

December 25, 2018

Company name: ES-CON Japan Ltd.  
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### Notice on Transfer of Real Estate for Sale to ESCON JAPAN REIT Investment Corporation

ES-CON Japan Ltd. (ES-CON Japan) announces that it has decided to transfer the following real estate for sale which it owns as of the listing of ESCON JAPAN REIT Investment Corporation (hereinafter “ESCON REIT”) (scheduled to be listed on February 13, 2019) whose assets are entrusted to be managed by ES-CON Asset Management Ltd. (hereinafter “ES-CON AM”), the wholly subsidiary of ES-CON Japan, as described in “Notice on Approval of Listing of Investment Units of “ESCON JAPAN REIT Investment Corporation” on the Tokyo Stock Exchange” separately announced today as follows.

#### 1. Details of Assets to be Transferred

The total transfer price will be 13,748 million yen as described below and the total gain from transfer is scheduled to be 2,282 million yen.

Moreover, the gain from transfer will not be disclosed individually for each property.

Location	Type	Site area (total floor area)	Transfer price (million yen)
Kita-nagoya-shi, Aichi Prefecture	Commercial facility (land, building)	11,474 m <sup>2</sup> (47,179 m <sup>2</sup> )	4,610
Chiba-shi, Chiba Prefecture	Commercial facility (land, building)	41,288 m <sup>2</sup> (33,809 m <sup>2</sup> )	3,200
Shiroi-shi, Chiba Prefecture	Commercial facility (land, building)	2,015 m <sup>2</sup> (1,018 m <sup>2</sup> )	451
Chiba-shi, Chiba Prefecture	Land lot of commercial facility (land)	23,379 m <sup>2</sup>	2,710
Nishi-ku, Kobe-shi, Hyogo Prefecture	Land lot of commercial facility (land)	9,610 m <sup>2</sup>	1,430
Sakai-shi, Osaka Prefecture	Land lot of commercial facility (land)	4,406 m <sup>2</sup>	946
Kasuga-shi, Fukuoka Prefecture	Land lot of commercial facility (land)	3,125 m <sup>2</sup>	401
Total			13,748

#### 2. Overview of Buyer

Trade name	ESCON JAPAN REIT Investment Corporation	
Address	2-5 Kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo	
Officers	Satoshi Omori, Executive Officer Masato Yamanaka, Supervisory Officer Satoshi Ugajin, Supervisory Officer	
Relationship with listed companies	Capital relationship	As of the date of this document, ES-CON Japan invests 45.1% in NBNS Investment Limited Liability Partnership as a limited liability partner of NBNS Investment Limited Liability Partnership which owns 37.8% of ESCON REIT’s investment units issued and outstanding.
	Personal relationship	An employee of ES-CON Japan serves as the executive officer of ESCON REIT.
	Business relationship	ES-CON Japan provides support such as the acquisition of assets by concluding a sponsor support agreement with ESCON REIT.
	Status of relationship with related parties	Not applicable

**3. Schedule of Transfer**

Date of resolution at board of directors meeting	December 25, 2018
Date of conclusion of contract	December 25, 2018
Date of delivery of property	February 13, 2019 (scheduled)

**4. Impact on Financial Results**

The impact of the transfer of the real estate for sale on the financial results is scheduled to be recorded as sales and profits next fiscal year ending December 2019, and the transfer will have no impact on the financial results for the current fiscal year.

Moreover, the impact on the financial results for Fiscal 2019 is currently being examined and will be announced separately once finalized.