

Consolidated Financial Results for First Quarter of Fiscal Year Ending March 2026

ES-CON JAPAN Ltd.
(TSE Prime 8892)

July 28, 2025

Summary of financial results

• Profit and Loss	P.4
• Segments Overview	P.5
• Results by Segment	P.6-12
• Balance Sheet	P.13-14
• Progress of Investment Plans	P.15
• Business Plan	P.16
• Shareholders Returns	P.17

Key Topics

• Urban and Community Development Projects – Kitahiroshima City, HOKKAIDO	P.19
• Urban and Community Development Projects – Suita City, OSAKA	P.20
• Urban and Community Development Projects – Chubu (Nagoya) Area	P.21
• Ongoing Land Readjustment Project	P.21
• Organizational Reform (effective April 25, 2025)	P.22

Appendix

The Fifth Medium-Term Management Plan (launched in March 2024)

• Management Targets	P.24
• Management Based on an Awareness of Capital Costs and Stock Price	P.25

Long-Term Vision 2030 (launched in March 2024)

• Overview	P.27
• Financial Results Trends	P.28

*Key to this document

Group companies

- Picasso Group: PICASSO CO., LTD., Yuki Sangyo Co., Ltd. and Picasso's group companies
- Shijo Omiya Building: Shijo Omiya Building Co., Ltd.
- EIP: ES-CON INVESTMENT PARTNERS Ltd.
- ESH: ES-CON HOME Ltd.
- EAM: ES-CON ASSET MANAGEMENT Ltd.
- ELS: ES-CON LIVING SERVICE Ltd.
- Shiba Real Estate: Shiba Real Estate Inc.

Other/Proper nouns

- EJ: ES-CON JAPAN REIT Investment Corporation
- Chubu Electric Power (or Chuden): Chubu Electric Power Co., Inc.
- Chuden Real Estate: Chuden Real Estate Co., Inc.

Other/Abbreviations, etc.

- AUM: Assets under management
- PJ: Project

About the Company's New Name

Marking an important milestone, our 30th anniversary, we changed our Japanese trade name from "Nihon ES-CON" to "ES-CON". The goal is to further strengthen the Company's brand and enhance societal trust.

株式会社日本エスコン
(in English : ES-CON JAPAN Ltd.)



株式会社エスコン
(in English : ES-CON JAPAN Ltd.)



✓ Corporate Website Renewal

We have fully renewed our corporate website, including the business details, investor relations, and sustainability pages. The goal is to communicate our group's information clearly, enabling visitors to gain a deeper understanding.
<https://www.es-conjapan.co.jp/>

✓ Origin of "ES-CON"

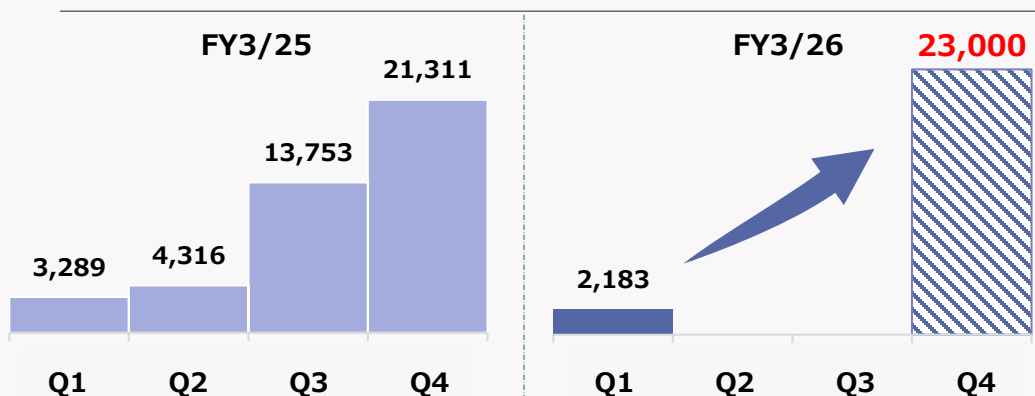
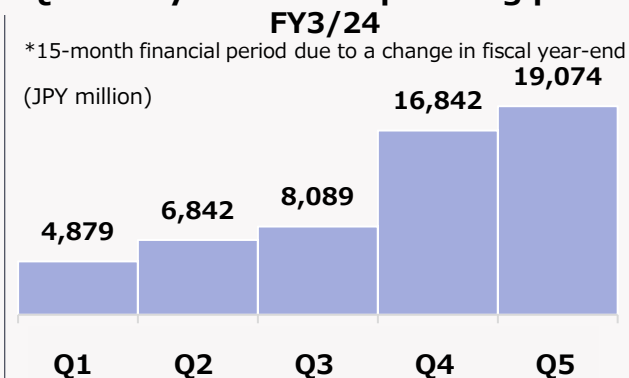
The name ES-CON comes from the combination of the words real estate and constellation, which we established as cornerstones upon our founding. It means that everyone associated with the Company can demonstrate their individuality and strengths to the fullest, and can beautifully harmonize with all and continue to shine for eternity, like a constellation that gives off inimitable light. It expresses our strong desire to be a constellation in the real estate industry.

Summary of Financial Results

- Sales posted JPY 17,581 million, operating income was JPY 2,183 million, ordinary income stood at JPY 836 million, and quarterly net income attributable to owners of the parent totaled JPY 955 million.
- Progressing as planned in line with the full-year consolidated earnings forecast.

	FY3/25 Q1 Actual	FY3/26 Q1 Actual	% Change YoY	FY3/26 Full-year Forecast	(JPY million) Progress
Sales	19,098	17,581	(7.9%)	133,000	13.2%
Gross profit	6,106	5,353	(12.3%)	-	-
Selling, general and administrative expenses	2,816	3,169	12.6%	-	-
Operating profit	3,289	2,183	(33.6%)	23,000	9.5%
Interest expenses	736	1,260	71.2%	-	-
Ordinary income	2,840	836	(70.6%)	17,500	4.8%
Extraordinary loss	0	0	-	-	-
Profit attributable to owners of parent	1,821	955	(47.6%)	11,500	8.3%
Basic earnings per share in the quarter (JPY)	19.08	9.98	-	120.17	-

■ Quarterly trends in operating profit



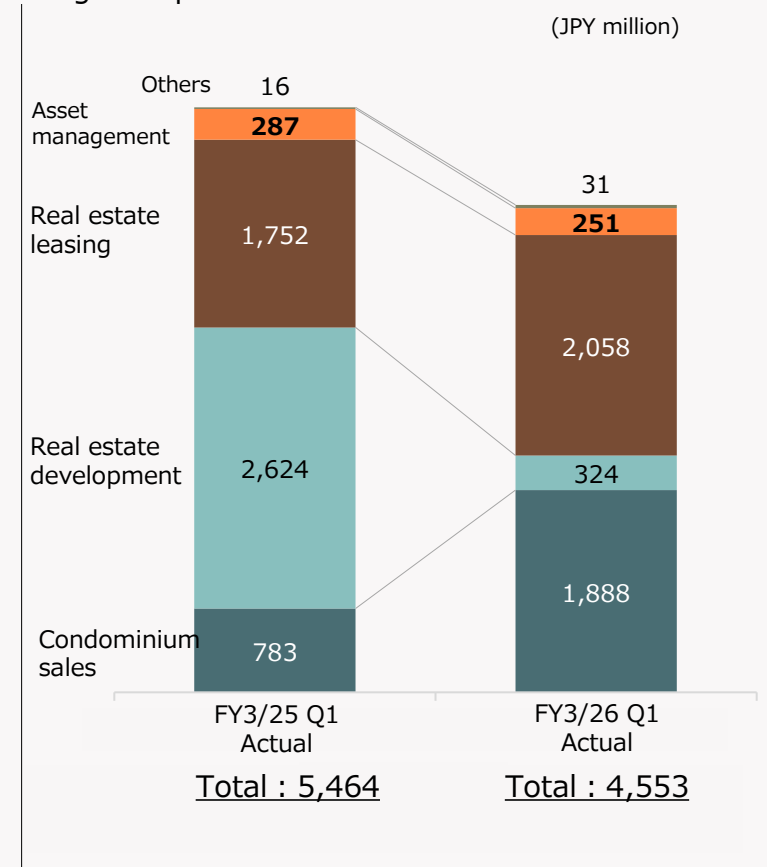
Segments Overview

- Condominium sales business: Higher sales and profit were achieved YoY, driven by an increased number of unit delivered.
- Real estate development business: On track with our plan, despite a YoY decrease in sales and profit driven by a variance in property sales volume.
- Real estate leasing business: Increased sales and profit resulted from the newly opened commercial facility and hotel, and the acquisition of Shiba Real Estate as a subsidiary.

(JPY million)

	FY3/25 Q1	FY3/26 Q1	Change YoY	% Change YoY
Net sales	19,098	17,581	(1,517)	(7.9%)
• Condo sales	5,243	11,087	5,844	111.4%
• Real estate development	9,450	1,324	-8,126	(86.0%)
• Real estate leasing	3,837	4,314	476	12.4%
• Asset management	455	491	36	7.9%
• Others	111	363	252	227.1%
Segment profit	5,464	4,553	(910)	(16.7%)
• Condo sales	783	1,888	1,105	141.1%
• Real estate development	2,624	324	(2,300)	(87.6%)
• Real estate leasing	1,752	2,058	305	17.4%
• Asset management	287	251	-36	(12.7%)
• Others	16	31	15	92.5%
Segment profit margin	28.6%	25.9%	-	(2.7pt)
• Condo sales	14.9%	17.0%	-	2.1pt
• Real estate development	27.8%	24.5%	-	(3.3pt)
• Real estate leasing	45.7%	47.7%	-	2.0pt
• Asset management	63.2%	51.2%	-	(12.1pt)
• Others	14.7%	8.6%	-	(6.0pt)

■ Segment profit breakdown



▶▶ Year-on-year growth in sales and profit

▶▶ Key Drivers

- Sales increased YoY, driven by the significant rise in the number of condominium units delivered.
- Profit growth resulted from the successful control of construction costs and sales prices, among other factors.

(JPY million)

	FY3/25 Q1	FY3/26 Q1	% Change YoY
Sales	5,243	11,087	111.4%
Condominiums	4,430	10,745	142.5%
Detached houses	813	342	(57.9%)
Segment profit	783	1,888	141.1%
Segment profit margin	14.9%	17.0%	2.1pt
Number of condominium units delivered	50 units	226 units	352.0%

■ Progress of condominium contracts (FY3/26 Q1)

Number of units planned for delivery in FY3/26	Number of units contracted during FY3/26 Q1	Progress to full year forecast FY3/26
1,000 Units	691 units*	69.1%

*Includes only properties scheduled for delivery within FY2026

► Highlights of Q1

■ Major properties completed (FY3/26 Q1)

Le JADE Nagoya (Nakamura Ward, Nagoya City)



Delivered in April 2025

Total 125 units

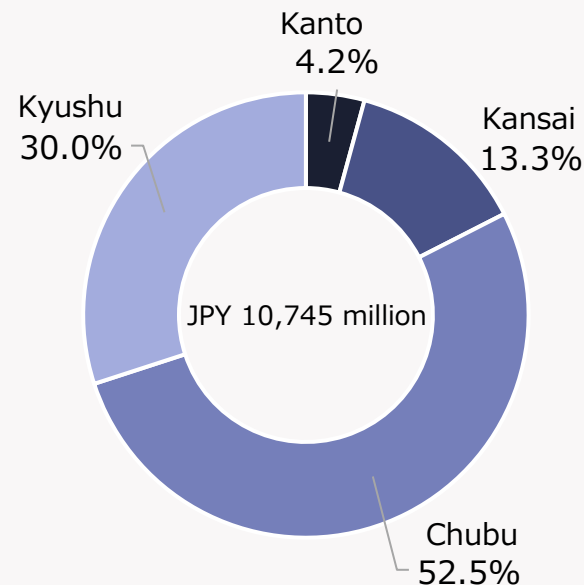
LeJIAS Ohashi DUX (Minami Ward, Fukuoka City)



Delivered in June 2025

Total 90 units

■ Condominium sales breakdown by area (FY3/26 Q1)



▶ FY3/26 Full-year Forecast

■ Condominiums scheduled for completion and handover in FY3/26

Property name	Total number of units	Location	Handover*
DIAMAS Hayama	17	Miura District, Kanagawa Prefecture	Jul. 2025
Le JADE Kumamoto Nisseki-dori	92	Higashi Ward, Kumamoto City	Nov. 2025
Le JADE Koshienguchi	60	Nishinomiya City, Hyogo Prefecture	Dec. 2025
Le JADE Kasai East Avenue	78	Edogawa Ward, Tokyo	Feb. 2026
Le JADE Nishinomiya Koshien	124	Nishinomiya City, Hyogo Prefecture	Mar. 2026
Le JADE Tezukayama	26	Sumiyoshi Ward, Osaka City	Mar. 2026
Grand Le JADE Mishuku-dori	10	Setagaya Ward, Tokyo	Mar. 2026
Le JADE Senri-Fujishirodai, Center Residence and West Residence	398	Suita City, Osaka	Mar. 2026

*Scheduled handover dates are current as of June 30, 2025, and may be subject to change.

High-end Residences

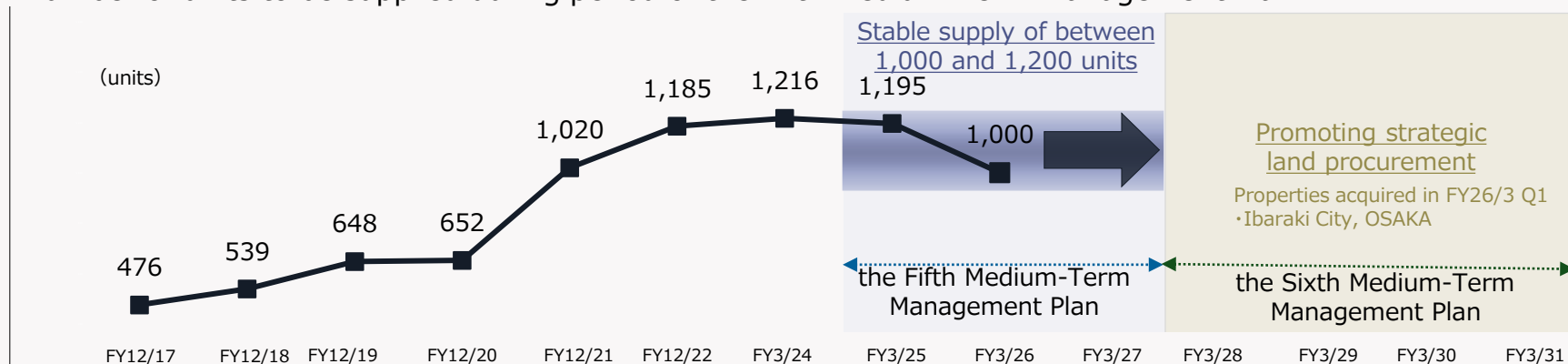
DIAMAS Hayama



Grand Le JADE Mishuku-dori



■ Number of units to be supplied during period of the Fifth Medium-Term Management Plan



- Property sales proceeded according to plan.
- The year-on-year decrease in sales and profit resulted from fewer properties being sold compared to the same period last year.

(JPY million)

	FY3/25 Q1	FY3/26 Q1	% Change YoY
Sales	9,450	1,324	(86.0%)
Segment profit	2,624	324	(87.6%)
Segment profit margin	27.8%	24.5%	(3.3pt)

■ Major properties sold

FY3/25 Q1	FY3/26 Q1
• ESCON Kudankita Building, TOKYO (Office) • Kotobuki 4-chome, Taito-ku, TOKYO (Residence) • seven x seven Itoshima, FUKUOKA (Hotel) • LOGITRES Sano, TOCHIGI (Logistics) • Towa 5-chome, Adachi-ku, TOKYO (Other)	• KOHNAN tonarie Yamato-Takada, NARA (Leasehold land)

▶ Year-on-year growth in sales and profit

▶ Key Drivers

1. The opening of a mixed-use commercial and hotel facility under the Kitahiroshima Station West Exit Area Revitalization Project in Kitahiroshima City, Hokkaido.
2. As a result of tenant turnover in a portion of our commercial facilities.
3. Revenue contribution from Shiba Real Estate, acquired on April 1, 2025.

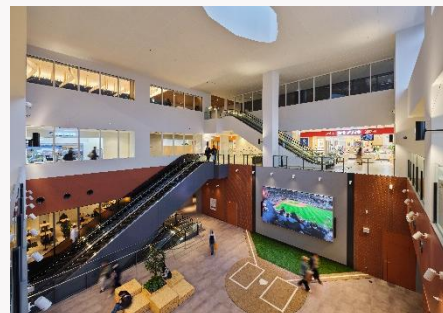
(JPY million)

	FY3/25 Q1	FY3/26 Q1	% Change YoY
Sales	3,837	4,314	12.4%
Segment profit	1,752	2,058	17.4%
Segment profit margin	45.7%	47.7%	2.0pt

■ JR Kitahiroshima Station, a mixed-use facility *for details, refer to page 19



(1) “tonarie Kitahiroshima” commercial facilities



(2) “ES-CON Field Hokkaido Hotel Kitahiroshima Ekimae”



Real Estate Leasing Business -2

■ Shiba Real Estate Inc. becomes subsidiary in April 2025

A portion of the real estate business of Mitsubishi Chemical Corporation and its subsidiary DIA RIX CORPORATION was spun off and absorbed by a new company, Shiba Real Estate, Inc. (established January 17, 2025), with the Company acquiring all shares.

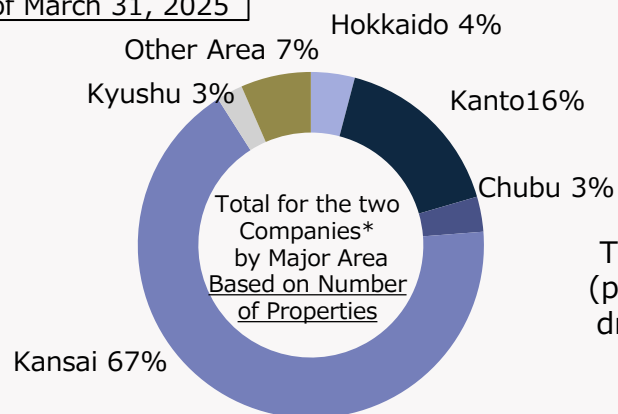
■ Real estate assets of three subsidiaries

(JPY million)

	Inventories	Fixed assets	Total assets
Shiba Real Estate	12,718	7,776	20,494
Picasso Group	16,763	36,092	52,855
Shijo Omiya Building	16,441	25,059	41,501
Total	45,922	68,928	114,849

■ Shift in major area ratios of real estate leasing business subsidiary's properties

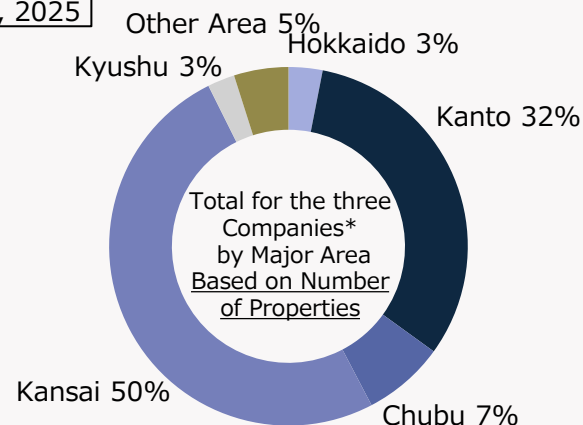
As of March 31, 2025



※Two companies - Picasso Group, Shijo Omiya Building

As of June 30, 2025

The ratio in the Kanto area (primarily Tokyo) expanded, driven by the integration of Shiba Real Estate



※Three companies - Picasso Group, Shijo Omiya Building and Shiba Real Estate

■ Asset Management Business

- Sales increased, contributed by the rise in asset management AUM, property management contracts, and condominium management units, all of which generate stable earnings.
- The decrease in profit was due to a one-time fee recognized in the prior first quarter, which was associated with the reallocation of ES-CON Japan REIT's assets, not occurring in the current quarter.

(JPY million)

	FY3/25 Q1	FY3/26 Q1	% Change YoY
Sales	455	491	7.9%
Segment profit	287	251	(12.7%)
Segment profit margin	63.2%	51.2%	(12.1pt)

■ Other Business

- Higher sales and profit were driven by dividends from the overseas investment and other income.

(JPY million)

	FY3/25 Q1	FY3/26 Q1	% Change YoY
Sales	111	363	227.1%
Segment profit	16	31	92.5%
Segment profit margin	14.7%	8.6%	(6.0pt)

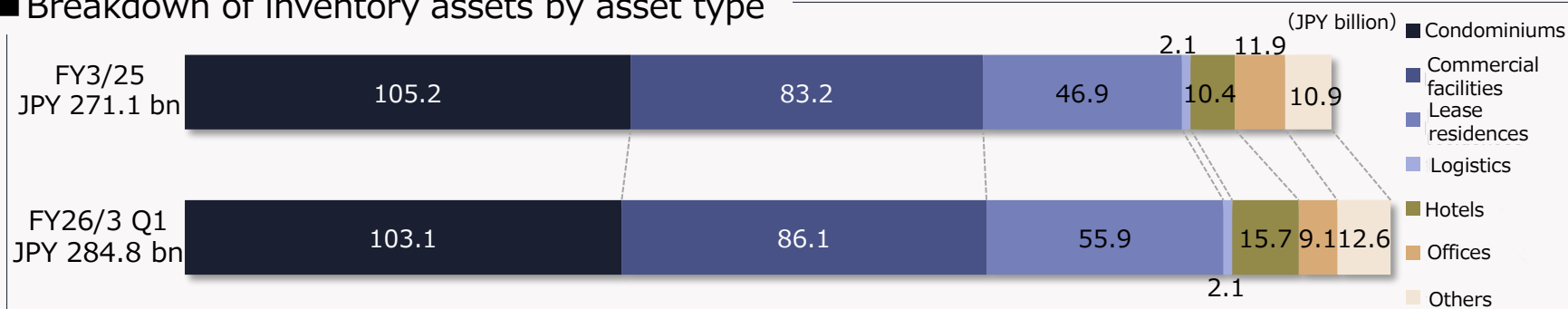
Balance Sheet -Assets

- Real estate for sale decreased due to the completion and delivery of condominiums, etc.
- Increased in real estate in process for sale because of proactive investments for business growth

(JPY million)

	FY3/25	FY3/26 Q1	% change
Current assets	335,103	340,326	1.6%
Cash and deposits	46,802	35,883	(23.3%)
Real estate for sale	8,072	5,033	(37.6%)
Real estate for sale in process	263,066	279,834	6.4%
Non-current assets	124,708	130,791	4.9%
Property, plant and equipment	83,719	91,111	8.8%
Intangible assets	15,277	15,047	(1.5%)
Investments and other assets	25,711	24,632	(4.4%)
Total assets	459,847	471,152	2.5%

■ Breakdown of inventory assets by asset type



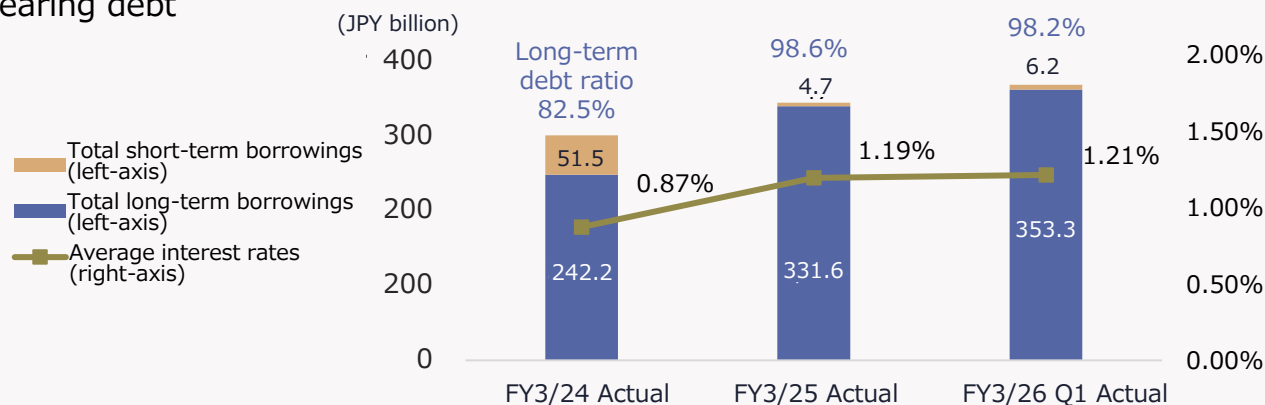
Balance Sheet -Liabilities

- Borrowings increased because of the progress of property acquisitions.

Mainly attributable to the acquisition of Shiba Real Estate as a subsidiary and the purchase of land for condominiums and income-producing properties.

	FY3/25	FY3/26 Q1	(JPY million)
			% change
Current liabilities	95,654	95,022	(0.7%)
Short-term loans	4,735	6,258	32.2%
Current portion of long-term loans	66,387	72,100	8.6%
Non-current liabilities	285,512	301,929	5.8%
Corporate bonds	7,400	7,400	0.0%
Long-term loans	257,872	274,094	6.3%
Total liabilities	381,166	396,952	4.1%
Total liabilities and net assets	78,681	74,200	(5.7%)
Total assets	459,847	471,152	2.5%
Equity ratio	17.2%	15.9%	(1.3pt)
Rating (JCR)	A+ positive	A+ positive	—

■ Interest-bearing debt



Progress of Investment Plans

The investment plan is 51.7% complete for the full year.

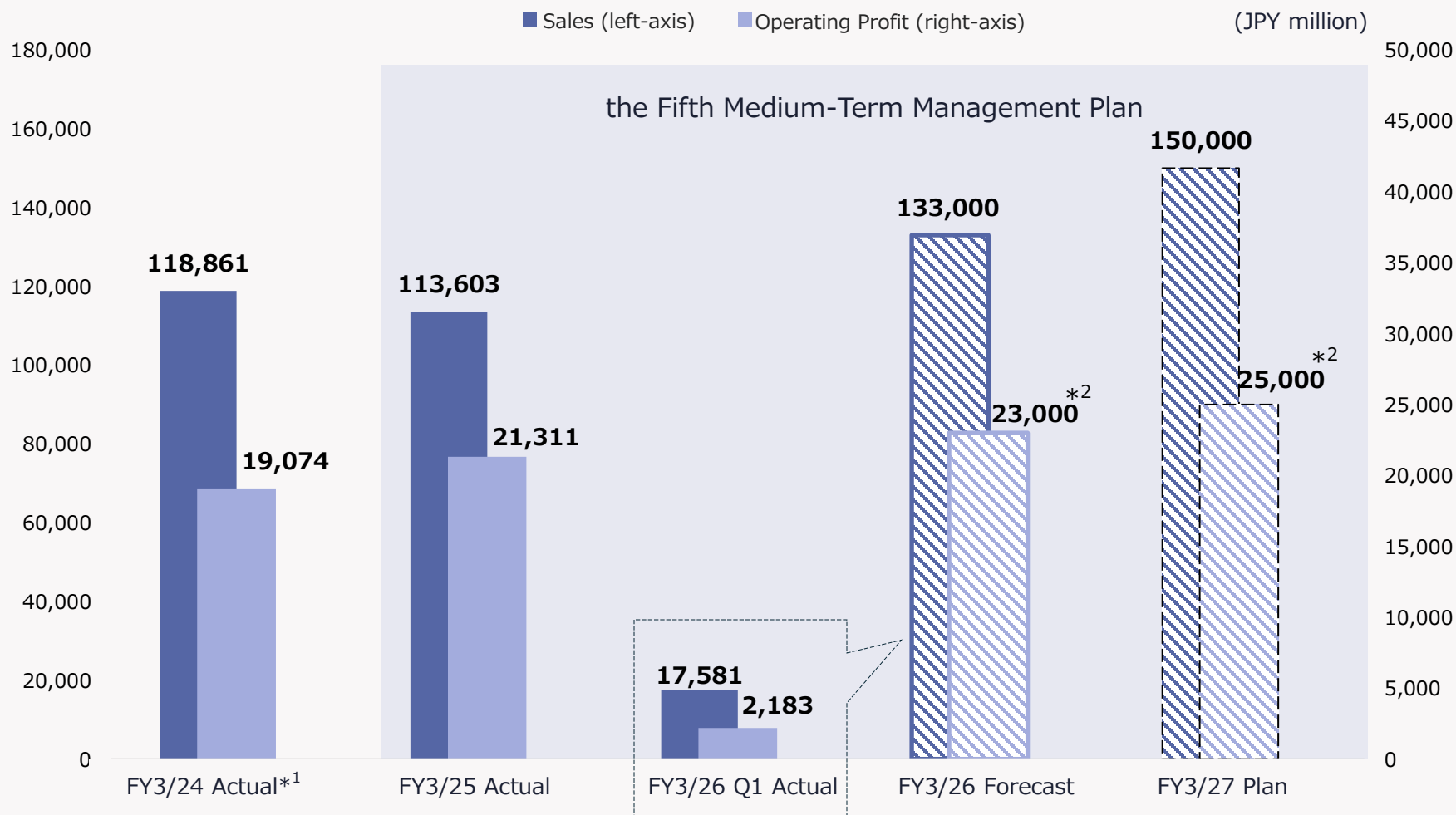
- Investments in income-producing properties exceeded the full-year plan, driven by the integration of Shiba Real Estate's properties into our portfolio.

(JPY billion)

	FY3/25	FY3/26			FY3/27	FY3/25 – FY3/27 the 5 th Mid-Term Management Plan	
	Actual	Q1 Actual	Full-year Forecast	Progress	Plan	Plan	Progress*
Total gross investment	72.0	34.1	66.0	51.7%	112.0	250.0	42.4%
• Condominium development	16.1	4.6	20.0	23.0%	25.0	61.1	33.9%
• Development of revenue-generating real estate	42.7	7.6	20.0	38.0%	50.0	112.7	44.6%
• Acquisition of revenue-generating real estate currently in operation	7.8	20.4	20.0	102.0%	30.0	57.8	48.8%
• Overseas investment	5.4	0.8	6.0	13.3%	6.0	17.4	35.6%
• Others	0	0.6	0	-	1.0	1.0	60.0%
Amount recovered	22.0	3.3	32.5	10.2%	40.0	94.5	26.8%
From revenue-generating real estate	8.4	0	14.4	0.0%	27.7	50.5	16.6%
Net investment amount	50.0	30.7	33.5	91.6%	72.0	155.5	51.9%

*Progress based on the total of FY3/25 and Q1 FY3/26

We aim to achieve the operating profit plans of JPY 23.0 billion for FY3/26 and JPY 25.0 billion for FY3/27.



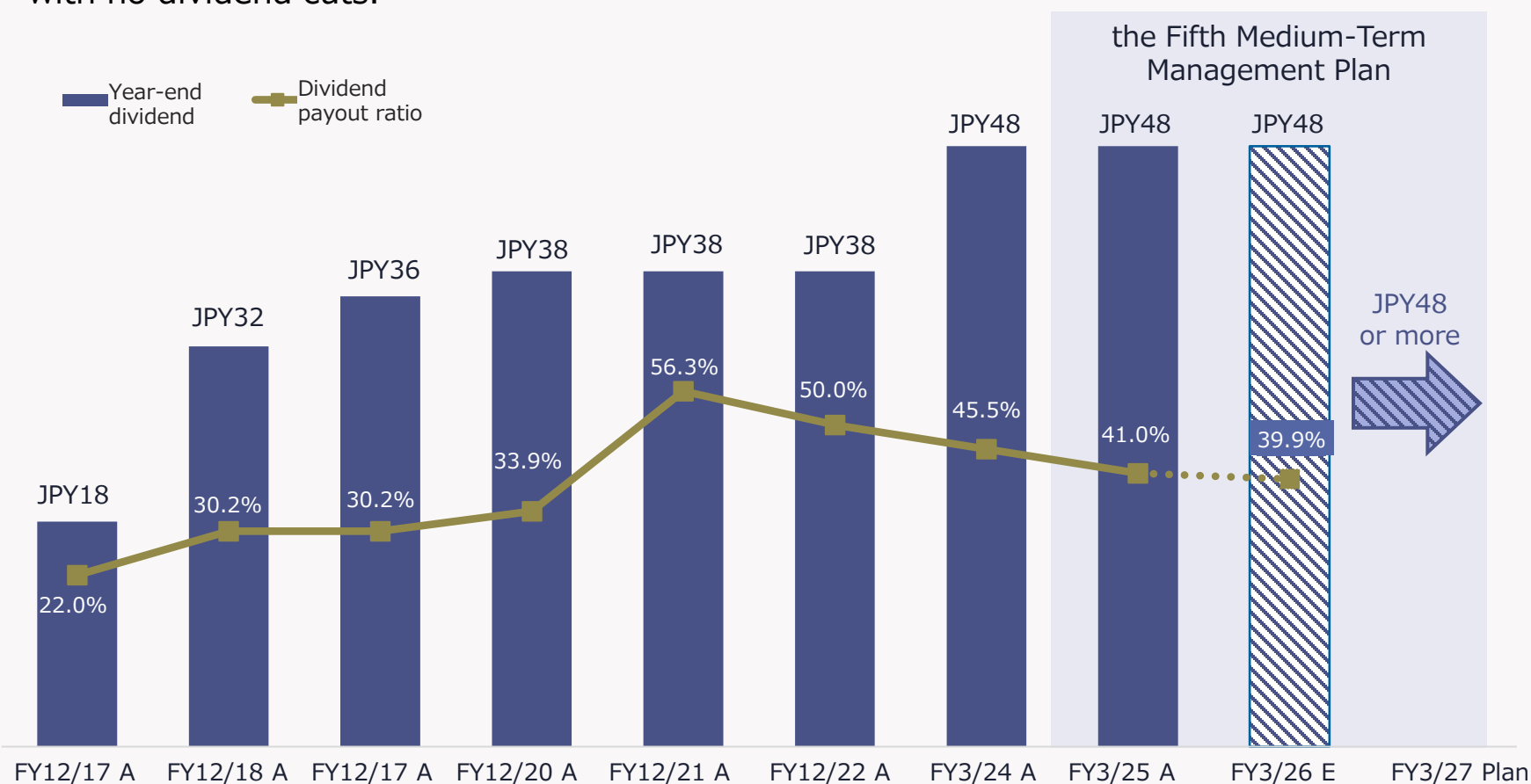
*¹ Irregular 15-month fiscal

*² We revised our operating profit plan upwards at the end of FY2025, from JPY 20.0 billion to JPY 23.0 billion for FY2026 and from JPY 22.0 billion to JPY 25.0 billion for FY2027

Dividend Plan: JPY 48 per share

» Maintain our progressive dividend policy

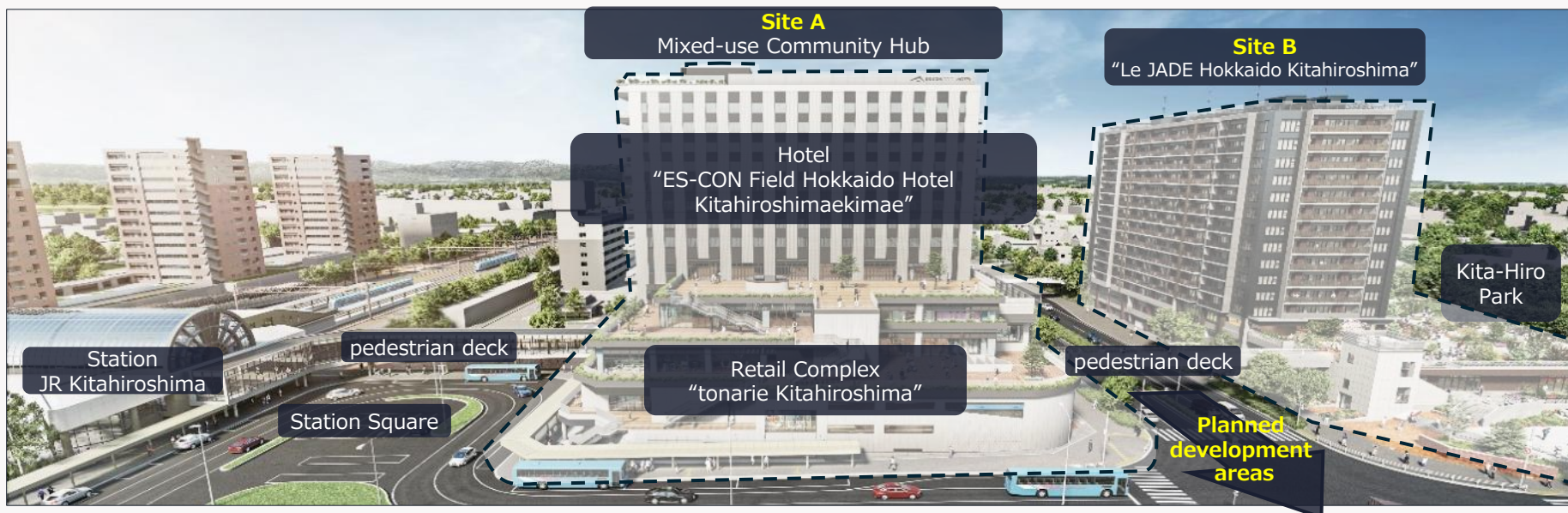
Our dividend policy is based on the principle that the previous year's DPS serves as a floor, with no dividend cuts.



Key Topics

▶ HOKKAIDO, JR Kita-Hiroshima Station "West Exit Area Revitalization Project"

- Public-private partnership project with the City of Kita-Hiroshima
- This project is designed to create a lively atmosphere and enhance visitor circulation by connecting the station to commercial facilities, a hotel, condominiums, and a park with a pedestrian decks.



■ Site A - Mixed-use Community Hub

Opened on March 15, 2025

Opened on March 28, 2025



■ Site B - Residential and Community

Scheduled for handover in November 2026

Condominium

"Le JADE Hokkaido Kitahiroshima"

All 197 units were
fully contracted
as of July 2025



■ Upcoming Developments

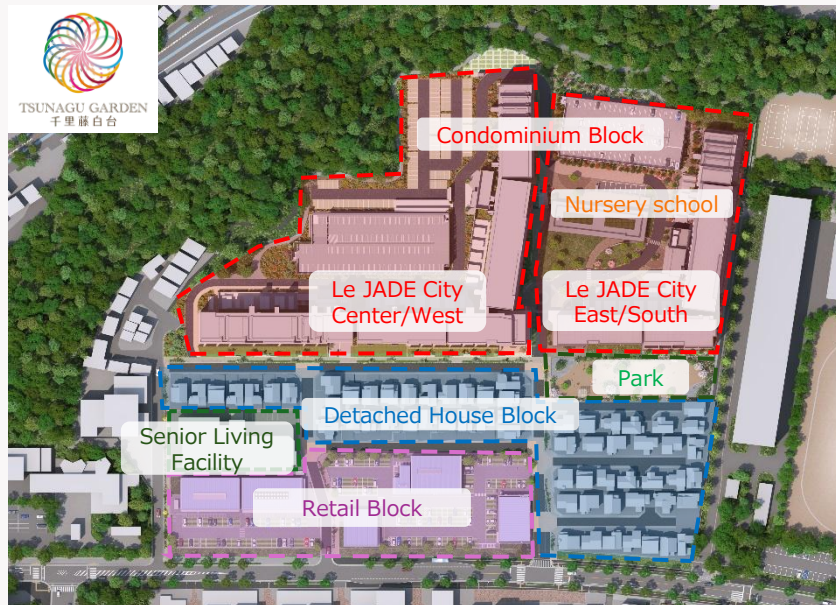
Scheduled for completion in FY2029

- Develop high-quality, multi-generational housing with facilities that enhance daily life.
- Establishment of a new public parking facility

* "Kita-Hiro Hometown BASE 2021-2029: West Exit Area Revitalization and Development Project" (Plan at the time of announcement, published in April 2021, the City of Kita-Hiroshima)

▶ Suita City, OSAKA - TSUNAGU GARDEN Senri Fujishirodai

- Joint project with Chuden Real Estate (Chubu Electric Power Group)
- This project will develop a multi-generational environment by providing facilities from shopping to childcare and medical services. We will also promote collaboration in community interaction, disaster prevention, and energy conservation.



Sustainable urban and
community development



Example of community creation
the event for residents (June 2025)



■ Le JADE City Senri Fujishirodai Center/West Residence

Scheduled for handover in
March 2026

Total 398 units



■ Le JADE City Senri Fujishirodai South/East Residence

Delivered in November 2024

Total 244 units

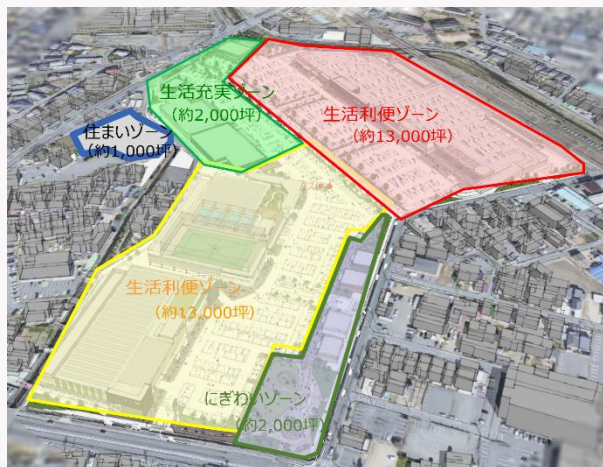


▶ Large-scale urban development projects in the Chubu (Nagoya) area

- We have multiple large-scale developments planned in the Chubu area, which will continue to be a key region for our business going forward.

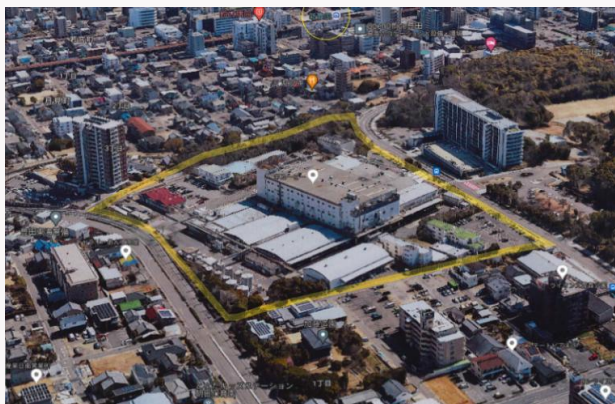
Kariya City, Aichi (approx. 31,000 tsubo)

Land was acquired in September 2024



Toyota City, Aichi (approx. 12,000 tsubo)

Land was acquired in February 2025



the Nagoya Racecourse Redevelopment Project

Participated in the project in 2022

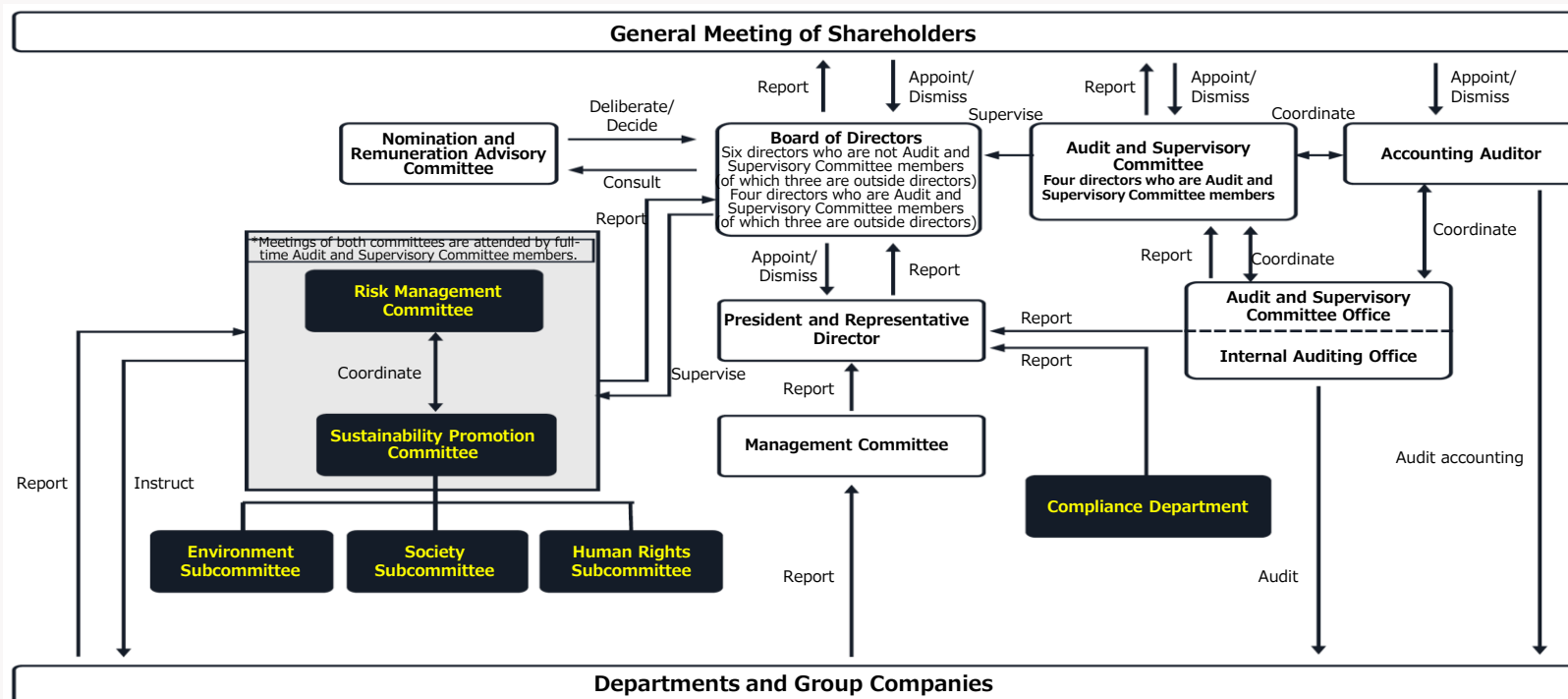


▶ Ongoing land readjustment project

Project	Region	Expected Completion*
Takakuradai, Sakai City, OSAKA	Kansai	2026
Saito East C Block, Ibaraki City, OSAKA	Kansai	2027
Uehara/Tako, Kawachinagano City, OSAKA	Kansai	2029
Kizu East Area, Kizugawa City, KYOTO	Kansai	2031
Takada, Hirakata City, OSAKA	Kansai	2031
New Medical Univ. area, Kashihara City, NARA	Kansai	2031
Nakamizuno Station Area, Seto City, AICHI	Chubu	2033
(Provisional) Kurumashinden, Yatomi City	Chubu	2033 and beyond

*The projects' scheduled completion dates are as of the end of June 2025 and are subject to change

- Compliance Office reorganized into the Compliance Department
 - The Compliance Office, established directly under the president in 2022, was reorganized into the Compliance Department.
 - The workforce will be expanded and the compliance system further strengthened to further promote compliance management.
- Establishment of Sustainability Promotion Committee
 - The Sustainability Promotion Committee is chaired by the representative director and president and is made up of members designated by the chairman, with the Audit and Supervisory Committee acting as observer.
 - Made up of the Environment Subcommittee, Society Subcommittee, and Human Rights Subcommittee, the Sustainability Promotion Committee is administered by the Sustainability Promotion Department.



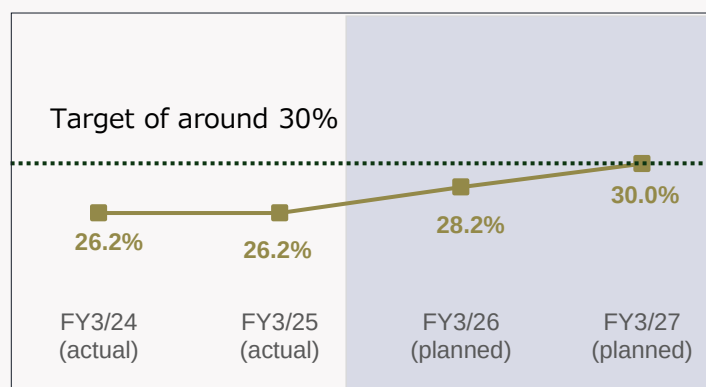
- Establishment of a New IR Department
 - We have established a new IR Department within the Corporate Planning Division to serve as a specialized organization that provides strategic support for enhancing corporate value.
 - We will also enhance the content of our financial results briefings and one-on-one IR meetings for institutional investors. Furthermore, we will work to actively disclose both financial and non-financial information, and will further promote proactive engagement and constructive dialogue with our shareholders and investors.

Appendix

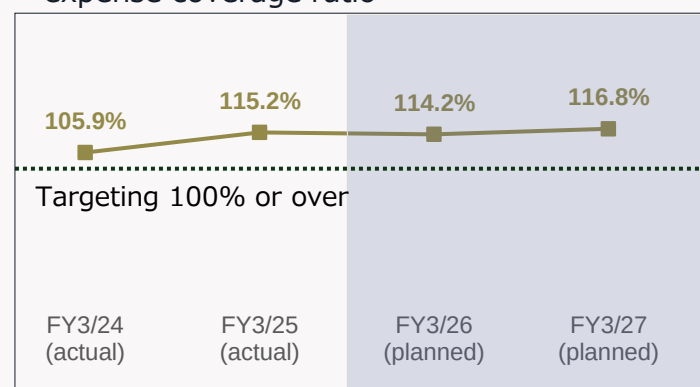
The Fifth Medium-Term Management Plan (launched in March 2024)

		FY3/25 Actual	FY3/26 Estimate	FY3/27 Estimate
Safety	Stock revenue ^{*1} ratio ^{*2}	26.2%	28.2%	30.0%
	Stock revenue/General and administrative expense coverage ratio (cash basis) ^{*3}	115.2%	114.2%	116.8%
	Equity ratio	17.2%	17.6%	17.5%
Capital Efficiency	ROE	14.8%	13.9%	14.0%
	ROIC ^{*4}	3.5%	3.5%	3.6%

► Stock revenue ratio



► Stock revenue/General and administrative expense coverage ratio



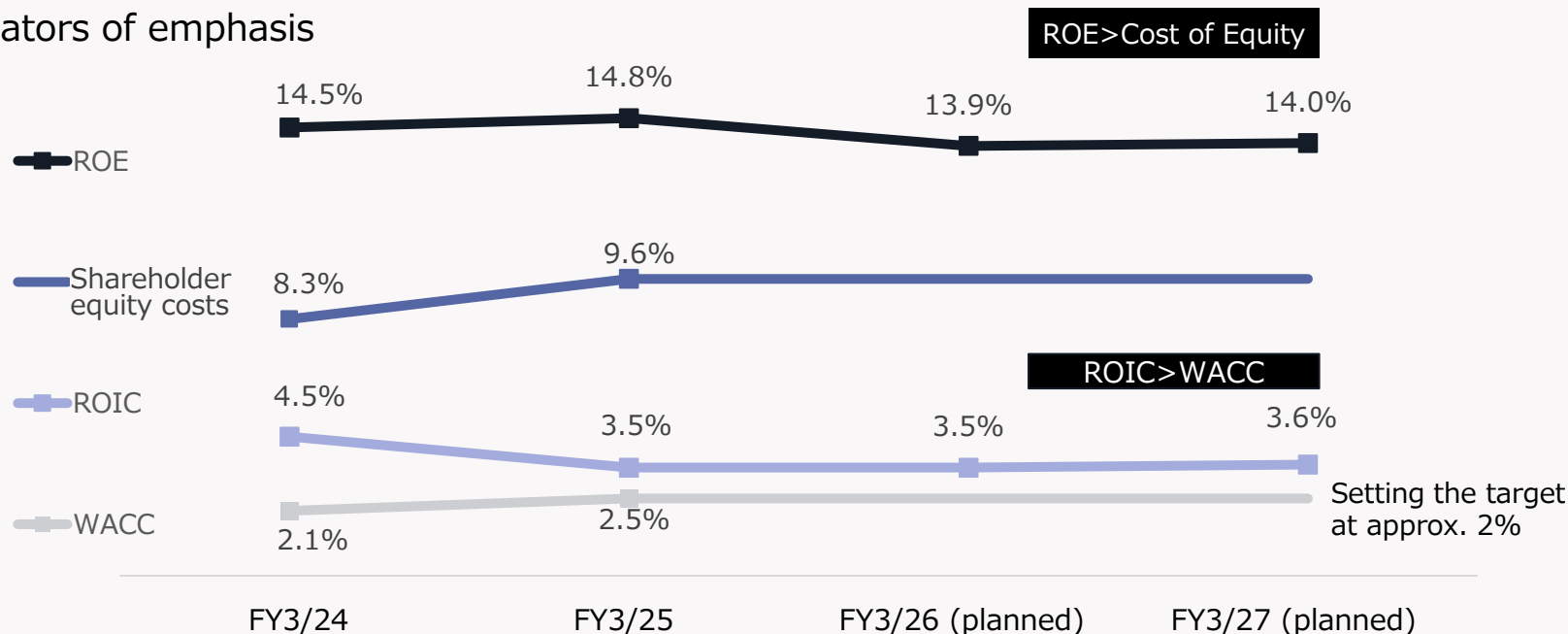
*1 Stock revenue: Real estate leasing segment profit + Asset management segment profit

*2 Stock revenue ratio: Stock revenue / Total segment profit

*3 Stock revenue / General and administrative expense coverage ratio: (stock revenue + depreciation in the real estate leasing segment + goodwill amortization in the real estate leasing segment) / (general and administrative expenses - general and administrative expense depreciation - total goodwill amortization)

*4 ROIC: (Consolidated ordinary income + interest expenses - interest income - income taxes) / (average at period-start and period-end of [interest-bearing debt + net assets])

Indicators of emphasis



Basic approach and initiatives

- Realizing profit growth
Realize profit growth to meet stakeholder expectations
- Awareness of capital efficiency
Management based on an awareness of ROE > Shareholder equity costs and ROIC > WACC
- Proactive shareholder returns
Maintain progressive dividend policy during the Fifth Medium-Term Management Plan; implement proactive shareholder returns.
- Constructive dialogue with shareholders and institutional investors
Manage and practice IR activities through the representative director and IR Office (established in April 2025).

Appendix

Long-Term Vision 2030
(launched in March 2024)

Currently promoting various initiatives to move toward Deepening and Evolution by fiscal 2030

Deepening

Evolution

Priority themes for business strategy

Further growth
of main businesses

Further
stabilizing the
revenue structure

Synergies
within the Chubu
Electric Power Group

Establishing
management that
accounts for capital
costs and stock price

1 Diversification
of development
projects and types

4 Challenge of new
business domains

2 Expanding
domestic area of
operations

5 New urban
development and
management

3 Global expansion

6 Promoting DX

Priority themes for sustainability management (materiality)

1 Harnessing
diverse human
resources

Strengthening
governance and risk
management, including
Group companies

2 Rigorous
compliance

1 Promoting a
decarbonized society

2 Achieving a
society characterized
by well-being

Profit growth will create the latitude needed to proactively invest to strengthen the management base and contribute to society.

Realize further profit growth by strengthening the management base and contributing to society

FY2030 Indicators
(Outputs)

Ordinary income JPY 30.0 billion

Real estate assets JPY 1.0 trillion

* Real estate assets: Owned assets + AUM from funds arranged by EJR and EIP, etc.

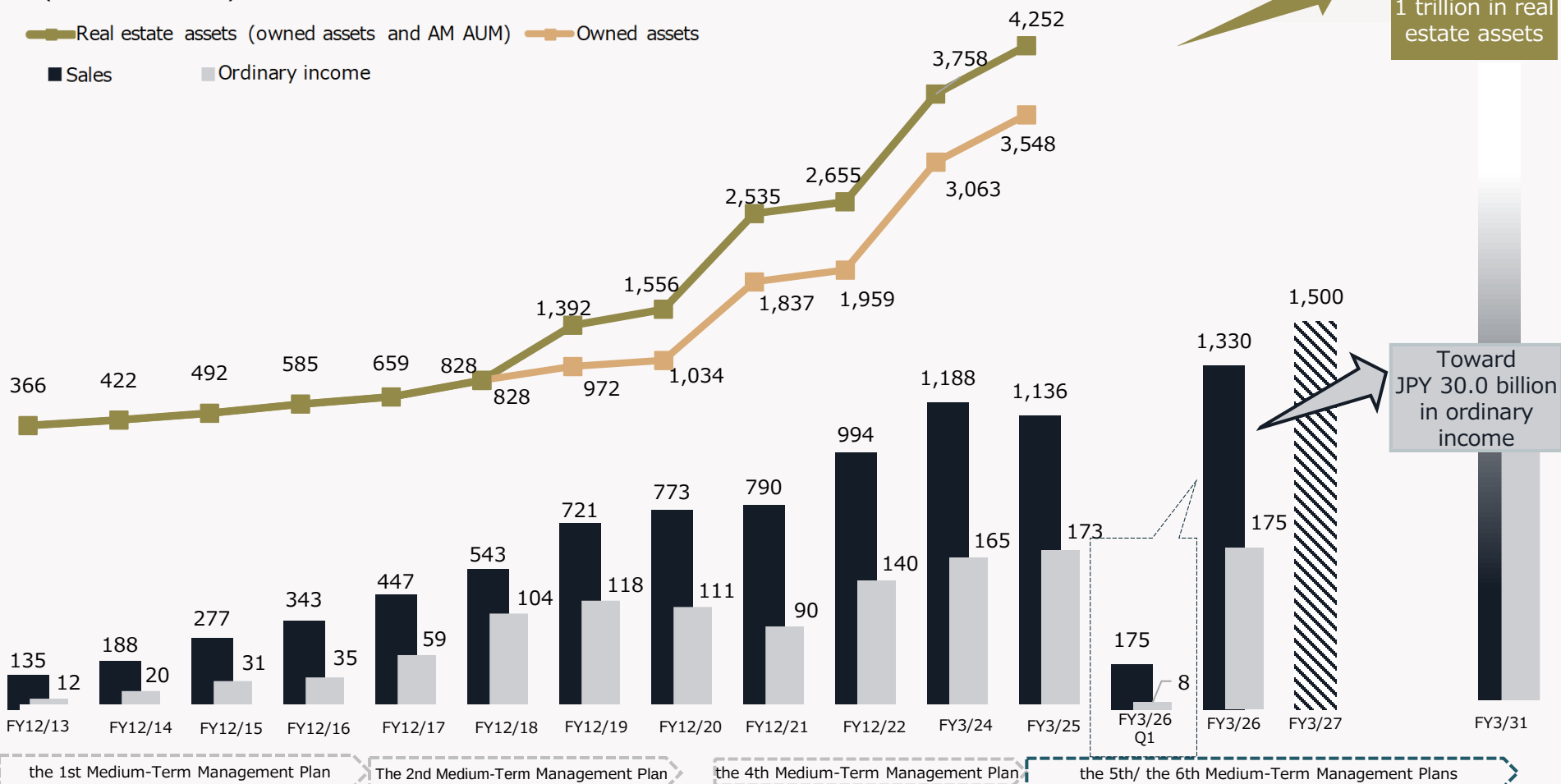
Continuation of consistent revenue growth since the 1st Medium-Term Management Plan
Efforts to strengthen corporate value steadily under Long-Term Vision 2030 will continue.

(JPY 1000 million)

Real estate assets (owned assets and AM AUM) Owned assets
Sales Ordinary income

Toward JPY 1 trillion in real estate assets

Toward JPY 30.0 billion in ordinary income



*The 3rd Medium-Term Management Plan was withdrawn due to the highly unclear business environment created by the COVID-19 pandemic.

*Assets owned by Company: inventories (real estate for sale, real estate for sale in process) + property, plant and equipment

*EJR's AUM is the book value total (at the end of each settlement period).

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