



Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2026 (Japanese GAAP)

October 24, 2025

Company name: ES-CON JAPAN Ltd.	Stock exchange listing: Tokyo Stock Exchange
Stock code: 8892	URL: https://www.es-conjapan.co.jp
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Scheduled date to file semi-annual securities report:	October 24, 2025
Scheduled date to commence dividend payments:	-
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated results for the first half of FY2026 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended								
September 30, 2025	35,181	13.4	4,905	13.7	2,380	-9.6	1,858	27.0
September 30, 2024	31,036	-	4,316	-	2,632	-	1,463	-

(Note) Comprehensive income

First Half of FY2026: 684 million yen [-55.3%]

First Half of FY2025: 1,531 million yen [- %]

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	yen
September 30, 2025	19.42	19.40
September 30, 2024	15.32	15.29

(Note) Effective November 29, 2023, the Articles of Incorporation were revised to change the date of settlement of accounts (end date of the fiscal year) from December 31 to March 31 of each calendar year. Due to this revision, results for the fiscal year ended March 2024 were provided for an irregular period of 15 months from January 1, 2023, through March 31, 2024, during which the change in the fiscal year was enacted. For this reason, increases (decreases) compared with the same period in the previous year are not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
As of	million yen	million yen	%	yen
September 30, 2025	481,057	74,720	15.7	787.48
March 31, 2025	459,847	78,681	17.2	827.19

Reference: Equity

First Half of FY2026: 75,372 million yen

First Half of FY2025: 79,140 million yen

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ending March 31, 2025	-	0.00	-	48.00	48.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)			-	48.00	48.00

(Note) Revisions from latest dividends forecast: None

3. Forecast for consolidated earnings for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)
(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	133,000	17.1	23,000	7.9	17,500	1.0	11,500	2.7	120.15

(Notes) 1. Revisions from latest earnings forecast: None

2. Consolidated earnings forecasts for the full year are made because the Company makes earnings forecasts on an annual basis.

* Notes

- (1) Significant changes in scope of consolidation during the first half of FY2025: Yes
 Newly included: 1 Shiba Real Estate Inc.
 Excluded: —
- (2) Application of accounting treatment specific to the preparation of the first half consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 1) Changes in accounting policies due to amendment of accounting standards, etc.: None
 2) Changes in accounting policies other than 1): None
 3) Changes in accounting estimates: None
 4) Restatement: None

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

1) Total number of issued shares at period end (including treasury stock)

As of September 30, 2025	98,580,887 shares	FY2025	98,580,887 shares
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2) Number of treasury shares at end of period

As of September 30, 2025	2,867,954 shares	FY2025	2,907,254 shares
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3) Average number of shares during period (cumulative from the beginning of the fiscal year)

First Half ended September 30, 2025	95,695,128 shares	First Half ended September 30, 2024	95,491,999 shares
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(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 (first half period of fiscal year ending March 31, 2026: 907,200 shares in the board benefit trust for executives and 516,700 shares in the share-based payment benefits-type ESOP trust). In the calculation of the average number of shares during the period (first half period), 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 (first half period of the fiscal year ending March 31, 2026: 1,430,451 shares).

- * The consolidated financial summary for the first half is exempt from review conducted by certified public accountants or an audit firm.
- * 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. Summary of Operating Results; (4) Full Year Consolidated Earnings Outlook and Other Forward-looking Statements" on page 7.
- * This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Summary of the Operating Results

(1) Business Risks

No new business risks emerged during the first half period of the fiscal year ending March 2026.

In addition, there are no significant changes in the business risks stated in the previous fiscal year's securities report.

(2) Explanation of Operating Results

For the first half of FY2026, ES-CON JAPAN achieved the following operating results: net sales of 35,181 million yen (up 13.4% YoY); operating income of 4,905 million yen (up 13.7%); ordinary income of 2,380 million yen (down 9.6%); and profit attributable to owners of the parent of 1,858 million yen (up 27.0%).

Operating results are summarized below by segment.

[Condominium business]

The condominium business achieved net sales of 18,409 million yen (up 45.6% YoY) and segment profit of 3,173 million yen (up 70.8%), marking gains in both revenue and profit attributable primarily to an increased number of condominiums delivered and the delivery of high-priced condominiums. Continuing a strong sales trend, the number of contracted condominium units reached 81.6% of the full-year target at the end of the first half.

During the first half, we delivered a high-end condominium property, DIAMAS Hayama, located in Kanagawa Prefecture. The residence is situated along Morito Beach in Hayama, offering extensive ocean views in a renowned quiet, cottage area within commuting range of Tokyo. In the high-end premium location residence sector, the delivery of Grand Le JADE Mishuku-dori (slated for delivery in March 2026; contracts concluded for all units) is scheduled for the fiscal year ending March 2026.

In addition, during the first half, we concluded contracts for all units in Le JADE Hokkaido Kitahiroshima (slated for delivery in November 2026; 197 units). This property was developed as a part of the JR Kitahiroshima Station West Area Vitalization Project, a Public-Private Partnership (PPP) near JR Kitahiroshima Station (Kitahiroshima City, Hokkaido). The station is the nearest access point to Hokkaido Ballpark F Village, the home of the Hokkaido Nippon-Ham Fighters professional baseball team. ES-CON JAPAN has partnered with Kitahiroshima City to promote urban development around the station.

Actual results for the condominium business for the first half of FY2026

(million yen)

	First Half of FY2025	First Half of FY2026	Change YoY
Net sales	12,644	18,409	45.6%
Segment profit	1,857	3,173	70.8%
Segment profit margin	14.7%	17.2%	2.5 points

Major properties completed during the first half of FY2026

Property name	Total number of units	Location
DIAMAS Hayama	17	Miura District, Kanagawa Prefecture

Total condominium units delivered during the first half of FY2026

Total number of units	289 units
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Contract status of condominiums in the first half of FY2026

Number of units contracted during the first half	Number of units planned to be delivered during the fiscal year ending March 2026	Rate of progress
816 units	1,000 units	81.6%

Net sales of condominiums by area during the first half of FY2026

Kanto area (Greater Tokyo)	Kansai area (Greater Osaka)	Chubu area (Greater Nagoya)	Kyusyu area	Total
31.1%	16.4%	32.2%	20.2%	100.0%

Major properties to be completed and delivered during the fiscal year ending March 2026

Property name	Total number of units	Location	Scheduled delivery month (Note)
Le JADE Kumamoto Nisseki-dori	92 units	Higashi Ward, Kumamoto City	November 2025
Le JADE Koshienguchi	60 units	Nishinomiya City, Hyogo Prefecture	December 2025
Le JADE Kasai East Avenue	78 units	Edogawa Ward, Tokyo	February 2026
Le JADE Nishinomiya Koshien	124 units	Nishinomiya City, Hyogo Prefecture	March 2026
Le JADE Tezukayama	26 units	Sumiyoshi Ward, Osaka City	March 2026
Grand Le JADE Mishuku-dori	10 units	Setagaya Ward, Tokyo	March 2026
Le JADE Senri-Fujishirodai Center Residence and West Residence	398 units	Suita City, Osaka	March 2026

(Note) The delivery schedule is based on information as of September 30, 2025, and subject to change.

[Real estate development business]

The real estate development business recorded net sales of 6,236 million yen (down 35.0% YoY) and segment profit of 1,583 million yen (down 40.5%). Despite YoY declines in both revenue and profits attributable to fewer properties sold, the business made progress as planned during the first half. As of the end of the first half, we had a total of 24,159 million yen in contracts executed during the first half and outstanding contracts scheduled to be executed by the end of the fiscal year ending March 2026.

In the real estate development business, the Group is moving forward to develop properties of diverse asset types, including the following:

- The tonarie series of community-based retail facilities
- LOGITRES logistics facilities
- TOPAZ apartments
- Hotels
- Office buildings
- Commercial leasehold lands

Actual results for the real estate development business for the first half of FY2026

(million yen)

	First Half of FY2025	First Half of FY 2026	Change YoY
Net sales	9,595	6,236	-35.0%
Segment profit	2,662	1,583	-40.5%
Segment profit margin	27.8%	25.4%	(2.4) points

Actual sales results by property during the first half of FY2026

	First Half of FY2025	First Half of FY2026
Actual results for sales	• ESCON Kudankita Building (office space) • Kotobuki 4-chome, Taito-ku (apartments) • seven x seven Itoshima (hotel) • LOGITRES Sano (logistics) • Towa 5-chome, Adachi-ku (other)	• KOHNAN tonarie Yamato-Takada (leasehold land) • Properties owned by Picasso Group and Shiba Real Estate Inc. (including rental residences)

Major properties acquired during the first half of FY2026

Asset type	Location
Commercial development	Tsukuba City, Ibaraki Prefecture
Rental residences	Higashiosaka City, Osaka

[Real estate leasing business]

The real estate leasing business generated net sales of 8,881 million yen (up 14.4% YoY) and segment profit of 4,221 million yen (up 20.6%), showing gains in both revenue and profit. In addition to its condominium and real estate development businesses, the Group regards the real estate leasing business as a key component for building a stable revenue structure. The leasing business operates by developing and acquiring revenue-generating properties, including retail facilities, apartments, logistics facilities, and hotels, and by enhancing their value. In the first half of FY2026, Group revenue was supported by the following factors: new tenants in its retail facilities; the full-scale opening of tonarie KITAHIROSHIMA and ES-CON Field Hokkaido Hotel Kitahiroshima Ekimae (opened in March 2025 in Kitahiroshima City, Hokkaido); and the acquisition of Shiba Real Estate Inc. (acquisition of all shares effective April 1, 2025) and the resulting addition of operational real estate properties.

Actual results for the real estate leasing business for the first half of FY2026

(million yen)

	First Half of FY2025	First Half of FY2026	Change YoY
Net sales	7,761	8,881	14.4%
Segment profit	3,501	4,221	20.6%
Segment profit margin	45.1%	47.5%	2.4 points

[Asset management business]

The asset management business produced net sales of 952 million yen (up 18.4% year-on-year) and segment profit of 497 million yen (up 3.0%). Revenue and profit both grew YoY, due mainly to growth in the balance of assets under management in the asset management business, in numbers of entrusted properties in the property management, and in number of properties under management in the condominium management.

Actual results for the real estate leasing business for the first half of FY2026

(million yen)

	First Half of FY 2025	First Half of FY2026	Change YoY
Net sales	804	952	18.4%
Segment profit	482	497	3.0%
Segment profit margin	60.0%	52.2%	(7.8) points

[Other businesses]

Other businesses generated net sales of 702 million yen (up 204.0% YoY) and segment profit of 148 million yen (up 228.1%), thanks mainly to dividends received from overseas businesses.

Actual results for other businesses for the first half of FY2026

(million yen)

	First Half of FY2025	First Half of FY2026	Change YoY
Net sales	230	702	204.0%
Segment profit	45	148	228.1%
Segment profit margin	19.6%	21.2%	1.6 points

(3) Analysis of Financial Position for the First Half Period

Assets at the end of the first half of FY2026 increased by 21,210 million yen from the end of the previous fiscal year to 481,057 million yen. This was attributable mainly to an increase of 1,065 million yen in cash and deposits and increases of 11,997 million yen and 6,569 million yen, respectively, in inventories and in property, plant, and equipment. The main reason for these increases was the inclusion of Shiba Real Estate Inc. in the scope of consolidation.

Liabilities rose 25,170 million yen from the end of the previous fiscal year to 406,337 million yen, due primarily to an increase of 20,892 million yen in long-term and short-term loans payable. The main reason for these increases was the borrowing of funds to acquire shares of Shiba Real Estate Inc.

Net assets were down 3,960 million yen from the end of the previous consolidated fiscal year to 74,720 million yen, due primarily to cash dividends paid of 4,661 million yen, which offset the recording of first half profit attributable to owners of the parent of 1,858 million yen. As a result, the equity ratio was 15.7% (compared to 17.2% at the previous fiscal year-end).

(4) Full Year Consolidated Earnings Forecast and Other Forward-looking Statements

The full year consolidated earnings forecast remains unchanged from the outlook announced on April 25, 2025.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	46,802	47,867
Notes and accounts receivable - trade and contract assets	1,259	1,356
Real estate for sale	8,072	3,924
Real estate for sale in process	263,066	279,212
Other	15,902	18,987
Allowance for doubtful accounts	(0)	(0)
Total current assets	335,103	351,347
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,981	33,717
Accumulated depreciation	(5,715)	(6,624)
Buildings and structures, net	27,265	27,093
Land	56,231	62,937
Other	617	680
Accumulated depreciation	(394)	(422)
Other, net	222	258
Total property, plant and equipment	83,719	90,288
Intangible assets		
Goodwill	15,188	14,740
Other	88	99
Total intangible assets	15,277	14,839
Investments and other assets		
Other	27,523	26,311
Allowance for doubtful accounts	(1,812)	(1,812)
Total investments and other assets	25,711	24,498
Total non-current assets	124,708	129,627
Deferred assets		
Bond issuance cost	36	82
Total non-current assets	36	82
Total assets	459,847	481,057

(Unit: million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Short-term loans payable	4,735	6,334
Current portion of long-term loans payable	66,387	76,253
Income taxes payable	6,373	1,362
Other	18,158	17,433
Total current liabilities	95,654	101,384
Non-current liabilities		
Bonds	7,400	17,400
Long-term loans payable	257,872	267,298
Provision for directors' share-based benefits	229	228
Provision for share-based benefits	128	143
Asset retirement obligations	278	284
Other	19,602	19,597
Total non-current liabilities	285,512	304,953
Total liabilities	381,166	406,337
Net assets		
Shareholders' equity		
Capital stock	16,519	16,519
Capital surplus	12,523	12,527
Retained earnings	51,247	48,444
Treasury shares	(1,344)	(1,331)
Total shareholders' equity	78,946	76,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47	129
Foreign currency translation adjustment	146	(917)
Total accumulated other comprehensive income	194	(788)
Subscription rights to shares	0	0
Non-controlling interests	(459)	(651)
Total net assets	78,681	74,720
Total liabilities and net assets	459,847	481,057

(2) Consolidated Statements of Income (cumulative) and Consolidated Statements of Comprehensive Income (cumulative)
(Consolidated Statements of Income)

(Unit: million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	31,036	35,181
Cost of sales	21,101	24,072
Gross profit	9,935	11,109
Selling, general and administrative expenses	5,619	6,203
Operating income	4,316	4,905
Non-operating income		
Interest income	4	43
Dividend income	63	68
Penalty income	64	154
Foreign exchange gains	-	42
Other	12	16
Total non-operating income	145	325
Non-operating expenses		
Interest expenses	1,574	2,575
Amortization of bond issuance cost	2	6
Foreign exchange losses	112	-
Share of loss of entities accounted for using equity method	127	244
Other	13	24
Total non-operating expenses	1,829	2,850
Ordinary income	2,632	2,380
Extraordinary income		
Gain on reversal of subscription rights to shares	0	-
Gain on sale of shares of subsidiaries and associates	-	191
Gain on bargain purchase	-	86
Gain on sale of investment securities	-	24
Gain on change in equity	-	253
Total extraordinary income	0	555
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	2,631	2,936
Income taxes - current	1,306	1,273
Income taxes - deferred	(147)	(99)
Total income taxes	1,159	1,174
Profit	1,471	1,761
Net income (loss) attributable to noncontrolling interests	8	(97)
Profit attributable to owners of the parent	1,463	1,858

(Consolidated Statements of Comprehensive Income)

(Unit: million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,471	1,761
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	81
Foreign currency translation adjustment	37	(1,020)
Share of other comprehensive income of entities accounted for using equity method	39	(138)
Total other comprehensive income	59	(1,077)
Comprehensive income	1,531	684
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	1,522	876
Comprehensive income attributable to non-controlling interests	8	(192)

(3) Consolidated Statement of Cash Flows

(Unit: million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,631	2,936
Depreciation	867	988
Amortization of goodwill	472	448
Amortization of long-term prepaid expenses	13	13
Amortization of bond issuance cost	2	6
Gain on bargain purchase	—	(86)
Loss (gain) on change in equity	—	(253)
Loss (gain) on sale of investment securities	—	(215)
Increase (decrease) in allowance for doubtful accounts	(1)	0
Increase (decrease) in provision for directors' share-based benefits	(17)	(1)
Increase (decrease) in provision for share-based benefits	(0)	15
Interest and dividend income	(68)	(111)
Interest expenses	1,574	2,575
Foreign exchange losses (gains)	112	(42)
Share of loss (profit) of entities accounted for using equity method	127	244
Loss on retirement of non-current assets	0	0
Decrease (increase) in notes and accounts receivable - trade and contract assets	25	(97)
Decrease (increase) in inventories	(36,421)	(371)
Decrease (increase) in prepaid expenses	(1,000)	(1,178)
Increase (decrease) in accounts payable	(884)	(1,916)
Decrease/increase in consumption taxes receivable/payable	(169)	(259)
Increase (decrease) in advances received	1,170	3,696
Increase (decrease) in deposits received	1,871	(2,759)
Decrease (increase) in other assets	(857)	(404)
Increase (decrease) in other liabilities	141	(120)
Subtotal	(30,408)	3,105
Interest and dividend income received	68	111
Interest expenses paid	(2,022)	(2,292)
Income taxes (paid) refund	(562)	(6,016)
Net cash provided by (used in) operating activities	(32,924)	(5,092)
Cash flows from investing activities		
Payments into time deposits	(602)	(783)
Proceeds from withdrawal of time deposits	2	783
Purchase of investment securities	(5,642)	(791)
Proceeds from sale of investment securities	—	52
Proceeds from withdrawal of investment Securities	15	911
Purchase of shares of affiliated companies	—	(876)
Proceeds from sale of shares of affiliated companies	—	924
Purchase of non-current assets	(4,282)	(502)
Proceeds from sales of non-current assets	43	37
Collection of loans receivable	1	36
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(8,837)

(Unit: million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Repayments of guarantee deposits received	(147)	(246)
Proceeds from guarantee deposits received	504	217
Payments for investments in capital	–	(147)
Proceeds from divestments	0	148
Net cash provided by (used in) investing activities	(10,105)	(9,072)
Cash flows from financing activities		
Increase in short-term loans payable	4,744	7,545
Decrease in short-term loans payable	(43,055)	(5,945)
Proceeds from long-term loans payable	100,238	36,198
Repayments of long-term loans payable	(27,719)	(27,946)
Proceeds from issuance of bonds	7,357	9,946
Proceeds from share issuance to non-controlling shareholders	–	13
Repayments of lease obligations	(0)	(0)
Purchase of treasury shares	(74)	–
Proceeds from disposal of treasury shares	51	12
Cash dividends paid	(4,646)	(4,657)
Net cash provided by (used in) financing activities	36,894	15,165
Translation differences on cash and cash equivalents	84	(4)
Net increase (decrease) in cash and cash equivalents	(6,051)	996
Cash and cash equivalents at beginning of period	48,712	46,050
Cash and cash equivalents at end of first half period	42,660	47,046

(4) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable

(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 and/or other officers
 - 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 ending December 2023, and each subsequent period of three fiscal years): 330 million yen
 - Resolution passed at the Extraordinary General Meeting of Shareholders held 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 ended 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 and/or other officers 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 Trust

Residual shares of ES-CON JAPAN in trust are recorded as treasury shares under net assets using the book value in the trust (excluding incidental expenses). The book value of the treasury shares and number of shares is 419 million yen and 912,000 shares for the fiscal year ended March 2025 and 418 million yen and 907,200 shares for the first half period of the fiscal year ending March 2026.

(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 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 Trust

Residual shares of ES-CON JAPAN in trust are recorded as treasury shares under net assets using the book value in trust (excluding incidental expenses). The book value of the treasury shares and number of shares is 337 million yen and 532,700 shares for the fiscal year ended March 2025 and 333 million yen and 516,700 shares for the first half period of the fiscal year ending March 2026.

(Notes on Segment Information)

[Segment Information]

I. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Net Sales and Income/Loss by Reporting Segment

(Unit: million yen)

	Reporting segment					Other businesses (Note 1)	Total	Adjust- ment (Note 2)	Consolidated (Note 3)
	Condominium business	Real estate development business	Real estate leasing business	Asset management business	Total				
Net sales									
Revenue from contracts with customers	12,644	9,595	29	803	23,073	230	23,304	—	23,304
Other revenue (Note 4)	—	—	7,731	0	7,732	—	7,732	—	7,732
Net sales to external customers	12,644	9,595	7,761	804	30,805	230	31,036	—	31,036
Intersegment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	12,644	9,595	7,761	804	30,805	230	31,036	—	31,036
Segment income	1,857	2,662	3,501	482	8,505	45	8,550	(4,234)	4,316

(Notes) 1. Other businesses include business segments not covered by the reporting segments, such as overseas and other investment businesses, funeral hall operations (Ryomon), and brokerage and consulting services.

2. The adjustment of segment income of -4,234 million yen is corporate expenses not attributable to any reporting segment. Corporate expenses are general and administrative expenses not attributable to reporting segments.

3. Segment income is reconciled with operating income on the first half consolidated statement of income.

4. "Other revenue" is rental income, etc. based on "Accounting Standard for Lease Transactions."

2. Information on Impairment Loss on Non-Current Assets or Goodwill, Etc. by Reporting Segment

Not applicable

II. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Net Sales and Income/Loss by Reporting Segment

(Unit: million yen)

	Reporting segment					Other businesses (Note 1)	Total	Adjust- ment (Note 2)	Consolidated (Note 3)
	Condominium business	Real estate development business	Real estate leasing business	Asset management business	Total				
Net sales									
Revenue from contracts with customers	18,409	6,236	—	952	25,597	270	25,867	—	25,867
Other revenue (Note 4)	—	—	8,881	0	8,882	431	9,314	—	9,314
Net sales to external customers	18,409	6,236	8,881	952	34,479	702	35,181	—	35,181
Intersegment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	18,409	6,236	8,881	952	34,479	702	35,181	—	35,181
Segment income	3,173	1,583	4,221	497	9,475	148	9,624	(4,718)	4,905

(Notes) 1. Other businesses include business segments not covered by the reporting segments, such as overseas and other investment businesses, funeral hall operations (Ryomon), and brokerage and consulting services.

2. The adjustment of segment income of -4,718 million yen is corporate expenses not attributable to any reporting segment. Corporate expenses are general and administrative expenses not attributable to reporting segments.

3. Segment income is adjusted with operating income in the first half consolidated statements of income.

4. "Other revenue" is rental income, etc. based on the Accounting Standard for Lease Transactions and the Accounting Standard for Financial Instruments.

2. Information on assets by reporting segment

(Significant increase in assets due to acquisition of subsidiaries)

In the first half period, for the first time, we included Shiba Real Estate Inc. in the scope of consolidation after acquiring its shares. In terms of growth in assets by reporting segment from the end of the previous fiscal year, the resulting increase of 18,971 million yen in the real estate leasing business was significant.

3. Change affecting business segments

(Significant gains on bargain purchase)

The Company recognized a bargain purchase gain in the real estate leasing business segment when it acquired shares of Shiba Real Estate. This is included in the scope of consolidation for the first half. The bargain purchase gain recorded for this event was 86 million yen. Note that this transaction is not included for purposes of segment profit since a bargain purchase gain counts as extraordinary income.

(Significant Subsequent Events)

Not applicable