

14th Financial Results

for the Fiscal Period Ended January 31, 2024



ES CON JAPAN REIT Investment Corporation

Securities Code: 2971

<https://www.escon-reit.jp/>

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1. Financial Highlights

Earnings result 14th Fiscal Period

Exceeded initial forecasts thanks to improved profitability of utility charges received, reductions in expenses such as repair expenses, and exemption from additional payment of compensation for water leakage *at tonarie Seiwadai*, among other factors

- **Distributions per unit (DPU) JPY 3,227** *up JPY 145 from previous forecast*
- **Occupancy rate* 99.3%** *stable since listing*

DPU forecast 15th and 16th Fiscal Period

DPU forecast for the 15th FP is expected to be lower than the initial forecast, for the 16th FP is expected to increase compared to the previous period.

- 15th FP (FY7/24) forecast : **DPU JPY 3,130** *down JPY 14 from previous forecast*
- 16th FP (FY1/25) forecast : **DPU JPY 3,174** *up JPY 44 from 15th FP forecast*

Development the infrastructure to implement growth strategy

During the 14th FP, continued to develop the infrastructure to implement growth strategy

- **Establishment of new executive structure “Strengthen governance system”**
 - Made a resolution to make executive director outsiders with no relationship of special interest with ESCON REIT and the ES-CON Group in order to strengthen management of conflict of interest
- **Investment policy changes “External growth”**
 - ESCON REIT aims to increase investment opportunities and build a portfolio that seeks stability and growth by change of “Use of investment assets”, “Investment area” and “Leasehold land and land-to-building investment ratio”
 - Maintain our stance of investing primarily in lifestyle-focused assets
- **Conducting facility user satisfaction survey and tenants satisfaction surveys “Internal growth”**
 - Plan to start renewal work at *tonarie Minami-senri* in the 16th FP, utilizing the results of the satisfaction survey and analysis
 - Conducted satisfaction survey and analysis at seven properties to identify problems and potential needs for operational improvement
- **Refinancing and fixing interest rates “Financial strategy”**
 - Refinanced JPY 4,610 million, keeping the outstanding loan balance payable to each lender almost unchanged from the amount ESCON REIT refinanced last time
 - Fixed interest rates on 5-year borrowings based on the interest rate swap agreements (first time for ESCON REIT)
 - Costs during the period decreased to the level before the administrative disposition against the Asset Manager.

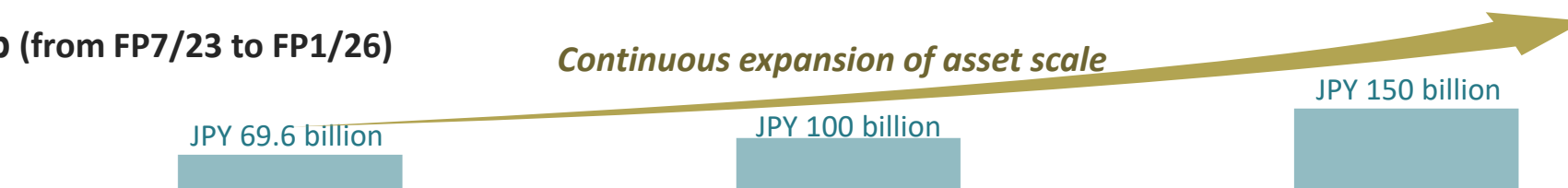
* Occupancy rate: Leased area/Rentable area*100

Yoshizuya Y Store Nishiharu consists of a commercial building and a residential building. The commercial building is subleased to YOSHIZUYA COMPANY LIMITED by master lessee ES-CON JAPAN, and the leased on the third floor, which was vacant as of the end of the fiscal period. Taking into account the fact that the floor is vacant, the overall occupancy rate would be 98.2%.

Vision

Aim to contribute to the revitalization of local communities and the development of social infrastructure through the expansion our portfolio throughout Japan by investing in lifestyle-focused assets such as the “tonarie”, while targeting growth with continuous expansion of asset scale and stable improvement of distributions.

Roadmap (from FP7/23 to FP1/26)



	1st Phase (from FY7/23 to FY1/24) Regaining the trust of Stakeholder	2nd Phase (from FY7/24 to FY1/25) Improvement of Portfolio and Growth Stage	3rd Phase (from FY7/25 to FY1/26) Stable growth stage
Strengthen governance system	Implement the new governance system Publicize the new management system	✓System maintenance completed Continue to maintain and improve ✓System maintenance completed. Continue to inform the public	Maintain and improve the new governance system
External growth	Develop property information channels unique to the AM ↑ ✓Established the Investment Marketing Department. Continue collecting external information and reviewing	Investment policy changes ↑ ✓On approval at the General Meeting of Unitholders (27/10/2023) ✓Considering → Review portfolio and Consider the property replacement	Expand pipeline for external growth Set new asset types Incorporate new asset types Incorporate assets for solving social issues
Internal growth	Survey and analyze facility user satisfaction Consider branding strategy ← ✓Review completed and start of branding strategy	Review individual property management strategies Measures to improve facility user satisfaction Implement branding strategy	
Financial Strategy	Review and strengthen IR activities ✓Ongoing ✓ Implement fixed interest rates in advance →	Implement measures to improve NOI (top-line increase, cost reduction) Review existing contracts (lease, PM, BM, etc.)	Fix interest rates and reduce interest costs Expand lender formation Strengthen financial base through PO Consider issuing investment corporation bonds Improve issuer rating

New Execution Structure and New Investment Strategies in the 7th General Meeting of Unitholders

New Execution Structure

Roadmap: Implement the new governance system

Title	Name
Executive Director	Tadashi Ebihara (Assumed in October, 2023)
Supervisory Director	Satoshi Ugajin (Assumed in August 2016)
Supervisory Director	Rin Moriguchi (Assumed in October 2021)

ESCON REIT made a resolution at 7th General Meeting of Unitholders held on October 27, 2023 to make executive director outsider with no relationship of special interest with ESCON REIT and the ES-CON Group in order to strengthen management of conflict of interest.

This made ESCON REIT have a Board of Directors composed of one executive director and two supervisory directors not affiliated with the ES-CON Group.

New Investment Strategies

Roadmap: Investment policy changes

- ESCON REIT aims to increase investment opportunities and build a portfolio that seeks stability and growth by change of “Use of investment assets”, “Investment area” and “Leasehold land and land-to-building investment ratio”
- Maintain stance of investing mainly in lifestyle-focused assets

	Present	Revised
Use of investment assets*1,2	<ul style="list-style-type: none"> • Commercial facilities: 80% or more • Others (Hotel, Logistics facilities*3): 20% or less 	<ul style="list-style-type: none"> • Commercial facilities: 60% or more, Residences: 20% or less → <i>Ensure portfolio stability and form local communities</i> • Assets aimed at creating a sustainable society (Healthcare facilities*4, Educational Facilities, Hotels, logistics facilities, etc. to serve as bases in the event of a disaster): 20% or less → <i>Pursue portfolio growth and help build a sustainable society</i>
Investment area*1,2	<ul style="list-style-type: none"> • Four major metropolitan areas (Tokyo metropolitan area, Chukyo region, Kinki region, Fukuoka region): 75% or more • Other area: 25% or less 	<ul style="list-style-type: none"> • Focus on five major metropolitan areas (Hokkaido region, Tokyo metropolitan area, Chubu region, Kinki region, Kyushu region)*5 → <i>Add Hokkaido and Kyushu regions where ES-CON JAPAN is actively developing</i> • Abolish investment ratio for target investment regions → <i>Plan to diversify investment regions</i>
Leasehold land and land-to-building investment ratio*2	<ul style="list-style-type: none"> • Leasehold land: approx. 50% • Land and buildings: approx. 50% 	<ul style="list-style-type: none"> • Abolish leasehold land and land-to-building investment ratio → <i>Plan to expand investment opportunities. Continue investment in leasehold land</i>

*1 Includes leasehold land

*2 Based on acquisition price

*3 Excludes residences, student dormitories, corporate employee housing and healthcare facilities*4.

*4 "Healthcare facilities" refer to serviced housing for the elderly set forth in Article 5 of the Act on Securement of Stable Supply of Elderly Persons' Housing, paid nursing homes set forth in Article 29 of the Act on Social Welfare for the Elderly, or elderly group homes for those with dementia based on Paragraph 2 (6) of Article 5-2 of the same law. Hospitals as defined in Paragraph 1 of Article 1-5 of the Medical Care Act are not included.

*5 Hokkaido region – Hokkaido/ Tokyo metropolitan area – Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi and Gunma/Chubu region – Aichi, Shizuoka, Mie, Nagano and Gifu/Kinki region – Osaka, Kyoto, Hyogo, Nara and Shiga; Kyushu region – Fukuoka, Kumamoto, Saga, Nagasaki, Oita, Miyazaki and Kagoshima

New tenants and Events etc.,

Roadmap: improve NOI/top-line growth

New tenants *1

Total 3 tenants: Amount if new rents contribute for whole period is JPY 3.9mn

tonarie Seiwadai (Kawanishi-shi, Hyogo)

“YAOYA Muscat Tsubame-ya”

- A community-based tenant dealing in fruits, confectionery, cigarettes, etc.



Tenants opened during FP1/24 *2

Total 7 tenants opened during FP1/24: Amount if rents contribute for whole period is JPY 10.7mn

tonarie Yamatotakada (Yamatotakada-shi, Nara)

“Osaka Udon Kiraku” opened on Dec. 20, 2023

- Combined two vacant plots into one, resulting in a 23.1% increase in monthly rent
- The number of visitors exceeded the forecast at the pre-opening on Dec. 16.



SUROY MALL Nagamine (Higashi-ku, Kumamoto-shi)

“Osteopathic clinic NAOSSEL” opened on Aug. 1, 2023

- Succeeded in securing a tenant without downtime. Monthly rent increased by 5.6%.



Total 20 tenants *3

	Tenants	Increase or decrease in monthly rents total	Volatility
Rent increase	4	up JPY 127 thousand	up 13.6%

Other revenues (Events etc.,)

Revenue from events: JPY 18mn

【 Examples of Special Events 】

tonarie Minami-senri (Suita-shi, Osaka)

Christmas Event

- Lottery for shopping coupons worth a total of JPY 1 million, concerts, photo shoots, and other events contributed to attracting more visitors and increasing sales.



tonarie Minami-senri

Big lottery

- Lottery for shopping coupons worth a total of JPY 1 million and promotion of downloading the tonarie app contributed to attracting visitors and increasing sales.



tonarie Toga-Mikita (Minami-ku Sakai-shi, Osaka)

Premium gift certificate sales

- Limited sales to the first 500 customers on odd-numbered months
- Sold a gift certificate at JPY 3,000, which can be used to buy goods and services worth JPY 3,700 at the facility



*1 Tenants for whom rents accrued during FP1/24. except the residence of Yoshizuya Y Store Nishiharu

*2 Tenants who opened the store during FP1/24, including tenants whose contracts started before the 13th FP.

*3 Contracts with tenants renewed during FP1/24. They do not include tenants who newly concluded or terminated contracts during FP1/24.

Consider branding strategy

Roadmap: Consider branding strategy

**Aim to create an attractive town and realize people's affluent lifestyles
by creating and revitalizing local communities centered on properties owned by ESCON REIT**

Cooperate with
surrounding facilities
with an eye on
investment

Create a community
that is the center of the
town and people's
lifestyles

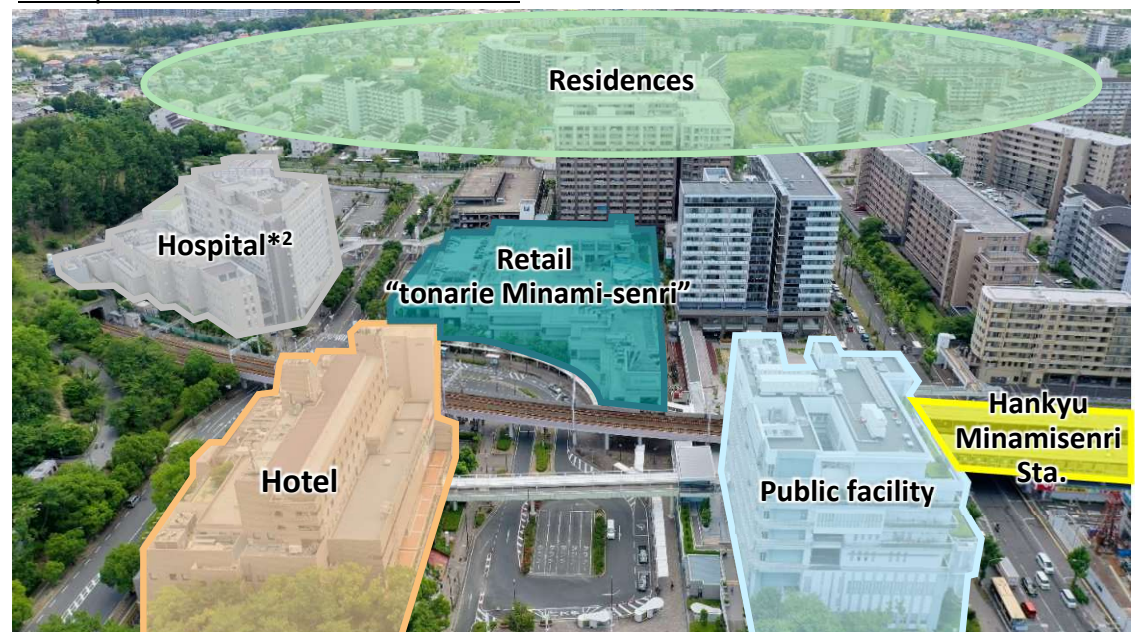
Create comfortable
facilities for diverse
generations

Synergetic effects with
ESCON-JAPAN and the
Chubu Electric Power
group

Example: tonarie Yamatotakada area



Example: tonarie Minami-senri area



*1. Le Jade Yamatotakada-ekimae is a condominium integrated with tonarie Yamatotakada developed by ES-CON JAPAN, the sponsor of ESCON REIT.

*2. ESCON REIT does not invest in hospitals as defined in Paragraph 1 of Article 1-5 of the Medical Care Act.

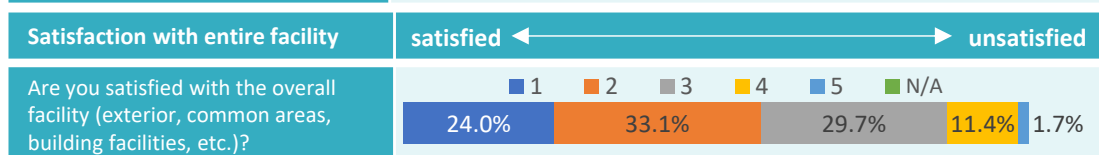
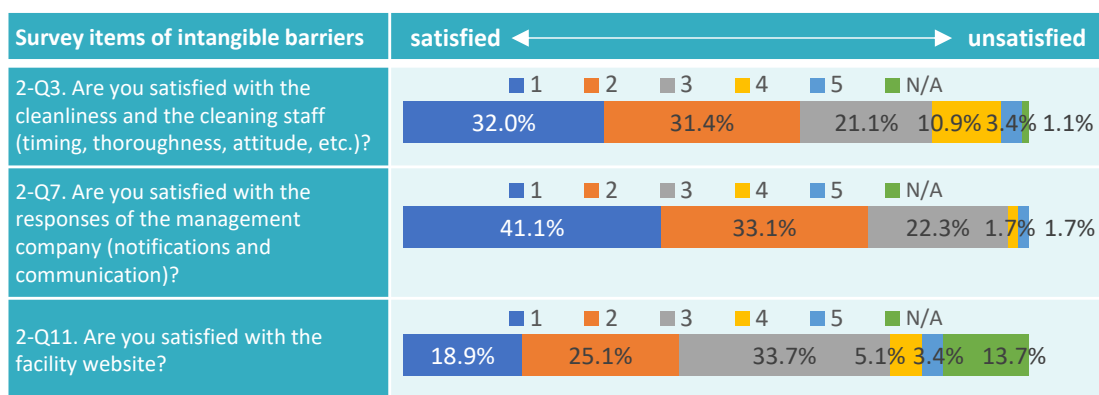
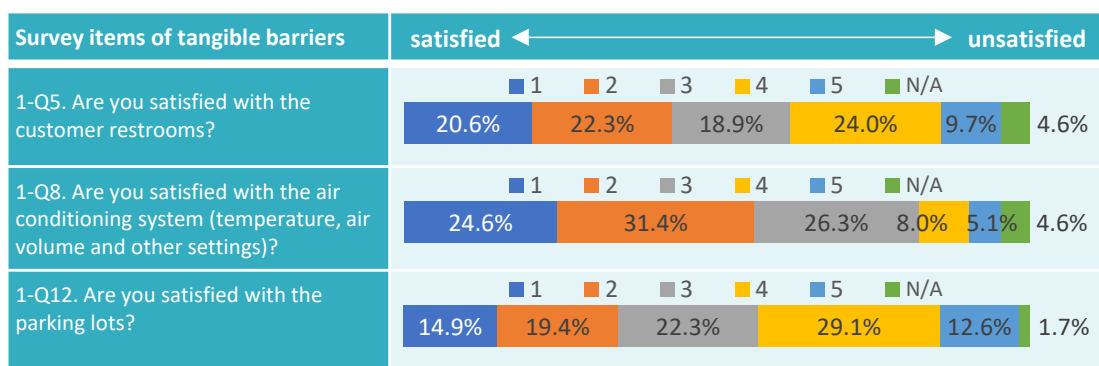
Conducted satisfaction survey of tenants (for seven properties) and facility user (*tonarie Minami-senri*)

Roadmap: Survey and analyze facility user satisfaction

- To allow tenant companies and facility user to comfortably use the facilities, ESCON REIT started satisfaction surveys and analysis at each facility to identify problems and potential needs to improve operation.
- During the 14th FP, ESCON REIT conducted tenant satisfaction surveys*1 at seven land and building properties*2 and facility user satisfaction survey at *tonarie Minami-senri* (See P. 19 for details).
- The results of the tenant satisfaction surveys show relatively high satisfaction throughout the facilities. ESCON REIT identified items with high dissatisfaction in terms of tangible and intangible aspects and considered improvement measures.

Survey results (tangible 14 items, intangible 11 items)

■ 1 : Satisfied ■ 2 : Moderately Satisfied ■ 3 : Neutral ■ 4 : A Little Dissatisfied ■ 5 : Dissatisfied ■ 6 : No Answer



Improvement measures based on tenants satisfaction surveys

Tangible improvement measures

- 1-Q5→Implemented renovation of restrooms, strengthened cleaning, etc. (*tonarie Minami-senri*, *tonarie Seiwadai*, etc.)
- 1-Q8→Review the air conditioning temperature control, renovation of air conditioning equipment, etc. (*Asumigaoka Brand-New Mall*, *tonarie Toga・Mikita*, etc.)
- 1-Q12→Improvement of parking facilities, review of fees, securing number of parking spaces for employees, etc. (*Nishi-shiroi Ekimae Plaza*, *tonarie Yamatotakada*, *SUROY MALL Nagamine*, etc.)

Intangible improvement measures

- 2-Q3→Requested the cleaning companies to improve their cleaning of the restrooms. (*tonarie Yamatotakada*, etc.)
- 2-Q7→Clarified customer contacts for consultation/complaints (*Asumigaoka Brand-New Mall*, etc.)
- 2-Q11→Established and renovated facility websites (*SUROY MALL Nagamine*, etc.)

*1 ESCON REIT asked tenants to fill out questionnaire regarding their satisfaction with the facility's tangible and intangible aspects as well as their requests.

*2 Surveys were conducted at seven land and building properties: *tonarie Minami-senri*, *tonarie Yamatotakada*, *tonarie Seiwadai*, *tonarie Toga・Mikita*, *Asumigaoka Brand-New Mall*, *SUROY MALL Nagamine* and *Nishi-shiroi Ekimae Plaza*.

Strengthened the base of property acquisition

Roadmap: Develop property information channels
Investment policy changes

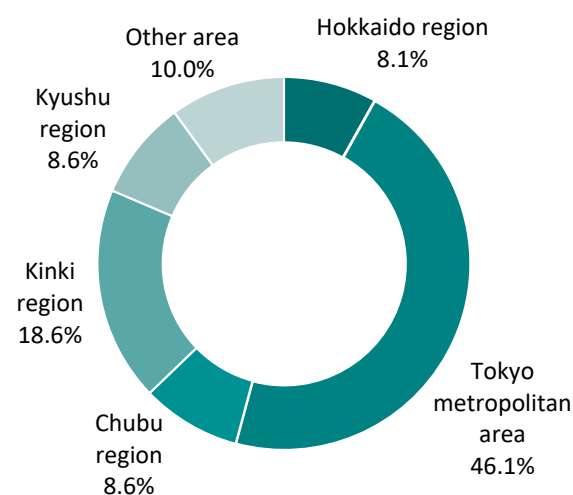
- Strengthen sourcing, market research, due diligence, underwriting and closing, etc., by **establishing the “Investment Marketing Department”** on Jun. 14, 2023, a unit that leads property acquisitions; Started collecting information not only from sponsors but also through property information channels unique to the Asset Manager
- **Changed the investment policy** on Oct. 27, 2023 to acquire properties of diverse asset types; Started collecting information on residences and assets aimed at creating a sustainable society in addition to commercial facilities

Information of property acquisition *

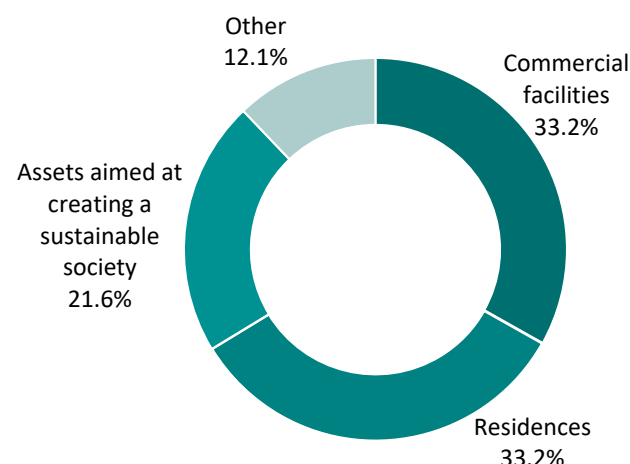
Roadmap: Develop property information channels unique to the AM

- Number of information collected in FP1/24 - Total 371 (in which: direct referrals from sellers: 11%, proprietary routes/networks: 18% and other major real estate brokers. Total asking price; approximately JPY 1.0046 trillion)
⇒ 55 for detailed consideration (Total asking price; approximately JPY 175.9 billion)

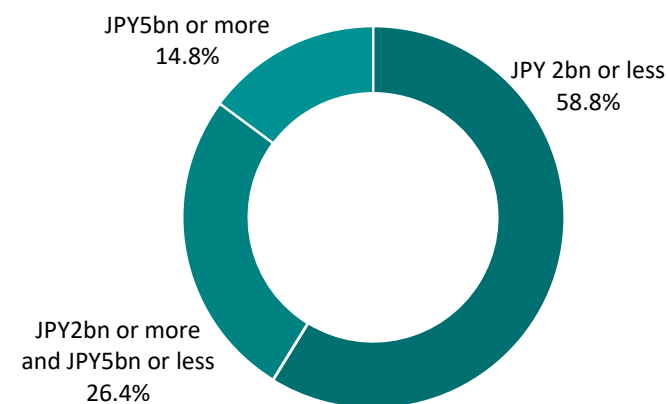
Regions; Based on the number of acquisition



Asset types; Based on the number of acquisition



Asset scale; Based on the number of acquisition



*The property information by the Sponsor is not included.

2. Earnings Results

Earnings Results vs. previous period

Operating income increased thanks to improved profitability of utility charges received and the absence of compensation for water leakage at *tonarie Seiwadai* among other factors, but net income remained almost unchanged from the previous period due to refinancing costs incurred at the end of this period.

14th - January 2024 Fiscal Period vs. previous period

(JPY million)

	13th Jul 2023 FP Actual (a)	14th Jan 2024 FP Actual (b)	vs. previous period (b-a)
Operating revenues	2,497	2,444	-53
Operating income	1,255	1,274	19
Ordinary income	1,140	1,136	-3
Net income	1,139	1,135	-3
DPU	JPY 3,238	JPY 3,227	JPY -11
Depreciation	183	187	4
NOI after depreciation	1,462	1,496	33
NOI yield after depreciation	4.2%	4.3%	4bp ^{*1}
FFO	1,323	1,323	0
FFO payout ratio ^{*2}	86.1%	85.8%	-31bp
Number of operating days	181 days	184 days	3 days

^{*1} 1 bp: an abbreviation for basis point, 1 bp=0.01%. The same applies below

^{*2} FFO payout ratio = Total distribution / (Net income + Depreciation)

Main change factors vs. previous period

(JPY million)

Operating revenues	<ul style="list-style-type: none"> Response for rent reduction for the gym at <i>tonarie Seiwadai</i> -15.5 Increase in rent due to tenant replacement at <i>SUROY MALL Nagamine</i> (MUJI's opening) contributed to net income for the full fiscal period +16.4 Termination of service stores at <i>Asumigaoka Brand-New Mall</i> -5.0 Decrease in utility income (mainly electricity) -3.1 Absence of insurance proceeds due to water leakage at <i>tonarie Seiwadai</i> -41.9 Increase or decrease in various leasing business revenues, etc. -4.0 	-53.1
Leasing business expenses	<ul style="list-style-type: none"> Decrease in repair expenses +5.5 Reduce in utility charges (mainly electricity) +12.9 *Balance of utility charges (NET) +9.8 Absence of payment of compensation for damages to tenant due to water leakage at <i>tonarie Seiwadai</i> +70.2 *NET +28.3 Increase or decrease in various leasing business expenses, etc. -1.5 	+87.1
Administrative expenses	<ul style="list-style-type: none"> Expenses for 14th general meeting of unitholders, etc. -6.6 Facility user satisfaction survey -1.5 Increase or decrease in various leasing business expenses, etc. -6.4 	-14.5
Non-operating income/ expenses	<ul style="list-style-type: none"> Refinancing costs incurred in the 14th FP 	-23.4
Total		-3.9

DPU: JPY 3,227, surpassing the initial forecast by JPY 145

This was attributable to improved profitability of utility charges received, reductions in expenses such as repair expenses, and exemption from additional payment of compensation for water leakage at tonarie Seiwadai, among others.

14th - January 2024 Fiscal Period vs. forecasts

(JPY million)

	14th Forecasts as of Sep. 14, 2023 (a)	14th Jan 2024 FP Actual (b)	vs. forecasts (b-a)
Operating revenues	2,464	2,444	-19
Operating income	1,231	1,274	43
Ordinary income	1,085	1,136	50
Net income	1,084	1,135	51
DPU	JPY 3,082	JPY 3,227	JPY 145
Depreciation	188	187	-0
NOI after depreciation	1,457	1,496	39
NOI yield after depreciation	4.2%	4.3%	11bp
FFO	1,273	1,323	50
FFO payout ratio	85.2%	85.8%	61bp
Number of operating days	184 days	184 days	0 days

Main change factors vs. forecasts

(JPY million)

Operating revenues	<ul style="list-style-type: none"> Decrease in utility income (mainly electricity) -22.4 Increase or decrease in various leasing business revenues, etc. +2.5 	-19.9
Leasing Business Expenses	<ul style="list-style-type: none"> Reduction in repair expenses +13.3 Reduction in utility charges (mainly electricity) +33.7 *Balance of utility charges (NET) +11.2 Impact of the exemption from additional payment of compensation for damages to the tenant due to water leakage at <i>tonarie Seiwadai</i> as a result of negotiations +10.0 Increase or decrease in various leasing business revenues, etc. +2.0 	+59.0
Administrative Expenses	<ul style="list-style-type: none"> Downturn in various expenses, etc. 	+4.4
Non-operating income/ expenses	<ul style="list-style-type: none"> Decrease in interest expenses due to a downturn in the base interest rate (variable interest rate) , etc. 	+7.2
Income tax	<ul style="list-style-type: none"> Decrease of income tax, etc. 	+0.3
Total		+51.0

3. Earnings Forecasts

Earnings Forecasts, 15th - July 2024 FP

DPU forecast: JPY 3,130, almost the same as the initial forecast

The latest forecast assumes an increase in interest expenses due to fixing interest rate for a portion of the fund refinanced at the end of the previous period and an increase in the assumed level of the base interest rate (variable) as well as increases in various expenses such as utility charges.

15th - July 2024 Fiscal Period forecasts

	14th Jan 2024 FP Actual (a)	15th Forecasts as of Sep. 14 2023 (b)	15th Forecasts as of Mar. 15 2024 (c)	vs. previous period (c-a)	vs. previous forecasts (c-b)
(JPY million)					
Operating revenues	2,444	2,485	2,454	10	-31
Operating income	1,274	1,229	1,232	-42	3
Ordinary income	1,136	1,107	1,102	-34	-5
Net income	1,135	1,106	1,101	-34	-5
DPU	JPY 3,227	JPY 3,144	JPY 3,130	JPY -97	JPY -14
Depreciation	187	192	190	2	-2
NOI after depreciation	1,496	1,447	1,455	-40	8
NOI yield after depreciation	4.3%	4.2%	4.2%	-6bp	3bp
FFO	1,323	1,299	1,291	-31	-7
FFO payout ratio	85.8%	85.2%	85.3%	-55bp	12bp
Number of operating days	184 days	182 days	182 days	-2 days	0 days

Main change factors vs. previous period

		(JPY million)
Operating revenues	<ul style="list-style-type: none"> Increase in utility income (mainly electricity) +14.4 Termination of restaurant at <i>tonarie Minami-senri</i> -2.0, Increase or decrease in various leasing business revenues, etc. -2.2 	+10.2
Leasing business expenses	<ul style="list-style-type: none"> Increase in utility charges (mainly electricity) -28.5 *Balance of utility charges (NET) -14.0 Increase in repair expenses -8.5 Increase in property tax -6.0 Increase or decrease in various leasing business expenses, etc. -8.0 	-51.0
Administrative expenses	<ul style="list-style-type: none"> Absence of expenses for general meeting of unitholders, etc. +6.6 Increase or decrease in various expenses, etc. -7.9 	-1.3
Non-operating income/ expenses	<ul style="list-style-type: none"> Absence of refinancing costs incurred in the 14th FP +20.4 Increase in interest expenses due to fixing interest rate for a portion of borrowings and increase in assumed level of base interest rate (variable) -12.3 	+8.1
Income tax	<ul style="list-style-type: none"> Increase of corporation tax, etc. 	-0.3
Total		-34.3

Main change factors vs. initial forecasts

		(JPY million)
Operating revenues	<ul style="list-style-type: none"> Termination of restaurant at <i>tonarie Minami-senri</i> -2.0 Construction fees receivable from the restaurant for restoration -9.9 Decrease in utility income (mainly electricity) -17.4 Increase or decrease in various leasing business revenues, etc. -1.8 	-31.1
Leasing business expenses	<ul style="list-style-type: none"> Decrease in utility charges (mainly electricity) +15.1 *Balance of utility charges (NET) -2.3 Decrease in repair expenses +22.3 Increase or decrease in various leasing business expenses, etc. +2.2 	+39.6
Administrative expenses	<ul style="list-style-type: none"> Increase or decrease in various expenses, etc. 	-5.2
Non-operating income/ Expenses	<ul style="list-style-type: none"> Increase in interest expenses due to fixing interest rate for a portion of borrowings and increase in assumed level of base interest rate (variable) -7.1 Increase or decrease in various expenses, etc. -1.3 	-8.4
Total		-5.1

DPU forecast: to reach JPY 3,174, up JPY 44 from the previous period forecast

This is attributable to increases in both revenue and income due to value enhancement measures including renovation work at *tonarie Minami-senri*, the renewal of tenant lease contracts during the same period, offsetting negative factors for income such as refinancing costs, etc.

16th - January 2025 Fiscal Period forecasts

(JPY million)

	15th Forecasts as of Mar. 15 2024 (a)	16th Forecasts as of Mar. 15 2024 (b)	vs. previous period forecasts (b-a)
Operating revenues	2,454	2,613	158
Operating income	1,232	1,261	28
Ordinary income	1,102	1,118	15
Net income	1,101	1,117	15
DPU	JPY 3,130	JPY 3,174	JPY 44
Depreciation	190	193	3
NOI after depreciation	1,455	1,482	26
NOI yield after depreciation	4.2%	4.2%	3bp
FFO	1,291	1,310	18
FFO payout ratio	85.3%	85.2%	-3bp
Number of operating days	182 days	184 days	2 days

Main change factors vs. previous period forecasts

(JPY million)

Operating revenues	<ul style="list-style-type: none"> Increase or decrease in leasing business revenues mainly due to contract renewals at the time of renovation of <i>tonarie Minami-senri</i> +117.8 Increase in utility income (mainly electricity) +40.7 	+158.5
Leasing business expenses	<ul style="list-style-type: none"> Increase in utility charges (mainly electricity) -43.3 *Balance of utility charges (NET) -2.5 Increase in repair expenses (excluding renovation fees for <i>tonarie Minami-senri</i>) -37.1 Renovation fees for <i>tonarie Minami-senri</i> -45.1 Increase or decrease in various leasing business expenses, etc. -6.5 	-132.0
Administrative expenses	<ul style="list-style-type: none"> Increase or decrease in various expenses, etc. 	+1.9
Non-operating income/ expenses	<ul style="list-style-type: none"> Refinancing costs incurred in the 16th FP 	-12.9
Total		+15.5

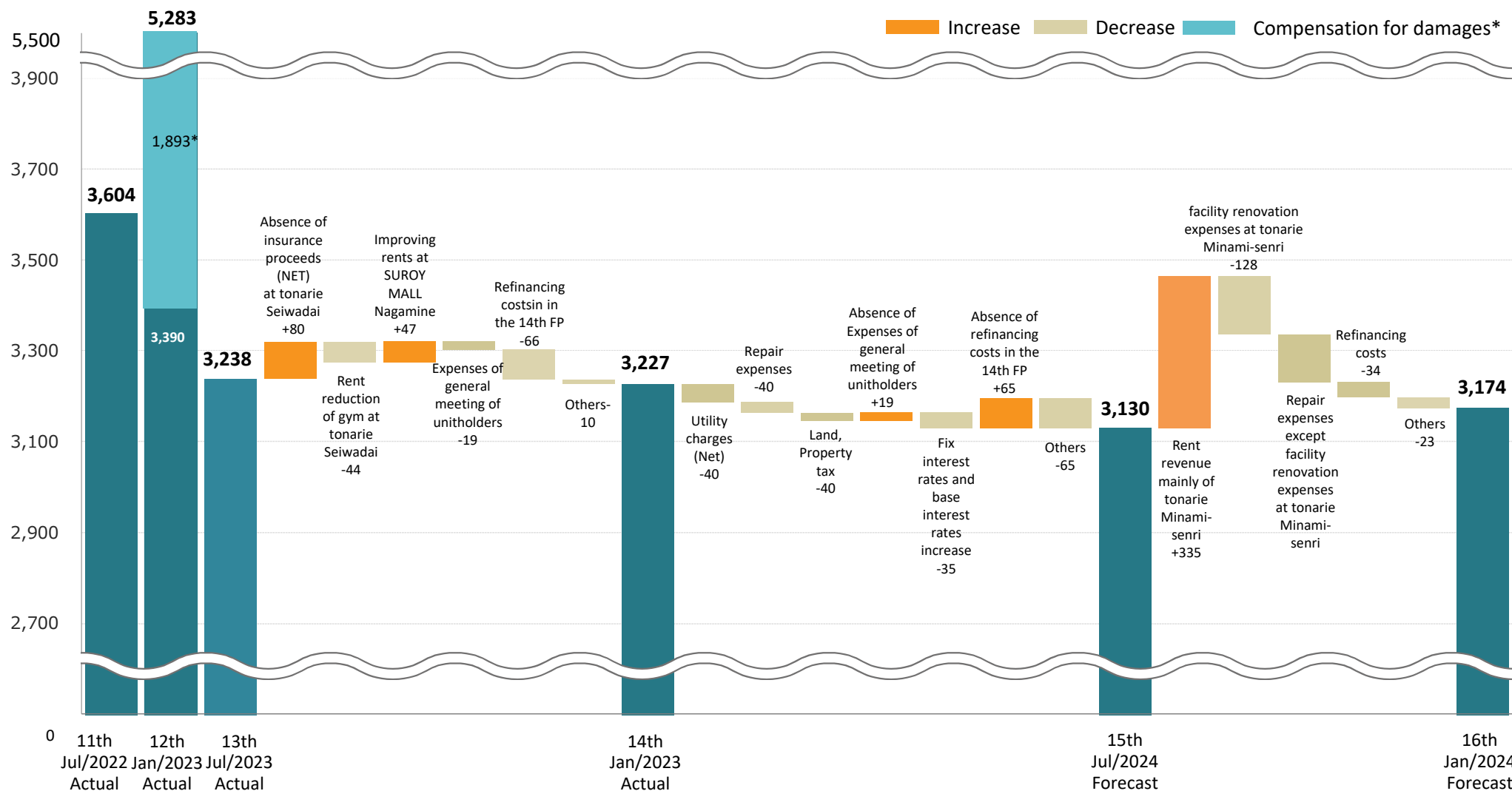
Factors of Change in Distribution per unit

15th (Jul. 2024) FP: Distributions are expected to decrease due to fixing interest rate for a portion of refinancing, increase in assumed level of base interest rate (variable) and increase in various expenses, etc.

16th (Jan. 2025) FP: Distributions are expected to increase due to tenant contract renewals in line with the implementation of value-enhancement measures for *tonarie Minami-senri*.

Main change factors of distribution per unit

(JPY)



*Recording of JPY 666 million in compensation for damages received from the Asset Manager during the 12th FP as extraordinary income

4. Growth Strategy

Internal Growth Going Forward -1 , Asumigaoka Brand-New Mall

- The utility charges at *Asumigaoka Brand-New Mall* far exceed its utility income. Recognizing the necessity to improve its energy usage, ESCON REIT began investigating problems and considering measures to improve energy usage.
- Having had the Energy Conservation Center, Japan analyze energy usage at the mall, ESCON REIT received an analysis and evaluation of its current status from the perspective of optimal energy use and proposals for effective improvement measures for energy conservation and the use of renewable energy that would lead to cost reductions and CO₂ emissions reduction. ESCON REIT is considering putting the proposals into practice.
- In addition, proposals have been received from several energy trading companies and others for the installation of solar panels utilizing the rooftop parking lot and ground-level parking spaces. ESCON REIT is considering putting the proposals into practice.

Measures based on Energy Audit

Roadmap: NOI improvement (cost reduction)

9 reduction measures suggested

	Conversion of fluorescent and mercury lamps to LED	Replacement of turbo chiller with high-efficiency chiller	Total of other 7 measures
Annual CO ₂ reduction (t-CO ₂)	266.1	44.8	105.4
Annual reduction of electricity charges (JPY thousand)	17,157	2,890	4,935
Amount of investment (JPY thousand)	53,845	35,000	6,526

The state of annual energy usage, Reduction potential

	Current state	Amount of reduction	Rate of reduction
CO ₂ emissions (t-CO ₂)	2,496	416.3	16.7%
Utility charges (JPY thousand)* ¹	161,886	25,799* ²	15.9%
including electricity charges (JPY thousand)	141,081	24,982	17.7%

Considering installation of solar panels

Roadmap: NOI improvement (cost reduction)

Simulation of electricity generation, cost reduction, etc.*³

Number of panels installed: Store roofs	Approximately 500
Carport parking	Approximately 1,100
Annual CO ₂ reduction (t-CO ₂)	520
Annual reduction of electricity charges (JPY thousand)	34,000
Amount of investment (JPY thousand)	260,000
Annual electricity generation (kwh)	1,230,000
Percentage of in-house consumption relative to annual electricity consumption	22%

Example: Illustration of solar panel installation



*¹ Total amount of electricity, fuel, and water charges.

*² This amount is composed of JPY 1,442,000 that can be reduced through operation without investment, JPY 21,467,000 that has an investment payback period of 5 years or less, and JPY 2,890,000 that has an investment payback period exceeding 5 years.

*³ The figures in the simulation are examples of estimated amounts based on proposals from energy trading companies. The investment amount assumes the use of subsidies for the installation of a solar carport for private consumption and includes materials and construction costs, etc.

Value enhancement measures based on facility user satisfaction survey and analysis

Roadmap: Measures to improve facility user satisfaction

- Plan to reopen the facility around April 2025 after implementing value enhancement measures including renovation work based on the facility user satisfaction survey and analysis conducted in the 14th FP*.

Analysis of current status

- Visitor Attributes: Approximately 70% of users are coming from within walking distance. The average age is as high as 62 years old, and about 70% of the users are female.
- Usage: Approximately 80% of users visit the facility to purchase groceries.
- Satisfaction rating: Product quality and staff response were particularly highly rated, but there were noticeable requests for improvements in facilities such as restrooms and resting areas.

* In addition to the tenant satisfaction survey and analysis, facility user satisfaction survey and analysis was conducted as follows:

- Interview investigation conducted by external researchers.
- Sample size: 509 (only one respondent in the case of group visitors)
- Interviews on respondents' attributes, usage, and evaluation of the facility's tangible and intangible aspects, etc.

Renewal concept

Comfortable Terrace

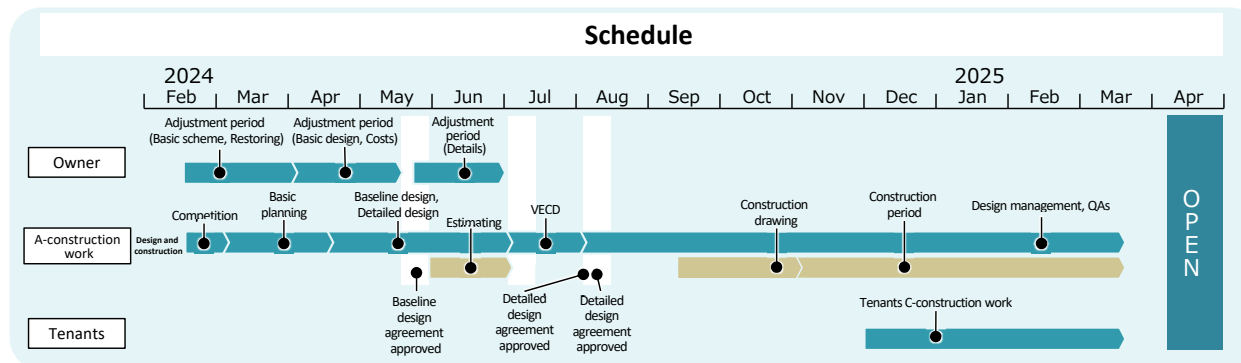
—Aim for a commercial facility where people, goods, and things come together to create a community—

- Expand target customers to include **the child-rearing generation** (renovation of restrooms, new baby care room construction, etc.)
- Aim for **a comfortable and secure facility that is easy to stop by** (renovation of the courtyard and event area, etc.)
- **Branding as the face of the town** (increase events in collaboration with the community, exterior construction, etc.)

Upcoming contract renewals

Roadmap: improve NOI/top-line growth

- Due to a rent increase in conjunction with contract renewal in the 16th FP (Jan. 2025), leasing business revenues in the overall portfolio for the full FP are expected to increase by 15% compared to the 14th FP results.



After the renewal (This perspective image is still in the planning stages and may differ from the end result.)



Before

Assets aimed at creating a “Lifestyle-focused assets” Developed by the Sponsor

Examples of ES-CON JAPAN's Development Projects

Roadmap: Expanding the Pipeline for External Growth

A general developer with apartment and condominium development as its core business that engages in profit-earning real estate, redevelopment, and a broad range of other development projects in different cities

- Operates **tonarie**, a community-based commercial facility with 10 locations nationwide, and promotes facility development supporting daily life, such as the development of **tonarie medical**, a community-based clinic mall
- Actively promotes community building, including a development project (senior housing, hotels, etc.) as part of **Hokkaido Ballpark F Village** in Kitahiroshima-city, Hokkaido, the **Kitahiroshima Station West Gate Area Revitalization Project**, participation in a complex development project **SAKURA MIRAI SHIN ŌMURA** in Omura-city, Nagasaki, and the opening of community building project **TSUNAGU GARDEN Senri-fujishirodai** in Suita-shi, Osaka, etc.
- Launched the new rental residence brand **TOPAZ** in March 2023, with four properties already complete. Plans to expand primarily in the Tokyo Metropolitan area and Kansai region in the future

Lifestyle-focused commercial facilities “tonarie”



tonarie CREO (Ibaraki, Directly connected to Tsukuba Sta.) Integrated with tonarie Q't and tonarie MOG

Rental residence "TOPAZ"



TOPAZ Esaka
111 units (Suita-city, Osaka)

For Senior, Medical facility



Senior Residence in Hokkaido Ballpark F Village “Masters Varus Hokkaido Ballpark”
Medical mall attached (Kitahiroshima-city)



tonarie Hoshida (Osaka, 3 min walk from Hoshida sta.) Land readjustment project with supermarket and medical mall



TOPAZ Hon-Atsugi
120 units (Atsugi-city, Kanagawa)



Clinic mall “tonarie medical Himeji Yumesakigawa”
Medical and nursing care area, with hospital (Hirohata-ku, Himeji)

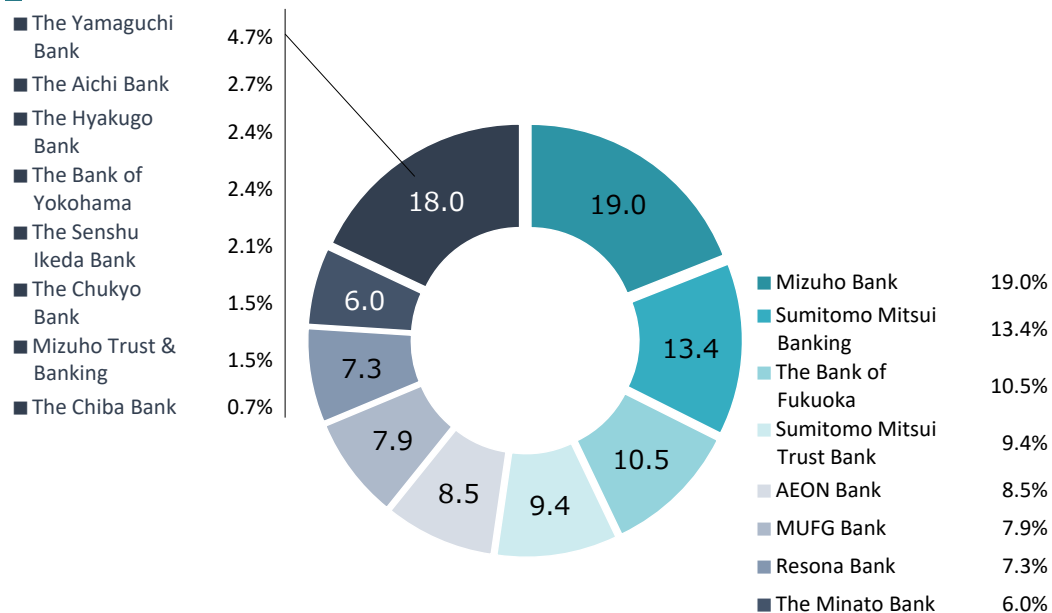
5. Financial Status and Policy

Financial highlights

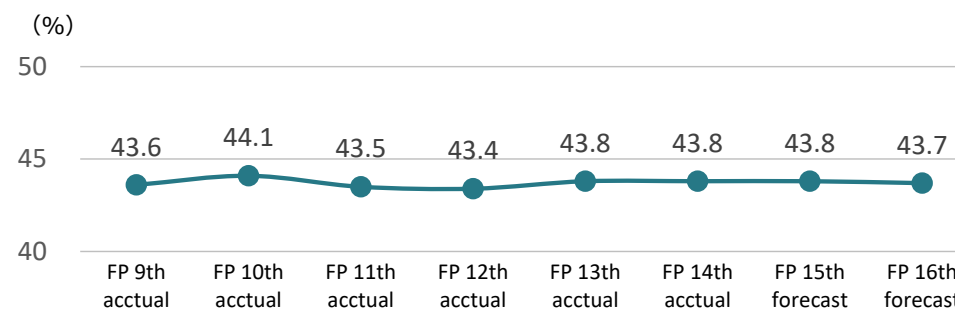
(as of January 31, 2024)

Total interest-bearing debt	JPY 33.09 bn	Average remaining term	2.7 years
Average Interest Rate	0.49%	Ratio of long-term borrowings	100.0%

Lender status



LTV control*



*LTV (%) for each period is calculated by the formula: Interest-bearing liabilities at end of period/Total assets at end of period*100.

Acquisition of Issuer rating by R&I

A- (Stable)

Acquisition of issuer credit rating in November 2019,
(rating maintained in November 2023)

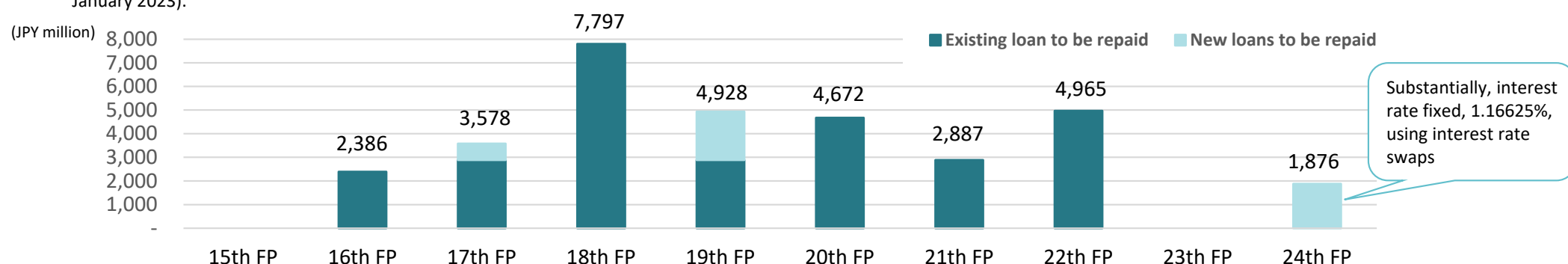
>referenced from the press release of R&I dated Nov 1, 2023

The occupancy rate of the portfolio has remained at 99.9%, and there are no major problems with operating performance as we have concluded long-term lease contracts (average remaining lease term of over 9.5 years) with tenants. The direction of the rating is stable. After the administrative disposition, we took a year to restructure our governance, and the business improvement order was lifted. As the operating performance of existing properties has been strong, refinancing was carried out without any problems.

Details of refinancing and future debt repayment schedule

Refinanced JPY 4,610 million at the end of January 2024 as follows:

- Kept the outstanding loan balance payable to each lender almost unchanged from the amount ESCON REIT refinanced last time. (As The Aichi Bank, Ltd. and The Chukyo Bank, Ltd. are scheduled to merge, the loan balances payable to those banks have been consolidated into the balance payable to The Aichi Bank.)
- For 5-year borrowings, ESCON REIT aims to fix interest rates for the first time based on interest rate swap agreements.
- For the period, the variable interest rate is set at 1.5 years and 2.5 years to shorten and equalize the term, and the fixed interest rate is set at 5 years in consideration of costs and other factors.
- Costs during the period decreased to the level before the administrative disposition against the Asset Manager (the 5-year spread is +0.45% this time, compared to +0.55% in the end of January 2023).



Future policies

Environmental Awareness

- The stance toward lending to ESCON REIT among lenders has returned to its prior state and is favorable.
 - It is highly likely that the negative interest rate policy will be lifted in the near future, interest rates are not expected to rise unilaterally thereafter.
- As such, ESCON REIT pays close attention to the overall situation in terms of commodity prices, exchange rates, geopolitical risks, and more.

Maintaining financial stability while controlling interest costs

- The new financing will be based on long-term fixed interest rate financing, while flexibly diversifying fixed/variable interest rate and repayment deadlines in order to achieve efficient fundraising.
- Aim to expand fundraising sources in line with growth in asset size while maintaining a good relationship with existing lenders
- Implement controls at appropriate LTV levels that are mindful of securing fundraising capacity

6. ESG Initiatives

	Key Issues	Policy	Relevant SDGs
<div>E</div> <div>Environment</div>	<ul style="list-style-type: none"> Reduce environmental impact 	<ul style="list-style-type: none"> Aim to improve the efficiency of energy consumption and reduce greenhouse gas emissions in the portfolio 	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>13 CLIMATE ACTION</div>
	<ul style="list-style-type: none"> Acquire external certifications 	<ul style="list-style-type: none"> Strive to reduce environmental impact by obtaining environmental certifications and evaluations 	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>13 CLIMATE ACTION</div>
	<ul style="list-style-type: none"> Take environmental issues into consideration through collaboration with tenants 	<ul style="list-style-type: none"> Aim to introduce green lease clauses in cooperation with tenants 	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>13 CLIMATE ACTION</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>
<div>S</div> <div>Social</div>	<ul style="list-style-type: none"> Coexist and cooperate with the local community 	<ul style="list-style-type: none"> Through contributions to the local community, aim to solve social issues and enhance local value 	<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>
	<ul style="list-style-type: none"> Improve safety and comfort for customers and tenants 	<ul style="list-style-type: none"> Aim to contribute to the local community by creating and maintaining safe and secure spaces 	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>
	<ul style="list-style-type: none"> Create a comfortable work environment 	<ul style="list-style-type: none"> Promote the creation of a favorable work environment to ensure employees' health and a fulfilling social life 	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>
<div>G</div> <div>Governance</div>	<ul style="list-style-type: none"> Further strengthen governance 	<ul style="list-style-type: none"> To prevent fraud and corruption as an organization, promote clarification of governance structure and reinforcement of the system 	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>
	<ul style="list-style-type: none"> Disclose information to stakeholders 	<ul style="list-style-type: none"> Foster a relationship of trust with stakeholders through proactive information disclosure and dialogue 	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>

E nvironment

Reduce environmental impact

● Installation of LED lighting

ESCON REIT is pursuing the reduction of electricity consumption by introducing LED lighting systems in the communal areas of four tonarie commercial facilities (Yamatotakada, Minami-senri, Toga・Mikita and Seiwadai), Yoshizuya Y Store Nishiharu, SUROY MALL Nagamine and Asumigaoka Brand-New Mall.

● Introducing a groundwater membrane filtration system

A groundwater membrane filtration system has been introduced in Asumigaoka Brand-New Mall, contributing to the reduction of environmental burdens and towards the achievement of a sustainable society.

- Securing a water supply channel in the event of a disaster to improve business continuity
- Offering drinking water to local inhabitants for free in the event of a disaster (scheduled)
- Reducing public water supply consumption using the groundwater membrane filtration system

Take environmental issues into consideration through collaboration with tenants

● The introduction of green lease clauses*1

Since approximately 91.4% of annual greenhouse gas emissions from properties owned by ESCON REIT come from tenants*2, ESCON REIT believes it is necessary to reduce emissions in cooperation with tenants and promote the introduction of green lease clauses in lease agreements with tenants. As of Jan. 31, 2024, ESCON REIT has concluded agreements containing green lease clauses with 45 tenants.

Example of Green Lease Clauses

- Party A and Party B shall share a common vision of maintaining and improving the property's comfort and productivity from the perspectives of energy saving and environmental considerations, etc. and shall endeavor to collaborate on measures that each party implements with regards to this (including but not limited to the sharing of data, acquisition of environmental certifications, etc. and the setting of targets), and both parties shall endeavor to give consideration to energy saving, the environment, comfort, and productivity, etc.
- Party A and Party B shall endeavor to formulate and implement measures to reduce energy and water consumption in common and private areas.

*1 A green lease clauses refers to a voluntary agreement between a real estate owner and a tenant to reduce the environmental impact of real estate, such as energy conservation, and improve the workplace environment through a contract or memorandum of understanding, and refers to putting the agreed-upon details into practice.

*2 Based on a study of the annual greenhouse gas emissions of nine land and building properties owned by ESCON REIT in 2022

*3 GRESB is an annual benchmarking assessment to measure ESG (Environment, Social and Governance) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).

*4 DBJ Green Building is a certification system that was newly established in April 2011 by Development Bank of Japan Inc. (DBJ) as an initiative to support its customers' environmentally and socially conscious management of their real estate ("Green Building").

Acquisition of certifications

GRESB*3 Real Estate Assessment



In the 2023 GRESB Real Estate Assessment, ESCON REIT received a "1 Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. It also won a "Green Star" designation by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of properties owned.

DBJ Green Building*4 Certifications

ESCON REIT has obtained DBJ Green Building Certifications for a total of five properties. For the two tonarie properties (Minami-senri & Seiwadai), ESCON REIT has obtained in February 2024 (Initial certification was obtained in February 2021) for the second time.

Certified properties	Certification rank	Certified date
tonarie Toga・Mikita	2023 	July 27, 2023
tonarie Yamatotakada	2023 	July 27, 2023
tonarie Minami-senri	2023 	February 2, 2024
tonarie Seiwadai	2023 	February 2, 2024
Asumigaoka Brand New Mall	2021 	July 9, 2021

Future initiatives

- For certifications that have already been obtained, ESCON REIT will promote ESG initiatives and information disclosure in order to improve the evaluation rank.
- ESCON REIT will consider promoting further ESG measures, such as disclosing climate change risk analysis based on the TCFD and setting medium- and long-term targets for GHG emissions reduction

S ocial

Coexist and cooperate with the local community

By holding a variety of events in lifestyle-focused commercial facilities, in which members of the local communities and tenants can participate and implement community-based activities that contribute to society, ESCON REIT aims to contribute to the revitalization of local areas and the creation of local communities.

Holding activities that contribute to society a variety of events in which members of the local communities and tenants can participate



Noto Support Project by “Machi-bu,”
a club of Yamatotakada Municipal
Commercial High School
(tonarie Yamatotakada)



Dementia Awareness Event
(tonarie Seiwadai)



Cerezo Osaka Soccer School for
Children and Parents
(tonarie Toga・Mikita)

Certified as dementia-friendly shopping center and Holding a dementia awareness event

ESCON REIT is working to create age-friendly communities, including older people with dementia. Some tenants in tonarie Seiwadai have taken dementia supporter courses and this commercial facility was certified as a dementia-friendly shopping center by Hyogo Prefectural Government. In addition, ESCON REIT held a dementia awareness event at tonarie Minami-senri. ESCON REIT will continue to promote initiatives.

Participation in the “Child-raising Support Passport Project”

ESCON REIT is participating in the “Child-raising Support Passport Project” which provides support for outings with infants and offers various discounts and other services for households with children, operated mainly by local governments with support from businesses and stores. (tonarie Minami-senri, tonarie Seiwadai, tonarie Toga・Mikita, tonarie Yamatotakada)

Improve safety and comfort for facility user and tenants

Facilities renewal for improved safety and comfort

- ① For the comfort of those who are accompanied by children, ESCON REIT is introducing a breastfeeding room in our facilities.
(tonarie Minami-senri, tonarie Seiwadai, Asumigaoka Brand-New Mall, tonarie Toga・Mikita, tonarie Yamatotakada)
- ② With the aim of improving the workplace environment for tenant employees, ESCON REIT is installing and renovating resting rooms for tenant employees.
(tonarie Minami-senri, tonarie Seiwadai, Asumigaoka Brand-New Mall, tonarie Toga・Mikita, tonarie Yamatotakada, Yoshizuya Y Store Nishiharu)

HR Development of the Asset Manager

Initiatives to improve the workplace environment for employees

Leave system

- Establishment of in-house rules for work from home, shortened work hours, and staggered work schedules
- Enriching the contents of childcare/nursing care leave system more than that of the law

Work-life balance

- Conducting employee satisfaction surveys
- Conducting stress checks
- The introduction of health consultations by industrial physicians

Status of employees

Number of qualified employees*

ARES Certified Master	8 employees
Real Estate Transaction Agent	14 employees
Real Estate Appraiser	1 employee
Real Estate Consulting Master	1 employee

Years of experience in real estate securitization business*

Less than 3 year	7 employees
From 5 to less than 10 years	6 employees
10 years or more	6 employees

Diversity*

• Percentage of female executives and employees : 31.6%

* The numbers of employees above cover all 19 full-time employees as of Jan. 31, 2024. Part-time directors and temporary employees are not included.

Future initiatives

The lifestyle-focused assets that are ESCON REIT’s main investment targets, serve not only as the centers of local communities, but also as infrastructure in the event of natural disasters. ESCON REIT is proud of its role and is considering further initiatives that will contribute to society.

Governance

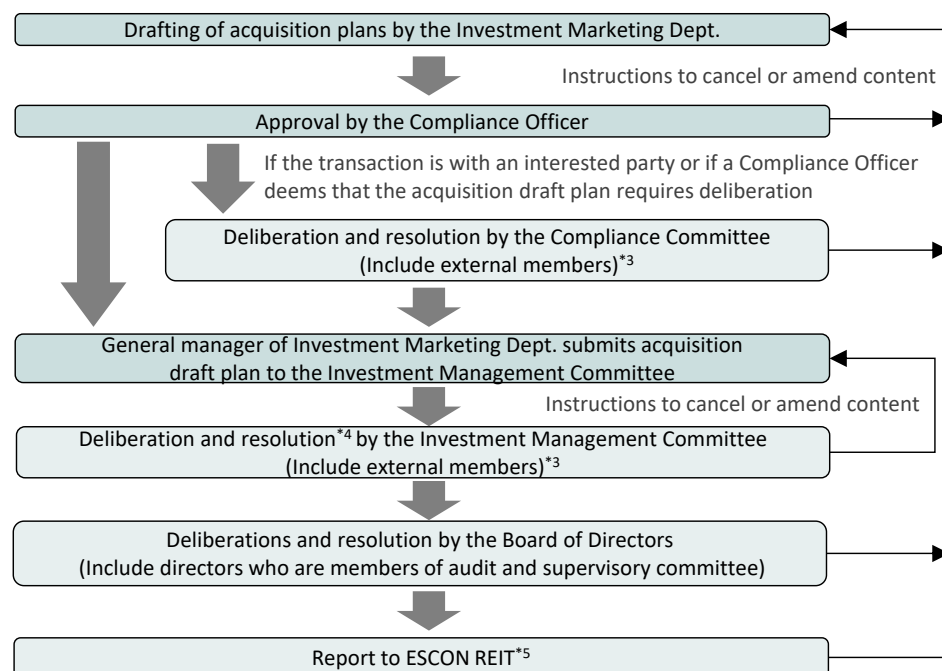
Further strengthening of Governance of the Asset Manager

Measures against conflict of interest

The Asset Manager takes measures to prevent conflicts of interest through the formulation of self-imposed rules and multi-tiered checks in transactions with interested parties^{*1}.

Interested Party Transaction Rules (self-imposed rules)	
Acquisition/Disposition	Bridge or warehousing ^{*2} requests
<ul style="list-style-type: none"> Acquisition price ≤ Appraisal value by third party Disposition price ≥ Appraisal value by third part 	<ul style="list-style-type: none"> Confirm the necessity and appropriateness of the negotiation process and scheme at the time of LOI presentation Offer price at the time of LOI presentation and acquisition price ≤ Appraisal value by third party

Decision-making process for property acquisitions by ESCON REIT



Transition to a company with Audit and Supervisory Committee

To strengthen the auditing and supervisory functions of the Board of Directors, the Asset Manager transitioned from a system with one Corporate Auditor to an Audit and Supervisory Committee system with an audit and supervisory committee (three directors who are members of the audit and supervisory committee, including two outside directors) as of June 28, 2022.

Further strengthening of governance of ESCON REIT

Executive Director and Supervisory Directors of ESCON REIT

ESCON REIT made a resolution at the General Meeting of Unitholders held on October 27, 2023 to make executive director outsider with no relationship of special interest with ESCON REIT and the ES-CON Group in order to strengthen management of conflict of interest. This means the Board of Directors of ESCON REIT is composed of one executive director and two supervisory directors not affiliated with the ES-CON Group.

Disclose information to stakeholders

ESCON REIT and the Asset Manager acknowledge the importance of disclosing not only management and financial information, but also non-financial information, and proactively promote the disclosure of such information.

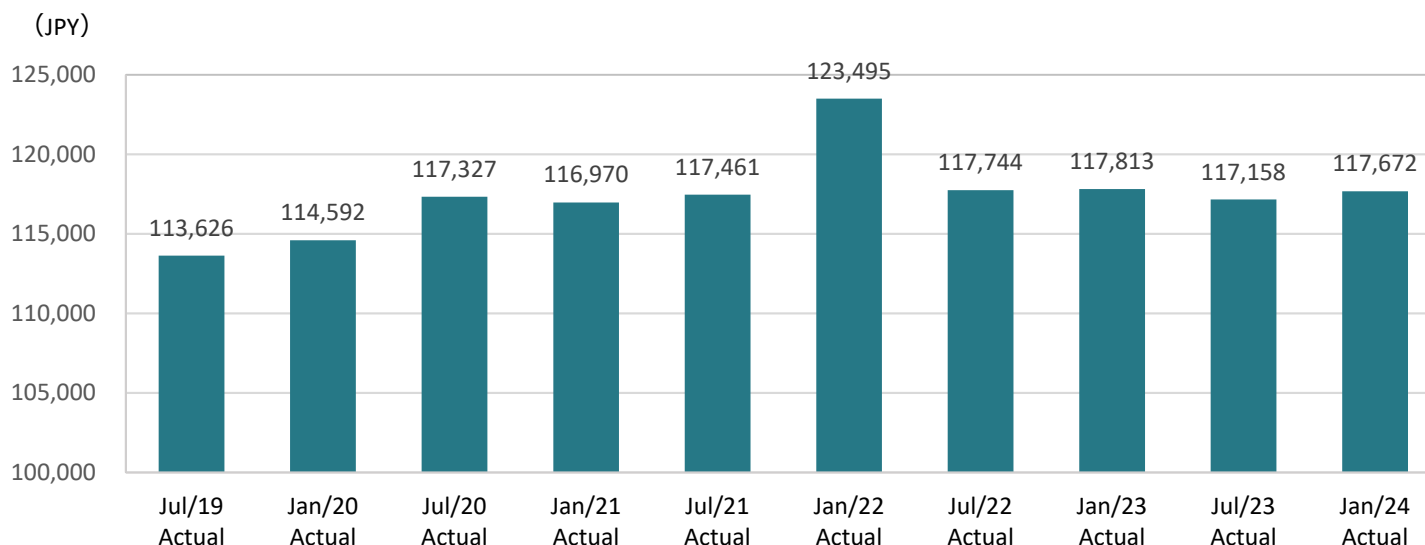
Future initiatives

ESCON REIT and the Asset Manager will continue to maintain and improve the governance structure.

- *1 Interested parties are those defined in the Asset Manager's Interested Party Transaction Rules
- *2 Those in which a third parties other than the interested parties are the subject are called "bridges" and those in which the interested parties are the subject are called "warehousing"
- *3 In the case of a transaction with an interested party, directors who are not members of the committee are also required to attend the meeting.
- *4 If the property falls under the category of healthcare facilities (which refer to serviced housing for the elderly set forth in Article 5 of the Act on Securement of Stable Supply of Elderly Persons' Housing, paid nursing homes set forth in Article 29 of the Act on Social Welfare for the Elderly, or elderly group homes for those with dementia based on Paragraph 6 of Article 5-2 of the same law), the Investment Management Committee will obtain a report on the property from an external expert prior to the resolution and make an investment decision based on the report after obtaining advice from the external expert as necessary.
- *5 If the acquisition draft plan constitutes a transaction with an interested party under the Investment Trust Law, prior approval from ESCON REIT's Board of Directors should be obtained

Appendix

Trends in Net Asset Value* per unit



* (Net book asset value + Unrealized profits [Appraisal value - Book value of real estate] - Distribution)/Total number of investment units issued and outstanding at each time

Trends in portfolio occupancy rate*

5th FP from Feb. 1, 2019 to Jul. 31, 2019	6th FP from Aug. 1, 2019 to Jan. 31, 2020	7th FP from Feb. 1, 2020 to Jul. 31, 2020	8th FP from Aug. 1, 2020 to Jan. 31, 2021	9th FP from Feb. 1, 2021 to Jul. 31, 2021	10th FP from Aug. 1, 2021 to Jan. 31, 2022	11th FP from Feb. 1, 2022 to Jul. 31, 2022	12th FP from Aug. 1, 2022 to Jan. 31, 2023	13th FP from Feb. 1, 2023 to Jul. 31, 2023	14th FP from Aug. 1, 2023 to Jan. 31, 2024
99.7%	99.9%	99.8%	99.8%	99.5%	99.7%	99.9%	100%	99.9%	99.3%

* The occupancy rate is calculated by the calculation formula below based on data as of January 31, 2024 and rounded off to the nearest first decimal place.

Occupancy rate: Leased area/Rentable area*100

Yoshizuya Y Store Nishiharu consists of a commercial building and a residential building. The commercial building is subleased to YOSHIZUYA COMPANY LIMITED by master lessee ES-CON JAPAN, and the leased area in the table above includes the leased area on the third floor, which was vacant as of January 31, 2024.

However, taking into account the fact that the floor is vacant, the overall occupancy rate would be 98.2%.

Balance sheets

	13th FP (Jul/23)	14th FP (Jan/24)
Assets		
Current assets		
Cash and deposits	2,318,451	2,308,510
Cash and deposits in trust	3,354,221	3,461,980
Operating accounts receivable	100,249	55,548
Prepaid expenses	82,599	88,744
Total current assets	5,855,522	5,914,784
Non-current assets		
Property, plant and equipment		
Buildings	7,063	7,063
Accumulated depreciation	-1,011	-1,375
Buildings, net	6,052	5,688
Buildings in trust	12,759,582	12,812,723
Accumulated depreciation	-1,233,647	-1,412,184
Buildings in trust, net	11,525,935	11,400,538
Structures in trust	146,945	146,945
Accumulated depreciation	-35,087	-38,672
Structures, net	111,858	108,273
Tools, furniture and fixtures in trust	44,922	64,912
Accumulated depreciation	-17,485	-22,527
Tools, furniture and fixtures in trust, net	27,436	42,385
Land in trust	57,914,000	57,914,000
Total property, plant and equipment	69,585,282	69,470,886
Intangible assets		
Trademarks	502	448
Other	982	165
Total intangible assets	1,484	614
Investment and other assets		
Leasehold and guarantee deposits	10,000	10,000
Long-term prepaid expenses	143,059	134,650
Deferred tax assets	2	3
Total investments and other assets	153,061	144,653
Total non-current assets	69,739,829	69,616,154
Total assets	75,595,352	75,530,938

(JPY thousand)

	13th FP (Jul/23)	14th FP (Jan/24)
Liabilities		
Current liabilities		
Operating accounts payable	199,417	101,431
Current portion of long-term borrowings	4,610,000	2,386,000
Accounts payable	15,698	73,564
Accrued expenses	163,112	165,140
Income tax payable	655	676
Accrued consumption tax	31,343	27,080
Advances received	334,062	331,039
Deposits received	2,592	599
Total current liabilities	5,356,882	3,085,533
Non-current liabilities		
Long-term borrowings	28,481,000	30,705,000
Tenant lease and guarantee deposits in trusts	2,510,386	2,497,129
Total non-current liabilities	30,991,386	33,202,129
Total liabilities	36,348,269	36,287,662
Net assets		
Unitholders' equity		
Unitholders' capital	38,107,208	38,107,208
Surplus		
Unappropriated retained earnings (undisposed loss)	1,139,874	1,136,067
Total surplus	1,139,874	1,136,067
Total unitholders' equity	39,247,083	39,243,276
Total net assets	39,247,083	39,243,276
Total liabilities and net assets	75,595,352	75,530,938

Statements of income and retained earnings

(JPY thousand)

	13th FP (Jul/23)	14th FP (Jan/24)
Operating revenue		
Leasing business revenue	2,193,842	2,189,210
Other leasing business revenue	303,889	255,375
Total operating revenue	2,497,731	2,444,586
Operating expenses		
Expenses related to leasing business	1,034,941	947,809
Asset management fees	137,049	139,141
Asset custody fees	3,664	3,648
Administrative service fees	11,698	12,209
Remuneration for director (and other officers)	2,700	4,500
Taxes and public dues	9,214	10,592
Other operating expenses	42,962	51,776
Total operating expenses	1,242,231	1,169,677
Operating income	1,255,499	1,274,908
Non-operating income		
Interest income	27	27
Gain on forfeiture of unclaimed dividends	719	729
Total non-operating income	746	756
Non-operating expenses		
Interest expenses	80,653	81,326
Financing fees	33,686	57,795
Other	1,370	-
Total non-operating expenses	115,709	139,122
Ordinary income	1,140,536	1,136,542
Income before income taxes	1,140,536	1,136,542
Income taxes-current	659	680
Income taxes-deferred	26	-1
Total income taxes	686	679
Net income	1,139,850	1,135,862
Retained earnings bought forward	24	205
Unappropriated retained earnings (undisposed loss)	1,139,874	1,136,067

Repair expenses, capex and depreciation

Actual

(JPY thousand)

	13th FP (Jul/23)	14th FP (Jan/24)
Repair expenses	54,238	48,735
Capex	101,213	73,131
Main items	<i>tonarie Minami-senri</i> Escalator maintenance construction 42,352 <i>tonarie Seiwadai</i> Air conditioning renewal construction 15,375	<i>tonarie Minami-senri</i> Escalator maintenance construction 13,196 <i>tonarie Seiwadai</i> disaster prevention maintenance construction 9,650
Depreciation	183,285	187,527

Forecast

(JPY thousand)

	15th FP (Jul/24)	16th FP (Jan/25)
Repair expenses	57,278	104,501
Capex	72,870	165,009
Main items	<i>tonarie Minami-senri</i> Cost of design and service agreement for renewal construction 6,000 <i>tonarie Seiwadai</i> Air conditioning renewal construction 14,850	<i>tonarie Minami-senri</i> Renewal construction 100,000 <i>tonarie Seiwadai</i> Public toilets repair construction 13,130 Air conditioning renewal construction 10,000
Depreciation	190,348	193,531

Portfolio Map

(as of January 31, 2024)

#	Property name	Area	Location	Asset type	Tenants	Occupancy Rate (%) *
1	YAMADA DENKI Tecc Land Sapporo Shiroishi	Hokkaido	Sapporo-shi, Hokkaido	Leasehold land	1	100.0
2	Asumigaoka Brand-New Mall	Tokyo metropolitan	Chiba-shi, Chiba	Land and Building	28	87.8
				Leasehold land	2	100.0
3	Nishi-shiroi Ekimae Plaza	Tokyo metropolitan	Shiroi-shi, Chiba	Land and Building	4	100.0
4	K's Denki Oyumino	Tokyo metropolitan	Chiba-shi, Chiba	Leasehold land	1	100.0
5	Nitori Tsuchiura	Tokyo metropolitan	Tsuchiura-shi, Ibaraki	Leasehold land	1	100.0
6	Nitori Imaichi	Tokyo metropolitan	Nikko-shi, Tochigi	Leasehold land	1	100.0
7	Yoshizuya Y Store Nishiharu	Chubu	Kitanagoya-shi, Aichi	Land and Building	56	99.7
8	MaxValu Kikyogaoka-higashi	Chubu	Nabari-shi, Mie	Leasehold land	1	100.0
9	tonarie Minami-senri	Kinki	Suita-shi, Osaka	Land and Building	45	98.4
10	tonarie Seiwadai	Kinki	Kawanishi-shi, Hyogo	Land and Building	32	100.0
11	tonarie Yamatotakada (ownership 50%)	Kinki	Yamatotakada-shi, Nara	Land and Building	66	100.0
12	tonarie Toga・Mikita	Kinki	Sakai-shi, Osaka	Land and Building	31	100.0
13	LAMU Kitatsumori	Kinki	Osaka-shi, Osaka	Leasehold land	1	100.0
14	K's Denki Nishikobe	Kinki	Kobe-shi, Hyogo	Leasehold land	1	100.0
15	Sanyo Marunaka Mitani	Kinki	Kobe-shi, Hyogo	Leasehold land	1	100.0
16	TSUTAYA Sakai-minami	Kinki	Sakai-shi, Osaka	Leasehold land	1	100.0
17	LIFE Daisen	Kinki	Sakai-shi, Osaka	Leasehold land	1	100.0
18	TRIAL Omihachiman	Kinki	Omihachiman-shi, Shiga	Leasehold land	1	100.0
19	Kusuri no Aoki Ikaruga	Kinki	Ikoma-gun, Nara	Leasehold land	2	100.0
20	DRUG Yutaka Mukokamiueno	Kinki	Muko-shi, Kyoto	Leasehold land	1	100.0
21	WELCIA Amagasaki Mukomotomachi	Kinki	Amagasaki-shi, Hyogo	Leasehold land	1	100.0
22	Cocokara Fine Neyagawakoen	Kinki	Neyagawa-shi, Osaka	Leasehold land	1	100.0
23	ENEOS Ikawadani SS	Kinki	Kobe-shi, Hyogo	Leasehold land	1	100.0
24	GEO Hikone Takamiya	Kinki	Hikone-shi, Shiga	Leasehold land	1	100.0
25	SUROY MALL Nagamine	Kyushu	Kumamoto-shi, Kumamoto	Land and Building	24	100.0
26	Fukuoka Kasuga Project	Kyushu	Kasuga-shi, Fukuoka	Leasehold land	11	100.0
27	Fuji Grand Natalie	Other area	Hatsukaichi-shi, Hiroshima	Land and Building	1	100.0
28	K's Denki Kurashiki	Other area	Kurashiki-shi, Okayama	Lease hold land	1	100.0
Total					319	99.3

* Yoshizuya Y Store Nishiharu consists of a commercial building and a residential building. The commercial building is subleased to YOSHIZUYA COMPANY LIMITED by master lessee ES-CON JAPAN, and the leased area in the table above includes the leased area on the third floor, which was vacant as of January 31, 2024 . However, taking into account the fact that the floor is vacant, the overall occupancy rate would be 98.2%.

1. YAMADA DENKI Tecc Land Sapporo Shiroishi



2. Asumigaoka Brand-New Mall



3. Nishi-shiroi Ekimae Plaza



4. K's Denki Oyumino



5. Nitori Tsuchiura



6. Nitori Imaichi



7. Yoshizuya Y Store Nishiharu



8. MaxValu Kikyogaoka-higashi



9. tonarie Minami-senri



10. tonarie Seiwadai



11. tonarie Yamatotakada



12. tonarie Toga・Mikita



13. LAMU Kitatsumori



14. K's Denki Nishikobe



Land and Building

Leasehold land

25. SUROY MALL Nagamine



26. Fukuoka Kasuga Project



15. Sanyo Marunaka Mitani



16. TSUTAYA Sakai-minami



17. LIFE Daisen



18. TRIAL Omihachiman



19. Kusuri no Aoki Ikaruga



18. TRIAL Omihachiman



21. WELCIA Amagasaki Mukomotomachi



22. Cocokara Fine Neyagawakoen



23. ENEOS Ikawadani SS



24. GEO Hikone Takamiya



27. Fuji Grand Natalie



28. K's Denki Kurashiki



Income and Expenditure by Property

(JPY thousand)

Property name	YAMADA DENKI Tecc Land Sapporo Shiroishi(Leasehold Land)	Asumigaoka Brand-New Mall	Nishi-shiroi Ekimae Plaza	K's Denki Oyumino (Leasehold land)	Nitori Tsuchiura (Leasehold land)	Nitori Imaichi (Leasehold land)	Yoshizuya Y Store Nishiharu	MaxValu Kikyougaoka-higashi (Leasehold land)	tonarie Minami-senri	tonarie Seiwadai	tonarie Yamatotakada (ownership 50%)	tonarie Toga・Mikita	LAMU Kitatsumori (Leasehold land)	K's Denki Nishikobe (Leasehold land)	Sanyo Marunaka Mitani (Leasehold land)
Operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
Age of buildings (year)	-	23.4	23.8	-	-	-	29.4	-	19.3	16.3	5.3	4.8	-	-	-
Operating revenues	Not disclosed	247,354	19,970	70,570	Not disclosed	Not disclosed	114,314	Not disclosed	328,633	169,938	178,313	258,407	38,148	62,176	Not Disclosed
Leasing business revenue		180,016	16,963	70,570			112,254		271,988	136,518	148,389	223,620	38,148	62,176	
Other		67,338	3,006	-			2,059		56,644	33,420	29,923	34,786	-	-	
Expenses related to leasing business		151,842	9,442	7,288			53,045		135,127	82,559	67,591	86,246	6,987	5,543	
Taxes and public dues		23,992	1,349	6,738			16,312		25,825	12,672	12,469	14,771	6,237	4,793	
Management fees		34,402	2,165	300			22,503		47,042	27,061	23,989	33,222	500	500	
Insurance premium		1,912	88	-			2,875		843	871	509	1,035	-	-	
Repair expenses		15,065	2,827	-			9,199		5,963	8,789	594	1,230	-	-	
Other		76,469	3,011	250			2,153		55,451	33,163	30,027	35,987	250	250	
Leasing NOI	28,057	95,512	10,527	63,282	26,679	10,601	61,269	14,249	193,506	87,379	110,721	172,160	31,161	56,632	30,858
Depreciation	-	20,306	1,006	-	-	-	32,563	-	19,639	27,987	21,977	32,394	-	-	-
Operating income	28,057	75,206	9,521	63,282	26,679	10,601	28,706	14,249	173,867	59,391	88,744	139,765	31,161	56,632	30,858
Book value at end of fiscal period	1,310,888	3,161,883	454,850	2,737,549	1,007,414	368,224	4,522,775	483,542	7,295,683	3,175,903	4,042,229	6,834,214	1,284,444	2,154,463	1,443,034
NOI yield before depreciation*	4.2%	6.0%	4.6%	4.6%	5.3%	5.7%	2.7%	5.8%	5.3%	5.5%	5.4%	5.0%	4.8%	5.2%	4.2%
NOI yield after depreciation*	4.2%	4.7%	4.2%	4.6%	5.3%	5.7%	1.3%	5.8%	4.7%	3.7%	4.4%	4.1%	4.8%	5.2%	4.2%

Property name	TSUTAYA Sakai-minami (Leasehold land)	LIFE Daisen (Leasehold land)	TRIAL Omihachiman (Leasehold Land)	Kusuri no Aoki Ikaruga (Leasehold Land)	DRUG Yutaka Mukokamiueno (Leasehold Land)	WELCIA Amagasaki Mukomotomachi (Leasehold Land)	Cocokara Fine Neyagawakoen (Leasehold Land)	ENEOS Ikawadani SS (Leasehold Land)	GEO Hikone Takamiya (Leasehold Land)	SUROY MALL Nagamine	Fukuoka Kasuga Project (Leasehold land)	Fuji Grand Natalie	K's Denki Kurashiki (Leasehold land)	Total/Average	
Operating days	184	184	184	184	184	184	184	184	184	184	184	184	184		
Age of buildings (year)	-	-	-	-	-	-	-	-	-	-	16.5	-	24.7	-	18.2(Average)
Operating revenues	21,600	72,000	Not disclosed	Not disclosed	Not Disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	185,881	266,315	Not disclosed	Not disclosed	2,444,586	
Leasing business revenue	21,600	72,000								157,685	266,315			2,189,210	
Other	-	-								28,196	-			255,375	
Expenses related to leasing business	2,664	4,968								59,759	40,011			760,282	
Taxes and public dues	2,104	4,408								14,208	36,476			217,363	
Management fees	300	300								13,180	1,980			213,958	
Insurance premium	-	-								993	-			11,037	
Repair expenses	-	-								5,065	-			48,735	
Other	260	260								26,311	1,555			269,187	
Leasing NOI	18,935	67,031	21,953	18,447	10,127	11,708	14,821	12,147	6,916	126,121	226,304	103,953	53,235	1,684,303	
Depreciation	-	-	-	-	-	-	-	-	-	11,589	-	20,063	-	187,527	
Operating income	18,935	67,031	21,953	18,447	10,127	11,708	14,821	12,147	6,916	114,532	226,304	83,890	53,235	1,496,776	
Book value at end of fiscal period	955,939	2,758,189	1,019,016	718,269	464,956	571,393	709,317	535,849	304,134	4,595,377	10,537,198	3,888,035	2,136,105	69,470,886	
NOI yield before depreciation*	3.9%	4.8%	4.3%	5.1%	4.3%	4.1%	4.1%	4.5%	4.5%	5.4%	4.3%	5.3%	4.9%	4.8%(Average)	
NOI yield after depreciation*	3.9%	4.8%	4.3%	5.1%	4.3%	4.1%	4.1%	4.5%	4.5%	4.9%	4.3%	4.3%	4.9%	4.3%(Average)	

* NOI yields of before and after depreciation represent ratios against the book value at the end of the fiscal period.

Appraisal Value

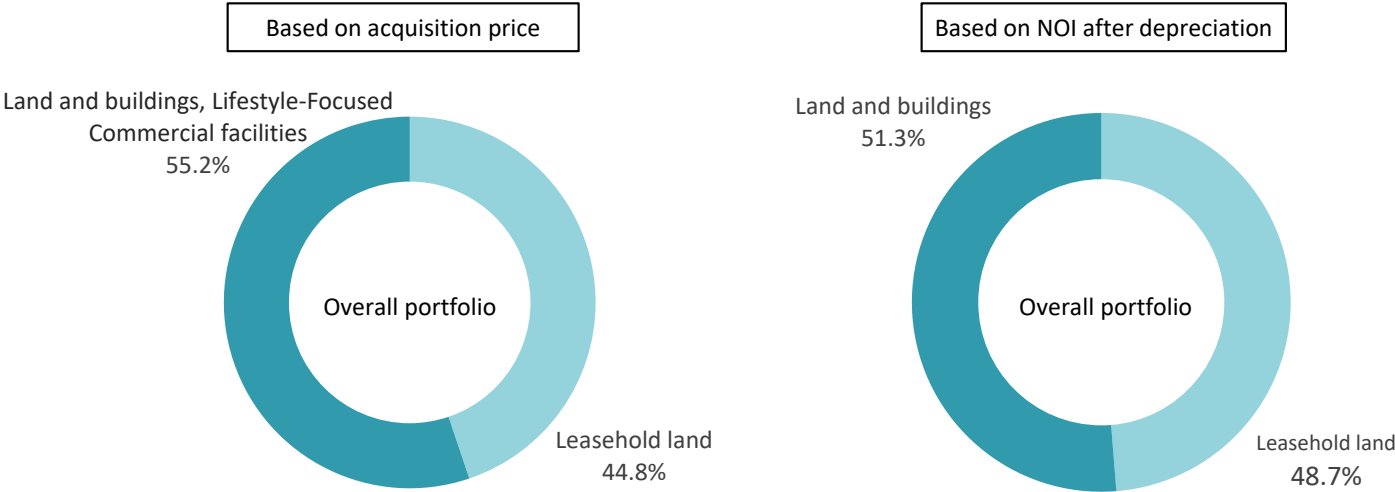
(as of January 31, 2024/JPY million)

Property name	Acquisition price	Appraisal value		Difference (B) – (A)	NOI yield before depreciation *	NOI yield before depreciation *	Discount Rate
		Jul. 31, 2023 (A)	Jan. 31, 2024 (B)				
YAMADA DENKI Tecc Land Sapporo Shiroishi	1,300	1,310	1,330	20	4.4%	4.4%	4.4%
Asumigaoka Brand-New Mall	3,200	3,240	3,200	-40	5.9%	4.6%	4.9%
Asumigaoka Sushiro (Leasehold land)		150	143	-7			4.4%
Asumigaoka McDonald's (Leasehold land)		149	150	1			until 2 FY : 4.2% from 3 FY : 4.3%
Nishi-shiroi Ekimae Plaza	451	470	470	-	5.8%	5.3%	5.1%
K's Denki Oyumino (Leasehold land)	2,710	2,890	2,890	-	4.7%	4.7%	4.7%
Nitori Tsuchiura (Leasehold land)	999	1,100	1,100	-	5.4%	5.4%	5.3%
Nitori Imaichi (Leasehold land)	363	409	410	1	6.0%	6.0%	5.6%
Yoshizuya Y Store Nishiharu	4,610	2,270	2,260	-10	2.6%	1.2%	4.8%
MaxValu Kikyogaoka-higashi (Leasehold land)	477	542	542	-	6.1%	6.1%	5.6%
tonarie Minami-senri	7,200	8,080	8,170	90	5.6%	5.0%	4.4%
tonarie Seiwadai	3,290	3,350	3,350	-	5.4%	3.7%	5.2%
tonarie Yamatotakada (ownership 50%)	4,150	4,035	3,985	-50	4.8%	3.8%	4.7%
tonarie Toga・Mikita	6,986	6,970	6,970	-	4.8%	3.8%	4.4%
LAMU Kitatsumori (Leasehold land)	1,270	1,480	1,480	-	4.9%	4.9%	4.3%
K's Denki Nishikobe (Leasehold land)	2,133	2,470	2,470	-	5.3%	5.3%	4.6%
Sanyo Marunaka Mitani (Leasehold land)	1,430	1,540	1,540	-	4.4%	4.4%	4.6%
TSUTAYA Sakai-minami (Leasehold land)	946	1,040	1,040	-	4.0%	4.0%	4.5%
LIFE Daisen (Leasehold land)	2,733	3,060	3,070	10	4.9%	4.9%	4.3%
TRIAL Omihachiman (Leasehold land)	1,010	1,100	1,110	10	4.4%	4.4%	4.6%
Kusuri no Aoki Ikaruga (Leasehold land)	711	730	731	0	5.3%	5.3%	5.2%

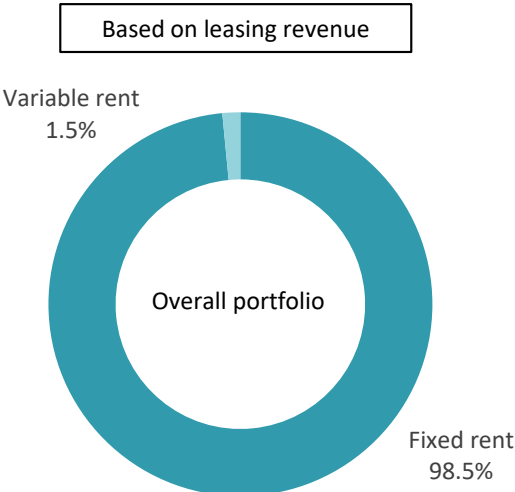
* Appraisal NOI yields before and after depreciation represent ratios against the acquisition price.

Property name	Acquisition price	Appraisal value		Difference (B) – (A)	NOI yield before depreciation *	NOI yield before depreciation *	Discount Rate
		Jul. 31, 2023 (A)	Jan. 31, 2024 (B)				
DRUG Yutaka Mukokamiueno (Leasehold land)	460	477	477	-	4.5%	4.5%	4.4%
WELCIA Amagasaki Mukomotomachi (Leasehold land)	565	577	577	-	4.2%	4.2%	until 6 FY : 4.0% from 7 FY : 4.1%
Cocokara Fine Neyagawakoen (Leasehold land)	702	717	719	2	4.3%	4.3%	until 4 FY : 4.1% from 5 FY : 4.2%
ENEOS Ikawadani SS (Leasehold land)	530	531	531	-	4.7%	4.7%	until 6 FY : 4.2% from 7 FY : 4.3%
GEO Hikone Takamiya (Leasehold land)	300	305	305	-	4.8%	4.8%	4.3%
SUROY MALL Nagamine	4,600	4,560	4,500	-60	5.4%	4.9%	5.0%
MrMAX Kasuga (Leasehold land)	3,387	3,930	3,970	40	4.3%	4.3%	4.5%
UNIQLO Kasuga (Leasehold land)	595	670	677	7	4.0%	4.0%	4.6%
Avail.Shimamura Kasuga (Leasehold land)	863	1,100	1,110	10	4.7%	4.7%	4.6%
au-SoftBank Kasuga (Leasehold land)	143	160	161	1	4.6%	4.6%	4.6%
Kura Sushi Kasuga (Leasehold land)	261	302	306	4	4.7%	4.7%	4.6%
docomo Shop Kasuga (Leasehold land)	160	181	183	2	4.6%	4.6%	4.6%
Konpira Maru Kasuga (Leasehold land)	236	264	266	2	4.7%	4.7%	4.6%
One-Karubi Kasuga (Leasehold land)	236	265	266	1	4.7%	4.7%	4.6%
Suke-san Kasuga (Leasehold land)	401	419	421	2	4.4%	4.4%	4.6%
NAFCO Kasuga (Leasehold land)	2,631	3,440	3,480	40	4.4%	4.4%	4.5%
K's Denki Kasuga (Leasehold land)	1,487	1,860	1,870	10	4.3%	4.3%	4.5%
Fuji Grand Natalie	3,950	4,120	4,100	-20	5.2%	4.2%	4.9%
K's Denki Kurashiki (Leasehold land)	2,121	2,450	2,450	-	5.0%	5.0%	4.6%
TOTAL	69,604	72,713	72,780	66	4.8%	4.3%	-

“Land and buildings” and “Leasehold land”

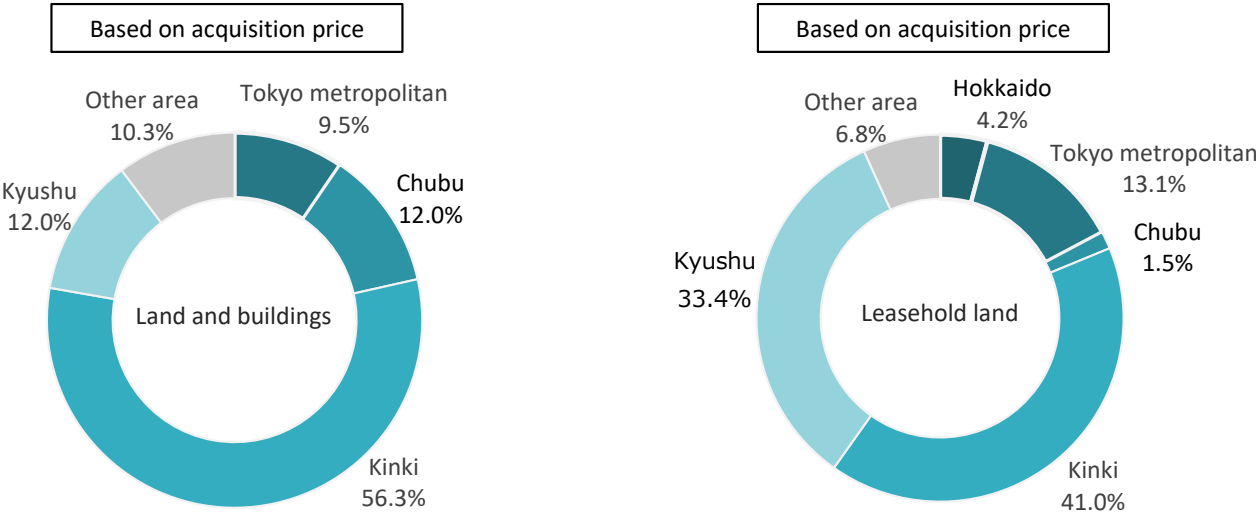


Fixed and variable rents*

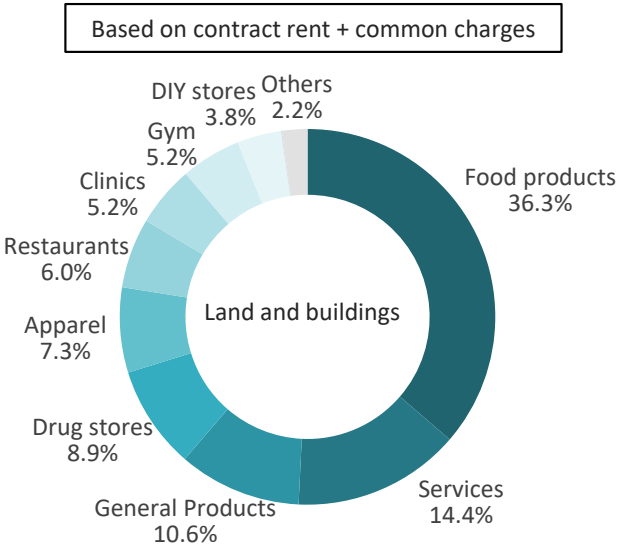


* Includes leasehold lands
Variable rents include commission and event rents

Regions*



Tenants



New contracts and terminations*1

Fiscal Period	New contracts		Contract terminations or move-out	
	Total	Tenant category	Total	Tenant category
8th FP (Jan. 2021)	5	Restaurants 2 Services 2 Food products 1	5	Restaurants 4 Services 1
9th (Jul. 2021)	2	Food products 1 General Products 1	3	Food products 1 General Products 1 Apparel 1
10th (Jan. 2022)	5	Restaurants 1 Services 1 General Products 3	3	Restaurants1 General Products 2
11th (Jul. 2022)	3	Services 1 Food products 1 General Products 1	3	Services 1 Food products 1 Apparel 1
12th (Jan. 2023)	8	Restaurants 2 Services 5 General Products 1	5	Restaurants 3 Services 1 General Products 1
13th (Jul. 2023)	7	Restaurants 4 Services 2 General Products 1	10	Restaurants 2 Services 4 Food products 3 General Products 1
14th (Jan. 2024))	3	Services 1 General Products 1 Restaurants 1	5	Services 2 General Products 2 Restaurants 1

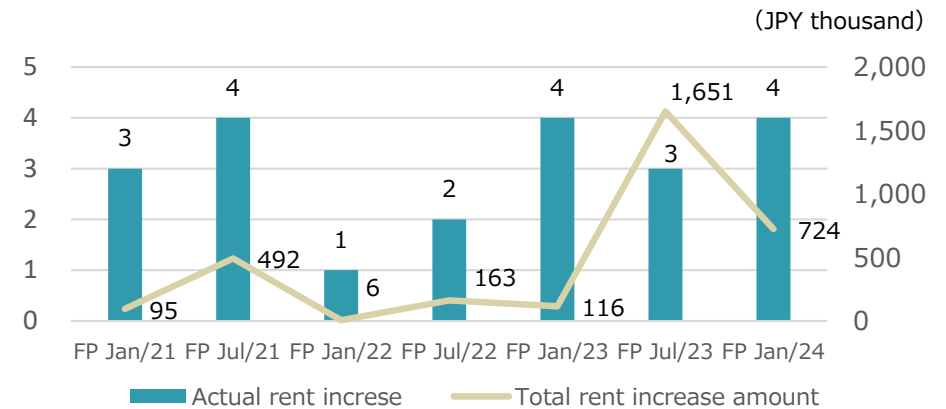
*1 If the date of termination or expiration of the contract with the tenant is at the end of the fiscal period, the next day (the next term) is the cancellation date. Excluding rental housing of Yoshizuya Y Store Nishiharu

*2 For existing tenants

Rent increases and decreases*2

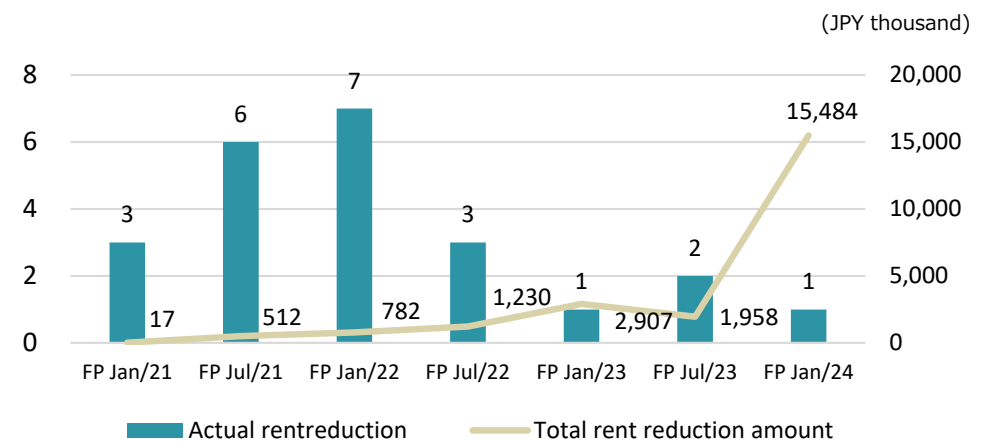
Rent increases

(number of units during the period, total amount during the period)



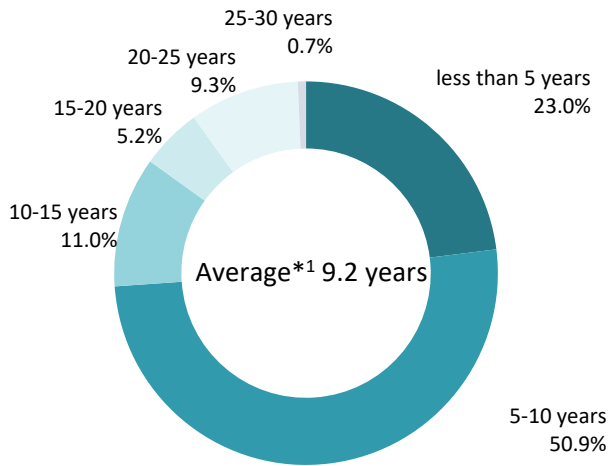
Rent reduction

(number of units during the period, total amount during the period)

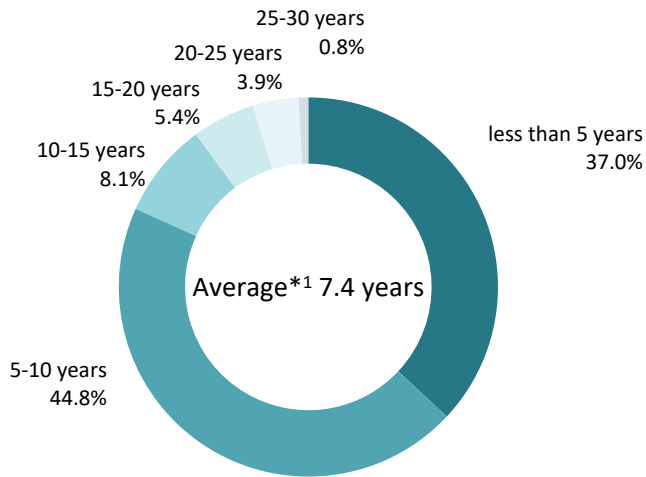


as of January 31, 2024

Based on leasable area

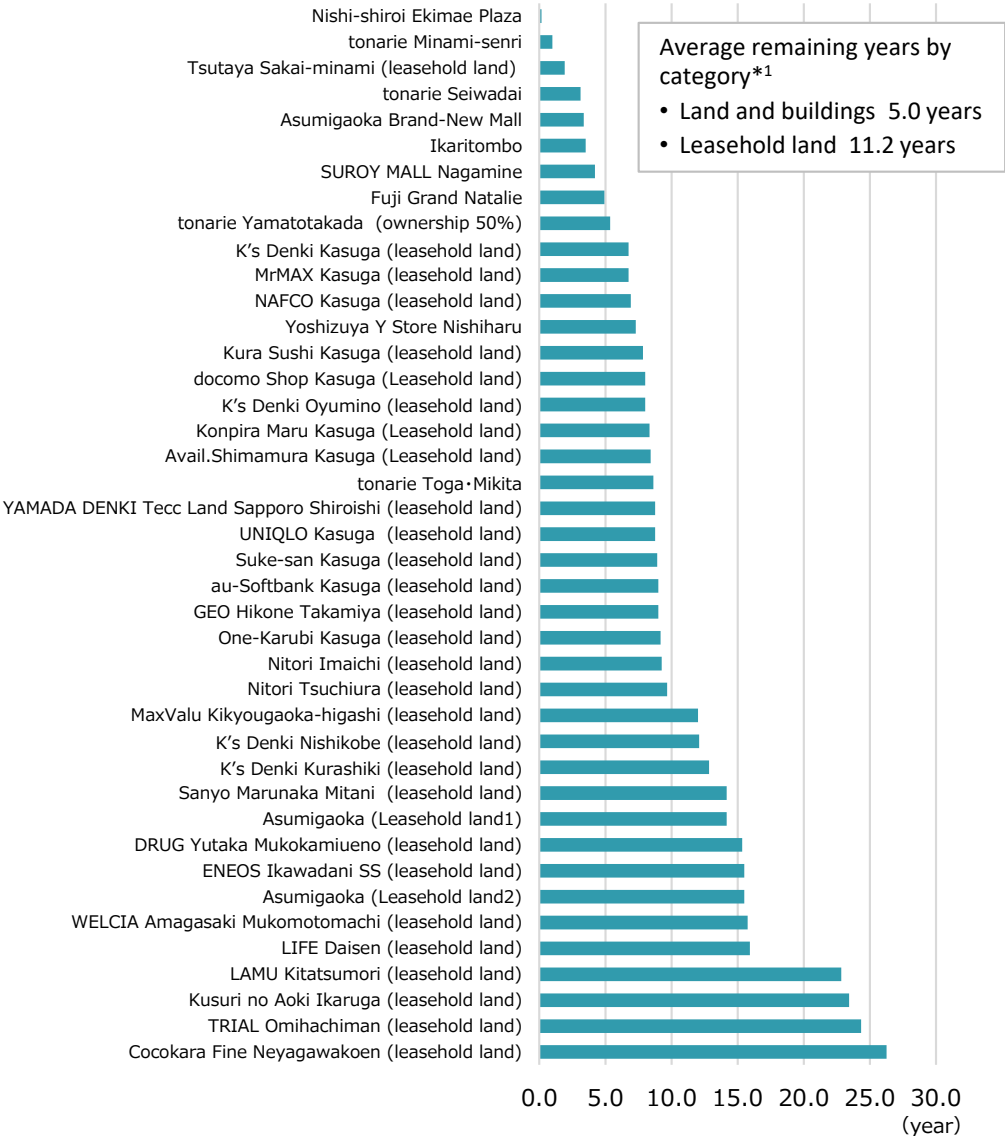


Based on contract rent + common charges



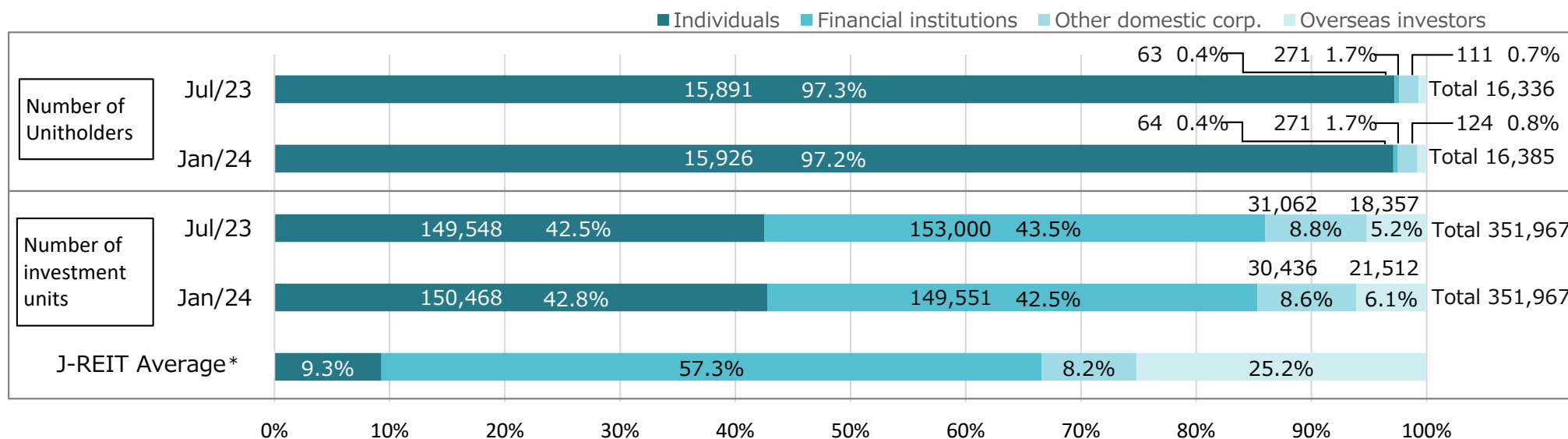
*1 Weighted average

Based on leasable area by property*2



*2 Remaining lease term based on portfolio is the average remaining lease term of all leasable space.

Unitholders by type (as of Jan 31, 2024)

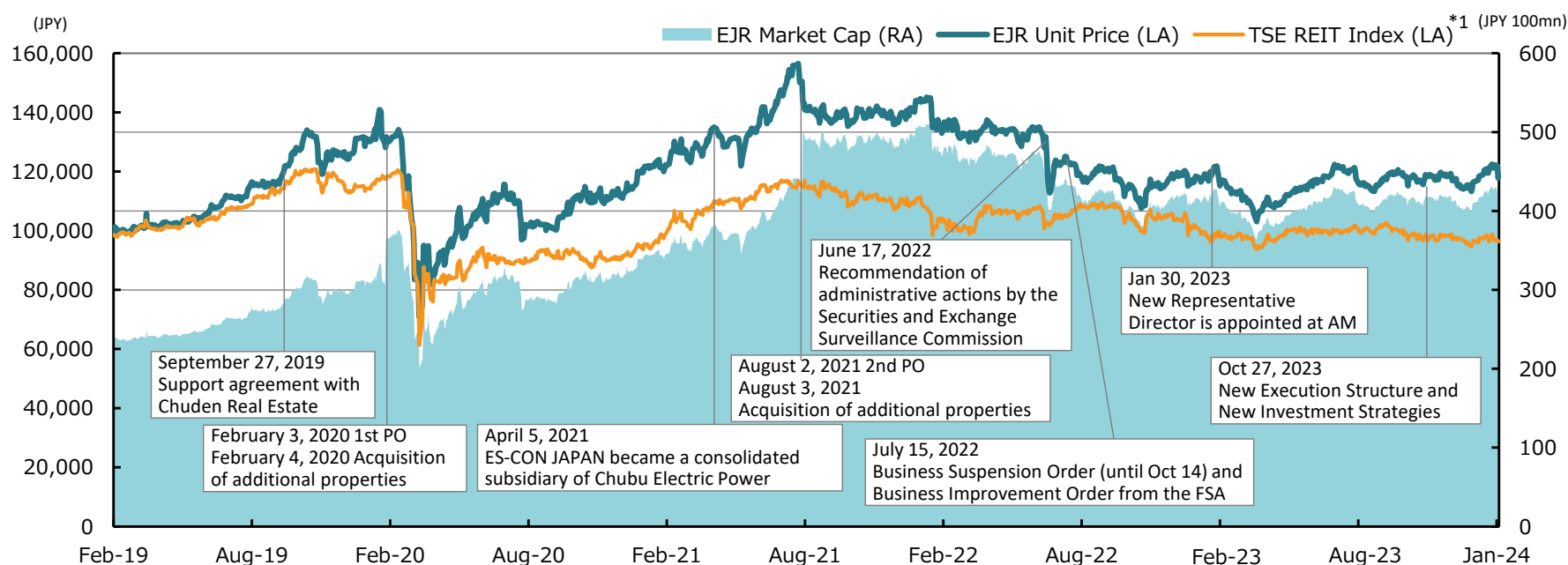


*J-REIT's Average - Refer to the Japan Exchange Group: REIT Investor Survey (Dec 27, 2023)

Top ten unitholders

	Unitholders	Number of units held	Ownership ratio
1	Custody Bank of Japan, Ltd. (Trust Account)	31,252	8.9%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	30,789	8.7%
3	Osaka Co-sei Shinkin Bank	20,940	5.9%
4	ES-CON JAPAN Ltd.	16,894	4.8%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	13,066	3.7%
6	Daido Shinyo Kumiai	6,415	1.8%
7	Kinkisangyo Shinkumi Bank	6,226	1.8%
8	Osaka Shoko Shinkin Bank	5,487	1.6%
9	THE SAIKYO BANK, LTD.	4,950	1.4%
10	SSBTC CLIENT OMNIBUS ACCOUNT	4,038	1.1%
Total		140,057	39.8%

Unit price trend



*1 Benchmarked the closing price on the IPO date of ESCON REIT.
(JPY)

Feb 13, 2019 (listing date) Issue price	Feb 3, 2020 1st PO	Aug 2, 2021 2nd PO	Jul 30, 2021	Jan 31, 2022	Jul 31, 2022	Jan 31, 2023	Jul 31, 2023	Jan 31, 2024
101,000	124,029	145,282	150,100	134,900	119,800	115,200	116,200	118,700

Forecast dividend yield

Forecast dividend yield*2 EJR **5.31%** J-REITs Average 4.60%

*2 The forecast dividend yield is calculated by dividing the sum total of the distributions forecasts for 15th FP and 16th FP by the investment unit (closing price) as of January 31, 2024. The average forecast dividend yield of all J-REITs is the market capitalization-weighted average forecast annualized dividend yield disclosed in the REIT monthly Report (for February 2024) of the Japan Exchange Group.

Overview of ESCON REIT

Trade name	ESCON JAPAN REIT Investment Corporation
Listing date	February 13, 2019 (Fiscal period ending January, July)
Sponsor	ES-CON JAPAN Ltd. (Consolidated Subsidiaries of Chubu Electric Power Co., Inc.)
Supporters	Chubu Electric Power Co., Inc. Chuden Real Estate Co., Inc.
Main Investment Targets	Lifestyle-Focused Commercial facilities
Credit Rating	R&I (Rating and Investment Information, Inc.) A- Stable
Asset Management Company	ES-CON ASSET MANAGEMENT Ltd.
Total number of investment units issued	351,967

Overview of portfolio

Assets Under Management (Acquisition price basis)	38 properties , JPY 69.6 billion
Target Investment Areas (Acquisition price basis)	Hokkaido region 1.9%, Tokyo metropolitan area 11.1%, Chubu region 7.3%, Kinki region 49.4%, Kyushu region 21.6%, Other area 8.7%
Occupancy Rate*1	99.3 %

*1 *Yoshizuya Y Store Nishiharu* consists of a commercial building and a residential building. The commercial building is subleased to YOSHIZUYA COMPANY LIMITED by master lessee ES-CON Japan, and the leased area in the table above includes the leased area on the third floor, which was vacant as of January 31, 2024.

However, taking into account the fact that the floor is vacant, the overall occupancy rate would be 98.2%.

IR contacts

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Asset management company

Company name	ES-CON ASSET MANAGEMENT Ltd.
Representative	Wataru Orii President & Representative Director
Founded	July 2014
Capital Funds	JPY 237.5 million
Shareholder	ES-CON JAPAN Ltd. 100%
Types of businesses	Asset Management Business
Licenses	<ul style="list-style-type: none"> Real Estate Transactions: Tokyo Metropolitan Governor (2) No. 97008 Financial Instruments Business: Kanto Local Finance Bureau Registration No. 2825 Discretionary Transaction Agent License: Minister of Land, Infrastructure, Transport and Tourism, Certification No. 105
Memberships	The Investment Trusts Association, Japan

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