# Financial Results

## for the Three Months Ended June 30, 2026

July 28, 2026

ES-CON JAPAN Ltd.

TSE:8892

# Contents



*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.
- MY: Montedio Yamagata Ltd.
- MFP: Montedio Football Park Co., Ltd.

Other/Proper nouns
- EJR: ESCON 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

# 1. Financial Highlights

# Financial Results Summary

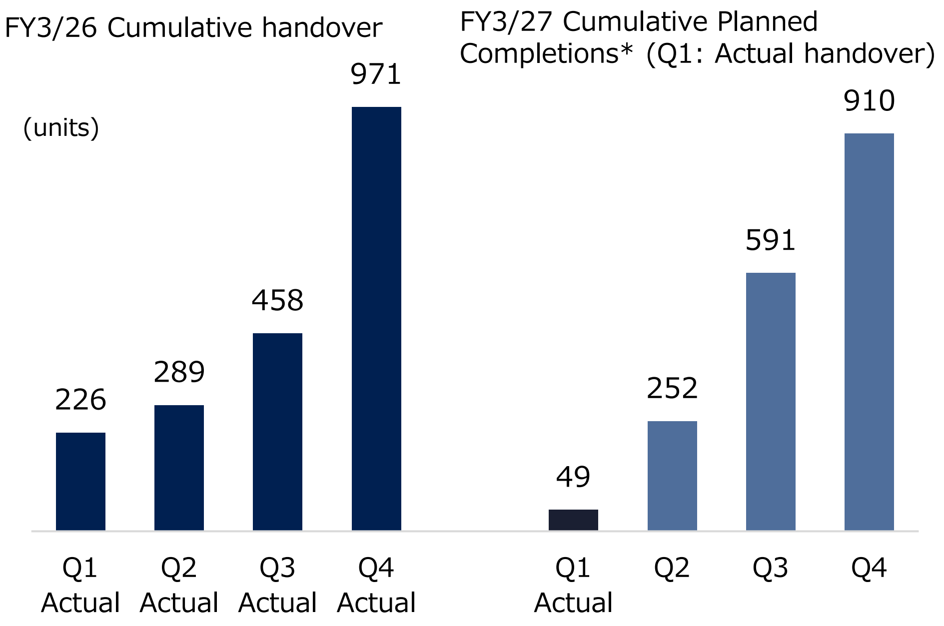
| | |
|---|---|
| Q1 FY3/27 financial results | Net sales of 10,027 million yen (down 43.0% YoY), operating profit of 588 million yen (down 73.1% YoY), ordinary income of (1,017) million yen and profit attributable to owners of parent of (720) million yen<br>• **Sales and profit decreased** due to factors such as a decline in the number of condominium units handed over and a temporary reduction in the sale of income-producing properties YoY.<br>• Still, **progress has been in line with expectations for the full-year consolidated earnings forecast.**<br>- **Handovers of condominiums will be concentrated in Q3; the sale of income-producing properties (Real estate development) will be promoted from Q2 onward.** |
| Key segment overview | **Condominium sales**<br>• While sales and profit decreased in Q1, **owner-occupier demand for condominiums** in the areas where we operate **remained strong**, with **the progress rate for the number of contracted units reaching 80.2%.**<br>• **No impact on FY3/27's handover schedule is expected despite issues such as material procurement difficulties or delivery delays caused by the situation in the Middle East.**<br>(the contract rate and material procurement status are as of the end of June 2026)<br>**Real estate development**<br>• Sales and profit decreased due to a decline in the sale of income-producing properties.<br>• **Sales of major income-producing properties are scheduled for Q2 and beyond**, proceeding as planned. |
| Fundraising | **3rd unsecured corporate bond issuance (15 billion yen)**<br>• Third consecutive year of corporate bond fundraising based on **a high credit rating of AA- (Stable), backed by the Group's strong creditworthiness**<br>• **Securing long-term, fixed-rate financing in advance**, in anticipation of rising interest rates<br>• To be allocated to **growth investments** aimed at achieving the "Investment Plan" under the current Medium-term Management Plan and the "Long-term Vision 2030" |

# Q1 Results and Outlook for Q2 and Beyond by Key Segment

## Condominium Sales

- **Expects to record slightly over 50% of the planned full-year handovers (910 units) in Q3**

Number of condominium units handed over and number of units scheduled for completion (quarterly cumulative total)

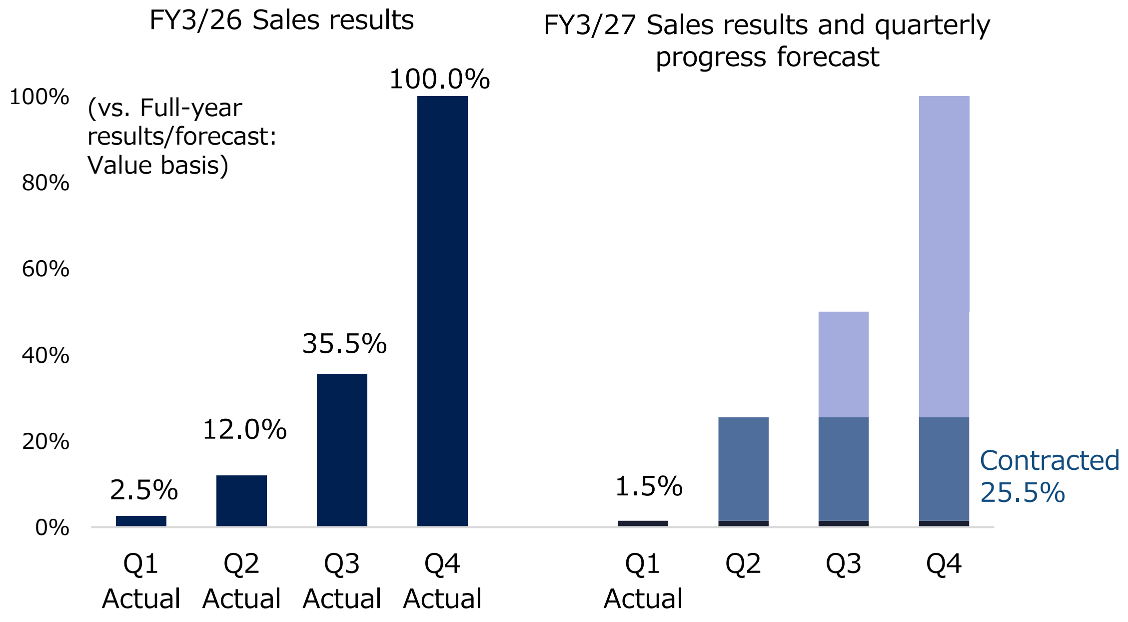



*Includes handovers of completed inventory (41 units as of the beginning of the fiscal year)

## Real Estate Development

- **1.5% sold, 25.5% contracted**
  (vs. full-year plan, as of June 30, 2026)
- **Property sales are expected to proceed in phases from Q2 onward**

Sales results and contracts concluded for income-producing properties (Quarterly cumulative progress rate)



# Impact of External Factors on the Condominium Business

## Impact of Geopolitical Risks

- Although the impact of geopolitical risks, such as the situation in the Middle East, is hard to predict, the condominium business may face difficulties in procuring the following materials or delays in delivery.

  Materials derived from petroleum and naphtha, such as bathroom, insulation, wallpaper, paint, and waterproofing sheets

- As of the end of June, we expect to secure the materials for properties scheduled for completion this fiscal year, and anticipate no impacts such as delays in the handover schedule.
- While the outlook has stabilized since July, we will continue to closely monitor geopolitical developments.

## Impact of Rising Construction Costs

- Regarding the rise in construction costs due to a combination of factors, including higher material and labor costs and longer construction periods, the “owner-occupier demand” remains strong in suitable condominium development sites across the cities where we operate, allowing us to continue absorbing these cost increases through rising condominium sales prices per unit.

## Issued unsecured corporate bonds worth 15 billion yen

Securing long-term, fixed-rate financing in advance, in anticipation of rising interest rates

To be allocated to growth investments aimed at achieving the Long-term Vision 2030, promoting development work and property acquisitions

| Bond Name | Issue Amount (JPY million) | Coupon Rate | Issue Date | Maturity Date |
|---|---|---|---|---|
| **3rd unsecured bonds with early redemption option*** | **15,000** | **2.796%** | **July 16, 2026** | **July 16, 2031 (5 years)** |
| 2nd unsecured bonds with early redemption option* | 10,000 | 1.917% | July 25, 2025 | July 25, 2030 (5 years) |
| 1st unsecured bonds with early redemption option* | 7,400 | 1.488% | July 19, 2024 | July 19, 2029 (5 years) |

*Includes a Change of Control (COC) clause that triggers a right to request early redemption upon the deconsolidation of Chubu Electric Power

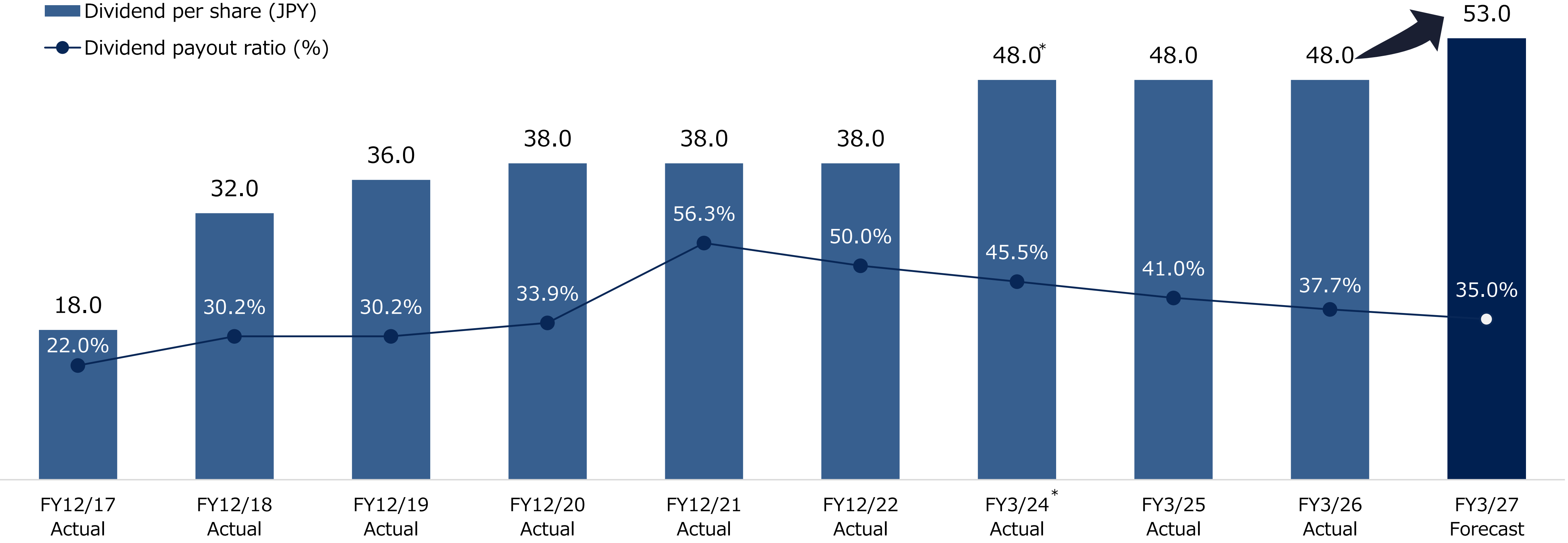
## Maintaining a high credit rating backed by the Group's strong creditworthiness

| Rating Agency | Rating Target | As of August 8, 2025 |
|---|---|---|
| JCR (Japan Credit Rating Agency) | Long-term Issuer Rating (Rating Outlook) | **AA－ (Stable)** |
| | Shelf Registration Preliminary Rating | AA－ |

# Shareholder Returns

A **5-yen dividend increase YoY (up 10.4%)** is planned for FY3/27. (Initial plan maintained)

- Continue progressive dividend policy: Firmly maintain a progressive dividend policy, which does not reduce dividend. Pursue the maximization of shareholder profits through stable returns.
- Balance growth investments with shareholder returns: While promoting flexible investments to maximize corporate value, we seek to enhance shareholder returns in line with profit growth.




*FY3/24 covered 15 months due to the change of fiscal year end.

# 2. Financial Results

# Consolidated Profit and Loss

- Sales and profit decreased due to factors such as a decline in the number of condominium units handed over and a temporary reduction in the sale of income-producing properties YoY.
- Progress continues as planned for the full year, anticipating a concentration of condominium handovers in Q3 and the sale of income-producing properties in Q2 and beyond.

| (JPY million) | Q1 FY3/26 | Q1 FY3/27 | % Change YoY | Main Factors for Change | FY3/27 | Progress vs. Full-Year Forecast (%) |
|---|---|---|---|---|---|---|
| Net sales | 17,581 | 10,027 | (43.0%) | Net sales and operating profit<br>• Decrease in the number of condominiums handed over<br>• Decrease in sales of income-producing properties | 145,000 | 6.9% |
| Gross profit | 5,353 | 3,616 | (32.5%) | | - | - |
| Operating profit | 2,183 | 588 | (73.1%) | | 26,500 | 2.2% |
| Non-operating income | 145 | 155 | 6.9% | | - | - |
| Non-operating expenses | 1,492 | 1,761 | 18.0% | Non-operating expenses<br>• Increase in interest expenses | - | - |
| Ordinary profit/loss | 836 | (1,017) | - | | 20,000 | - |
| Extraordinary income | 531 | 166 | (68.6%) | Extraordinary income<br>• Gain on sale of investment securities | - | - |
| Extraordinary losses | 0 | 3 | - | | - | - |
| Total income taxes | 500 | (93) | - | Net profit/loss<br>• Ordinary loss<br>• Decrease in income taxes | - | - |
| Net profit/loss attributable to owners of parent | 955 | (720) | - | | 14,000 | - |
| Basic earnings per share (JPY) | 9.98 | (7.51) | - | | 151.42 | - |

# Consolidated Balance Sheets

## Assets

- Real estate for sale: Decreased due to condominium handovers
- Real estate for sale in process: Increased due to a steady progress in the acquisition of condominiums and income-producing real estate to support medium- to long-term growth

## Liabilities

- Interest-bearing debt: Increased primarily due to portfolio expansion through property acquisitions

### Assets

| (JPY million) | FY3/26 Actual | Q1 FY3/27 | % Change |
|---|---|---|---|
| Current assets | 372,134 | 367,493 | (1.2)% |
| Cash and deposits | 62,873 | 39,074 | (37.9)% |
| Real estate for sale | 2,791 | 2,132 | (23.6)% |
| Real estate for sale in process | 280,764 | 302,476 | 7.7% |
| Non-current assets | 137,565 | 139,145 | 1.1% |
| Property, plant and equipment | 95,508 | 95,105 | (0.4)% |
| Intangible assets | 14,464 | 14,230 | (1.6)% |
| Investments and other assets | 27,593 | 29,809 | 8.0% |
| Total assets | 509,773 | 506,706 | (0.6)% |

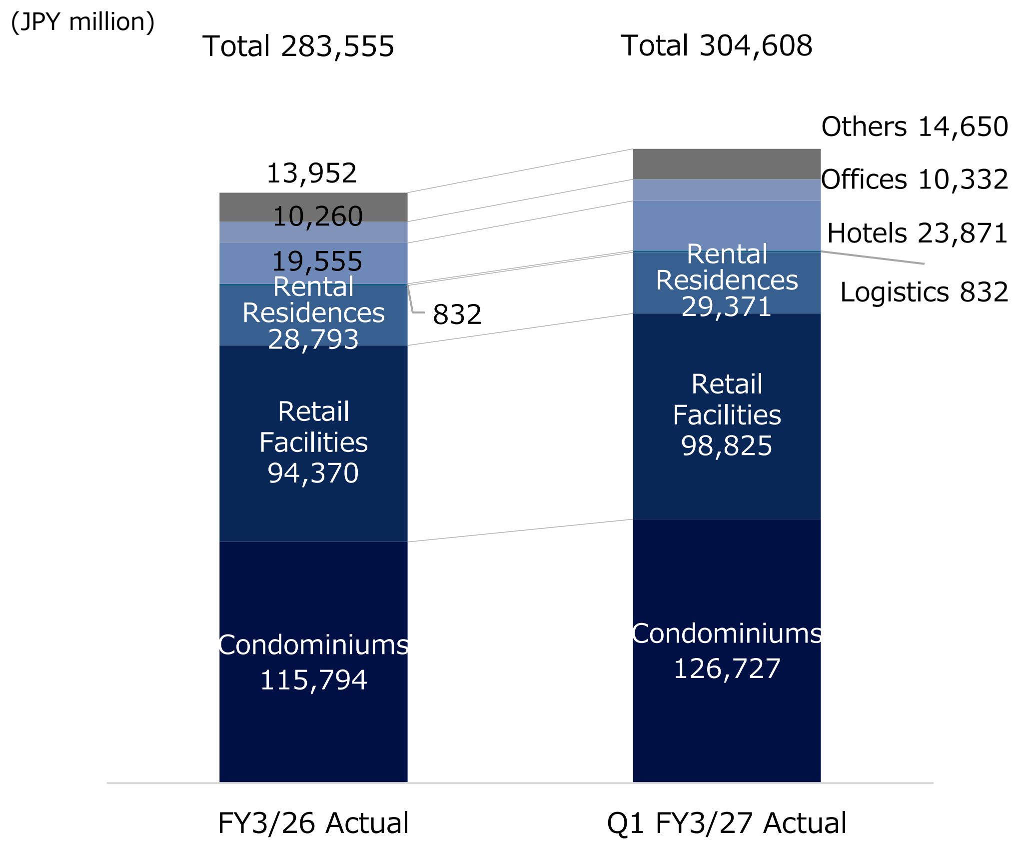
### Liabilities

| (JPY million) | FY3/26 Actual | Q1 FY3/27 | % Change |
|---|---|---|---|
| Current liabilities | 91,890 | 87,462 | (4.8)% |
| Short-term loans | 12,002 | 15,466 | 28.9% |
| Current portion of long-term loans | 48,760 | 54,098 | 10.9% |
| Non-current liabilities | 331,760 | 337,499 | 1.7% |
| Corporate bonds | 17,400 | 17,400 | 0.0% |
| Long-term loans | 291,606 | 296,814 | 1.8% |
| Total liabilities | 423,651 | 424,961 | 0.3% |
| Total net assets | 86,122 | 81,745 | (5.1)% |
| Total liabilities and net assets | 509,773 | 506,706 | (0.6)% |
| Equity ratio | 17.0% | 16.3% | (0.8)pt |

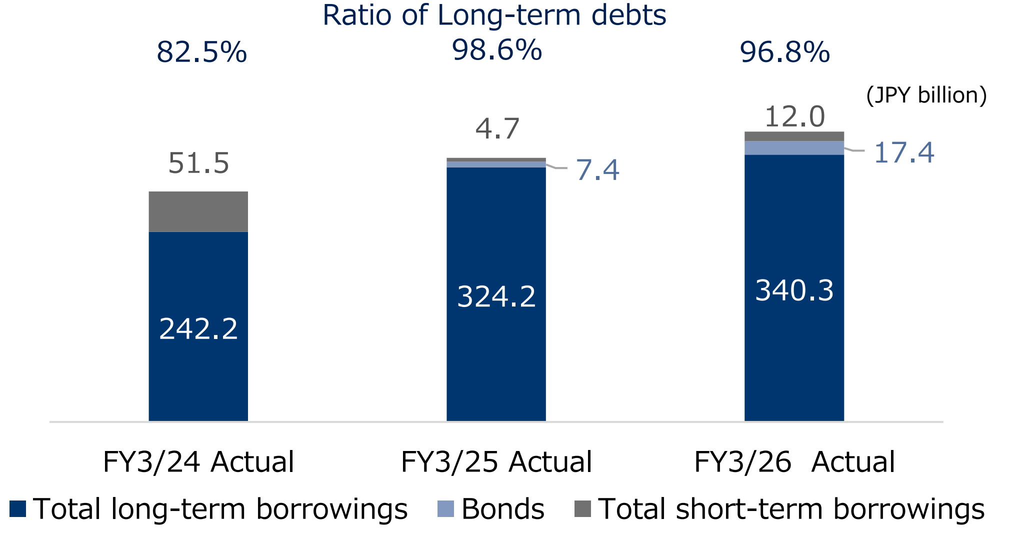
# Inventories, Interest-bearing Debt and Average of Interest Rates

## Breakdown of inventories by asset type

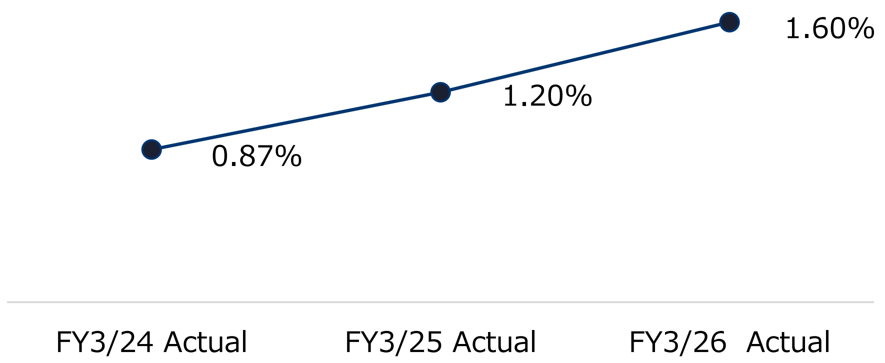
Acquisitions in Q1 focused primarily on retail facilities and hotel sites




## Interest-bearing Debt




## Average of Interest Rates



# 3. Segment Breakdown

# Segment Overview

| (JPY million) | Q1 FY3/26 | Q1 FY3/27 | YoY Change | YoY Change (%) | FY3/27 Forecast | Progress (%) |
|---|---|---|---|---|---|---|
| Net sales | | | | | | |
| Condominium sales | 11,087 | 4,180 | (6,907) | -62.3% | 66,500 | 6.3% |
| Real estate development | 1,324 | 812 | (512) | -38.7% | 55,800 | 1.5% |
| Real estate leasing | 4,314 | 4,062 | (251) | -5.8% | 17,500 | 23.2% |
| Asset management | 491 | 492 | 1 | 0.3% | 2,800 | 17.6% |
| Other | 363 | 478 | 115 | 31.7% | 2,400 | 19.9% |
| *Recurring business | 4,805 | 4,555 | (250) | -5.2% | 20,300 | 22.4% |
| Segment profit | | | | | | |
| Condominium sales | 1,888 | 636 | (1,252) | -66.3% | 12,300 | 5.2% |
| Real estate development | 324 | 247 | (77) | -23.8% | 15,700 | 1.6% |
| Real estate leasing | 2,058 | 1,725 | (333) | -16.2% | 8,100 | 21.3% |
| Asset management | 251 | 276 | 25 | 10.0% | 1,600 | 17.3% |
| Other | 31 | 155 | 124 | 395.8% | 400 | 38.9% |
| *Recurring business | 2,309 | 2,001 | (308) | -13.3% | 9,700 | 20.6% |
| *Recurring ratio | 50.7% | 65.8% | - | - | - | - |
| Profit margin | | | | | | |
| Condominium sales | 17.0% | 15.2% | - | (1.8)pt | - | - |
| Real estate development | 24.5% | 30.4% | - | 5.9pt | - | - |
| Real estate leasing | 47.7% | 42.5% | - | (5.2)pt | - | - |
| Asset management | 51.2% | 56.1% | - | 4.9pt | - | - |
| Other | 8.6% | 32.5% | - | 23.9pt | - | - |
| *Recurring business | 48.1% | 43.9% | - | - | - | - |

*Recurring business: Real estate leasing business and Asset management business

# Condominium Sales

## Q1 FY3/27 Results

- The number of condominium units handed over decreased due to a YoY decline (by one building) in the number of completed units.
- Progress is as planned, in line with the full-year completion schedule (concentrated in Q3).

| (JPY million) | Q1 FY3/26 Actual | Q1 FY3/27 Actual | YoY Change (%) | FY3/27 Full-Year Forecast | Progress (%) |
|---|---|---|---|---|---|
| Sales | 11,087 | 4,180 | (62.3%) | 66,500 | 6.3% |
| Condominiums | 10,745 | 3,613 | (66.4%) | – | – |
| Detached Houses | 342 | 567 | 65.6% | – | – |
| Segment profit | 1,888 | 636 | (66.3%) | 12,300 | 5.2% |
| Segment profit margin | 17.0% | 15.2% | (1.8)pt | – | – |
| Gross profit margin | 22.1% | 22.8% | 0.7pt | – | – |
| Number of condominium units hand over | 226 | 49 | (78.3%) | 910 | 5.4% |

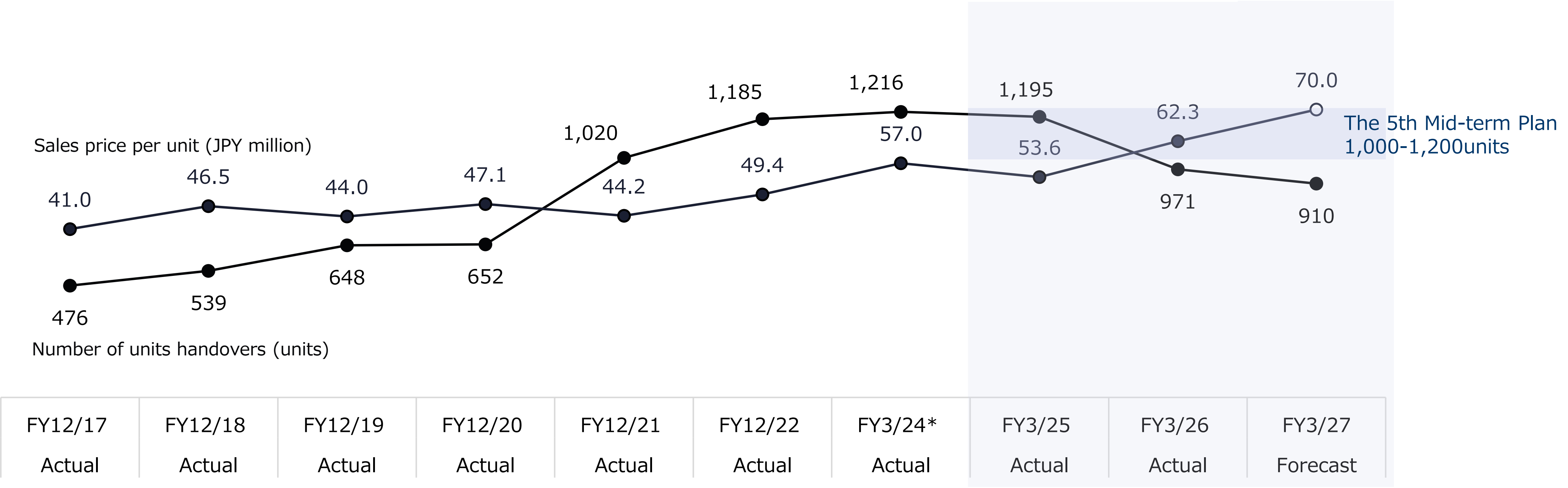
*Reference: Gross profit margin for FY3/26 was 22.9%

# Condominium Sales

Owner-occupier demand remains strong, with a contract progress rate of 80.2%
as of the end of June (vs. the full-year handover plan of 910 units)

| Number of units scheduled to be handed over in FY3/27 | Number of contracted units as of June 30, 2026 | Progress |
|---|---|---|
| 910 units | 730 units | 80.2% |

Changes in the number of condominium units handed over and sales price per unit




*FY3/24 was an irregular fiscal period covering 15 months.

# Condominium Sales

| Property name | Total units | Location | Delivery* | |
|---|---|---|---|---|
| Le JADE Ibaraki | 31 | Ibaraki City, Osaka | Jun. 2026 | Q1 |
| Le JADE Nagoya Marunouchi | 39 | Naka Ward, Nagoya City | Jul. 2026 | Q2 |
| Le JADE Nara Sanjo-dori | 77 | Nara City, Nara | Aug. 2026 | |
| Le JADE Sapporo Odori The Tower | 80 | Chuo Ward, Sapporo City | Sep. 2026 | |
| Le JADE Nishinomiya Mid Place | 49 | Nishinomiya City, Hyogo | Oct. 2026 | Q3 |
| ØST Garden Karuizawa (JV) * | 23 (24) | Kitasaku District, Nagano | Oct. 2026 | |
| Le JADE Hokkaido Kitahiroshima | 197 | Kitahiroshima City, Hokkaido | Nov. 2026 | |
| Le JADE Minohsenba THE HOUSE | 27 | Minoh City, Osaka | Dec. 2026 | |
| Le JADE Shinozaki | 38 | Edogawa Ward, Tokyo | Dec. 2026 | |
| Le JADE Osaka Umeda | 145 | Kita Ward, Osaka City | Feb. 2027 | Q4 |
| Central Park Seinan Shintoshin (JV) * | 38 (152) | Morioka City, Iwate | Feb. 2027 | |
| Le JADE Sapporo Teine | 56 | Teine Ward, Sapporo City | Feb. 2027 | |
| Le JADE Tsurumai | 70 | Naka Ward, Nagoya City | Mar. 2027 | |
| Completed inventory | 41 units (Beginning of period) / 23 units (As of end of June 2026) | | | |

* The scheduled months of delivery are based on information as of the beginning of the fiscal year and are subject to change.

* Joint venture business with other companies. The number of units indicates the Company's share; the number in parentheses indicates the total number of units in the property.

Le JADE Hokkaido Kitahiroshima

JR Kitahiroshima Station (the nearest station to ES-CON Field HOKKAIDO); connected to the retail facilities by pedestrian walkways (See details on p.36)

ØST Garden Karuizawa

A high-end residence consisting of two buildings, situated on a vast site of over 5,960 square meters with views of Mount Asama

Le JADE Osaka Umeda

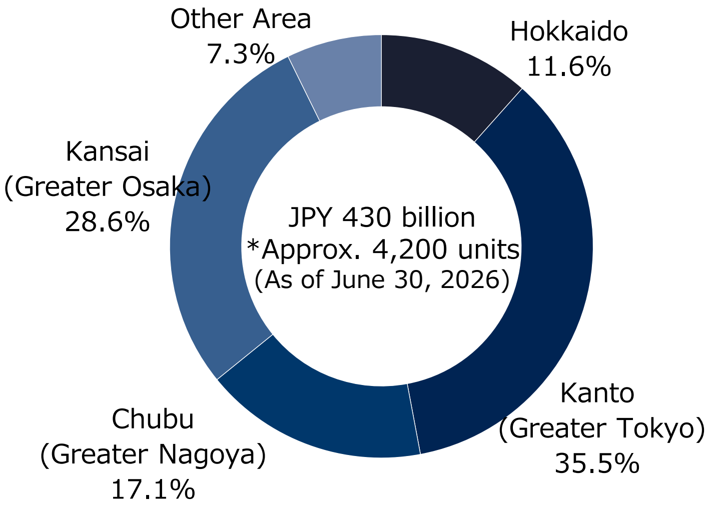
Excellent convenience, being within walking distance of Umeda Station, along with a variety of shared facilities

# Condominium Sales

## Major projects acquired

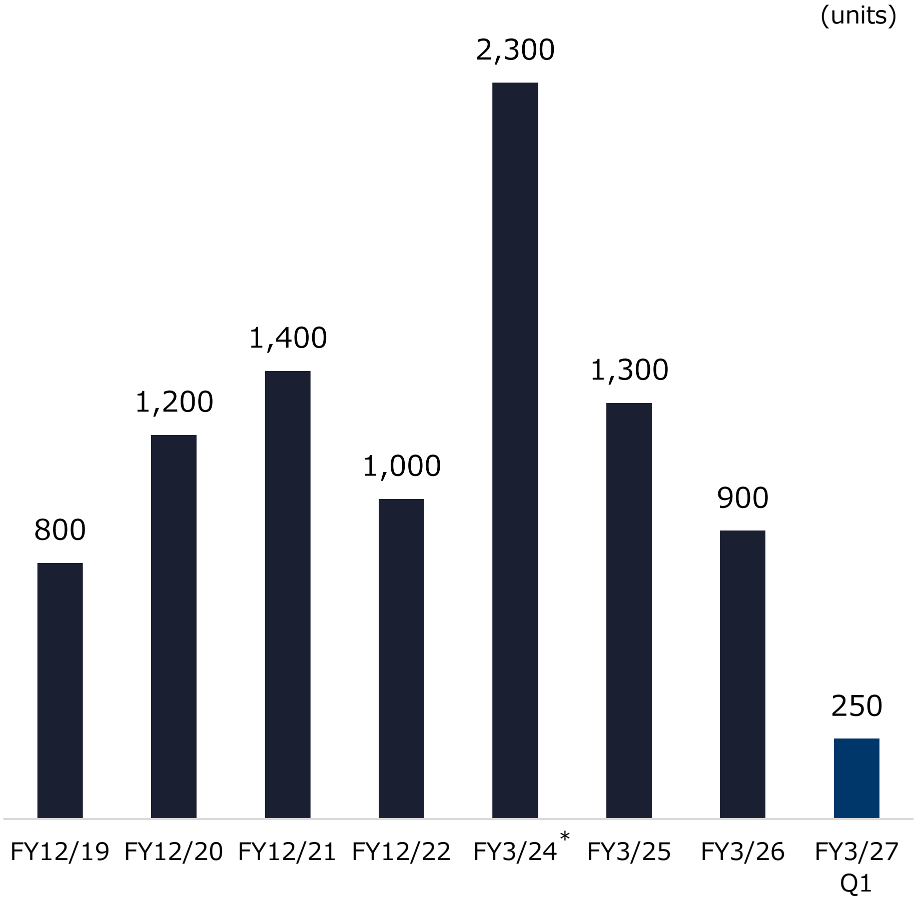
| FY3/26 Q1 | FY3/27 Q1 |
|---|---|
| • Ibaraki City, Osaka | • Tennoji Ward, Osaka City (two properties)<br>• Ashiya City, Hyogo Prefecture<br>• Minoh City, Osaka<br>• Higashi Ward, Kumamoto City<br>• Chuo Ward, Fukuoka City |

## Land bank (condominiums) by region




*Based on planned project sales

## Trend of purchases of land for condominiums
(Based on the number of units; including pending contracts)




* FY3/24 covered 15 months due to the change of fiscal year end.
* The figures are subject to change as they include planned purchases at the time of purchase decision and are rounded up to the nearest hundred.
* Rounded up

# Real Estate Development

Q1 FY3/27 Results

- Sales of income-producing properties decreased YoY.
  - Sold properties held by our leasing subsidiaries in Q1
  - For properties scheduled for sale this fiscal year, contract execution and sales negotiations have begun
- Progress has been as expected, given the schedule to promote the sale of income-producing properties from Q2 onward.

| (JPY million) | Q1 FY3/26 Actual | Q1 FY3/27 Actual | YoY Change (%) | FY3/27 Full-Year Forecast | Progress (%) |
|---|---|---|---|---|---|
| Sales | 1,324 | 812 | (38.7%) | 55,800 | 1.5% |
| Segment profit | 324 | 247 | (23.8%) | 15,700 | 1.6% |
| Segment profit margin | 24.5% | 30.4% | 5.9pt | – | – |
| Gross profit margin | 24.9% | 32.7% | 7.8pt | – | – |

*Reference: Gross profit margin for FY3/26 was 29.8%

# Real Estate Development

## Major project sales

| Q1 FY3/26 | Q1 FY3/27 |
|---|---|
| • KOHNAN tonarie YamatoTakada (Commercial land leased to tenants) | • Properties owned by Picasso Group and Shiba Real Estate Inc. (2 in total including rental residences) |

## Major projects acquired

| Q1 FY3/26 | Q1 FY3/27 |
|---|---|
| • Tsukuba City, Ibaraki Prefecture (Commercial development) | • Naha City, Okinawa Prefecture (Hotel)<br>• Fushimi Ward, Kyoto City (Commercial development) |

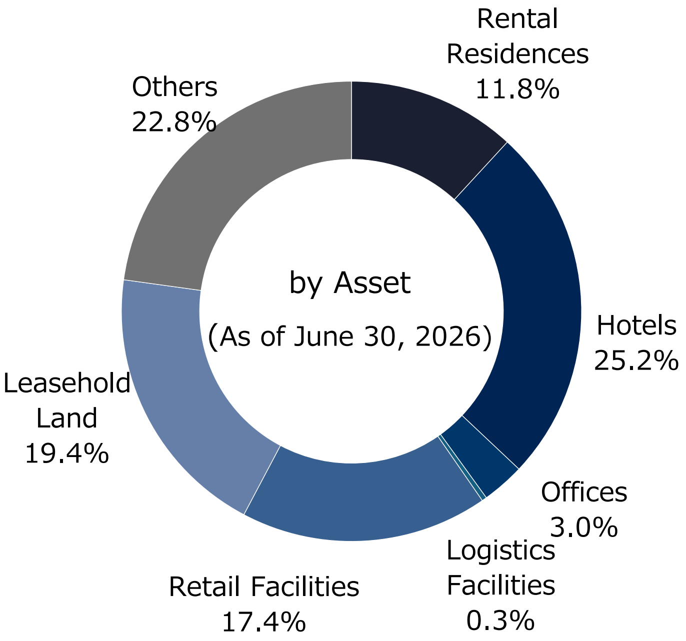
## Planned Project Sales

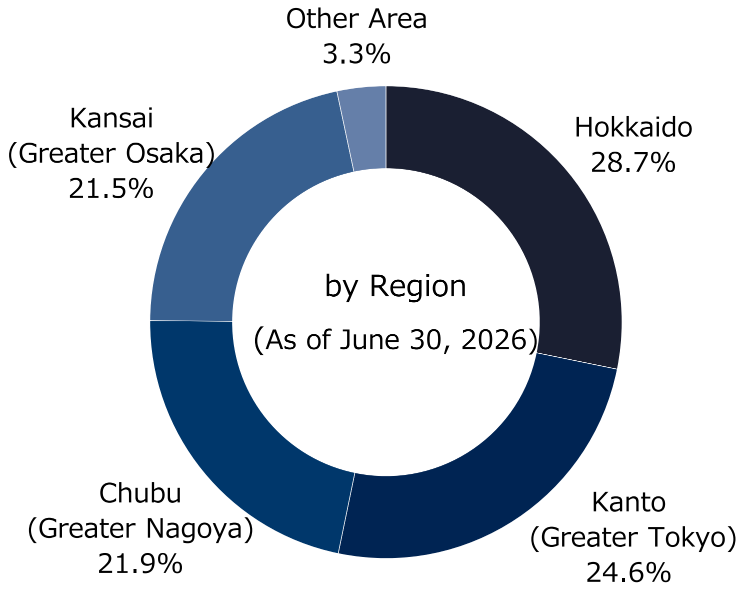
| in FY3/27 |
|---|
| • Hotel<br>• Commercial land leased to tenants<br>• Other<br>(Timing and scale in no particular order) |

# Real Estate Development

## Property pipeline*

Built up to approximately **380 billion yen** across a variety of assets and areas




Leasehold land: Includes large-scale projects such as those in Kariya City and Toyota City, Aichi Prefecture, and the Former Nagoya Racecourse Site Development Project

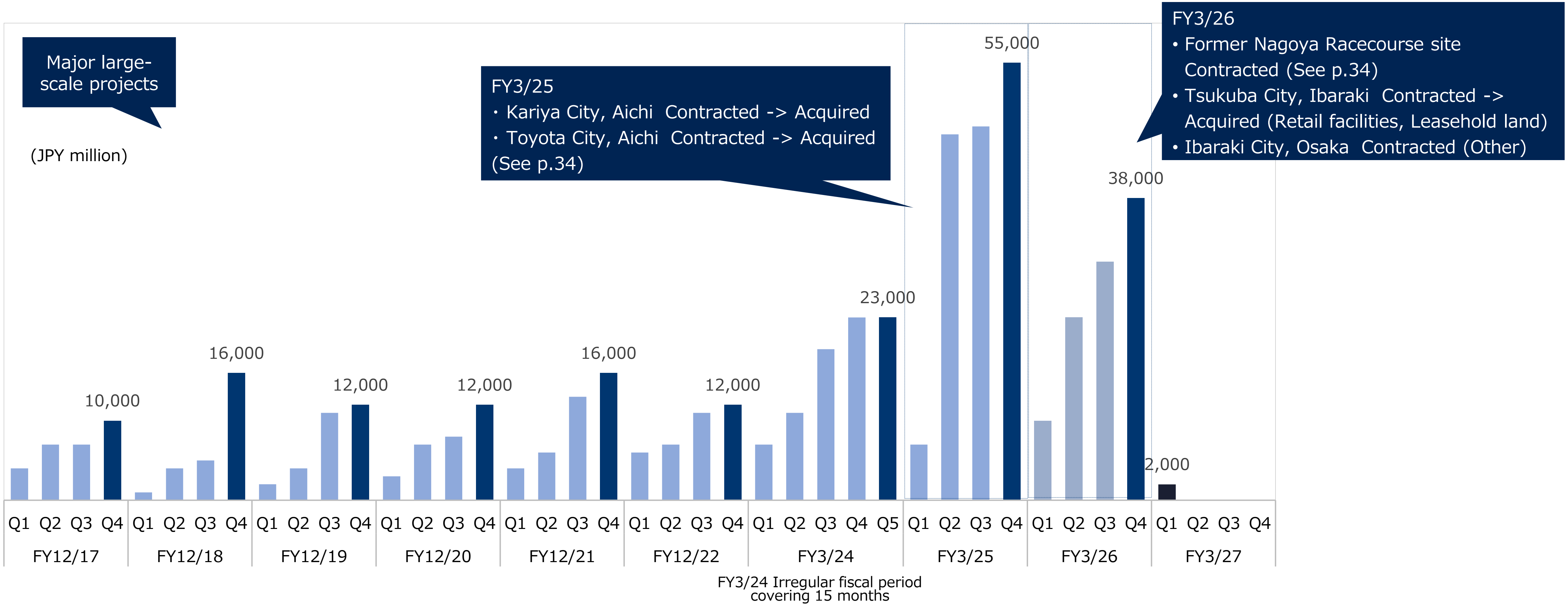
Hokkaido: Implementing hotel and other developments in various areas, including projects around the ballpark in Kitahiroshima City

Chubu: Promoting large-scale projects that leverage synergies with the Chubu Electric Power Group

*Based on planned project sales
*Includes forecasts from the current period to FY3/34

## Quarterly Changes in Contracted Purchase Amounts (Cumulative)

## The steady acquisitions since FY3/24 has led to a solid expansion of the earnings base.




*The figures exclude those of subsidiaries.
*The figures are based on contract amounts and are rounded up to the nearest million yen.

# Real Estate Leasing

Q1 FY3/27 Results

- Impact of the decrease in the number of rental properties due to the promotion of property sales in the previous fiscal year (FY3/26)
- Properties expected to contribute to future revenue
  - RANDOR HOTEL SAPPORO HERITAGE (Opened on June 26, 2026)
  - Scheduled to add new income-producing properties primarily in the Kansai region by acquiring shares of ARK REAL ESTATE Co., Ltd.* (October 2026)

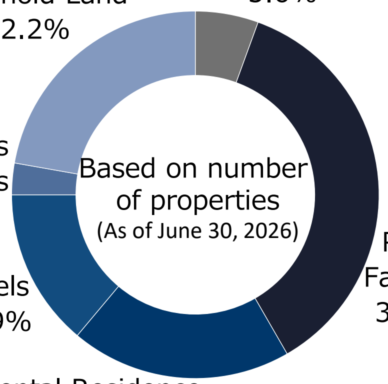
*Following the absorption-type split implemented by ARK REAL ESTATE, which will transfer certain businesses, we will acquire all of the shares.

| (JPY million) | Q1 FY3/26 Actual | Q1 FY3/27 Actual | YoY Change (%) | FY3/27 Full-Year Forecast | Progress (%) |
|---|---|---|---|---|---|
| Sales | 4,314 | 4,062 | (5.8%) | 17,500 | 23.2% |
| Segment profit | 2,058 | 1,725 | (16.2%) | 8,100 | 21.3% |
| Segment profit margin | 47.7% | 42.5% | (5.2)pt | – | – |
| Gross profit margin | 52.9% | 48.0% | (4.9)pt | – | – |

*Reference: Gross profit margin for FY3/26 was 51.7%

# Real Estate Leasing

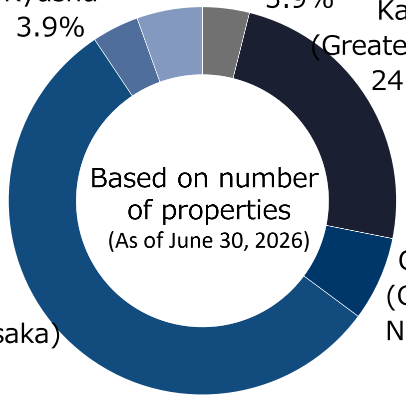
## ES-CON: Portfolio Status and Vacancy




| Vacancy Rate*1 | |
|---|---|
| Residential | Retail |
| 1.9% | 2.6% *2 |

*1 The figures for residential and retail properties are based on the number of units and leasable area, respectively.
*2 Only commercial facilities

## Property Leasing Subsidiaries: Portfolio Status and Vacancy Rate




*Picasso Group, Shijyo Omiya Building and Shiba Real Estate

| (JPY million) | Inventories | Non-current assets | Total assets | Vacancy Rate*1 Residential | Vacancy Rate*1 Retail |
|---|---|---|---|---|---|
| Picasso Group | 12,553 | 34,694 | 47,247 | 2.9% | 1.7% |
| Shijyo Omiya Building | 13,354 | 27,899 | 41,253 | 2.9% | 3.7% |
| Shiba Real Estate | 4,471 | 7,735 | 12,206 | 8.4%*2 | 7.6%*2 |
| Total | 30,378 | 70,328 | 100,706 | 3.1% | 4.3% |

*1 The figures for residential and retail properties are based on the number of units and leasable area, respectively.
*2 Vacancy rate rose after strategically having tenants vacate the properties for sale.

# Asset Management/Other

## Asset Management

Q1 FY3/27 Results

- Sales and profit increased due to higher AM fees, driven by factors such as growth in AUM for listed REITs and private funds, as well as an increase in the number of condominiums under management, through the end of FY3/26.

| (JPY million) | Q1 FY3/26 Actual | Q1 FY3/27 Actual | YoY Change (%) | FY3/27 Full-Year Forecast | Progress (%) |
|---|---|---|---|---|---|
| Sales | 491 | 492 | 0.3% | 2,800 | 17.6% |
| Segment profit | 251 | 276 | 10.0% | 1,600 | 17.3% |
| Segment profit margin | 51.2% | 56.1% | 4.9pt | – | – |
| AUM of Asset Management | 70,378 | 103,200 | 46.6% | – | – |

*Segment profit margin = gross profit margin; 58.5% for FY3/26

## Other

Q1 FY3/27 Results

- Both sales and profit increased, primarily driven by dividend income in the overseas business.

| (JPY million) | Q1 FY3/26 Actual | Q1 FY3/27 Actual | YoY Change (%) | FY3/27 Full-Year Forecast | Progress (%) |
|---|---|---|---|---|---|
| Sales | 363 | 478 | 31.7% | 2,400 | 19.9% |
| Segment profit | 31 | 155 | 395.8% | 400 | 38.9% |
| Segment profit margin | 8.6% | 32.5% | 23.9pt | – | – |
| Gross profit margin | 12.0% | 36.2% | 24.2pt | – | – |

*Reference: Gross profit margin for FY3/26 was 37.5%

# 4. Progress

## Toward The 5th Medium-Term Management Plan

# Medium-Term: Investment Plan

## 73.3% progress toward the investment target for the Medium-term Management Plan (including contracted and pending)

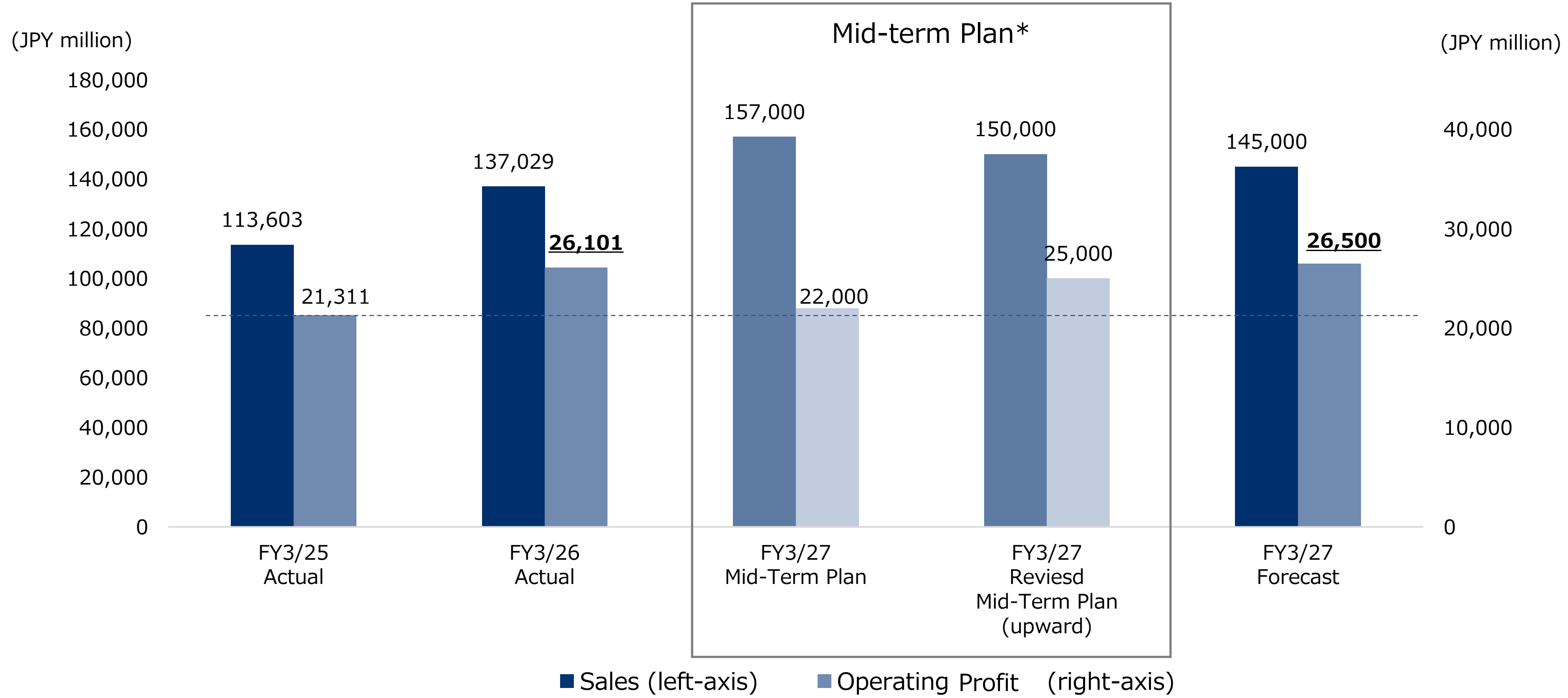
| (JPY million) | FY3/25 Actual | FY3/26 Actual | FY27/3 | | | Cumulative* | | The 5th Mid- Term Management Plan |
|---|---|---|---|---|---|---|---|---|
| | | | Forecast | Contracted/ Pending | vs. FY27/3 Forecast | Actual/Contracted/Pending | vs. Mid-Term Plan | from FY3/25 to FY3/27 |
| Total gross investment | 72,000 | 54,760 | 56,237 | 123,000 | 45.7% | 183,259 | 73.3% | 250,000 |
| Development of condominiums for sale | 16,130 | 16,141 | 20,847 | 30,000 | 69.5% | 53,119 | 86.9% | 61,130 |
| Development of income-producing properties | 42,759 | 14,308 | 5,737 | 45,000 | 12.7% | 62,805 | 55.7% | 112,759 |
| Acquisition of income-producing properties in operation | 7,842 | 20,411 | 28,618 | 40,000 | 71.5% | 56,871 | 98.3% | 57,842 |
| Overseas | 5,448 | 1,155 | 1,035 | 5,000 | 20.7% | 7,638 | 43.8% | 17,448 |
| Other | 82 | 2,744 | 0 | 3,000 | 0.0% | 2,826 | 282.6% | 1,000 |
| Divestment | 22,070 | 33,299 | 1,243 | 40,500 | 3.1% | 56,612 | 59.9% | 94,570 |
| in which Income-producing properties | 8,400 | 15,512 | 527 | 28,700 | 1.8% | 24,439 | 48.4% | 50,500 |
| Net Investment | 49,930 | 21,461 | 54,994 | 82,500 | 66.7% | 126,385 | 81.5% | 155,000 |

*As of June 30, 2026

# Medium-Term: Trends in Business Results

## Forecast continue to exceeding the operating profit target for the final year of MTMP

The operating income target for FY3/27 is 26,500 million yen,
while the revised operating profit target is 25,000 million yen (up 6.0% compared MTMP).
Compared to the initial target of 22,000 million yen set during the planning phase, an increase of 4,500 million yen (up 20.5%) is forecast.

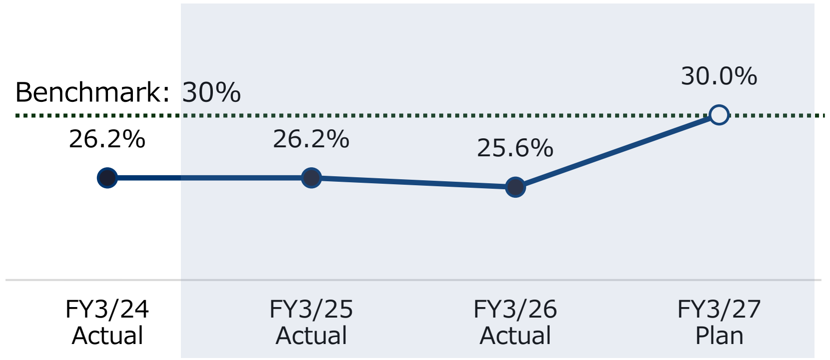



*The operating profit plans were revised upward at the time of announcement of FY3/25 financial results (FY3/26: 20,000 ⇒ JPY 23,000 million; FY3/27: 22,000 ⇒ JPY 25,000 million).

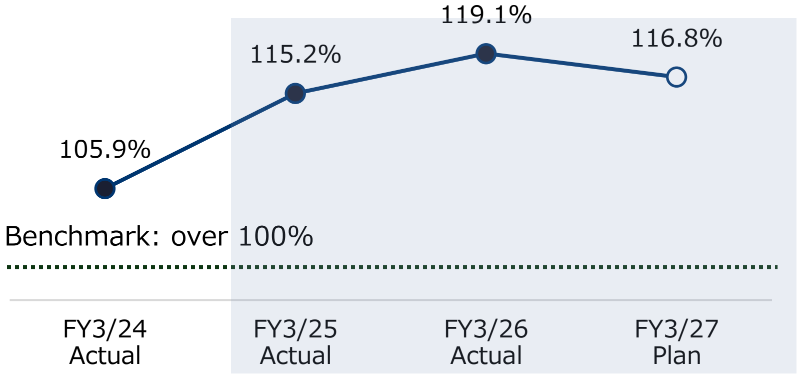
# Medium-Term: Management Targets -1

| | | FY3/25 Actual | FY3/26 Actual | FY3/27 Mid-Term Plan |
|---|---|---|---|---|
| Safety | Recurring revenue*[1] ratio*[2] | 26.2% | 25.6% | 30.0% |
| | Recurring revenue/general and administrative (G&A) expense coverage ratio (cash basis)*[3] | 115.2% | 119.1% | 116.8% |
| | Equity ratio | 17.2% | 17.0% | 17.5% |
| Capital Efficiency | ROE | 14.8% | 14.7% | 14.0% |
| | ROIC *[4] | 3.5% | 3.2% | 3.6% |

## Recurring revenue ratio



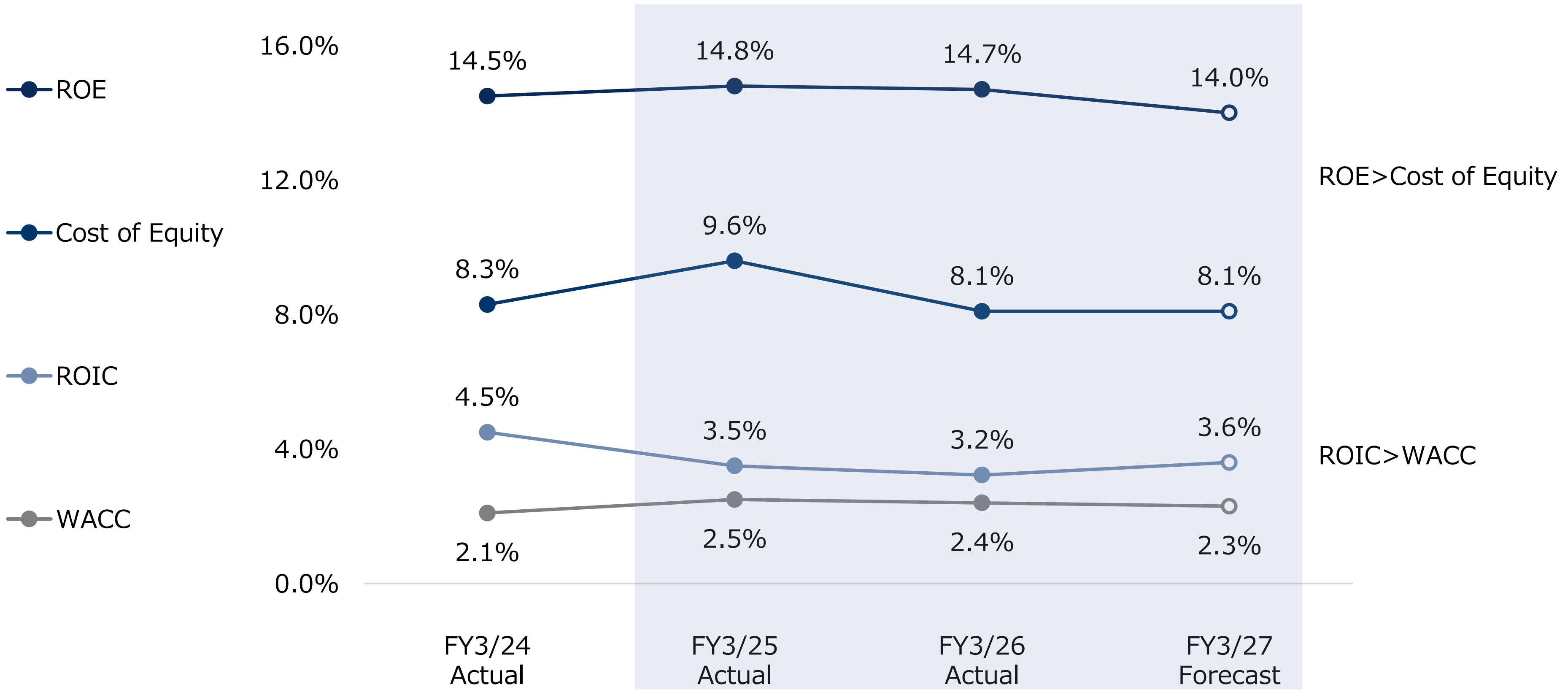

## Recurring revenue/G&A expense coverage ratio (cash basis)




*1. Recurring revenue: Real estate leasing segment profit and Asset management segment profit
*2. Recurring revenue ratio: Recurring revenue/The sum of all segments' profits
*3 Recurring revenue/G&A expense coverage ratio: (Recurring revenue + Depreciation incurred by the real estate leasing segment + Amortization of goodwill incurred by the real estate leasing segment)/(G&A expenses − Depreciation in G&A expenses − Total amortization of goodwill)
*4. ROIC: (Consolidated ordinary profit + Interest expenses − Interest income − Income taxes)/(Average of beginning and ending balances of "interest-bearing debt +net assets")

# Medium-Term: Management Targets -2

## Key Indicators




*Cost of Equity: FY3/25: 15Y, FY3/26 onwards: 10Y

# 5. Long-term Vision 2030

# Long-Term Vision 2030 : Overview (announced in March 2024)

Various initiatives are underway with *Deepening* and *Evolution*
as directions we should head in toward FY2030.

Actively create additional capacity for investment in strengthening the management base and social contribution through achieving profit growth

Achieve further profit growth through the strengthened management base and social contribution

| | Deepening | Evolution |
|---|---|---|
| **Priority themes for business strategy** | Further growth of core businesses<br>Further stabilization of revenue structure<br>Synergies with the Chubu Electric Power Group<br>Management that is conscious of cost of capital and stock price | Diversification of development projects and asset/business types<br>Challenge of expanding into new business domains<br>Expansion of the area of domestic operations<br>New urban development and management<br>Global expansion<br>Promotion of DX |
| **Priority themes for sustainability management (Materiality issues)** | Harnessing diverse human resources<br>Strengthening governance and risk management of the Company and Group companies<br>Ensuring thorough compliance | Promoting a decarbonized society<br>Achieving a well-being society |

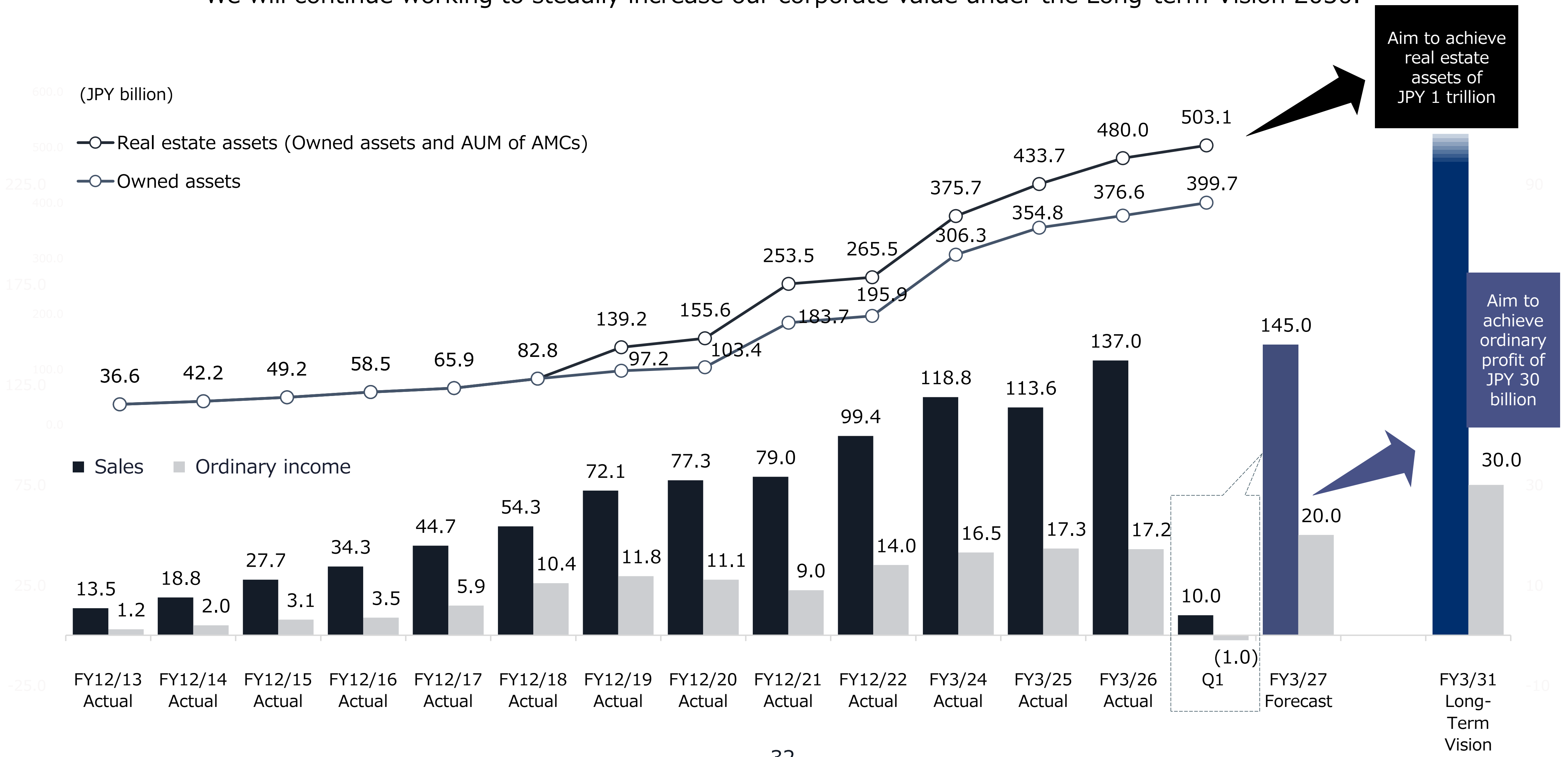
FY2030 KPIs

| Ordinary Profit | JPY 30.0 billion |
|---|---|
| Real Estate Assets* | JPY 1 trillion |

* Real estate assets: Assets owned by ES-CON JAPAN + Assets under management (AUM) of funds set up by ESCON JAPAN REIT Investment Corporation (EJR) and ES-CON Investment Partners (EIP) and other asset managers

# Long-Term Vision 2030 : Financial Targets

The ES-CON Group has achieved steady and consistent sales growth since the 1st MTMP period.
We will continue working to steadily increase our corporate value under the Long-term Vision 2030.



# 6. Appendix-1

## Urban Development Cases

# Ongoing Projects: Urban Development in Aichi and Land Readjustment Projects

**Acquired additional adjacent land for Kariya project in January 2026.**

Integrated development with the land already acquired to **further maximize synergies**.

**Concluded the purchase agreement for the land at the Former Nagoya Racecourse Site Development Project in February 2026.**

Promoting the development of mixed-use retail facilities and condominiums toward the planned town opening around 2029.

## ■ Kariya City, Aichi

Acquired approx. 10,000 tsubo additional adjacent land (Jan '26)


| Land acquired in September 2024 | Approx. 10.2 + 3.3 ha (additional acquisition) |
|---|---|

## ■ Former Nagoya Racecourse Site Development Project

| Participated in 2022 | Approx. 20.7 ha (62,000 tsubo) |
|---|---|

## ■ Toyota City, Aichi

| Land acquired in January 2025 | Approx. 4 ha (12,000 tsubo) |
|---|---|

## ■ Ongoing land readjustment projects

| Project | Region | Scheduled completion* |
|---|---|---|
| Land readjustment in Takakuradai, Sakai City, Osaka | Kansai | 2026 |
| Land readjustment in Saito East C Block, Ibaraki City, Osaka | Kansai | 2027 |
| Land readjustment in Uehara/Tako, Kawachinagano City, Osaka | Kansai | 2029 |
| Land readjustment in Takada, Hirakata City, Osaka | Kansai | 2031 |
| Urban development in the surrounding area of a medical university's new campus in Kashihara City, Nara | Kansai | 2031 |
| Land readjustment in the surrounding area of Nakamizuno Station in Seto City, Aichi | Chubu | 2033 |

# Have Started New Development Projects at Hokkaido Ballpark F Village

**A mixed-use development project, consisting of a hotel, high-rise condominium, and retail/office facilities**, will be sequentially initiated on the land adjacent to the baseball stadium "ES-CON Field". The new JR line station, located near the ballpark area, is scheduled to open in 2028. It is expected to generate new foot traffic and attract more visitors.



■ Completed

For-sale condominium
Le JADE Hokkaido Ballpark

118 units in total
Completed in Mar 2022

Senior residence
MASTERS VARUS
Hokkaido Ballpark

Admission started
in June 2024

■ **Under development** (Construction started in Nov-Dec 2025)

Hotel *DAHWA** (Tentative)
Hokkaido Ballpark Hotel Project
*Banyan Tree Group

182 rooms in total
Scheduled to open in fall 2027

High-rise condominium
ES CON FIELD TOWER

508 units in total
Handover scheduled in Dec 2028

■ **Under development**
(Construction started in Feb 2026)

(Tentative)
F Village Mixed-Use Project*

Scheduled to open in Spring 2028

*Project by ES-CON Sports & Entertainment, a consolidated subsidiary (51% equity stake)

# Ongoing Projects: Urban Development in Hokkaido

**Hokkaido JR Kitahiroshima Station *West Exit Area Revitalization Project***

The station is connected by pedestrian walkways to a retail facility, hotel, condominium, and park, increasing accessibility to bring vibrancy to the area. Development of Site A has been completed, and **further phased development is expected to continue.**


■Site A Completed

- ES-CON Field Hokkaido Hotel Kitahiroshimaekimae
- tonarie Kitahiroshima

Hotel and retail facility
Opened in March 2025

■**Site B** Expected to start contributing to revenue in Q3 FY3/27

Le JADE Hokkaido Kitahiroshima


197 units in total

Kitahiro Park

Development of the adjacent park

■**Planned development**

- Develop quality housing and community facilities for diverse generations
- Develop a public parking space

* Plan at the time of the announcement of *Kitahiro Hometown – BASE 2021–2029: Train Station West Exit Area Revitalization and Development Project* by Kitahiroshima City, Hokkaido in April 2021

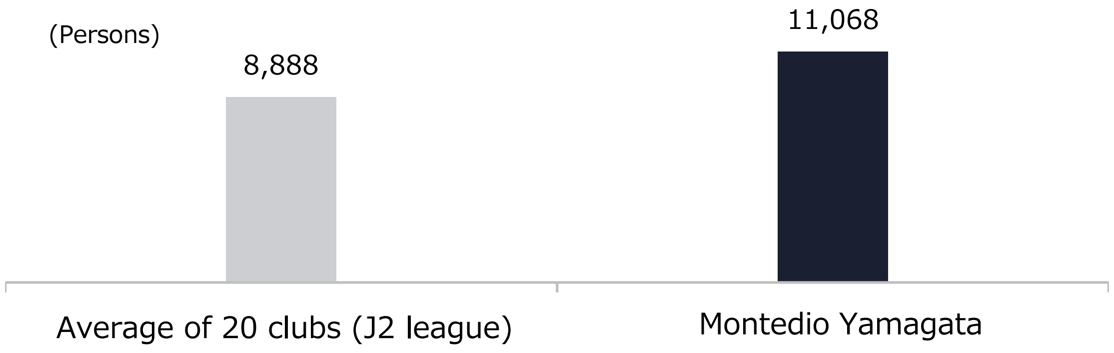
Scheduled to complete in FY2029

# New Urban Development Projects Centered on Sports

We have decided to **invest in the construction business of a new stadium of J.League Club "Montedio Yamagata" and make the club operator a consolidated subsidiary.** We will promote **sustainable urban development centered on sports in local community** by integrating stadium development (tangible aspect) and club operations (intangible aspect).



Strong ability to attract customers at existing stadiums




Comparison of average number of customers per game (FY2025)

Overview

ESCON

**Montedio Football Park Co., Ltd.【Construction & ownership of a new stadium】**

- Acquisition date: Feb. 27, 2026
- Acquisition price: 2,000 million yen*
- Shareholding ratio: 97.8%
- Completion: August 2028

*Plan to additionally invest up to 3,000 million yen upon completion

**Montedio Yamagata Ltd.【J.League club operator】**

- Scheduled acquisition: Jul. 1, 2026
- Acquisition price: 111 million yen
- Shareholding ratio: 98.0%

# Completed Projects: Mixed-use Development and Redevelopment

## Mixed-use Development

Kasuga Forest City(Kasuga City, Fukuoka)

・Retail area *Sold to EJR
・Detached house development area, etc.

SAKURA MIRAI SHIN ŌMURA (Omura City, Nagasaki)

・Le JADE Shin Omura Station Front/Parkside (Condominium)
・Retail facilities

TSUNAGU GARDEN Senri Fujishirodai(Suita City, Osaka)

- Le JADE City Senri-Fujishirodai (Condominium)
- Commercial & Medical Facilities, Detached Homes, Parks, etc.

## Conversion of aging retail facilities


Yamatotakada City, Nara

・Retail facility *Sold to EJR
・Le JADE Yamatotakada Station Front (Condominium)

Tsukuba City, Ibaraki

・Retail facility
・Le Jade Tsukuba Station Front (Condominium)



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ES CON
Ideal to Real

# 7. Appendix-2

## ES-CON Group’s Businesses & Financial Trends

# ES-CON Group’s Businesses

| | Condominiums and detached houses | Income-producing properties | Urban development projects and overseas business |
|---|---|---|---|
| One-off revenue businesses | **Condominiums for sale**<br>Le JADE<br>Grand Le JADE<br>DIAMAS<br><br>**Detached houses**<br>ES-CON Home<br>ES-CON CRAFT | **Rental residences**<br>TOPAZ<br><br>**Community-based retail facilities**<br>tonarie<br><br>**Hotel**<br><br>**Logistics facilities**<br>LOGITRES<br><br>**Offices etc.** | **Urban development/mixed-used development projects**<br>・Hokkaido Ballpark F Village<br>・JR Kitahiroshima Station West Exit area<br>・Tsukuba Station area, Ibaraki<br>・Fujishirodai, Suita City, Osaka<br>・Kariya City, Aichi<br>・Toyota City, Aichi<br>・Former Nagoya Racecourse site<br>・JR Shin-Omura Station area, Nagasaki<br>・Kasuga City, Fukuoka<br>・Montedio Yamagata Ltd.,<br>・Montedio Football Park Co., Ltd, etc.<br><br>**Overseas business**<br>Hawaii, United States<br>Mainland United States<br>Thailand |
| Recurring-revenue businesses | **Condominium management**<br>ES-CON LIVING SERVICE | **Real estate leasing**<br>Picasso Group, Shijo Omiya Building, Shiba Real Estate, etc.<br><br>**Property management**<br>ES-CON PROPERTY<br><br>**Asset management** (Listed REIT, private funds)<br>ESCON JAPAN REIT Investment Corporation<br>ES-CON INVESTMENT PARTNERS | |

# Condominiums for sale

Offer a wide range of properties from a flagship brand Le JADE to high-end residences with great scarcity value, targeting first-time buyers and other owner-occupiers as the primary segment. Provide unique condominiums based on our capability to conceptualize non-uniform properties that brings out the underlying value of property locations.

Le JADE Minoh-Semba South Residence
(Minoh City, Osaka)

Grand Le JADE Mishuku-dori
(Setagaya Ward, Tokyo)

■ High-end residences

DIAMAS Hayama
(Miura District, Kanagawa)

ØST Residence Karuizawa

SEVENS VILLA Karuizawa

ØST Garden Karuizawa

(Karuizawa Town, Kitasaku District, Nagano)

# Rental Residences

Leverage expertise we have accumulated in the condominium sales business for the leasing business.
Launched a dedicated brand for rental residences TOPAZ that features architectural design in 2023.

TOPAZ Shin-Okachimachi (Taito Ward, Tokyo)* Already sold

**■ Sold to Group Private Fund (EIP)**

TOPAZ Esaka (Suita City, Osaka)

TOPAZ Hon-Atsugi (Atsugi City, Kanagawa)

TOPAZ Machida (Machida City, Tokyo)

# Neighborhood Retail Facilities

Develop and redevelop core Neighborhood Retail Facilities, primarily under the "tonarie" brand, to meet the needs of local communities. Engage in various mixed-use developments that integrate housing projects, enhancing daily convenience and revitalizing local communities.

tonarie Kitahiroshima
(Kitahiroshima City, Hokkaido)*Currently owned


tonarie Yamato-Takada
(Yamatotakada City, Nara)*Sold to EJR

## ■ Currently owned properties

tonarie Minamisenri Annex
(Suita City, Osaka)

tonarie Utsunomiya
(Utsunomiya City, Tochigi)

tonarie Tsukuba Square
(Tsukuba City, Ibaraki)

tonarie Yokkaichi
(Yokkaichi City, Mie)

tonarie Fujimino
(Fujimino City, Saitama)

tonarie medical
Himeji Yumesakigawa
(Himeji City, Hyogo)

## ■ Properties sold to ESCON JAPAN REIT

tonarie Minamisenri
(Suita City, Osaka)


tonarie Toga-Mikita
(Sakai City, Osaka)

tonarie Seiwadai
(Kawanishi City, Hyogo)

■外部売却

tonarie Hoshida
(Katano City, Osaka)

# Hotels

Developments are currently underway, centered on projects in Hokkaido.
Ongoing hotel development projects include those in Sapporo City, in addition to projects in areas around Hokkaido Ballpark and JR Kitahiroshima Station.

Hotel *DAHWA*
(Tentative) Hokkaido Ballpark Hotel Project
(Kitahiroshima City, Hokkaido) *Under development

RANDOR HOTEL SAPPORO HERITAGE
(Sapporo City, Hokkaido)
*Under development

■ **Currently owned properties and properties under development (Excerpt)**

ES-CON Field Hokkaido Hotel Kitahiroshimaekimae
(Kitahiroshima City, Hokkaido)

Hotel LiVEMAX Hakata Nakasu
(Hakata Ward, Fukuoka City)

(Tentative) Chuo-ku Minami 6-Jo, Nishi 4-Chome Project
(Sapporo City, Hokkaido)

HIYORI HOTEL Flex
Osaka Doutonbori
(Chuo Ward, Osaka City)

■ Properties already sold (Excerpt)

Bespoke Hotel Shinsaibashi
(Chuo Ward, Osaka City)

Hotel LiVEMAX
Tokyo Bakurocho
(Chuo Ward, Tokyo)

HOTEL the M Kanazawa UAN
(Kanazawa City, Ishikawa)

Hotel WBF
Yodoyabashi Minami
(Chuo Ward, Osaka City)

Nest Hotel
Tokyo Hanzomon
(Chiyoda Ward, Tokyo)

seven x seven Itoshima
(Itoshima City, Fukuoka)

# Logistics Facilities

Select facility locations with excellent regional characteristics and transportation access, placing LOGITRES at the core.
Develop logistics facilities with a focus on efficient design.

LOGITRES Tojo II
(Kato City, Hyogo)*Already sold

LOGITRES Narashino Shibazono
(Narashino City, Chiba)*Already sold

■ Properties already sold (Excerpt)

Chitose City Kamiosatsu Logistics Facility Development Project
(Chitose City, Hokkaido)

LOGITRES Sano
(Sano City, Tochigi)

LOGITRES Tojo
(Kato City, Hyogo)

Gifu Hashima City Logistics Facility Development Project
(Hashima City, Gifu)

LOGITRES Chiba Research Park
(Chiba City, Chiba)

LOGITRES Koga Gemboen
(Koga City, Fukuoka)

# Overseas Business

Invested and participated in development projects in our regions of focus
—Hawaii and California, United States and Bangkok, Thailand.

■ United States (Excerpt)

Hawaii

Ālia

Kuilei Place

* Invested in condominium development projects and participated in projects as a sales and marketing partner.

Waikiki Galleria Tower

* Participated in a value-up project.

California

Tower 521 N.Orange

Tower 520 N.Central

*Participated in joint development projects for rental apartments.

■ Thailand

KNIGHTSBRIDGE SUKHUMVIT THEPHARAK

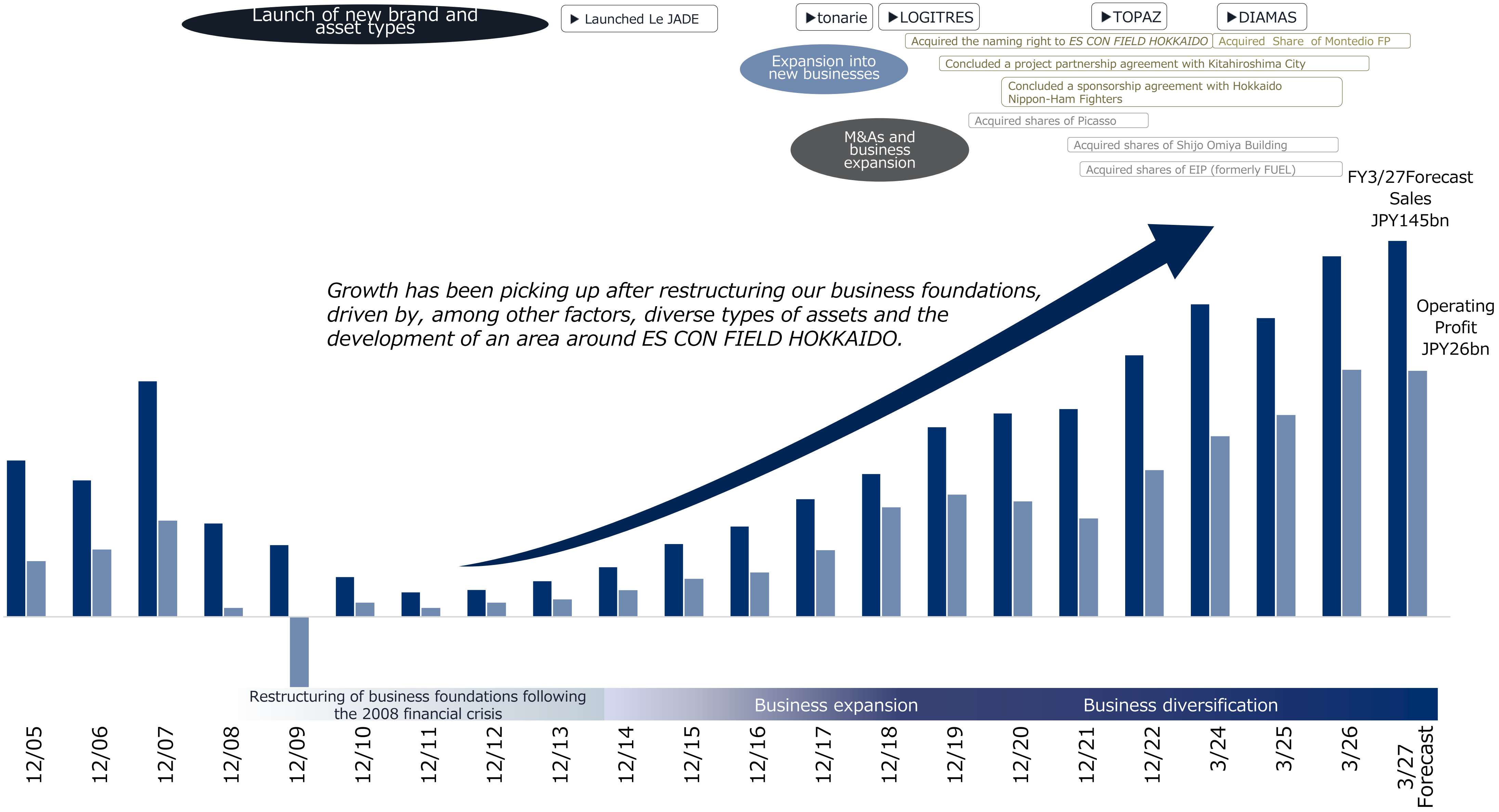
Origin Place Chaengwattana

*Participated in for-sale condominium development projects.

BRITANIA BANGNA KM.39

*Participated in a detached house development project.

# Business Development and Financial Trends



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