

July 9, 2021

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 Representative Director
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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 a decision was made at its board of directors' meeting held today to conclude a sale and purchase agreement for the transfer of the following real estate for sale it owns to ESCON JAPAN REIT Investment Corporation (ESCON REIT). Details are as follows.

1. Details of Assets to Be Transferred

The total transfer price will be 11,947 million yen as described below and the total gain from transfer is expected to be 2,470 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)
1) Kumamoto-shi, Kumamoto Prefecture (Suroy Mall Nagamine)	Commercial facility (Land, building)	28,546.00 m ² (13,130.23 m ²)	4,600
2) Hatsukaichi-shi, Hiroshima Prefecture (Fuji Grand Natalie)	Commercial facility (Land, building)	21,083.66 m ² (28,543.96 m ²)	3,950
3) Sapporo-shi, Hokkaido	Commercial facility (Land)	8,154.00 m ²	1,300
4) Neyagawa-shi, Osaka Prefecture	Commercial facility (Land)	2,743.65 m ²	702
5) Amagasaki-shi, Hyogo Prefecture	Commercial facility (Land)	1,491.47 m ²	565
6) Kobe-shi, Hyogo Prefecture	Commercial facility (Land)	2,634.83 m ²	530
7) Hikone-shi, Shiga Prefecture	Commercial facility (Land)	2,012.30 m ²	300
Total			11,947

2. Overview of Buyer

Trade name	ESCON JAPAN REIT Investment Corporation	
Address	The Okura Prestige Tower 20F, 2-10-4, Toranomon, Minato-ku, Tokyo	
Representative	Satoshi Omori, Executive Officer Masato Yamanaka, Supervisory Officer Satoshi Ugajin, Supervisory Officer	
Relationship with ES-CON JAPAN	Capital relationship	ES-CON JAPAN owns 4.76% of ESCON REIT's investment units issued and outstanding.
	Personnel relationship	One 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 through the conclusion of 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	July 9, 2021
Date of conclusion of contract	July 9, 2021
Date of delivery of property	August 3, 2021

4. Impact on Financial Results

The impact of the transfer of the real estate for sale on the financial results has been factored in the full-year consolidated earnings forecast for fiscal year ending December 2021.

(Reference) Portfolio List of ESCON REIT

(unit: million yen)

	Property name	Location	Type	Acquisition price
Acquired assets	Asumigaoka Brand-New Mall	Chiba-shi, Chiba Prefecture	Land, building	3,200
	Nishi-shiroi Ekimae Plaza	Shiroi-shi, Chiba Prefecture	Land, building	451
	K's Denki Oyumino	Chiba-shi, Chiba Prefecture	Leasehold land	2,710
	Nitori Tsuchiura	Tsuchiura-shi, Ibaraki Prefecture	Leasehold land	999
	Nitori Imaichi	Nikko-shi, Tochigi Prefecture	Leasehold land	363
	tonarie Minami-senri	Suita-shi, Osaka Prefecture	Land, building	7,200
	tonarie Seiwadai	Kawanishi-shi, Hyogo Prefecture	Land, building	3,290
	tonarie YamatoTakada (ownership ratio 50%)	Yamato-Takada-shi, Nara Prefecture	Land, building	4,150
	tonarie Toga-Mikita (ownership ratio 50%)	Sakai-shi, Osaka Prefecture	Land, building	3,490
	LAMU Kitatsumori	Osaka-shi, Osaka Prefecture	Leasehold land	1,270
	K's Denki Nishi-kobe	Kobe-shi, Hyogo Prefecture	Leasehold land	2,133
	Sanyo Marunaka Mitani	Kobe-shi, Hyogo Prefecture	Leasehold land	1,430
	Tsutaya Sakai-minami	Sakai-shi, Osaka Prefecture	Leasehold land	946
	LIFE Daisen	Sakai-shi, Osaka Prefecture	Leasehold land	2,733
	Pare Marche Nishiharu	Kitanagoya-shi, Aichi Prefecture	Land, building	4,610
	MaxValu Kikyogaoka-higashi	Nabari-shi, Mie Prefecture	Leasehold land	477
	Fukuoka Kasuga Project	Kasuga-shi, Fukuoka Prefecture	Leasehold land	10,404
K's Denki Kurashiki	Kurashiki-shi, Okayama Prefecture	Leasehold land	2,121	
	Current total (A)			51,980
Assets planned to be acquired	tonarie Toga-Mikita (ownership ratio 50%)*	Sakai-shi, Osaka Prefecture	Land, building	3,496
	TRIAL Omihachiman*	Omihachiman-shi, Shiga Prefecture	Leasehold land	1,010
	Kusuri no Aoki Ikaruga*	Ikoma-gun, Nara Prefecture	Leasehold land	711
	Drug Yutaka Mukokamiueno*	Muko-shi, Kyoto Prefecture	Leasehold land	460
	WELCIAAmagasaki Mukomotomachi	Amagasaki-shi, Hyogo Prefecture	Leasehold land	565
	Cocokara Fine Neyagawakoen	Neyagawa-shi, Osaka Prefecture	Leasehold land	702
	ENEOS Ikawadani SS	Kobe-shi, Hyogo Prefecture	Leasehold land	530

	GEO Hikone Takamiya	Hikone-shi, Shiga Prefecture	Leasehold land	300
	SUROY Mall Nagamine	Kumamoto-shi, Kumamoto Prefecture	Land, building	4,600
	Fuji Grand Natalie	Hatsukaichi-shi, Hiroshima Prefecture	Land, building	3,950
	YAMADA DENKI Tecc Land Sapporo Shiroishi	Sapporo-shi, Hokkaido	Leasehold land	1,300
	Total portfolio planned to be acquired (B)			17,624
Total (A+B)				69,604

* ESCON REIT plans to acquire tonarie Toga-Mikita (ownership ratio 50%), TRIAL Omihachiman, Kusuri no Aoki Ikaruga and Drug Yutaka Mukokamiueno from Chuden Real Estate Co., Inc.

Leasehold land	31,166	44.8%
Land, building	38,437	55.2%
Total	69,604	100.0%

*ESCON JAPAN REIT Investment Corporation has also separately published today press releases concerning said acquisition and the issuance of new investment units and secondary offering of investment units.

For more details, please visit <https://www.escon-reit.jp/en/>