



## Summary of Accounts for Fiscal Year Ended March 2025 (Japanese GAAP) (Consolidated)

April 25, 2025

Name of listed company: ES-CON JAPAN Ltd. Listing exchange: Tokyo Stock Exchange  
 Code: 8892 URL: <https://www.es-conjapan.co.jp/english/>  
 Representative: (Name) Takatoshi Ito (Position) President & Representative Director  
 Contact for inquiries: (Name) Minoru Nakanishi (Position) Senior managing Director TEL: +81-3-6230-9303  
 Scheduled date for regular general meeting of shareholders: June 25, 2025  
 Scheduled date for submission of periodic securities report: June 24, 2025  
 Scheduled date for start of dividend payment: June 26, 2025  
 Supplementary explanatory materials created for accounts? Yes/No: No  
 Accounts briefing meeting held? Yes/No: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated results for fiscal year ended March 2025 (from April 1, 2024 to March 31, 2025)

#### (1) Consolidated operating results

(% figures show the rate of increase (decrease) compared with the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 2025	113,603	—	21,311	—	17,320	—	11,193	—
Fiscal year ended March 2024	118,861	—	19,074	—	16,585	—	10,050	—

Note: Comprehensive income

Fiscal year ended March 2025: 11,214 million yen [-%]

Fiscal year ended March 2024: 9,629 million yen [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	yen	yen	%	%	%
Fiscal year ended March 2025	117.18	116.97	14.8	4.0	18.8
Fiscal year ended March 2024	105.44	105.23	14.5	5.0	16.0

Reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended March 2025: -426 million yen

Fiscal year ended March 2024: -219 million yen

Note: For the fiscal year ended March 2024, irregular results for 15 months have been provided due to a change in the fiscal year. For this reason, increases (decreases) compared with the same period in the previous year are not presented because the comparable periods differ.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	million yen	million yen	%	yen
Fiscal year ended March 2025	459,847	78,681	17.2	827.19
Fiscal year ended March 2024	399,696	70,702	18.1	759.56

Reference: Equity

Fiscal year ended March 2025: 79,140 million yen

Fiscal year ended March 2024: 72,503 million yen

#### (3) Consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 2025	(24,765)	(17,293)	39,469	46,050
Fiscal year ended March 2024	(68,892)	(32,611)	114,585	48,712

## 2. Dividends

2. Dividends

	Annual dividend						Total dividend amount (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fourth quarter	Year-end	Total			
	yen	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 2024	—	0.00	—	—	48.00	48.00	4,648	45.5	6.6
Fiscal year ended March 2025	—	0.00	—	—	48.00	0.00	4,661	41.0	6.1
Fiscal year ending March 2026 (Forecast)	—	0.00	—	—	48.00	0.00		39.9	

## 3. Consolidated earnings forecast for fiscal year ending March 2026 (from April 1, 2025 to March 31, 2026)

(% figures show the rate of increase (decrease) compared with the previous fiscal year)

	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
Full fiscal year	133,000	17.1	23,000	7.9	17,500	1.0	11,500	2.7	120.20

Notes: 1. Revisions from latest earnings forecast: Yes

2. Consolidated earnings forecasts for the first half are omitted because the Company conducts business administration on an annual basis.

### \* Explanatory notes

(1) Significant changes in scope of consolidation during the period: Yes

Newly included: 1 (Company name)

ESCON USA 5 LLC

Excluded: — (Company name)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to amendment of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding (including treasury shares) at end of fiscal year	Fiscal year ended Mar. 2025	98,580,887 shares	Fiscal year ended Mar. 2024	98,580,887 shares
2) Number of treasury shares at end of period	Fiscal year ended Mar. 2025	2,907,254 shares	Fiscal year ended Mar. 2024	3,125,950 shares
3) Average number of shares during period	Fiscal year ended Mar. 2025	95,521,750 shares	Fiscal year ended Mar. 2024	95,319,986 shares

(Note) The number of treasury shares at end of period includes shares of ES-CON JAPAN held in a board benefit trust for executives and a share-based payment benefits-type ESOP trust (fiscal year ended March 2025: 912,000 shares in the board benefit trust for executives and 532,700 shares in the share-based payment benefits-type ESOP trust). In the calculation of the average number of shares during the fiscal year, the treasury shares to be subtracted in that calculation includes ES-CON JAPAN shares held in the share-based payment benefits trust for directors and the share-based payment benefits-type ESOP trust (fiscal year ended March 2025: 1,427,812 shares).

### (Reference) Non-consolidated results

#### 1. Non-consolidated results for fiscal year ended March 2025 (from April 1, 2024 to March 31, 2025)

##### (1) Non-consolidated operating results

(% figures show the rate of increase (decrease) compared with the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 2025	96,937	—	17,303	—	13,562	—	8,323	—
Fiscal year ended March 2024	104,757	—	16,280	—	14,817	—	8,409	—

	Basic earnings per share	Diluted earnings per share
	yen	yen
Fiscal year ended March 2025	87.14	86.99
Fiscal year ended March 2024	88.22	88.05

Note: For the fiscal year ended March 2024, irregular results for 15 months have been provided due to a change in the fiscal year. For this reason, increases (decreases) compared with the same period in the previous year are not presented because the comparable periods differ.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	million yen	million yen	%	yen
Fiscal year ended March 2025	427,573	74,727	17.5	781.06
Fiscal year ended March 2024	372,517	71,052	19.1	744.35

Reference: Equity

Fiscal year ended March 2025: 74,726 million yen      Fiscal year ended March 2024: 71,051 million yen

- \* This summary of accounts is not subject to review of certified public accountant or audit corporation.
- \* Explanation regarding appropriate use of earnings forecasts, and other notes  
The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by ES-CON JAPAN. Accordingly, actual business performance and other results may differ materially due to various reasons. For the conditions forming the assumptions on which earnings forecasts are based and explanatory notes for use of earnings forecasts, etc., please see "Attachment 1; 1. Overview of Operating Results, Etc.; (1) Analysis of Operating Results" on page 2.

○ Contents of Attachment

1. Summary of Operating Results, Etc. ....	5
(1) Analysis of Operating Results.....	5
(2) Analysis of Financial Position .....	11
(3) Basic Policy on Distribution of Profit, and Dividend for the Fiscal Year Under Review and Next Fiscal Year.....	12
(4) Business Risks .....	12
2. Management Policy.....	15
(1) Basic Policy on Corporate Management.....	15
(2) Medium- to Long-Term Corporate Management Strategy and Management Indicator Targets.....	15
(3) Stable Business Growth in Accordance with Each Segment .....	16
(4) Business and Financial Issues to Be Addressed on a Priority Basis .....	16
3. Basic Policy on Selection of Accounting Standard .....	17
4. Consolidated Financial Statements and Key Notes.....	18
(1) Consolidated Balance Sheet .....	18
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income .....	20
(Consolidated Statement of Income) .....	20
(Consolidated Statement of Comprehensive Income) .....	21
(3) Consolidated Statement of Changes in Equity .....	22
Fiscal year ended Dec. 2023 (from Jan. 1, 2023 to Mar. 31, 2024).....	22
Fiscal year ended December 2024 (from Apr. 1, 2024 to Mar. 31, 2025).....	23
(4) Consolidated Statement of Cash Flows.....	24
(5) Notes to Consolidated Financial Statements .....	26
(Notes on Going Concern Assumption) .....	26
(Changes in Accounting Policies) .....	26
(Application of the Accounting Standard for Current Income Taxes, etc.) .....	26
(Additional Information).....	26
(Segment Information, Etc.).....	28
5. Other .....	31
(1) Status of Contracts and Sales .....	31

# 1. Summary of Operating Results, Etc.

## (1) Analysis of Operating Results

For the fiscal year ended March 2024, irregular results for 15 months have been provided due to a change in the fiscal year. Therefore, increase (decrease) compared with the period is not presented for the fiscal year.

In the fiscal year under review, the Japanese economy experienced moderate recovery driven primarily by domestic demand. Examples include a recovery in real wages and expectations for improved wages going forward.

At the same time, domestic factors such as inflation and fluctuating exchange rates, and factors overseas such as trends in the policies of the new U.S. president, Chinese economic trends, and growing geopolitical risks in the Middle East and elsewhere warrant close monitoring.

In the real estate industry in which the ES-CON JAPAN Group operates, rising construction costs, driven by rapidly rising land acquisition prices and labor and raw materials costs, remain concerns. The effects of these factors on the market continue to warrant close monitoring.

In this uncertain environment, powered by strong sales of properties in its main condominium sales and real estate development businesses, ES-CON JAPAN achieved the following operating results in the fiscal year under review, the first year of the Fifth Medium-Term Management Plan (covering the three years from the fiscal year ended March 31, 2025 through the fiscal year ending March 31, 2027): net sales of 113,603 million yen (3.7% lower than initially planned); operating income of 21,311 million yen (18.4% higher than initially planned); and ordinary income of 17,320 million yen (15.5% higher than initially planned). Profit attributable to owners of parent was 11,193 million yen (11.9% higher than initially planned). Profit at each stage settled at a level higher than initially planned, as both sales and profit maintained roughly the same levels as in the previous 15-month period.

## (i) Upward revisions to the Fifth Medium-Term Management Plan

Planned consolidated operating income in the fiscal years ending March 31, 2026 and March 31, 2027 have been revised upward as outlined below, in response to the results of the fiscal year ended March 31, 2025 and the fact that condominium sales in the condominium business and purchase of real estate development sites both progressed further than had been anticipated when formulating the Fifth Medium-Term Management Plan.

## (A) Performance plans

(Unit: billion yen)

	FY3/2025				FY3/2026		FY3/2027	
	Actual	Planned	Change	Change (%)	Revised plan	Initial plan	Revised plan	Initial plan
Net sales	113.6	118.0	(4.3)	(3.7%)	133.0	133.0	150.0	157.0
Operating income	21.3	18.0	3.3	18.4%	23.0	20.0	25.0	22.0

## (B) KPIs

	FY3/2025			FY3/2026	FY3/2027
	Actual	Planned	Change	Planned	Planned
Stock revenue ratio *1, 2	26.2%	30.4%	(4.2%)	28.2%	30.0%
Stock revenue/general and administrative expense coverage ratio (cash basis) *3	115.2%	119.0%	(3.8%)	114.2%	116.8%
Equity ratio	17.2%	17.5%	(0.3%)	17.6%	17.5%
ROE	14.8%	13.4%	1.4%	13.9%	14.0%
ROIC *4	3.5%	3.4%	0.1%	3.5%	3.6%

\*1 Stock revenue: Real estate leasing segment profit + asset management segment profit

\*2 Stock revenue ratio: Stock revenue / total segment profit

\*3 Stock revenue / general and administrative expenses coverage ratio: (stock revenue + real estate leasing segment depreciation + real estate leasing segment goodwill amortization) / (general and administrative expenses – general and administrative expense depreciation – overall goodwill amortization)

\*4 ROIC: (consolidated ordinary income + interest expenses – interest income – corporate income tax) / (interest bearing debt + net assets averages at beginning and end of term)

## (C) Investment plan

(Unit: billion yen)

Fifth Medium-term Management Plan								
	FY3/2025			FY3/2026		FY3/2027		Three-year cumulative total
	Actual	Planned	Change	Revised plan	Initial plan	Revised plan	Initial plan	
Gross investment total	72.0	61.0	11.0	66.0	77.0	112.0	112.0	250.0
Condominium development	16.1	20.0	(3.9)	20.0	20.0	25.0	25.0	61.1
Revenue-generating property development	42.7	20.0	22.7	20.0	30.0	50.0	50.0	112.7
Acquisition of revenue-generating properties in operation	7.8	15.0	(7.2)	20.0	20.0	30.0	30.0	57.8
Overseas investment	5.4	5.0	0.4	6.0	6.0	6.0	6.0	17.4
Other	0	1.0	(1.0)	0	1.0	1.0	1.0	1.0
Recoupment	22.0	28.4	(6.4)	32.5	30.8	40.0	41.7	94.5
Amount recouped from revenue-generating properties	8.4	12.1	(3.7)	14.4	14.2	27.7	24.2	50.5
Net investment	50.0	32.6	17.4	33.5	46.2	72.0	70.3	155.5

Note: Investment plans for FY3/2026 and FY3/2027 have been revised in part, since steady investment in FY3/2025 proceeded further than planned at the time of formulating the Fifth Medium-Term Management Plan.

## (D) Dividend policy

The Fifth Medium-Term Management Plan continues the progressive dividend policy introduced in November 2016 (in principle, progressively increasing dividends each year and never decreasing them, with the previous year's dividend per share [DPS] serving as the lower limit of DPS).

We plan to pay a dividend of 48 yen per share for the fiscal year ended March 31, 2025.

## 1) Major recent initiatives based on the priority topics of the Long-Term Vision 2030

The Group has formulated a Long-Term Vision for 2030 whose key goal is sustainable growth. In September 2024, we issued our first Integrated Report summarizing our process for achieving sustainable growth and the ways in which we have created value thus far. That report addresses various initiatives intended to strengthen corporate value—something that cannot be gauged by financial indicators alone.

## &lt;Business strategies&gt;

## 1) Deepening

## a. Further growth of the core business

- This marked the third year since the opening of ES CON Field Hokkaido, the Hokkaido Nippon Ham Fighters home stadium in Kitahiroshima City, Hokkaido, for which ES-CON JAPAN has concluded a naming rights agreement. ES-CON JAPAN is an urban development planning partner for Hokkaido Ballpark F Village ("F Village" hereinafter), which is centered on the new stadium. Our development projects at F Village include Le JADE Hokkaido Ballpark (118 units) and MASTERS VARUS Hokkaido Ballpark, a rental residence for active seniors that features a complex of healthcare facilities. We are also developing a hotel under a brand operated by the Banyan Group, a leading independent international hospitality group based in Singapore, located on a site across the road from the outfield stands of the stadium. The hotel plans to open in 2027.

We are also in the process of developing a station square, a multi-use center, a multilayer plaza and park, and residential and community facilities in the vicinity of JR Kitahiroshima Station, currently the closest station to F Village. At the multi-use center, the retail facility tonarie Kitahiroshima held its grand opening on the first through third floors on March 15, 2025, and ES CON FIELD HOKKAIDO Hotel Kitahiroshima Ekimae opened the fourth and higher floors for business on March 28, 2025. Furthermore, sales commenced in June 2024 for Le JADE Hokkaido Kitahiroshima (Kitahiroshima City, Hokkaido; 197 units), developed on a location connected by a pedestrian deck to Kitahiroshima Station and tonarie Kitahiroshima. Sales of contracts there have progressed steadily, reaching 88.3% as of the end of March 2025.

In the city of Sapporo as well, we commenced sales at Le JADE Sapporo Odori “The Tower” (Chuo Ward, Sapporo City; 80 units), located six minutes’ on foot from Sapporo Station, in November 2024. We acquired the site for RANDOR HOTEL SAPPORO HERITAGE (Chuo Ward, Sapporo City), a hotel scheduled to open in July 2026, and an accompanying office site, and are proceeding with their development.

- We have acquired two sites in Hayama Town, Miura District, Kanagawa Prefecture. In one, a rare location with expansive views of Morito Beach, we are developing DIAMAS Hayama, the first in a series of properties under our DIAMAS high-end residence brand. Our plans for this property, which include spacious exclusive areas exceeding 100 m<sup>2</sup> in all units and a rooftop terrace providing panoramic views of the sea, have been well received, with sales contracts signed for the entire development in advance and delivery planned for July 2025.
  - We are jointly developing SAKURA MIRAI Shin Omura, a mixed use facility near Shin-Omura Station on the Nishi-Kyushu Shinkansen line in Omura City, Nagasaki Prefecture, with Daiwa House Industry Co. and Izumi Co. ES-CON JAPAN is responsible for developing two condominium projects, Le JADE SHIN- Shin-Omura Station Front (119 units) and Le JADE Shin-Omura Park Side (72 units), each on its site on the larger development site. Plans emphasize an organic design, reminiscent of the patterns seen in trees as they flourish and branch out, in place of horizontals and verticals, to create structures that harmonize with the rich natural surroundings of the site.
  - In Kariya City, Aichi Prefecture, ES-CON JAPAN acquired a large development site measuring approx. 30,000 tsubo in September 2024. At this project site, which is located close to a major road and offers convenient access by car, we plan to develop a commercial facility.
  - SEVENS VILLA Karuizawa (seven units) and TOPAZ Esaka received the 2024 Good Design Award. SEVENS VILLA Karuizawa is a joint project with Chuden Real Estate Co., Inc. (“Chuden Real Estate” hereinafter), a wholly-owned subsidiary of Chubu Electric Power. TOPAZ Esaka is a rental residence to which ES-CON JAPAN contributed. This marks the seventh consecutive year in which one of our developments has won a Design Award. SEVENS VILLA Karuizawa consists of roomy, luxurious living spaces consisting of just seven residences on a development site exceeding 5,000 m<sup>2</sup>, with each unit exceeding 100 m<sup>2</sup> in interior floor space. At TOPAZ Esaka, in addition to building common areas that promote communication, interaction, and a sense of connection, we emphasized the shape of the outdoor stairs and balcony handrails to confer a distinct feel to the property’s exterior.
- b. Demonstration of synergy effects with the Chubu Electric Power Group
- ES-CON JAPAN is currently developing TSUNAGU GARDEN Senri Fujishirodai (Fujishirodai, Suita City, Osaka Prefecture), its fifth joint project with Chuden Real Estate. This project, our first mixed-use development project undertaken jointly with Chuden Real Estate, will establish a new multi-generational urban district through the integrated development of a housing complex, detached dwellings, a complex of health clinics, a licensed daycare center, retail facilities, and a park on approximately 20,000 tsubo of land. The commercial district for this zone opened in November 2023. The commercial district of this zone opened in 2023. In the zone’s residential district, we are developing Le JADE City Senri Fujishirodai (642 units), a large condominium project consisting of four residential towers. We have largely completed sales and delivery for two of those towers, and sales of the other two are proceeding steadily.
  - Two joint projects are currently underway with Chubu Electric Power. In 2022, a consortium of businesses led by Chubu Electric Power and including ES-CON Japan entered into a basic planning agreement for a development project on the former site of the Nagoya Horse Racing Track. Additionally, we established TSUNAGU Community Farm LLC with Chubu Electric Power and one other party. We operate Techno Farm Fukuroi, one of the world’s largest fully artificially-lit plant factories, which is capable of producing 10 tons of lettuce daily. We will continue to strengthen our partnership with the Chubu Electric Power Group and work to achieve large-scale urban development and new forms of communities.

- In March 2023, one director who is a member of the Audit and Supervisory Committee was appointed from Chubu Electric Power; another director is planned for appointment from Chubu Electric Power in June 2025. One director at each of ES-CON ASSET MANAGEMENT Ltd. (EAM) and FUEL Inc., both subsidiaries, was appointed from Chubu Electric Power employee in 2022 and 2024, respectively. We also have taken in a total of nine employees via secondment from Chubu Electric Power and are engaged in personnel exchange between Chuden Real Estate and ES-CON Japan and its subsidiaries.
- As a result of steady growth in our business results in addition to the creditworthiness of Chubu Electric Power, the outlook for our A+ Long-term Issuer Rating from Japan Credit Rating Agency, Ltd. was revised in November 2024 from stable to positive, indicating the strong possibility of an upward revision to our credit rating in the future.

c. Increased stability of revenue structure

- On April 1, 2025, we added Shiba Real Estate Inc. (“Shiba Real Estate” hereinafter), which engages in real estate sales and management and other businesses, chiefly in the greater Tokyo area, as a subsidiary. Shiba Real Estate, which was established on January 17, 2025 following an absorption-based split of the real estate business operated by Mitsubishi Chemical Corporation and Dia Rix Corporation, its subsidiary, holds prime real estate assets such as leased condominiums and office buildings. We expect the addition of Shiba Real Estate as a subsidiary to further reinforce the ES-CON JAPAN Group’s stock revenue.

d. Diversification of financing methods

- In July 2024, ES-CON Japan issued 7.4 billion yen in 1st Unsecured Bonds with a Prepayment Clause (with an Inter-Bond Pari Passu Clause) for allocation to project funds accompanying the expansion of development projects within and outside Japan. The prepayment clauses for these bonds contain a Change of Control (COC) clause allowing the claim of redemption should ES-CON Japan be excluded from the consolidated subsidiaries of Chubu Electric Power. The issuance amount for these bonds exceeded our initially planned amount to demonstrate to investors the relationship we enjoy with our parent company.
- In July 2024, we concluded a social loan agreement to channel funding to businesses that contribute to solving social issues, including health care, welfare, and education, with North Pacific Bank, Ltd. Financing through this agreement was allocated to development funds for MASTERS VARUS Hokkaido Ballpark, a lease residence developed in F Village.

## 2) Evolution

a. Expanding domestic areas of operations

- We opened the Okinawa Branch in April 2024. We have already secured two sites for condominium projects in Naha City, which we will develop steadily as we move forward.

b. Diversification of development projects and types

- In June 2024, we acquired Yoshizuya Y Store Nishiharu, Tsutaya Sakai Minami (land lease), and Life Daisen (land lease) from ESCON JAPAN REIT Investment Corporation (EJR). We plan to develop each of these properties in order to maximize their land values after their current leases expire. We also sold a land lease we owned in Yamatotakada City, Nara Prefecture to EJR on April 1, 2025. One strategy for the Fifth Medium-Term Management Plan calls for promoting the development of diverse asset types with increased value and raising profit ratios while expanding the investment cycle business, including the investment fund business. The investment cycle business sells properties chosen primarily from properties developed and owned by ES-CON Japan to private funds operated by firms like EJR and FUEL, a subsidiary. ES-CON Japan will reacquire the properties when they become obsolete or are otherwise ready for redevelopment into properties with further added value. We plan to develop the three acquisitions above in ways that will maximize their land value once their leases expire.

While EAM, EJR’s asset-management firm, was subject in July 2022 to business suspension and business improvement orders from the Financial Services Agency (FSA), EJR has resumed trading after completing its response to the FSA orders. ES-CON Japan has concluded a sponsorship and support agreement with EJR and will seek to achieve mutual growth by increasing EJR’s earnings and by providing support to ensure stable growth.



c. Global expansion

- With regard to our overseas business, we opened a sales gallery in November 2023 at our Tokyo headquarters to commence sales and marketing for luxury condominiums in Honolulu, Hawaii, under our ĀLia project. We have also launched sales and marketing for our second large-scale condominium project in Hawaii, Kuilei Place. At the January 22, 2025 Board of Directors meeting, we resolved to make an investment through our subsidiary of USD3,623 million in 2599 Kapiolani Owner, L.P., an SPC formed as a fund for this project. We will, moving forward, continue to focus on expanding our business overseas. We have made an investment through a subsidiary of USD3,623 million in 2599 Kapiolani Owner, L.P., an SPC formed as the fund for this project. We will, moving forward, continue to focus on expanding our business overseas.

d. Challenge of new business domains

- In January 2024, we made the decision to develop the SUIDEN RESORT (tentative name) series of hotels across Japan, which are based on the concept of agriculture, in partnership with LOCAL RESORTS Inc. ("LOCAL RESORTS" hereinafter) and NEWGREEN INC. ("NEWGREEN" hereinafter). LOCAL RESORTS is a subsidiary of urban developer SHONAI Inc. (formerly YAMAGATA DESIGN Inc.), a company that seeks to transform challenge into hope in provincial cities. As part of preparations to implement this project, we entered into a business alliance agreement with LOCAL RESORTS and made a capital investment of 200 million yen in NEWGREEN.
- In November 2024, we concluded a collaborative agreement with Hokkaido Asset Management Co., Ltd., the company that operates Hokkaido Reit Investment Corporation, in which we purchased investment units through an investment limited partnership. This collaborative agreement seeks to promote investment in urban development, effective use of assets, and revitalization of the regional economy in Hokkaido by providing collaboration and cooperation related to project operations by Hokkaido Reit Investment Corporation.

e. New urban development and management

- In December 2023, ES-CON Japan established a new company, ES-CON Sports & Entertainment Ltd. ("ESE" hereinafter), together with Fighters Sports & Entertainment Co., Ltd. and DeNA Co., Ltd., largely for the purposes of project planning and to provide support for real estate developments dedicated to sports and other forms of entertainment and urban development projects based on domestic stadiums and arenas. Having concluded an advisory agreement for real estate development with Saito Yuki Co., Ltd. and other parties, ESE will pursue these projects aggressively.

<Sustainability management>

1) Deepening

Harnessing diverse human resources

- In May 2024, in response to the impact of recent high prices and to improve employee engagement and secure talented human resources, ES-CON JAPAN raised the base wages of Group employees by an annual average of 8.0%. In May 2025, in response to recent circumstances, ES-CON JAPAN raised the base wages of Group employees by an annual average of 8.5%.
- We undertook an engagement (satisfaction) survey of all employees in May 2024. We plan to conduct engagement surveys regularly in the future, with the goal of improving our engagement survey results.
- We were selected as a KENKO Investment for Health Outstanding Organization (Large Enterprise Category) in 2025 for the third consecutive year.

2) Evolution

Achieving a society characterized by well-being

- As noted above, we developed a multipurpose transit complex consisting of the tonarie Kitahiroshima multi-use center and ES-CON Field Hokkaido Hotel Kitahiroshima Ekimae in front of JR Kitahiroshima Station. Before the start of construction, the development site was familiar to local residents as a park dense with greenery. To preserve the history of this site for future generations, we launched a commemorative furniture project to furnish the hotel's public lounge with furniture made from trees harvested from the park. Students at the Hokkaido Shirakaba High School for Special Education in Kitahiroshima participated in making the furniture for

this project as part of their classes. We plan to continue to pursue energetic ESG initiatives to contribute to the sustained and sustainable growth of the Group.

- Seeing to contribute further to community development in Kitahiroshima City, Hokkaido, in the fiscal years ended in 2021 and 2022 we used the corporate hometown tax program to donate to the city. Furthermore, in the fiscal year ended in 2024 we donated through the same program to contribute to the community's progress and increasing the value of the area for the medium term.

Part of these donations will be used for an industry-government-academy partnership launched under an agreement among Kitahiroshima City, the Graduate School of Project Design, and ES-CON JAPAN intended to contribute to the progress of Kitahiroshima City.

Under the name Hiroshima Innovation Lab, this project plans to hold research meetings over about nine months during FY2025, bringing together diverse human resources to develop new project plans that contribute to prosperity in the Kitahiroshima area. Through this project, we will aim both to contribute to the further progress of Kitahiroshima City and to develop human resources capable of developing new businesses.

Business conditions are outlined below by segment.

The Group originally established its business segments as real estate sales, real estate leasing, and real estate planning, brokerage, and consulting. As of the third quarter of the consolidated fiscal year under review, we have modified these segments to the following four segments: the Condominium business; Real estate development business; Real estate leasing business; Asset management business; and Other businesses. This was done to clarify our business portfolio and to promote stable growth by allowing the formulation of strategies specific to each segment and to the needs of that segment.

In the fiscal year under review, we recorded net sales of 113,603 million yen, operating income of 21,311 million yen, ordinary income of 17,320 million yen, and profit attributable to owners of parent of 11,193 million yen.

#### Condominium business

Currently making steady progress on condominium sales, the condominium business launched sales of the following new condominium projects: Le JADE City Hashimoto III (Midori Ward, Sagami City, 80 units), Le JADE Nishinomiya Kitaguchi (Nishinomiya City, Hyogo, 32 units), Le JADE Hokkaido Kitahiroshima (Kitahiroshima City, Hokkaido, 197 units), Le JADE Kumamoto Nissekidori (Higashi Ward, Kumamoto City, 92 units), Le JADE Koshienguchi (Nishinomiya City, Hyogo, 60 units); Le JADE Nagoya Marunouchi (Naka Ward, Nagoya City, 39 units); Le JADE Sapporo Odori "The Tower" (Chuo Ward, Sapporo City, 80 units), Le JADE Kasai East Avenue (Edogawa City, Tokyo, 78 units), Le JADE Senri-Fujishirodai Center Residence (Suita City, Osaka, 313 units), and Le JADE Senri-Fujishirodai West Residence (Suita City, Osaka, 85 units). In terms of progress in sales, of the properties completed during this period, the condominium business delivered all units in: Le JADE Minoh-Semba South Residence (Minoh City, Osaka Prefecture, 30 units), and Le JADE Tanimachi Gochome (Chuo Ward, Osaka City, 42 units), Le JADE Kanayama Grande (Naka Ward, Nagoya City, 87 units), Le JADE Minoh-Semba North Residence (Minoh City, Osaka Prefecture, 30 units), and Le JADE Fukuroi Ekimae (Fukuroi City, Shizuoka, 48 units).

We delivered 1,195 of the 1,250 condominium units planned for sale in the year ending March 2025.

The condominium business generated net sales of 66,908 million yen and segment profit of 12,045 million yen from sales of condominiums and detached homes.

#### Real estate development business

The real estate development business develops and sells facilities under the Company brands of tonarie retail facilities, LOGITRES logistics facilities, and TOPAZ apartments. The business also generates leasing revenue from office buildings, hotels, and other properties.

This business generated net sales of 28,427 million yen and segment profit of 10,212 million yen based on sale of facilities like the tonarie Hoshida retail facility; the hotel seven x seven Itoshima on Itoshima Peninsula in Fukuoka Prefecture; the ESCON Kudankita Building, winner of a 2023 Good Design Award; logistics facilities including LOGITRES Sano and LOGITRES Narashino Shibazono; and a development site in Akashi City, Hyogo Prefecture.

#### Real estate leasing business

The real estate leasing business has successfully secured stable earnings by further strengthening the leasing business through the addition of the Picasso Co., Ltd. and Yuki Sangyo Inc. in 2021 and Shijo Omiya Building Co., Ltd. in 2023 as subsidiaries. As the business continues to secure stable leasing revenue and increase its asset value, it opened tonarie Kitahiroshima (Kitahiroshima City, Hokkaido) on March 15, 2025 and added Shiba Real Estate, a real estate leasing business, as a subsidiary on April 1, 2025.

The real estate leasing business generated net sales of 15,600 million yen and segment profit of 7,021 million yen based on an emphasis on projects intended to increase asset value, including efforts targeting growth in leasing revenue from revenue-generating real estate holdings.

#### Asset management business

The asset management business generated net sales of 1,645 million yen and segment profit of 997 million yen as results of its businesses of asset management for Group companies, property management, and condominium management, among others.

#### Other businesses

Other businesses generated net sales of 1,020 million yen and segment profit of 319 million yen from sales of permanent use rights to Ryomon columbaria and from overseas investments.

## (2) Analysis of Financial Position

### 1) Status of Assets, Liabilities, and Net Assets

Assets at the end of the consolidated fiscal year under review were up 60,150 million yen from the end of the previous consolidated fiscal year to 459,847 million yen, primarily due to increases of 39,843 million yen in inventories and 8,621 million yen in tangible fixed assets, despite a decrease of 2,108 million yen in cash and deposits. Due to a change in the purpose of holding assets, a portion of tangible fixed assets amounting to 1,659 million yen (buildings and structures and land) has been reclassified as real estate for sale in process. In addition, a portion of real estate for sale in process (buildings and structures and land) amounting to 7,294 million yen has been reclassified as tangible fixed assets.

Liabilities were up 52,172 million yen from the end of the previous consolidated fiscal year to 381,166 million yen, primarily due to an increase of 42,599 million yen in long-term and short-term loans payable and bonds payable.

Net assets were up 7,978 million yen from the end of the previous consolidated fiscal year to 78,681 million yen, primarily due to the recording of profit attributable to owners of parent of 11,193 million yen, although we paid cash dividends of 4,648 million yen. As a result, the equity ratio was 17.2% (versus 18.1% at the end of the previous consolidated fiscal year).

### 2) Cash flows

Cash and cash equivalents ("net cash") at the end of the fiscal year under review decreased by 2,662 million yen compared with the end of the previous fiscal year to 46,050 million yen. Cash flows and factors behind their changes in the fiscal year under review are reviewed below.

#### (Cash flows used in operating activities)

Net cash used in operating activities was 24,765 million yen. This mainly was attributable to profit before income tax of 17,161 million yen and an increase in inventories of 46,063 million yen.

#### (Cash flows used in investing activities)

Net cash used in investing activities was 17,293 million yen. This was mainly attributable to purchases of 12,427 million yen in investment securities and 4,805 million yen in non-current assets, partially offset by proceeds of 962 million yen received from guarantee deposits.

(Cash flows from financing activities)

Net cash provided by financing activities was 39,469 million yen. This mainly was attributable to expenditures from and repayments of long-term loans payable and short-term loans payable amounting to net proceeds of 35,199 million yen, proceeds of 7,357 million yen from issue of bonds, and payment of cash dividends of 4,647 million yen.

Reference: Changes in cash flow indicators

	Fiscal year ended Dec. 2020	Fiscal year ended Dec. 2021	Fiscal year ended Dec. 2022	Fiscal year ended Mar. 2024	Fiscal year ended Mar. 2025
Equity ratio (%)	25.8	24.8	25.0	18.1	17.2
Equity ratio on market capitalization basis (%)	39.3	30.5	29.2	25.7	21.8

Equity ratio: Equity / Total assets

Equity ratio on market capitalization basis: Market capitalization / Total assets

(Notes) 1. Each is calculated using consolidated financial figures.

2. Market capitalization is calculated by multiplying the closing share price at end of fiscal year by the number of shares issued and outstanding at the end of fiscal year.

(3) Basic Policy on Distribution of Profit, and Dividend for the Fiscal Year Under Review and Next Fiscal Year

Positioning the return of profit to shareholders as a key management task, ES-CON JAPAN makes it a basic policy to strive for uninterrupted and stable return of profit in line with corporate growth potential based on decisions that take into account the status of business performance, availability of internal reserves, dividend payout ratio and other factors in a comprehensive manner.

ES-CON JAPAN has introduced a progressive dividend policy to “not decrease the dividend amount, but rather only maintain or increase the dividend amount” in principle with DPS of the previous fiscal year as the lower limit, from the second medium-term management plan, and continues to implement the progressive dividend policy in the fifth medium-term management plan.

For the fiscal year ended March 2025, the year-end dividend forecast is 48 yen per share. The dividend payout ratio is 41.0%.

(Dividends for the Next Fiscal Year)

A dividend of 48 yen or higher per share is scheduled to be paid for the next fiscal year.

(4) Business Risks

The main risks that could impact the Group’s operating results, share prices, financial status, etc., are listed below. Statements concerning future matters are based on the judgements of the ES-CON JAPAN Group as of the end of the fiscal year under review.

1) Impacts of Changes in Economic Conditions, Interest Rate Trends, Real Estate Market Conditions, etc.

In the real estate sales business, we selectively acquire good-quality land for business, develop it making the best use of its locational characteristics, and provide attractive products including advantageous pricing. Upon the sale of properties, we take into account various factors in individual business plans by property and carefully consider price range. However, when sale at the price determined in the business plan fails to progress as planned due to worsening supply-demand balance caused by rising construction costs, economic trends, economic conditions, trends in interest rates, tax systems and land prices and other factors, or when delay in delivery or unexpected cost burden arises due to various factors, including unexpected defects such as underground obstacles, disorder in construction at the construction stage, the business performance of the ES-CON JAPAN Group may be impacted.

Likewise, in the real estate leasing business, depending on the effects of economic trends or conditions, or moving out of main tenants or usage situations at commercial facilities, rents or occupancy rates of assets owned may decline, which can have an impact on the Group’s operating results.

2) Legal Restrictions, Etc.

In addition to the restrictions of the Companies Act and the Financial Instruments and Exchange Act, the real estate industry to which the ES-CON Japan Group belongs is subject to the restrictions of the National Land Use

Planning Act, Real Estate Brokerage Act, Building Standards Act, Act on Maintenance of Sanitation in Buildings, Act on Specified Joint Real Estate Ventures, Act on Securitization of Assets, Trust Business Act, Money Lending Business Act, and Act on Prevention of Transfer of Criminal Proceeds, etc.

In addition, the ES-CON Japan Group conducts real estate sales and related business as a real estate company licensed or registered under the Real Estate Brokerage Act, the Act on Advancement of Proper Condominium Management, the Act on Optimization of Rental Housing Management Business, and other applicable laws and regulations. The amendment or abolition of these or the creation of new legal restrictions under the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators or other applicable laws and regulations could affect the Group's business performance.

### 3) Dependence on Interest-Bearing Liabilities

The Group procures funds for land acquisition, etc. related to its real estate business primarily through borrowings from financial institutions involved in project finance. In our condominium sale business, it takes time to get from land acquisition to commercialization or sale, so the ratio of the balance of interest-bearing liabilities to total assets is relatively high. We are committed to building and maintaining good business relationships with financial institutions, including the main banks, and ensuring an expeditious financing environment after becoming a consolidated subsidiary of Chubu Electric Power Company, but if financing ends up being insufficient or unsatisfactory due to higher interest rates or a significant deterioration of the financial environment, it could affect the Group's business performance and financial position.

Note that interest-bearing liabilities for the three most recent fiscal years are as follows.

	Fiscal year ended Dec. 2022	Fiscal year ended Mar. 2024	Fiscal year ended Mar. 2025
Balance of interest-bearing liabilities (million yen) (A)	169,065	293,794	336,394
Total net assets (million yen) (B)	263,729	399,696	459,847
Dependency on interest-bearing liabilities (%) (A/B)	64.1	73.5	73.2
Interest expenses (million yen)	1,895	2,650	3,685

### 4) Human Resources

Our real estate-related business requires diverse expertise, making personnel an extremely important business resource. For that reason, as its medium- to long-term strategy the Group espouses the promotion of “securing personnel who underpin growth,” “reinforcing human resource development,” and “promoting employee safety and health” as a unified trinity and the establishment of a firm human resource base. In order to conduct reliable business and grow as a Group, it is indispensable that we strive to share expertise and information and continue to improve employees' abilities as well as secure highly specialized personnel and employ, nurture, and educate executives and young employees who will be the leaders of the next generation. However, failing to secure or nurture the human resources sought by the Group or losing outstanding personnel who are currently present could affect the Group's business performance and future business development.

### 5) Personal Information Leakage and Information System Risks

As business operators handling personal information under the Act on the Protection of Personal Information, the various companies of the Group receive personal information of customers and clients in each of their businesses when developing them in a multidimensional way. This includes customers who purchase or consider purchasing condominiums or detached houses through the condominium sales business or reside in rental apartments as well as customers who purchase or consider purchasing permanent use rights in the columbarium business. The Group has set rules for the handling of personal information (basic policy, regulations, and manual) to establish an internal system and keeps personal data files under strict safekeeping with monitoring software and restricts access authority on the system in a bid to enhance the entire system as a whole to also manage information other than personal information.

Additionally, ES-CON JAPAN outsources part of the sale of condominiums to sales companies, and these companies are required to use part of ES-CON JAPAN's management system to prevent customer information from being leaked to third parties and handle customer information within the scope to ensure confidentiality. Simultaneously, ES-CON JAPAN conducts supervision that includes prohibiting personal information submitted by customers from being used for a non-intended purpose.

Cyberattacks have grown increasingly sophisticated in recent years. Like other organizations, the Group is exposed to cybersecurity threats. To minimize risks, ES-CON JAPAN is bolstering system-side countermeasures by introducing the latest security tools and administering periodic security training for employees.

Nevertheless, should personal information be leaked due to unforeseen circumstances, the Group's sales could fall due to its ruined credibility or compensation for damages may arise, and such may affect the Group's business performance.

6) Important Litigation

Regarding the risk of becoming subject to litigation, the Risk Management Committee consisting of directors, the heads of each division, and other members monitors risks and shares information across the Group. Important litigation, should it be filed in the future, could affect the Group's business performance and financial condition.

7) Risks Related to Climate Change

A society with increasing climate damage is assumed to be seen in the future, and the increasing risk on business continuity caused by climate change may have an impact on the Group's operating results and financial position.

In 2022, the Company endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which assess the financial impact of risks and opportunities from climate change on management and encourage companies to make disclosures about it. We disclose information on the impact from climate change on our business based on TCFD's framework.

8) Legal Violation Risks

Should an employee or officer of the Group or Company violate any relevant laws or regulations (including the Companies Act, Real Estate Brokerage Act, Construction Industry Act, Licensed Architect Act, Financial Instruments and Exchange Act, Act on Investment Trusts and Investment Corporations, Act on the Protection of Personal Information, Money Lending Business Act, Act on Advancement of Proper Condominium Management, Act on Optimization of Rental Housing Management Business, Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, Labor Standards Act, Employment Security Act, and Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operator) as the Group conducts business, then administrative disposition could be imposed by the authorities concerned. In such a case, factors such as harm to the Group's social credibility or compensation for damages could affect its financial position, business performance, and reputation in the market.

9) M&A-related Risks

The Group strives to promote sustained growth through expanding its business domains and transforming its revenue structure through strategic M&As. However, there is no guarantee that the Group will find appropriate candidate target companies suited to its business strategies or concluded M&As with such candidates under appropriate conditions. In addition, while the Company fully considers information such as the financial and business details of subject companies in advance, there is a possibility that Group business results and financial standing could be affected by goodwill amortization or other factors in the event that business plans do not proceed as initially planned.

## 2. Management Policy

### (1) Basic Policy on Corporate Management

We recognize the need to improve and strengthen our corporate governance. We must do so to improve the soundness and transparency of management, build corporate value in sustainable fashion for the long term, and become a company needed by society in accordance with our “Purpose,” “Vision,” and “Principles of Action.”

Purpose (The Group's societal reason for being and value for society)

“IDEAL to REAL: Bringing ideals into reality to create a new future”

We create value rooted in the community, helping to bring about cherished cities and living environments in which residents can take pride. The value we create represents our contributions to society. Consequently, each of us seeks to realize original forms of self-actualization through that value. While designing an ideal future, we will be creating a new future, with the aim of being regarded as a unique, essential presence by all our stakeholders.

Vision (Our ideal shape for achieving our Purpose)

“To Be A Life Developer” To develop not just buildings but the lives of those who live in them, with their happiness in mind –this is the kind of life developer we aspire to be. Through solutions proposed by cross-departmental teams made up of the best and brightest minds, we create a new prosperity unprecedented in the real estate industry, thereby connecting people with people and communities with the future.

Principles of Action (Actions we should take to realize our vision)

1. Provision of new value: We will use our information networks, planning ability, and product development expertise to tap the unlimited potential of real estate and create new value that responds to every need of our clients.
2. Sustainability management: We will respond to various social challenges with precision and pursue scenarios in which our company and society can grow sustainably and side by side.
3. Growth and stability: Rather than pursuing volume and scale, we aspire to achieve high-quality growth based on a keen awareness of capital and cash efficiency. At the same time, we seek to build firm financial and operational foundations capable of accommodating a broad range of business risk.
4. Management awareness: We will strive to achieve a strong offense in management that is always one step ahead by ensuring that all Group employees are aware of management issues and by continuing to be a company that practices rapid decision-making.
5. Compliance: We will comply with all applicable laws, regulations, and societal norms both within and outside Japan, maintain a keen awareness of compliance and governance issues, take appropriate action as human beings, and form an organization with great bottom-up communication.
6. Gratitude: We will act at all times in ways that demonstrate our clear appreciation and respect for colleagues, whether within or outside the company. We will seek to build and maintain strong working relationships.

### (2) Medium- to Long-Term Corporate Management Strategy and Management Indicator Targets

To serve as guidelines and strategies for continuing sustained long-term growth, we established our “Long-Term Vision 2030,” which lays out what kind of company we want to be by FY2030 and the direction we are aiming for.

Seeing the direction, we are aiming for as “Deepening” and “Evolution” under each of the below items, we will proceed to carry out a variety of initiatives.

#### 1) Priority themes for business strategy (Direction we are aiming for)

<<Deepening>>

- a. Further growth of main business
- b. Synergies with the Chubu Electric Power Group
- c. Further stabilizing the revenue structure
- d. Establishing management that accounts for capital costs and stock price

<<Evolution>>

- a. Diversification of development projects and types
- b. Expanding domestic area of operations
- c. Global expansion
- d. Challenge of new business domains

- e. New urban development and management
- f. Promoting DX

2) Priority themes for sustainability management (Materiality/Direction we are aiming for)

<<Deepening>>

- a. Harnessing diverse human resources
- b. Rigorous compliance
- c. Strengthening governance and risk management, including Group companies

<<Evolution>>

- a. Promoting a decarbonized society
- b. Achieving a society characterized by well-being

3) FY2030 Indicators

Ordinary income of 30 billion yen / real estate assets of 1 trillion yen

Details are described under 1. Summary of Operating Results (1) Summary of Company Operating Results.

(3) Stable Business Growth in Accordance with Each Segment

To achieve the priority themes for business strategy set forth under Long-Term Vision 2030, we will strive to achieve stable growth by devising strategies specific to each segment.

In our condominium sales business and real estate development business (formerly real estate sales business), with commercial facility development positioned as our core, we are developing these businesses across diverse domains while monitoring market trends. Related efforts include the development of logistics facilities, offices, and hotels, as well as land readjustment projects to revitalize cities.

In our real estate lease business and asset management business (formerly real estate lease business), over the time covered by our fourth medium-term management plan, we converted the Picasso Group and Shijo Omiya Building Co., Ltd. into subsidiaries. Going forward, we plan to identify and assess potential mergers and acquisitions that do not appear on the market through discussions with companies and other entities looking for business successors while continuing to stabilize our revenue structure.

In our other businesses (including businesses formerly subsumed under the real estate planning agency and consulting business), in addition to launching the full-fledged development of capital investment operations overseas and elsewhere, we are undertaking sales efforts for the permanent use rights to our urban columbarium and otherwise enhancing the breadth and quality of our business domains.

(4) Business and Financial Issues to Be Addressed on a Priority Basis

The corporate operating environment, including the devaluation of the Japanese yen and rising costs and interest rates, will significantly affect economic trends. Furthermore, we are called on to urgently address various social problems ranging from global warming to the declining birthrate and aging population, decrease in population, gender issues, economic gap issues, and geopolitical risks, on top of digital transformation (DX) in various fields and fiercer competition that goes beyond industry boundaries. Moreover, the consumption behavior and values of customers are constantly and swiftly changing, and in order to achieve sustainable growth, businesses find themselves in an environment where they must provide true value to customers and society through business activities.

In order to realize sustainable growth through contributions to society under this environment of rapid diversification and change, we, as the ES-CON JAPAN Group, need to adopt new, flexible ideas not bound by precedent or established concepts, carry out business activities, and contribute to revitalizing the local community. Concurrently, we should strive to conduct stable management based on the solid financial foundation and grow surely and steadily through the satisfaction of our customers with the ultimate aim of being a “life developer” bringing the ideal into reality, building a future, and developing a lifestyle per se by envisioning the happiness of those living there.

Through a multifaceted real estate business that includes residential development, commercial development, logistics development, leasing business, office development, hotel development, overseas business, planning/consulting, facility operation management, asset management, capital investment operations overseas and elsewhere, and columbarium business, we must constantly strike the optimal balance of businesses in our operations and establish a firm management base that can withstand any economic environment. In addition, to achieve sustainable growth, recognizing the further enhancement of organizational power, human capital—that is, our



employees or their knowledge, skills, talents, and the like— is our top priority, we have started preparations to formulate our policy on human resources development, build an educational and training system, and disclose information on matters related to human capital.

We will carry through both “deepening” and “evolution” based on our dual focus on business strategy and sustainability management; create a virtuous cycle of sustainable growth for the Group; and, by doing our part for society, seek to achieve true corporate value that transcends financial indicators alone.

3. Basic Policy on Selection of Accounting Standard

The ES-CON JAPAN Group uses Japanese GAAP for the preparation of its consolidated financial statements in view of comparability for the period covered by the consolidated financial statements and inter-company comparability. The Group's policy is to respond to the application of IFRS in an appropriate manner, taking into account a variety of circumstances inside and outside Japan.

#### 4. Consolidated Financial Statements and Key Notes

##### (1) Consolidated Balance Sheet

(Unit: million yen)

	Fiscal year ended Mar. 2024 (from Jan. 1, 2023 to Mar. 31, 2024)	Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Mar. 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	48,910	46,802
Notes and accounts receivable - trade and contract assets	1,019	1,259
Real estate for sale	3,408	8,072
Real estate for sale in process	227,887	263,066
Other	14,267	15,902
Allowance for doubtful accounts	(1)	(0)
Total current assets	295,492	335,103
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,832	32,981
Accumulated depreciation	(4,198)	(5,715)
Buildings and structures, net	23,634	27,265
Machinery and vehicles	16	65
Accumulated depreciation	(10)	(10)
Buildings and structures, net	6	55
Land	51,311	56,231
Leased assets	2	2
Accumulated depreciation	(1)	(2)
Leased assets, net	1	0
Construction in progress	38	29
Other	435	520
Accumulated depreciation	(330)	(382)
Other, net	105	138
Total non-current assets	75,098	83,719
Intangible assets		
Goodwill	16,109	15,188
Other	61	88
Total intangible assets	16,170	15,277
Investments and other assets		
Investment securities	7,950	19,546
Long-term loans receivable	2,471	2,438
Deferred tax assets	73	552
Other	4,252	4,985
Allowance for doubtful accounts	(1,812)	(1,812)
Total investments and other assets	12,935	25,711
Total non-current assets	104,204	124,708
Deferred assets		
Share issuance cost	—	36
Total deferred assets	—	36
Total assets	399,696	459,847

(Unit: million yen)

	Fiscal year ended Mar. 2024 (from Jan. 1, 2023 to Mar. 31, 2024)	Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Mar. 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Short-term loans payable	51,537	4,735
Current portion of long-term loans payable	42,699	66,387
Lease obligations	0	0
Accounts payable - other	2,887	4,596
Income taxes payable	594	6,373
Advances received	5,960	4,854
Deposits received	4,442	7,607
Asset retirement obligations	—	8
Other	458	1,090
Total current liabilities	108,580	95,654
Non-current liabilities		
Bonds payable	—	7,400
Long-term loans payable	199,557	257,872
Lease obligations	0	0
Deferred tax liabilities	17,087	16,295
Provision for directors' share-based benefits	227	229
Provision for share-based benefits	116	128
Asset retirement obligations	277	278
Other	3,146	3,307
Total non-current liabilities	220,413	285,512
Total liabilities	328,994	381,166
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,519	16,519
Capital surplus	12,461	12,523
Retained earnings	44,703	51,247
Treasury shares	(1,383)	(1,344)
Total shareholders' equity	72,301	78,946
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	149	47
Foreign currency translation adjustment	52	146
Total accumulated other comprehensive income	202	194
Subscription rights to shares	0	0
Non-controlling interests	(1,801)	(459)
Total net assets	70,702	78,681
Total liabilities and net assets	399,696	459,847

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Income)

(Unit: million yen)

	Fiscal year ended Mar. 2024 (from Jan. 1, 2023 to Mar. 31, 2024)	Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Mar. 31, 2025)
Net sales	118,861	113,603
Cost of sales	83,919	77,134
Gross profit	34,941	36,469
Selling, general and administrative expenses		
Advertising expenses	4,621	3,843
Sales commission	1,262	1,844
Directors' compensations	435	450
Salaries and allowances	3,796	3,631
Provision for directors' share-based benefits	41	4
Provision for share-based benefits	14	14
Commission fee	893	791
Taxes and dues	1,068	1,238
Other	3,732	3,339
Total selling, general and administrative expenses	15,867	15,157
Operating income	19,074	21,311
Non-operating income		
Interest income	4	29
Dividend income	153	119
Penalty income	81	120
Foreign exchange gains	387	15
Other	27	24
Total non-operating income	654	309
Non-operating expenses		
Interest expenses	2,650	3,685
Amortization of share issuance cost	45	—
Amortization of bond issuance cost	—	6
Share of loss of entities accounted for using equity method	219	426
Other	227	182
Total non-operating expenses	3,143	4,301
Ordinary income	16,585	17,320
Extraordinary income		
Gain on reversal of subscription rights to shares	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	1	0
Loss on valuation of investment securities	—	158
Provision of allowance for doubtful accounts	291	—
Impairment loss	814	—
Loss on payment of penalty fee	275	—
Total extraordinary losses	1,381	159
Profit before income taxes	15,203	17,161
Income taxes - current	5,788	7,179
Income taxes - deferred	(105)	(1,221)
Total income taxes	5,682	5,957
Profit	9,520	11,203
Profit (loss) attributable to non-controlling interests	(529)	10
Profit attributable to owners of parent	10,050	11,193

## (Consolidated Statement of Comprehensive Income)

(Unit: million yen)

	Fiscal year ended Mar. 2024 (from Jan. 1, 2023 to Mar. 31, 2024)	Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Mar. 31, 2025)
Profit	9,520	11,203
Other comprehensive income		
Valuation difference on available-for-sale securities	70	(101)
Foreign currency translation adjustment	(16)	25
Share of other comprehensive income of entities accounted for using equity method	55	87
Total other comprehensive income	109	10
Comprehensive income	9,629	11,214
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	10,159	11,185
Comprehensive income attributable to non-controlling interests	(529)	29

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended Mar. 2024 (from Jan. 1, 2023 to Mar. 31, 2024)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	16,519	12,424	38,326	(1,457)	65,813
Changes of items during period					
Dividends of surplus			(3,673)		(3,673)
Profit attributable to owners of parent			10,050		10,050
Disposal of treasury shares				(0)	(0)
Purchase of treasury shares as share-based payment benefits		37		74	111
Net changes of items other than shareholders' equity					
Total changes of items during period	—	37	6,376	74	6,488
Balance at end of current period	16,519	12,461	44,703	(1,383)	72,301

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	79	13	93	0	(1,761)	64,144
Changes of items during period						
Dividends of surplus						(3,673)
Profit attributable to owners of parent						10,050
Disposal of treasury shares						(0)
Purchase of treasury shares as share-based payment benefits						111
Net changes of items other than shareholders' equity	70	38	109	(0)	(39)	69
Total changes of items during period	70	38	109	(0)	(39)	6,557
Balance at end of current period	149	52	202	0	(1,801)	70,702

Fiscal year ended Mar.2025 (from Apr. 1, 2024 to Mar. 31, 2025)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	16,519	12,461	44,703	(1,383)	72,301
Changes of items during period					
Dividends of surplus			(4,648)		(4,648)
Profit attributable to owners of parent			11,193		11,193
Disposal of treasury shares				(74)	(74)
Purchase of treasury shares as share-based payment benefits		61		113	174
Net changes of items other than shareholders' equity					
Total changes of items during period	—	61	6,544	39	6,645
Balance at end of current period	16,519	12,523	51,247	(1,344)	78,946

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	149	52	202	0	(1,801)	70,702
Changes of items during period						
Dividends of surplus						(4,648)
Profit attributable to owners of parent						11,193
Disposal of treasury shares						(74)
Purchase of treasury shares as share-based payment benefits						174
Net changes of items other than shareholders' equity	(101)	93	(8)	(0)	1,342	1,333
Total changes of items during period	(101)	93	(8)	(0)	1,342	7,978
Balance at end of current period	47	146	194	0	(459)	78,681

## (4) Consolidated Statement of Cash Flows

(Unit: million yen)

	Fiscal year ended Mar. 2024 (from Jan. 1, 2023 to Mar. 31, 2024)	Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Mar. 31, 2025)
<b>Cash flows from operating activities</b>		
Profit before income taxes	15,203	17,161
Depreciation	1,931	1,765
Impairment loss	814	—
Amortization of goodwill	1,044	920
Amortization of long-term prepaid expenses	20	26
Amortization of share issuance cost	45	—
Amortization of bond issuance cost	—	6
Loss on payment of penalty fee	275	—
Increase (decrease) in allowance for doubtful accounts	290	(1)
Increase (decrease) in provision for directors' share-based benefits	41	2
Increase (decrease) in provision for share-based benefits	6	11
Interest and dividend income	(157)	(149)
Interest expenses	2,650	3,685
Foreign exchange losses (gains)	(387)	(15)
Share of loss (profit) of entities accounted for using equity method	219	426
Loss on retirement of non-current assets	1	0
Loss (gain) on valuation of investment securities	—	158
Decrease (increase) in notes and accounts receivable – trade and contract assets	77	(240)
Decrease (increase) in notes and accounts receivable - trade and contract assets	(72,095)	(46,063)
Decrease (increase) in inventories	(501)	774
Decrease (increase) in prepaid expenses	(1,078)	1,620
Increase (decrease) in accounts payable	(514)	504
Decrease/increase in consumption taxes receivable/payable	600	(1,105)
Increase (decrease) in advances received	(2,088)	2,884
Increase (decrease) in deposits received	(2,585)	(1,333)
Decrease (increase) in other assets	(114)	302
Increase (decrease) in other liabilities	(56,300)	(18,658)
Subtotal	156	149
Interest and dividend income received	(2,971)	(4,523)
Interest expenses paid	(682)	—
Penalty fee paid	(275)	—
Income taxes (paid) refund	(8,818)	(1,733)
Net cash provided by (used in) operating activities	(68,892)	(24,765)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(16)	(834)
Proceeds from withdrawal of time deposits	18	234
Purchase of investment securities	(1,227)	(12,427)
Proceeds from withdrawal of investment Securities	15	30
Purchase of non-current assets	(4,972)	(4,805)
Proceeds from sales of non-current assets	46	64
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(27,462)	—
Payments of loans receivable	(64)	—
Collection of loans receivable	176	3
Repayments of guarantee deposits received	(198)	(488)



(Unit: million yen)

	Fiscal year ended Mar. 2024 (from Jan. 1, 2023 to Mar. 31, 2024)	Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Mar. 31, 2025)
Proceeds from guarantee deposits received	1,082	962
Repayments of divestments	(8)	(102)
Proceeds from divestments	—	69
Net cash provided by (used in) investing activities	(32,611)	(17,293)
Cash flows from financing activities		
2 Increase in short-term loans payable	113,668	5,503
Decrease in short-term loans payable	(74,291)	(52,305)
Proceeds from long-term loans payable	138,310	158,661
Repayments of long-term loans payable	(60,022)	(76,658)
6	—	7,357
Repayments of lease obligations	(0)	(0)
Proceeds from payments of non-controlling interests	490	1,462
Proceeds from disposal of treasury shares	103	172
Purchase of treasury shares	(0)	(74)
Cash dividends paid	(3,672)	(4,647)
Net cash provided by (used in) financing activities	114,585	39,469
Translation differences on cash and cash equivalents	27	(72)
Net increase (decrease) in cash and cash equivalents	13,107	(2,662)
Cash and cash equivalents at beginning of period	35,604	48,712
Cash and cash equivalents at end of period	48,712	46,050

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard” hereinafter) and other applicable standards have been applied from the start of the consolidated fiscal year under review.

The provisional handling specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the provisional handling specified in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; “2022 Revised Guidance” hereinafter) have been applied for revisions related to the accounting classifications of income tax (taxation on other comprehensive income). This has had no effect on the consolidated financial statements for the consolidated fiscal year under review.

(Additional Information)

(Board Benefit Trust for Executives)

(1) Overview of the transaction

- 1) ES-CON JAPAN passed a resolution to introduce the performance-based stock reward system (the “System”; the trust established based on the trust agreement concluded with Resona Bank, Limited for the System is referred to as the “board benefit trust for executives”) at the Annual General Meeting of Shareholders held March 20, 2015, with an aim to further clarify the relationship between remuneration for ES-CON JAPAN’s directors (excluding directors who are Audit and Supervisory Committee Members, external directors, nonexecutive directors and nonresidents of Japan) and (authorized) executive managing officers (excluding nonresidents of Japan; the “Directors and/or other officers”) and ES-CON JAPAN’s operating results and share price, with the Directors and/or other officers not only benefiting from a rise in share price but also sharing the same risks as shareholders in relation to a fall in share price, thereby increasing awareness of contribution to the medium- to long-term improvement of operating results and enhancement of corporate value. Furthermore, ES-CON JAPAN passed resolutions on continuation and partial revision of the System for Directors and/or other officers in the Annual General Meeting of Shareholders held on March 26, 2020, the Annual General Meeting of Shareholders held on March 26, 2021, the Extraordinary General Meeting of Shareholders held on November 29, 2023, and the Annual General Meeting of Shareholders held on June 25, 2024.

The System post-revision is an incentive system whereby ES-CON JAPAN contributes money to a trust with the trust acquiring shares of ES-CON JAPAN with said money as capital, and shares of ES-CON JAPAN and the fair market value of shares of ES-CON JAPAN are granted to ES-CON JAPAN’s Directors and/or other officers through the trust in accordance with the rate of achievement of operating targets and other goals, pursuant to the officer stock ownership regulations set by ES-CON JAPAN. If shares are granted while the Director, etc. remains in office, they will be granted subject to restrictions on transfer until said Director, etc. retires from all positions such as director of ES-CON JAPAN, under an agreement on restriction of transfer concluded between ES-CON JAPAN and the Director, etc. prior to granting of the shares.

ES-CON JAPAN will contribute to the trust money of up to 150 million yen per fiscal year multiplied by the subject period during the period of three fiscal years from the fiscal year ended March 2025 through the fiscal year ending March 2027 and each subsequent Medium-Term Management Plan period.

2) Total number of shares to be granted to the Directors, etc.

- Resolution passed at the Annual General Meeting of Shareholders held on March 20, 2015  
Upper limit of funds for acquisition of shares (for the five fiscal years from the fiscal year ended December 2015 to the fiscal year ended December 2019): 240 million yen
- Resolution passed at the Annual General Meeting of Shareholders held on March 26, 2020  
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ended December 2020 to the fiscal year ended December 2022, and each subsequent period of three fiscal years): 330 million yen

- Resolution passed at the Annual General Meeting of Shareholders held on March 26, 2021  
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ended December 2021 to the fiscal year ended December 2023, and each subsequent period of three fiscal years): 330 million yen
- Resolution passed at the Extraordinary General Meeting of Shareholders held on November 29, 2023  
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ended December 2021 to the fiscal year ending March 2024, and each subsequent period of three fiscal years): 330 million yen
- Resolution passed at the Annual General Meeting of Shareholders held June 25, 2024  
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ending March 2025 through the fiscal year ending March 2027): 450 million yen; for each subsequent business year corresponding to the Medium-Term Management Plan period: 150 million yen per fiscal year multiplied by the subject period

- 3) Scope of persons who are eligible to receive beneficiary rights and other rights under the System  
The Directors, etc. of ES-CON JAPAN who have acquired the right to receive shares based on the officer stock ownership regulations.

- (2) Residual Shares of ES-CON JAPAN in the Trust

Residual shares of ES-CON JAPAN in the trust are recorded as treasury shares under net assets using the book value in the trust (excluding the amount of incidental expenses). The book value of the treasury shares and the number of shares is 347 million yen and 851,000 shares for the fiscal year ended December 2022, and 419 million yen and 912,000 shares for the fiscal year ended March 2025.

#### (Share-Based Payment Benefits-Type ESOP Trust)

- (1) Overview of the Transaction

ES-CON JAPAN passed a resolution to introduce a share-based payment benefits-type ESOP (the "System"; the trust established based on the trust agreement concluded with Resona Bank, Limited for the System is referred to as "share-based payment benefits-type ESOP trust") at the Board of Directors' meeting held on March 20, 2015, with an aim to further enhance the benefit program for its employees and raise their motivation and morale for improving the share price and operating results. Furthermore, ES-CON JAPAN passed a resolution for continuation and partial revision of the share-based payment benefits-type ESOP trust for employees at the Board of Directors' meeting held on October 25, 2023.

The System after the revision is a system by which ES-CON JAPAN contributes money to a trust for a new period of seven fiscal years from the fiscal year ended December 2022 to the fiscal year ending March 2029 and the period of the seven fiscal years after the elapse of the period, with the trust acquiring shares of ES-CON JAPAN with said money as capital, and shares of ES-CON JAPAN are granted to the ES-CON JAPAN Group's employees who have satisfied certain requirements through the trust, pursuant to the stock ownership regulations set by ES-CON JAPAN.

- (2) Residual Shares of ES-CON JAPAN in the Trust

Residual shares of ES-CON JAPAN in the trust are recorded as treasury shares under net assets using the book value in the trust (excluding the amount of incidental expenses). The book value of the treasury shares and the number of shares is 339 million yen and 542,000 shares for the fiscal year ended December 2022, and 337 million yen and 532,700 shares for the fiscal year ended March 2025.

#### (Change in purpose of holding assets)

During the consolidated fiscal year under review, due to a change in the purpose of holding assets, a portion of tangible fixed assets amounting to 1,659 million yen (comprising buildings and structures of 388 million yen and land of 1,271 million yen) has been reclassified as real estate for sale in process. Additionally, a portion of real estate for sale in process amounting to 7,294 million yen (buildings and structures of 4,437 million yen and land of 2,856 million yen) has been reclassified as tangible fixed assets.

(Segment Information, Etc.)

[Segment Information]

1. Overview of the Reporting Segments

The reporting segments of the ES-CON JAPAN Group are, among the units constituting the ES-CON JAPAN Group, segments that have available separate financial information and are subject to periodical review for determining allocation of management resources and evaluation of performance by the board of directors and other meetings.

The ES-CON JAPAN Group has consolidated independent projects that have similar products, services, etc., to form four reporting segments: the condominium business, the real estate development business, the real estate leasing business, and the asset management business, along with other businesses.

The main details of each reporting segment are described below.

Condominium business:	Development and sale of condominiums and detached homes; sale of land; etc.
Real estate development business:	Development, operation, etc., of retail facilities, logistics facilities, apartments, etc.
Real estate leasing business:	Rent revenues, dividend revenues, etc., from assets owned
Asset management business:	Property management, asset management, condominium management, etc., for assets owned
Other:	Real-estate-related business contracting, transaction brokering, international investment, sales agency, etc.

2. Methods for Calculating Net Sales, Income or Loss, Assets, and Other Items by Reporting Segment

The accounting treatment for the reported business segments is the same as that described in "Important Matters Serving as the Basis for Preparation of Consolidated Financial Statements."

3. Information on Net Sales and Income or Loss Amounts by Reporting Segment and Information on Breakdown of Revenue

Fiscal year ended Dec. 2023 (from Jan. 1, 2023 to Mar. 31, 2024)

(Unit: million yen)

	Reporting segment					Other	Total	Reconciliation (Note 1)	Amount on consolidated statement of income (Note 2)
	Condo- minium sales business	Real estate development business	Real estate leasing business	Asset manage- ment business	Total				
Net sales									
Revenue from contracts with customers	73,183	26,423	83	1,490	101,180	929	102,109	—	102,109
Other revenue (Note 4)	—	—	16,449	2	16,451	300	16,751	—	16,751
Net sales to external customers	73,183	26,423	16,532	1,492	117,631	1,229	118,861	—	118,861
Intersegment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	73,183	26,423	16,532	1,492	117,631	1,229	118,861	—	118,861
Segment income	13,376	7,283	6,715	846	28,222	698	28,920	(9,846)	19,074
Segment assets	114,824	127,400	95,353	289	337,871	8,419	346,291	53,405	399,696
Other items									
Depreciation (Note 3)	—	—	1,795	—	1,795	22	1,817	133	1,951
Amortization of goodwill	121	—	923	—	1,044	—	1,044	—	1,044
Amount of investment in entities accounted for using equity method	—	—	—	—	—	1,263	1,263	—	1,263
Increase in property, plant and equipment and intangible assets (Note 3)	—	—	34,412	—	34,412	—	34,412	102	34,515

(Note 1) The “other” category comprises business segments not included in the reportable segments, such as overseas and other investments, the Ryomon columbarium business, and brokerage and consulting services.

(Note 2) Reconciliations are as follows

- (1) The reconciliation of segment income of -9,846 million yen is corporate expenses not attributable to any reporting segment. Corporate expenses are general and administrative expenses not attributable to reporting segments.
- (2) The reconciliation of segment assets of 53,405 million yen is mainly surplus operating funds (cash and deposits), administrative assets, etc. not attributable to reporting segments.
- (3) The reconciliation of depreciation of 133 million yen is depreciation on corporate assets not attributable to reporting segments.
- (4) The reconciliation of increase in property, plant and equipment and intangible assets of 102 million yen is increase in corporate assets not attributable to reporting segments

(Note 3) Segment income is reconciled with operating income on the quarterly consolidated statements of income.

(Note 4) Increase in depreciation, property, plant and equipment and intangible assets includes long-term prepaid expenses and the amortization amount of such expenses.

(Note 5) “Other revenue” is rental income, etc. based on “Accounting Standard for Lease Transactions.”

Fiscal year ended Mar. 2025 (from April 1, 2024 to Mar. 31, 2025)

(Unit: million yen)

	Reporting segment					Other	Total	Reconciliation (Note 1)	Amount on consolidated statement of income (Note 2)
	Condo- minium sales business	Real estate development business	Real estate leasing business	Asset manage- ment business	Total				
Net sales									
Revenue from contracts with customers	66,908	28,427	34	1,644	97,015	1,020	98,035	—	98,035
Other revenue (Note 4)	—	—	15,566	1	15,568	—	15,568	—	15,568
Net sales to external customers	66,908	28,427	15,600	1,645	112,583	1,020	113,603	—	113,603
Intersegment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	66,908	28,427	15,600	1,645	112,583	1,020	113,603	—	113,603
Segment income	12,045	10,212	7,021	997	30,276	319	30,595	(9,284)	21,311
Segment assets	121,066	162,227	103,835	304	387,434	20,582	408,016	51,831	459,847
Other items									
Depreciation (Note 3)	—	—	1,654	—	1,654	26	1,680	110	1,791
Amortization of goodwill	24	—	896	—	920	—	920	—	920
Amount of investment in entities accounted for using equity method	—	—	—	—	—	13,103	13,103	—	13,103
Increase in property, plant and equipment and intangible assets (Note 3)	—	—	4,723	—	4,723	—	4,723	70	4,794

(Note 1) The “other” category comprises business segments not included in the reportable segments, such as overseas and other investments, the Ryomon columbarium business, and brokerage and consulting services.

(Note 2) Reconciliations are as follows

- (1) The reconciliation of segment income of -9,284 million yen is corporate expenses not attributable to any reporting segment. Corporate expenses are general and administrative expenses not attributable to reporting segments.
- (2) The reconciliation of segment assets of 51,694 million yen is mainly surplus operating funds (cash and deposits), administrative assets, etc. not attributable to reporting segments.
- (3) The reconciliation of depreciation of 110 million yen is depreciation on corporate assets not attributable to reporting segments.
- (4) The reconciliation of increase in property, plant and equipment and intangible assets of 70 million yen is increase in corporate assets not attributable to reporting segments

(Note 3) Segment income is reconciled with operating income on the quarterly consolidated statements of income.

(Note 4) Increase in depreciation, property, plant and equipment and intangible assets includes long-term prepaid expenses and the amortization amount of such expenses.

(Note 5) “Other revenue” is rental income, etc. based on “Accounting Standard for Lease Transactions.”

5. Other

(1) Status of Contracts and Sales

The performance of contracts in the real estate sales business for the fiscal year under review is as follows:

Category	Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Dec. 31, 2025)			
	Contract amount during the period		Balance of contracts at the end of the period	
	Number of units (units)	Amount (million yen)	Number of units (units)	Amount (million yen)
Condominiums	1,067	59,755	757	44,547
Other	—	2,814	—	163
Total	1,067	62,569	757	44,710

The main performance of sales by segment for the last two fiscal years is as follows:

Name of segment	Fiscal year ended Dec. 2023 (from Jan. 1, 2023 to Mar. 31, 2024)			Fiscal year ended Mar. 2025 (from Apr. 1, 2024 to Mar. 31, 2025)		
	Property name	Number of units (units)	Amount (million yen)	Property name	Number of units (units)	Amount (million yen)
Condominium sales business	Condominiums	1,216	69,290	Condominiums	1,195	64,063
	Other	—	3,892	Other	—	2,845
	Subtotal	1,216	73,183	Subtotal	1,195	66,908
Real estate sales business	Logistics facility in Hashima City, Gifu Prefecture	—	8,380	Okubocho, Akashi City (A-1)	—	4,500
	LOGITRES Tojo II	—	6,600	LOGITRES Narashino Shibazono	—	3,800
	Haramachida 2-chome, Machida City	—	4,059	ESCON Kudankita Building	—	3,250
	TOPAZ Shinokachimachi	—	2,500	Picasso Nihon-ichi Building	—	3,050
	Fujishirodai 5-chome, Suita City (retail)	—	1,680	tonarie Hoshida	—	2,335
	Fukaeminami, Higashinari-ku, Osaka City	—	1,411	Kotobuki 4-chome, Taito-ku	—	1,930
	Minamimatsubara II land lease, Takatsuki City	—	400	seven x seven Itoshima	—	1,812
	Fujishirodai 5-chome, Suita City (senior health facility site)	—	308	Murokawacho, Nishonomiya City (land lease)	—	1,800
	Chikaramachi, Higashi-ku, Nagoya City	—	95	LOGITRES Sano	—	1,670
	Other	—	988	Hoshida Station North District (land lease)	—	1,600
				WOB Nishinomiya Residence	—	720
				Towa 5-chome, Adachi-ku	—	440
				SWISS Kyoto Horikawa EAST	—	430
				Fujishirodai 5-chome, Suita City (nursery school)	—	245
				Other	—	845
	Subtotal	—	26,423	Subtotal	—	28,427
Real estate leasing business			16,532			15,600
Asset management business			1,492			1,645
Other			1,229			1,020
	Total		118,861	Total		113,603



(Note 1) There are no transactions between segments.

(Note 2) Previously, the Group's reporting segments were real estate sales, real estate leasing, and real estate planning, brokerage, and consulting. However, in the consolidated fiscal year under review we reorganized these into the following four segments: the condominium business, the real estate development business, the real estate leasing business, and the asset management business, along with other businesses. This was done to clarify our business portfolio and promote stable growth through the formulation of strategies specific to each segment.