

June 26, 2019

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Notice on Acquisition of (Shares of) One's Own House Co., Ltd. and Rise Home Co., Ltd.

ES-CON Japan Ltd. (ES-CON Japan) announces that a decision was made at the board of directors meeting held today to acquire the shares of One's Own House Co., Ltd. (hereinafter "One's Own House"), which sells detached houses mainly in Saitama Prefecture, and Rise Home Co., Ltd. (hereinafter "Rise Home"), which builds detached houses, making them subsidiaries, as follows.

1. Reasons for Acquiring Shares

ES-CON Japan decided to acquire 100% of the shares of two Saitama-based companies with the aim of strengthening its real estate development business centered on condominiums and detached houses in Saitama.

One's Own House sells around 40 detached houses per year while Rise Home builds around 60 per year. Saitama Prefecture, where the two companies operate, has an annual population growth rate second only to that of Tokyo¹. In fiscal 2018, the apartment supply increased 8.5% year on year, the second-highest growth rate in the Tokyo metropolitan area after Chiba². This makes Saitama an attractive market in the metropolitan area where steady growth is expected as a commuter region for central Tokyo. Based on this, we believe that strengthening our real estate business in Saitama will also contribute to greater business expansion in the metropolitan area.

Currently, based on our second medium-term management plan, "IDEAL to REAL 2019" (over the three-year period from 2017 to 2019), we are following a basic philosophy of customer-first business, fulfilling our mission as a "life developer" that facilitates living itself, and carrying out business as a company needed by society. This acquisition of subsidiaries will contribute to the further evolution and growth of our group.

1. Source: Population estimates of Ministry of Internal Affairs and Communications' Statistics Bureau (as of October 1, 2017)

2. Source: Metropolitan Area Apartment Market, Real Estate Economic Institute Co., Ltd.

2. Details of Transitioning Subsidiaries

(1) One's Own House

① Trade name	One's Own House Co., Ltd.	
② Address	1-76-3 Onaricho, Omiya-ku, Saitama-shi, Saitama Prefecture	
③ Title/name of representative	Representative Director Masanobu Kaga	
④ Business	Detached house sale, used house resale, real estate brokerage, etc.	
⑤ Capital	30 million yen	
⑥ Date of establishment	June 11, 2001	
⑦ Major shareholders and shareholding ratio	Masanobu Kaga: 100%	
⑧ Relationship between ES-CON Japan and said company	Capital relationship	Not applicable
	Personnel relationship	Not applicable

	Business relationship	Not applicable	
⑨ Business results of company over last three years (Unit: Million yen)			
Fiscal year end	June 2016	June 2017	June 2018
Net sales	2,097	2,139	2,114
Operating income	121	147	163
Ordinary income	106	133	152
Net profit	81	86	104
Net assets	295	381	486
Total assets	1,382	1,250	1,948

(2) Rise Home

① Trade name	Rise Home Co., Ltd.		
② Address	1-76-3 Onaricho, Omiya-ku, Saitama-shi, Saitama Prefecture		
③ Title/name of representative	Representative Director Masanobu Kaga		
④ Business	House construction, etc.		
⑤ Capital	10 million yen		
⑥ Date of establishment	March 3, 2005		
⑦ Major shareholders and shareholding ratio	Masanobu Kaga: 100%		
⑧ Relationship between ES-CON Japan and said company	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	Not applicable	
⑨ Business results of company over last three years (Unit: Million yen)			
Fiscal year end	February 2017	February 2018	February 2019
Net sales	807	973	1,154
Operating income	65	83	107
Ordinary income	62	80	102
Net profit	46	52	67
Net assets	192	245	313
Total assets	761	819	1,116

3. Details of Share Acquisition Counterparty

① Trade name	Masanobu Kaga
② Address	Saitama-shi, Saitama Prefecture
③ Relationship between listed company and said individual	Not applicable

4. Number of shares acquired and share ownership before/after acquisition

(1) One's Own House

① Number of shares owned before transition	0 shares (shareholding ratio: 0%)
② Number of shares acquired	600 shares
③ Number of shares owned after transition	600 shares (shareholding ratio: 100%)

(2) Rise Home

① Number of shares owned before transition	0 shares (shareholding ratio: 0%)
② Number of shares acquired	200 shares
③ Number of shares owned after transition	200 shares (shareholding ratio: 100%)

*The acquisition price is not indicated based on the will of the counterparty. However, it is equal to or less than 15% of ES-CON Japan's consolidated net assets at the end of the previous consolidated fiscal year.

5. Schedule

① Date of execution	June 26, 2019
② Date of share transfer	July 1, 2019 (planned)

6. Future outlook

The impact of this share acquisition on ES-CON Japan's consolidated results for the current fiscal period is negligible.