

February 24, 2021

Company name: ES-CON JAPAN Ltd.
 Representative: Takatoshi Ito, President &
 Representative Director
 (TSE 1st Section, code: 8892)
 Inquiries: Minoru Nakanishi,
 Senior Managing Director
 Tel: +81-3-6230-9308

Notice of Earnings Forecasts for Fiscal Year Ending December 2021

ES-CON JAPAN Ltd. (ES-CON JAPAN) announced decisions concerning consolidated earnings forecasts for the second quarter and full fiscal year ending December 2021 made at its board of directors' meeting held today. These figures, which were to be determined in the Summary of Accounts for Fiscal Year Ended December 2020 (Japanese GAAP) (Consolidated) announced on January 28, 2021, are as follows:

ES-CON JAPAN also released today a news release on "Notice of formulation of "IDEAL to REAL 2023", the fourth medium-term management plan," the new medium-term management plan for the three-year period from December 2021 through December 2023. We ask that readers also review that news release.

1. Consolidated earnings forecasts

Consolidated earnings forecasts (cumulative) through the second quarter of the fiscal year ending December 2021 (January 1 – June 30, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	54,968	10,595	10,070	6,990	102.14
Revised forecast (B)	29,400	3,900	3,300	2,100	25.82
Change (B - A)	(25,568)	(6,695)	(6,770)	(4,890)	(76.32)
Percent change (%)	(46.5)	(63.2)	(67.2)	(70.0)	(74.7)

Full-year consolidated earnings forecast for fiscal year ending December 2021 (January 1 – December 31, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	77,308	12,202	11,164	7,663	111.94
Revised forecast (B)	80,000	10,800	9,400	6,200	70.22
Change (B - A)	2,692	(1,402)	(1,764)	(1,463)	(41.72)
Percent change (%)	3.5	(11.5)	(15.8)	(19.1)	(37.3)

2. Reason for revision of consolidated earnings forecasts

At the time of announcing settlement of accounts for the fiscal year ended December 2020, on January 28, 2021, consolidated earnings forecasts for the fiscal year ending December 2021 had yet to be determined, in order to better understand the impact of COVID-19 on ES-CON JAPAN in light of the issuance of a new state of emergency related to the pandemic. However, as noted in “Notice of Issue of New Shares for Subscription through Third-Party Allocation, Partial Amendment of Articles of Association, (Planned) Change in Parent Company, and Conclusion of Agreement on a Capital and Business Partnership with Chubu Electric Power Co., Inc.”, a separate news release also issued today, the Company has determined that it can strengthen its financial standing through a capital increase realized by becoming a Chubu Electric Power consolidated subsidiary Co. Chubu Electric Power for its part enjoys strong corporate credit. Thus, as of the same date, ES-CON JAPAN announced **the fourth medium-term management plan “IDEAL to REAL 2023”**. This plan addresses the three-year period from December 2021 through December 2023. This announcement of consolidated earnings forecasts is based on this fourth medium-term management plan.

The Summary of Accounts for the Fiscal Year Ended December 2020 announced on January 28, 2021 projects dividends in the fiscal year ended December 2021 of 38 yen per share, equal to the amount for the fiscal year ended December 2020.

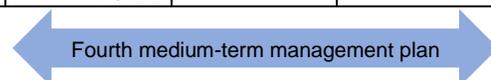
Previously, on July 30, 2020, ES-CON Japan announced a review of its progressive dividend policy; this policy sets the dividend per share [DPS] for the preceding fiscal year as a lower boundary and resolves in principle to maintain or increase but not to reduce the per-share dividend. ES-CON JAPAN has now decided to maintain this progressive dividend policy in FY2020 and beyond. For the period addressed by the fourth medium-term management plan announced today, which covers the three-year period from December 2021 through December 2023, ES-CON JAPAN plans to maintain dividends of at least 38 yen per share.

[Reference]

- Earnings results for the most recent three years and consolidated earnings forecasts under the fourth medium-term Management Plan

(Unit: millions yen)

	Fiscal year ending December 2018 (actual)	Fiscal year ending December 2019 (actual)	Fiscal year ending December 2020 (actual)	Fiscal year ending December 2021 (planned)	Fiscal year ending December 2022 (planned)	Fiscal year ending December 2023 (planned)
Net sales	54,325	72,106	77,308	80,000	98,000	110,000
Operating income	11,561	12,912	12,202	10,800	14,000	16,000
Ordinary income	10,498	11,810	11,164	9,400	—	—
Profit attributable to owners of parent	7,226	8,155	7,663	6,200	—	—
Profit per share	Yen 105.98	Yen 119.17	Yen 111.94	Yen 70.22	—	—



- About the fourth medium-term management plan "IDEAL to REAL 2023"
https://www.es-conjapan.co.jp/english/about_us/plan.php
- Today's separate news release concerning the capital increase through third-party allotment
<https://www.es-conjapan.co.jp/english/ir/index.php>