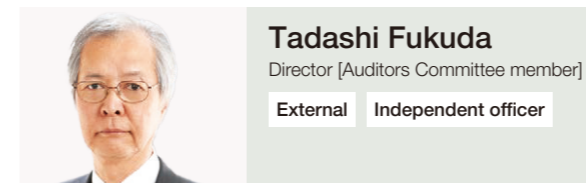


Hiroaki Hattori

Director

External Independent officer

April 1980 Joined Taiyo-Kobe Bank, Ltd. (now Sumitomo Mitsui Banking Corporation)
 April 2010 Executive Officer/General Manager, Kobe Corporate Sales Division, Sumitomo Mitsui Banking Corporation
 April 2012 Managing Executive Officer, Sumitomo Mitsui Banking Corporation
 June 2015 Representative Director/Vice-President, Executive Officer/Vice-President, Minato Bank, Ltd.
 April 2016 Representative Director/President and CEO, Minato Bank, Ltd.
 April 2018 Representative Director, Kansai Mirai Financial Group, Inc.
 April 2021 Representative Director/Chairperson, Minato Bank, Ltd.
 May 2021 Chairperson, Kobe Association of Corporate Executives
 June 2021 External Auditor, Osaka Small and Medium Business Investment & Consultation Co., Ltd. (current post)
 April 2022 Director/Chairperson, Minato Bank, Ltd.
 March 2023 External Director, ES-CON JAPAN Ltd. (current post)
 Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (current post)
 April 2025 Special Advisor, Minato Bank, Ltd. (current post)



Tadashi Fukuda

Director [Auditors Committee member]

External Independent officer

April 1986 Registered as attorney at law
 June 2000 Joined Daiichi Law Office (now the Daiichi Legal Professional Corporation)
 December 2012 External Corporate Auditor, SHINYEI KAISHA
 June 2015 External Director, SHINYEI KAISHA
 External Auditor, EXEDY Corporation (current post)
 March 2016 External Auditor, ES-CON JAPAN Ltd.
 Executive Partner, Daiichi Legal Professional Corporation (current post)
 June 2016 External Corporate Auditor, Mitsubishi Tanabe Pharma Corporation
 March 2020 External Director (Auditors Committee member), ES-CON JAPAN Ltd. (current post)
 Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd.

Executive officers

Executive officers under delegation contracts

Takatoshi Ito*

President and Executive Officer

Minoru Nakanishi*

Senior Executive Officer
(Head of Management Planning Division)

Masakazu Tsubouchi*

Executive Officer
(Head of Management Division)

Tomohiko Egashira

Managing Executive Officer
(Head of Development Division)

Akira Mizunoya

Managing Executive Officer
(Head of Nagoya Office)

* Also serves as Director.

Executive officers under employment contracts

Yoshiro Kato

Senior Executive Officer
(Head of Hokkaido Office)

Katsushi Wakayama

Senior Executive Officer
(Deputy Head of Management Planning Division)

Tadashi Tanaka

Executive Officer
(Head of Construction Planning Department)

Tomohito Nakata

Executive Officer
(Head of West Japan Development Department I)

Seiken Naito

Executive Officer
(Head of Corporate Division)

Megumi Nakadozono

Executive Officer
(Deputy Head of Corporate Division)

Hiroyuki Yamato

Executive Officer
(Head of Legal Department)

Promotion of Risk Management and Compliance

Officers' remuneration

Directors who are not members of the Auditors Committee

Basic policies for decision-making on remuneration
The basic policies call for appropriate remuneration for directors who are not members of the Auditors Committee to be determined by confirmation of business results and comparisons to other firms within the same industry by the Nomination and Remuneration Advisory Committee. This structure is also intended to increase the rate of annual and medium-term incentive remuneration and maintain and increase management motivation in light of the inherent volatility of the Company's businesses.

In addition, a stock allocation system has been established as a system of nonmonetary remuneration for medium-term incentive remuneration. Remuneration decisions under this system are based on the perspective of considering total shareholder return (TSR) as an indicator that reflects shareholder perspectives and sets as clear objectives returns to shareholders and increased corporate value.

Content and structure of remuneration and constituent ratios, timing, etc.

Three types of remuneration are available for directors who are not member of the Auditors Committee (excluding external directors): fixed monthly base remuneration; annual incentive remuneration based on annual performance; and medium-term incentive remuneration based on performance during the period of the medium-term management plan. The ratios of these constituent elements are determined based on each director's post and responsibilities.

Provided below is an overview of a case of payment of target amounts of incentive remuneration.

Remuneration item	Representative director	Vice president and director	Senior managing director	Managing director	Director	Purposes and overview of payment
Base remuneration	55%	54%	52%	55%	55%	Remuneration reflecting differences in roles in management oversight and business execution and differences in scope of responsibilities for each post. Amounts are determined based on officer category and post.
Annual incentive remuneration	30%	29%	29%	30%	27%	Annual incentive remuneration is paid in amounts corresponding to each period's performance, using consolidated net income and consolidated operating income as indicators, to incentivize business execution to achieve the goals set in business plans; determined based on evaluations of progress with business measures over the course of the fiscal year and progress toward goals set in business plans.
Medium-term incentive remuneration	15%	17%	19%	15%	18%	Medium-term incentive remuneration is paid in the form of Company shares based on evaluations of progress toward goals set in the medium-term management plan and fluctuations in corporate value, using consolidated operating income and total returns to shareholders as stipulated in the medium-term management plan as indicators. This remuneration seeks to incentivize business execution with sustainable growth in mind. Rights to receive Company shares obtained in accordance with performance in each year of the medium-term management plan are evaluated, from an external perspective, for each period of the medium-term management plan. Rights are finalized based on the results thereof.

Basic policies for decision-making concerning amounts of remuneration for individual directors

Based on the decision-making policies, the Nomination and Remuneration Advisory Committee confirms business results and key performance indicators (KPIs) as well as procedures and evaluation results, then decides on draft individual remuneration amounts. Final decisions are made by the Board of Directors.

Directors who are members of the Auditors Committee

Remuneration of Directors who are Auditors Committee members consists of fixed base remuneration determined within the range of the total amount resolved at the extraordinary general meeting of shareholders held November 29, 2023.

The Nomination and Remuneration Advisory Committee makes decisions based on draft policies for individual remuneration, taking into consideration results of audits of legality and propriety in business execution as well as job responsibilities, and final decisions are made by consultations among Directors who are Auditors Committee members.

Risk management system

ES-CON JAPAN has established its basic policy on risk management in the Risk Management Regulations. Procedures for responding to emergencies are stipulated in the Crisis Management Regulations. The risks associated with all business projects are examined in detail and response policies determined at regular study meetings (headquarters meetings) attended by executive directors, directors who are full-time Auditors Committee members, heads of related departments, legal affairs personnel, and others. The Risk Management Committee meets regularly to monitor the status of cross-organizational risks and share information Groupwide.

Cross-organizational risk management system



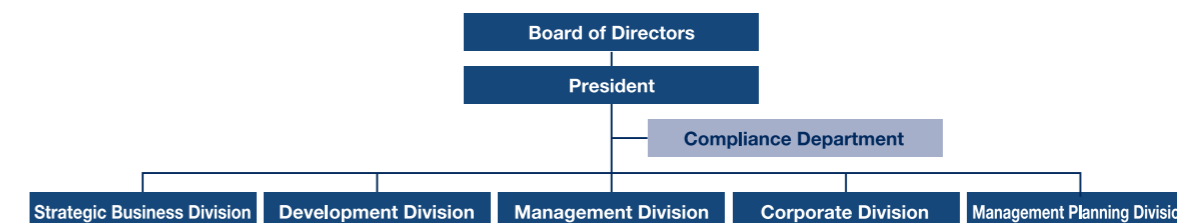
In the event of an incident that has a significant impact on management, a crisis task force led by the President convenes to consider and implement Groupwide responses. In addition, to assure the accuracy and reliability of financial reporting, the Company identifies, assesses, and documents risks in operational processes and the like based on the policy of the Internal Control Regulations for Financial Reporting and periodically checks on the status of the implementation of control activities.

● Number of headquarter meetings held in FY2024: 48 ● Number of Risk Management Committee meetings held in FY2024: 48

Compliance Declaration and compliance promotion structure

Based on the Corporate Ethics and Conduct Charter, which declares our commitment to practice corporate ethics and the effectiveness of our corporate social responsibility (CSR), in March 2023 the Board of Directors resolved to revise the existing Compliance Code of Conduct and establish the Compliance Declaration, to ensure that all Group employees abide by laws, regulations, social norms, and the Articles of Incorporation.

The functions and systems of the Compliance Office, an organization under the direct supervision of the President, were expanded in April 2022 when it became the Compliance Department. Headed by the officer in charge of compliance, this department will strengthen the promotion of compliance management while clarifying our management stance regarding legal and regulatory compliance throughout the Group.



Initiatives for compliance promotion

Training was implemented for managerial personnel on prevention of harassment in June 2024, for all Group employees on compliance in July 2024, and for management on prevention of harassment in November 2024, all in a group setting. Chubu Electric Power surveyed all Group employees on compliance in August of the same year.

In addition to the above, we have established a Compliance Hotline as a contact point for consultation and reporting pursuant to the Whistleblower Protection Act. Whistleblowers also may use the Chubu Electric Power Group joint helpline.

External Directors Roundtable Discussion



Tadashi Fukuda

External Director, Auditors
Committee member

Keiko Otsuki

External Director, Nomination and
Remuneration Advisory Committee
member

Hiroaki Hattori

External Director, Nomination and
Remuneration Advisory Committee
member

External Directors' Perspectives on ES-CON JAPAN's Business Strategies and Human Capital Policies

What are your views on the fiscal year ended March 31, 2025, in which the Company recorded record-high profits, and on the upward revisions of the 5th Medium-Term Management Plan's performance targets?

Fukuda I understand the outstanding performance achieved in the fiscal year ended March 31, 2025 to be the result of our steady, thorough preparations carried out up to that point. Since Directors Otsuki and Hattori are better versed than I am in the details of business, I would like to defer to them to provide their expert analysis.

Otsuki My focus is on the diligent efforts of those in each section in laying the groundwork for future moves. They are actively securing land and making other arrangements for future development projects for condominiums and for commercial facilities, hotels, and other properties. I have high expectations for good business results in the fiscal years ending March 2026 and beyond.

Hattori The fiscal year ended March 31, 2025 marks a very successful first step toward achieving the 5th Medium-Term Management Plan. I think that acquiring more companies active in real estate leasing and related businesses and thereby making further progress in securing stable earnings through the real estate leasing business played a very large role in these results. We are approaching the target business composition, in which condominium sales, real estate development, and real estate leasing each accounts for 30% of total revenues. I think that this represents an important move toward building economic foundations that can withstand any economic environment.

Otsuki President Ito often called for a structure in which earnings from the leasing business cover selling and administrative expenses across the Company. The business portfolio we were aiming for has already been put in place by the addition to the Group, through M&A activities, of companies that owned leased assets.

ES-CON JAPAN's management team has the power and drive to lead the entire Group toward its business targets.

As seen from the recent upward revisions to operating income targets in the 5th Medium-Term Management Plan, I am confident in the Company being able to set lofty goals and make steady progress toward them.

Hattori Looking at the business results achieved to date, there appears to be a high chance we will achieve the Long-Term Vision's targets for FY2030 of 30 billion yen in ordinary income and 1 trillion yen in real estate assets. But since the business environment is changing dramatically, I believe it is vital to achieve consistent year-on-year earnings growth.

How do you assess ES-CON JAPAN's efforts to address what it has identified as priority themes for business strategy?

Hattori On the subject of "deepening," my focus is on "Further stabilizing the revenue structure." For this, we must promptly raise the share of stock revenue, representing the total earnings of the real estate leasing business and the asset management business, to 30%.

On the subject of business "evolution," "New urban development and management" is of utmost importance. We are achieving outstanding results in the city of Kitahiroshima, Hokkaido, where community development has attracted people and businesses to the area. This project represents more than just urban development: It entails building a future for the area. I would like us to take the lead in production of communities while drawing on the participation of diverse players such as local governments and universities.

While our equity ratio of about 17%, somewhat lower than that of other companies in the industry, is a concern, I think for now it is a good policy to aim for 1 trillion yen in real estate assets, drawing on the credit strength of Chubu Electric Power, among other measures. But in the process of doing so, we may come to a point where we need to invest in development using off-balance-sheet arrangements, to avoid swelling of liabilities on the balance sheet. We need to pay close attention to the balance sheet in doing so.

Otsuki I have observed various corporate alliances through my background in the securities industry. The coupling of ES-CON JAPAN with Chubu Electric Power is one of the smoothest ones I have ever seen. Both companies cooperate without competition. Joining with Chubu Electric Power has led to a succession of quite outstanding development projects. Chubu Electric Power's base of Nagoya has been added to ES-CON JAPAN's strong business foundations in Osaka and Tokyo. Hokkaido is truly attracting

attention right now, and last year we opened an office in Okinawa. I think these actions demonstrate our ability to expand business by growing out from our bases spread over Japan, and we are making steady progress on the theme of "Expanding domestic area of operations."

Fukuda The Company has identified 10 priority themes for business strategy. I believe that we have achieved results for each of these and are moving forward in a positive direction. Among them, I feel that "Synergies with the Chubu Electric Power Group" have recently developed into substantial joint business activities. Moving forward, I hope that these achievements will serve as a foothold for expanding joint business activities into various fields.

Another point worth noting is the active exchange of human resources with Chubu Electric Power. Chubu Electric Power and ES-CON JAPAN have completely different corporate cultures. While ours is more a culture of maneuverability, Chubu Electric Power's culture is one of stability. Promoting the exchange of human resources between companies with different cultures will have very positive effects on ES-CON JAPAN.

Otsuki I think the coupling of ES-CON JAPAN with Chubu Electric Power differs greatly from other examples of business tie-ups in that it involves the active and two-way exchange of human resources. I am impressed by how people who came here from Chubu Electric Power, as well as those we send to Chubu Electric Power, are always smiling. The relationship seems to be one in which they absorb knowledge from one another. While Chubu Electric Power is





our parent company, owning about 51% of our shares, for ES-CON JAPAN's sake, I am grateful that we can exchange human resources in doing business without being bound by hierarchical relationships between the two organizations.

Hattori I, too, can sense how Chubu Electric Power respects ES-CON JAPAN. Perhaps they want to expand ES-CON JAPAN's strengths, that is, the management team's sense of urgency, its development capabilities, and its ability to promote business strategies, and incorporate the know-how and other sources that create those strengths into the entire group.

Otsuki There's another point I would like to make related to business strategy. One of the themes of "deepening" is "Establishing management that accounts for capital costs and stock price." One of the targets under this theme is to "Achieve ROE, ROIC above shareholder capital costs and WACC." Our ROE is high right now. While a high ROE is viewed favorably by the financial markets, rating agencies may also identify a need to decrease assets. A high ROE is a good thing, and looking at future development projects ROIC is also very high, which is wonderful. But ultimately our net figures are quite high. As Mr. Hattori noted, it is also



important to invest in development using off-balance-sheet arrangements. In this sense, targeting ordinary income of 30 billion yen and real estate assets of 1 trillion yen may be a case of moving in two directions at once.

What should we do, then? While there may be various viewpoints, one approach might be to utilize funds and similar methods. This means holding properties as assets under management (AUM). Overall consistency might be easier to achieve by shifting the numerical target for FY2030 from real estate assets to AUM.

What is your assessment of ES-CON JAPAN's sustainability management?

Fukuda Permeation of the concept of sustainability management is still a relatively recent development in Japan. In this sense, the Company's sustainability management can be said to have just got started. But I am very impressed with the organizational changes made in April with the establishment of the Sustainability Promotion Committee, led by the President, and the reorganization of the Compliance Office into the Compliance Department. While sustainability is a very broad concept, compliance truly is at its core. Ensuring thorough compliance is an unavoidable management issue. The Company's clarification of its stance through these organizational changes sends a powerful message both for further permeating a compliance mindset among employees and for earning trust from outside.

But right now, we have only established the necessary systems. It will be important to implement true, effective compliance as we move forward. This is one point on which I would like to focus attention as an Auditors Committee member.

Hattori As the Company grows rapidly, it may need to utilize the expertise and human resources of Chubu Electric Power in areas like sustainability, governance, and risk management.

Ultimately our people play an important part in promoting sustainability management, and I think human resource development is very important. We external directors would

like to provide support so that diverse human resources can thrive. Another important point with regard to people is to clearly communicate the thinking of top management to employees. President Ito has called for urban development to enrich local communities, and I think that the motivation of employees will grow as they become more aware of their roles in contributing to such socially meaningful value creation. This should lead to better business results, improved employee wellbeing and engagement, and more vital communities. Building from these to achieve a virtuous cycle should lead to increased corporate value and the Company's sustainability.

What issues should ES-CON JAPAN address to raise true corporate value?

Fukuda In thinking about increasing corporate value, any company needs to develop management human resources without interruption. I believe that right now our executive officers are growing and accumulating experience, but ideally we would steadily develop the next generation of human resources to take over their positions when they move up to the management team. Surely issues regarding people are the most important themes when aiming for sustainable growth in corporate value.

Naturally, a company cannot grow unless all employees do their best. While we revised our Management Philosophy framework in 2023, the revised Purpose and Vision were abstract. The Principles of Action show in concrete terms what must be done to achieve the Purpose and Vision. It is vital that each and every employee understand the Principles of Action and put them into practice. The Principles of Action are the foundations on which employees stand. Their function is like that of the Statute Books in my field of law. The Company can grow sustainably in the right direction when all employees can make decisions and act in line with the Principles of Action. I would like us to focus continually on the issue of how we can be a company where this takes place.

Otsuki I would like to comment from a management perspective. While ES-CON JAPAN is highly capable in plan-



ning and execution, its sales network cannot be said to be sufficient. When a smaller company entrusts sales to other firms, its profit margin is certain to decrease. It seems to me that if we review the past from this perspective, then some revenue opportunities may come into view that had not been apparent before. I think that today we should think about how to increase these earnings, even a little at a time, which we have missed to date.

When we review the past, it becomes clear how the future comes from the combined effects of what we are doing today. Real estate is a business with very high potential, and ES-CON JAPAN has a strong partner in Chubu Electric Power. I am confident that when both companies join hands to improve on strategy, they will be able to achieve significant results in urban development, global business expansion, and asset class diversity.

Hattori To repeat, a company is its people. I believe the shape of a company is the cumulative effect of the actions of each of its employees. Based on this premise, it is extremely important to build up solidarity in the organization to be a company that can make progress rapidly in both business strategy and increasing corporate value. I think that firmly building this solidarity among our people is the most direct route to corporate growth.

Financial Data

Key financial data for the past 11 years on a consolidated basis

Fiscal year		FY12/2014	FY12/2015	FY12/2016	FY12/2017	FY12/2018	FY12/2019	FY12/2020	FY12/2021	FY12/2022	FY3/2024*1	FY3/2025
Profit/loss (million yen)	Net Sales	18,842	27,705	34,347	44,724	54,325	72,106	77,308	79,017	99,431	118,861	113,603
	Operating income	2,815	4,012	4,680	7,042	11,561	12,912	12,202	10,381	15,492	19,074	21,311
	Ordinary income	2,075	3,126	3,575	5,988	10,498	11,810	11,164	9,099	14,012	16,585	17,320
	Profit attributable to owners of parent	2,411	3,039	3,936	5,456	7,226	8,155	7,663	5,961	7,250	10,050	11,193
Financial position (million yen)	Total assets	50,141	58,088	73,703	86,435	109,747	132,696	149,423	252,771	263,729	399,696	459,847
	Interest bearing liabilities	35,430	39,739	51,177	56,544	70,661	85,019	98,506	163,034	169,065	293,794	336,394
	Net assets	11,656	13,994	17,363	21,433	27,359	33,546	38,627	62,628	64,144	70,702	78,681
Cash flows (million yen)	Cashflow from operating activities	-1,803	-3,877	-14,684	-10,694	-7,123	122	119	-10,810	1,501	-68,892	-24,765
	Cashflow from investing activities	-1,041	61	7,656	9,167	223	-4,770	-9,732	-29,721	-1,620	-32,611	-17,293
	Cashflow from financing activities	3,368	3,683	11,003	3,979	12,818	10,501	11,007	50,293	2,144	114,585	39,469
Indicators per share (yen)	Profit per share	34.59	44.65	58.76	81.77	105.98	119.17	111.94	67.48	76.04	105.44	117.18
	Net assets per share	169.05	208.28	259.07	315.44	400.47	490.08	563.07	657.50	691.87	759.56	827.19
	Dividend per share	3	8	15	18	32	36	38	38	38	48	48
Financial indicators (%)	Dividend payout ratio	8.7%	17.9%	25.5%	22.0%	30.2%	30.2%	33.9%	56.3%	50.0%	45.5%	41.0%
	ROE	22.7%	23.7%	25.1%	28.1%	29.6%	26.8%	21.2%	11.8%	11.3%	14.5%	14.8%
	ROA	5.1%	5.6%	6.0%	6.8%	7.4%	6.7%	5.4%	3.0%	2.8%	3.0%	2.6%
	ROIC*2	6.7%	7.2%	6.5%	8.4%	10.2%	7.5%	6.6%	3.2%	4.6%	4.5%	3.5%
	Equity ratio	23.2%	24.1%	23.6%	24.8%	24.9%	25.3%	25.8%	24.8%	25.0%	18.1%	17.2%
Stock information	Stock price (yen)*3	189	261	437	655	646	937	816	783	782	1,040	1,018
	Total number of shares issued and outstanding	70,317,887	70,511,887	70,594,887	71,203,387	71,649,387	71,841,887	71,961,887	98,580,887	98,580,887	98,580,887	98,580,887

*1: FY3/2024 was an irregular financial period for the 15 months from January 1, 2023 to March 31, 2024.

*2: ROIC = Operating income after tax / (Shareholder equity + interest-bearing liabilities)

Since FY3/2024, calculations have been made using the following formula:

ROIC = (Consolidated ordinary income + interest expenses - interest income - income taxes) / (Average of starting and ending balances of [interest-bearing liabilities + net assets])

*3: Adjusted closing price on the last trading day of each financial period

Major shareholders (As of March 31, 2025)

Name	No. of shares owned	Ownership ratio
CHUBU Electric Power Co., Inc.	49,599,000	51.1%
The Master Trust Bank of Japan, Ltd. (trust account)	6,144,000	6.3%
Tenma Seiryu Co., Ltd.	3,610,000	3.7%
Custody Bank of Japan, Ltd. (trust account)	2,897,500	3.0%
Seiryu Corporation Co., Ltd.	2,100,000	2.2%
Takatoshi Ito	1,288,800	1.3%
MSIP CLIENT SECURITIES	1,261,200	1.3%
Keiko Akashi	531,000	0.5%
Yutaka Tonami	433,000	0.4%
Sumitomo Mitsui Banking Corporation	300,000	0.3%

* The Company holds 1,462,554 treasury shares but is excluded from the above list of major shareholders.

* The treasury shares (1,462,554 shares) are excluded from calculations of ownership ratios.

The ownership ratio is rounded to the first decimal place.

Trend in stock price



Nonfinancial Data

Greenhouse gas emissions

(FY)

	Scope	Unit	2022	2023 ^{*1}	2024 ^{*2}
Total emissions (Scopes 1, 2, and 3)	Nonconsolidated	t-CO ₂	817,623	682,958	—
Scope 1 (direct emissions)	Nonconsolidated	t-CO ₂	3,230	1,977	—
Scope 2 (indirect emissions)	Nonconsolidated	t-CO ₂	8,155	9,703	—
Subtotal (Scopes 1 and 2)	Nonconsolidated	t-CO ₂	11,386	11,680	—
Scope 3	Nonconsolidated	t-CO ₂	806,238	671,278	—

*1 Figures for the 12 months of April 2023–March 2024 are presented here, though FY2023 spans 15 months due to a change in the accounting period.

*2 We plan to disclose actual GHG emissions for FY2024 on our website in September 2025.

Waste emissions

	Scope	Unit	2022	2023 ^{*1}	2024
General waste	Nonconsolidated	kg	16,278	20,119	18,727
Industrial waste	Nonconsolidated	m ³	1.7	3.1	6.8

*1 Figures for the 12 months of January–December 2023 are presented here, though FY2023 spans 15 months due to a change in the accounting period.

Employees

	Scope	Unit	2022	2023 ^{Note 1}	2024	
ES-CON JAPAN Group consolidated	Overall ^{*1}	Group consolidated persons	398	442	475	
	Male	Number	Group consolidated persons	248	268	283
		Percentage	Group consolidated %	62.3	60.6	59.6
	Female	Number	Group consolidated persons	150	174	192
		Percentage	Group consolidated %	37.7	39.4	40.4
	Percentage of non-regular employees ^{*2}	Group consolidated %	6.3	7.2	6.9	
	Employment rate of people with disabilities ^{*3}	Group consolidated %	2.01	2.48	3.14	
	Turnover rate (voluntary turnover rate of full-time employees)	Group consolidated %	9.7	11.0	8.7	
	ES-CON JAPAN nonconsolidated	Overall ^{*4}	Nonconsolidated persons	256	282	309
		Male	Number	Nonconsolidated persons	158	170
Percentage			Nonconsolidated %	61.7	60.3	60.8
Female		Number	Nonconsolidated persons	98	112	121
		Percentage	Nonconsolidated %	38.3	39.7	39.2
Percentage of non-regular employees		Nonconsolidated %	3.1	6.0	7.1	
Employment rate of people with disabilities		Nonconsolidated %	2.01	2.48	3.14	
Turnover rate (voluntary turnover rate of full-time employees)		Nonconsolidated %	6.5	9.1	5.6	
Average age		Nonconsolidated	39 years and 10 months old	40 years and 7 months old	40 years and 5 months old	
Average years of continuous service		Nonconsolidated	4 years and 10 months	5 years and 1 month	5 years and 5 months	
Average annual salary ^{*5}	Nonconsolidated million yen	6.85	6.68	7.21		

*1 The number of employees is the number currently working at the Company.

*2 The percentage of non-regular employees does not include casual and part-time employees.

*3 The percentage of employees with disabilities is calculated only for ES-CON JAPAN Ltd., which is subject to the Act to Facilitate the Employment of Persons with Disabilities.

*4 The number of employees is the number currently working at the Company and does not include those seconded to subsidiaries.

*5 Average annual salary includes nonstandard wages.

*1 The paid leave acquisition rate for each fiscal year is calculated for the period from January through December of each year.

*2 Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015)

*3 Percentage of new graduate hires and midcareer hires in each fiscal year accounted for by women

*4 Percentage taking childcare leave and other leave for childcare purposes calculated under Article 71-6, Paragraph 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labour Ordinance No. 25 of 1991) pursuant to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991)

*5 The Company had no female part-time/fixed-term workers in FY2022.

Diversity, equity, and inclusion (DEI)

	Scope	Unit	2022	2023 ^{Note 1}	2024
Paid leave acquisition rate ^{*1}	Nonconsolidated	%	63.6	61.8	71.5
Percentage of female managers ^{*2}	Nonconsolidated	%	3.1	3.9	7.1
Female hiring ratio ^{*3}	Nonconsolidated	%	43.3	48.4	32.1
Rate of males taking childcare leave ^{*4}	Nonconsolidated	%	50.0	150.0	50.0
Male-female wage disparity ^{*2}	All workers	Nonconsolidated %	52.0	54.0	57.6
	Regular employees	Nonconsolidated %	50.4	53.0	56.1
	Part-time/fixed-term workers	Nonconsolidated %	— ^{*5}	45.0	60.2

Occupational safety and health

(FY)

	Scope	Unit	2022	2023 ^{Note 1}	2024
Absence rate ^{*1}	Nonconsolidated	%	0.17	0.14	0.21
Number of (fatal) occupational accidents	Regular employees	Nonconsolidated cases	0	0	0
	Contract employees	Nonconsolidated cases	0	0	0
Incidence rate of fatal and injury accidents (frequency rate) ^{*2}	Regular employees	Nonconsolidated %	0.0	0.0	0.0
	Contract employees	Nonconsolidated %	0.0	0.0	0.0
Lost days rate (severity rate) ^{*3}	Regular employees	Nonconsolidated %	0.0	0.0	0.0
	Contract employees	Nonconsolidated %	0.0	0.0	0.0
Number taking time off due to injury or illness	Nonconsolidated	persons	3	3	6
Percentage undergoing stress checks	Group consolidated	%	96.8	99.8	95.9
Percentage identified to have high stress	Nonconsolidated	%	14.2	9.5	11.2
Percentage undergoing regular health checkups	Nonconsolidated	%	100.0	100.0	100.0
Percentage undergoing follow-up (detailed) examinations	Nonconsolidated	%	35.6	43.8	33.9
Absenteeism ^{*4}	Nonconsolidated		1.430	1.007	0.748
Employee engagement ^{*5}	Group consolidated		—	—	Rank: B
Percentage of sites obtaining OHSAS 18001 certification	Group consolidated	%	0.0	0.0	0.0
Number of employees undergoing training on health and safety standards	Nonconsolidated	persons	59	265	89

*1 Total days absent / total business days during the year

*2 Number of casualties due to occupational accidents (number of casualties due to occupational accidents involving one or more days off work or loss of a body part or its functions) / total days actually worked × 1,000,000

*3 Total lost work days due to occupational accidents / total days actually worked × 1,000

*4 (Total days of leave + total days absent of those taking illness or injury leave) / number of employees at the end of the fiscal year

*5 Engagement surveys provided by Link and Motivation Inc. have been conducted since FY2024.

Note 1 Fiscal years refer to the following periods:
 FY2022: January 1 – December 31, 2022
 FY2023: January 1, 2023 – March 31, 2024 (change in accounting period)
 FY2024: April 1, 2024 – March 31, 2025

Note 2 Subject scopes are shown below.
 Nonconsolidated: ES-CON JAPAN Ltd., ESCON PROPERTY Ltd., ES-CON ASSET MANAGEMENT Ltd., ES-CON LIVING SERVICE Ltd., ES-CON HOME Co., Ltd., ES-CON CRAFT Co., Ltd., Picasso Co., Ltd., Yuki Sangyo Co., Ltd., Shijo Omiya Building Co., Ltd. (since 2023), ES-CON INVESTMENT PARTNERS Ltd., ESCON USA V LLC (since 2024), Ryomon Co., Ltd., ES-CON Sports & Entertainment Ltd. (since 2023), ESCON JAPAN (THAILAND) CO., LTD.

Company Profile

(as of March 31, 2025)

Name

ES-CON JAPAN Ltd.*
 * The Company changed its Japanese trade name from ES-CON JAPAN to ES CON on July 1, 2025.

Established

April 18, 1995

Capital

16,519 million yen

Line of business

Condominium business
 Real estate development business
 Real estate leasing business
 Asset management business
 Other business

Number of employees

475 (consolidated)
 309 (nonconsolidated)

Locations

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 Tel: +81-3-6230-9303 Fax: +81-3-6230-9304

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 13F, Nissay Sapporo Building, 4-1-1 Kita 3-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0003 Japan
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