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Notice on Revision of Full-Year Consolidated Earnings Forecast and Dividend Forecast for Fiscal Year Ending December 2018

ES-CON Japan Ltd. (ES-CON Japan) announces that a decision was made at the board of directors meeting held today to revise the consolidated earnings forecast and dividend forecasts for the fiscal year ending December 2018, announced on February 8, 2018, as follows.

1. Revision of consolidated earnings forecast for fiscal year ending December 2018

(Unit: million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Previously announced forecast (A)	55,700	9,900	8,700	6,000
Revised forecast (B)	55,000	11,300	10,200	7,000
Change (B - A)	-700	1,400	1,500	1,000
Percent change (%)	-1.3	14.1	17.2	16.7
Reference: Previous fiscal year (ended December 2017)	44,724	7,042	5,988	5,456

2. Reason for revision of consolidated earnings forecast

ES-CON Japan has revised upward the consolidated earnings forecast for the fiscal year ending December 2018 because the real estate sales business it promotes is favorable and the profit margin is higher than initially expected, making the profit likely to exceed the initial forecast. As a result, ES-CON Japan expects to achieve record profit attributable to owners of parent for the second consecutive fiscal year.

However, business in the second quarter of the fiscal year ending December 2018 has been steady as expected, so the earnings forecast for the second quarter have not be revised.

3. Second medium-term management plan, "IDEAL to REAL 2019"

The current second medium-term management plan, "IDEAL to REAL 2019," is also making steady progress and expected earnings in the final year, fiscal 2019, will be announced separately after review.

4. Revision of dividend forecast for fiscal year ending December 2018

(Unit: yen)

	Annual dividend		
	End of second quarter	Year-end	Total
Previously announced forecast	0.00	20.00	20.00
Revised forecast	0.00	26.00	26.00
Change	-	6.00	6.00
Fiscal year ending December 2018	-	-	-
Previous fiscal year (ended December 2017)	0.00	18.00	18.00



5. Reason for revision of dividend forecast

ES-CON Japan has increased the dividend by six yen per share because, as mentioned in 2. above, earnings are expected to exceed the initial forecast. As a result, the forecast dividend payout ratio has also been changed from 22.7% to 25.0%.

*The earnings outlook and other forward-looking statements contained in this document are based on information currently available to ES-CON Japan. Accordingly, actual business performance and other results may differ materially due various factors.