

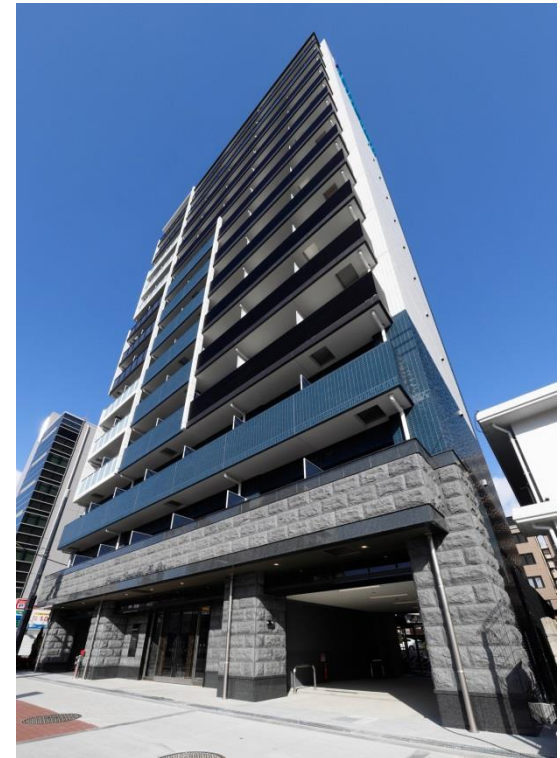
Financial Highlights of FY 2020/3 up to the 2nd Quarter

Pressance Corporation Co., Ltd.

Released in November, 2019

JPX Section Code: **3254.T**

- JPX Nikkei Index 400 component
- JPX Nikkei Mid and Small Cap Index component



Consolidated Income Statement Summary

- Sales for the cumulative 2nd quarter improved year on year
- Sales and each profit level exceeded the forecast for the cumulative 2nd quarter released in May 2019 (no change in the full-year forecast).

[million yen]

	FY 2018/March 2Q		FY 2019/March 2Q		FY 2020/March 2Q			FY 2020/March Forecast (Full year)		Progress -ion Rate
	Amounts	Ratio to sales	Amounts	Ratio to sales	Amounts A	Ratio to sales	YoY (%)	Annual Forecast B	Ratio to sales	A/B
Sales	66,241	100.0%	121,350	100.0%	125,383	100.0%	103.3%	209,219	100.0%	59.9%
Cost of Goods Sold	48,127	72.7%	86,788	71.5%	90,929	72.5%	104.8%	154,940	74.1%	58.7%
Gross Margin	18,114	27.3%	34,562	28.5%	34,453	27.5%	99.7%	54,278	25.9%	63.5%
SG&A expenses	7,126	10.8%	8,784	7.2%	10,783	8.6%	122.8%	21,746	10.4%	49.6%
Operating Profit	10,987	16.6%	25,777	21.2%	23,669	18.9%	91.8%	32,531	15.5%	72.8%
Ordinary Profit	10,726	16.2%	25,583	21.1%	23,398	18.7%	91.5%	31,429	15.0%	74.4%
Net Income attributable to shareholders of parent company	7,239	10.9%	17,402	14.3%	15,660	12.5%	90.0%	21,520	10.3%	72.8%

- Year-on-Year change:**
- 2Q FY2019/3: Legend Biwako, our largest-scale condo (486 units), contributed to a significant increase in sales.
 - 2Q FY2020/3: Sales to the current period improved year on year due to an expansion of studio condo sales.
 - Factors pushing up SG&A expenses: Sales commissions, advertisements for Family-type condos, ReTech-related expenses, advertisement and promotion expenses including corporate commercials, as well as an increase in labor expenses due to increased staff. (Costs incurred prior to recording sales)
- Progression on annual plan:**
- Soundly progressed as planned with a 2nd quarter-end progression rate on annual sales plan of 59.9% and annual operating profit plan of 72.8%
 - Actual operating profit for the cumulative 2Q was 23,669 million yen, up by 15.5% from the forecast of 20,487 million yen released in May 2019.

Sales by Major Products in Condominium Sales Business

	FY 2018/March 2Q Results				FY 2019/March 2Q Results				FY 2020/March 2Q Results				FY2020/March Annual Forecast	
	No. of units		Amount		No. of units		Amount		No. of units		Amount		Amount million yen B	Progression Rate (%) A/B
	unit	YoY (%)	million yen	YoY (%)	unit	YoY (%)	million yen	YoY (%)	unit	YoY (%)	million yen A	YoY (%)		
Studio Condo	1,300	95.5%	22,330	94.5%	1,638	126.0%	29,780	133.4%	2,161	131.9%	43,462	145.9%	70,901	61.3%
Family Type Condo	680	81.7%	23,889	88.4%	1,639	241.0%	61,985	259.5%	1,402	85.5%	52,764	85.1%	74,757	70.6%
Condo Building Sales ※	823	145.7%	13,378	177.4%	503	61.1%	7,392	55.3%	672	133.6%	9,965	134.8%	24,715	40.3%
Hotel Sales	72	NA	1,053	NA	980	1361.1%	17,625	1673.4%	129	13.2%	3,050	17.3%	18,292	16.7%
Total	2,875	104.2%	60,651	104.2%	4,760	165.6%	116,784	192.5%	4,364	91.7%	109,243	93.5%	188,666	57.9%

Year-on-Year change: Sales in the cumulative 2nd quarter of FY2020/3 remained at a high level due to continued strong sales of Studio condos and Family-type condos.

- Studio condo: Increased by 13,681 million yen in sales, 523 units (including 235 units in total of Pressance THE Kobe)
- Family-type condo: Sales remained at a high level
- Condominium building Sales: Progressing steadily
- Hotel Sales : Two properties delivered by the end of the 2nd quarter FY2020/3. More sales are planned in the following 6 months.

Progression on annual plan: Sales made good progress until 2Q, achieving 57.9% of the annual sales plan.

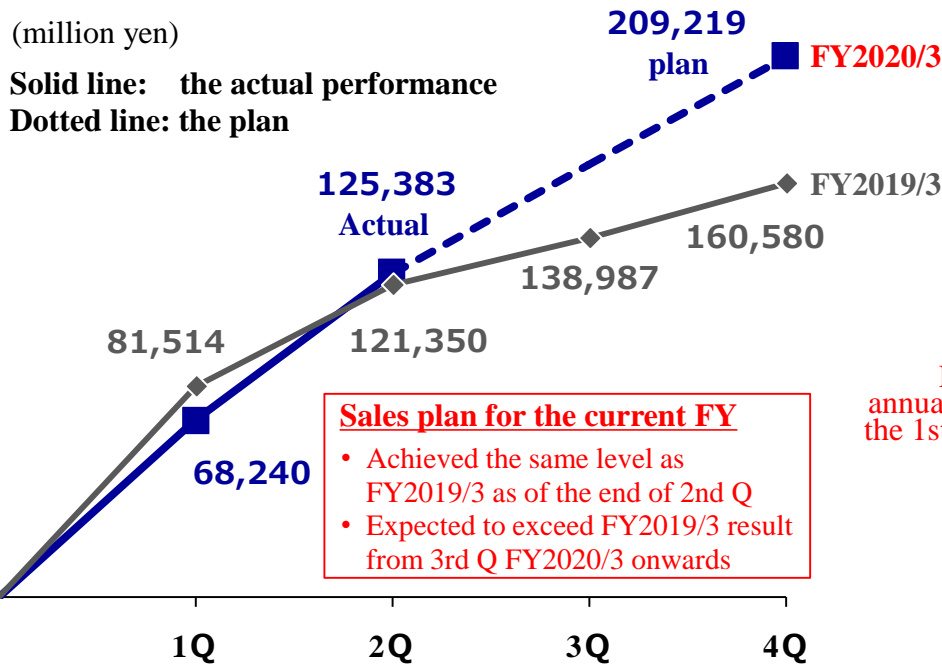
- Properties has been successfully delivered as planned.
- Condo Building Sales and Hotel Sales progressing steadily as planned until 2Q. Condo Building Sales and Hotel Sales for the 3rd and 4th Qs FY2020/3 are planned to be larger.

※ Condominium building sales: Wholesaling a whole or part of a condo building to other condominium retail dealer

Changes in Results and Forecasts by Each Quarter

- Sales for the 2Q (July – September) FY2020/3 alone increased year on year. Sales for the cumulative 2Q increased by 4,032 million yen, to 103.3% year on year.
- 2nd quarter-end progression rate on the annual sales plan is 59.9% (down from an exceptional rate of 75.6% in the previous fiscal year).

(1) Quarterly cumulative sales (comparison between FY2020/3 and FY2019/3)

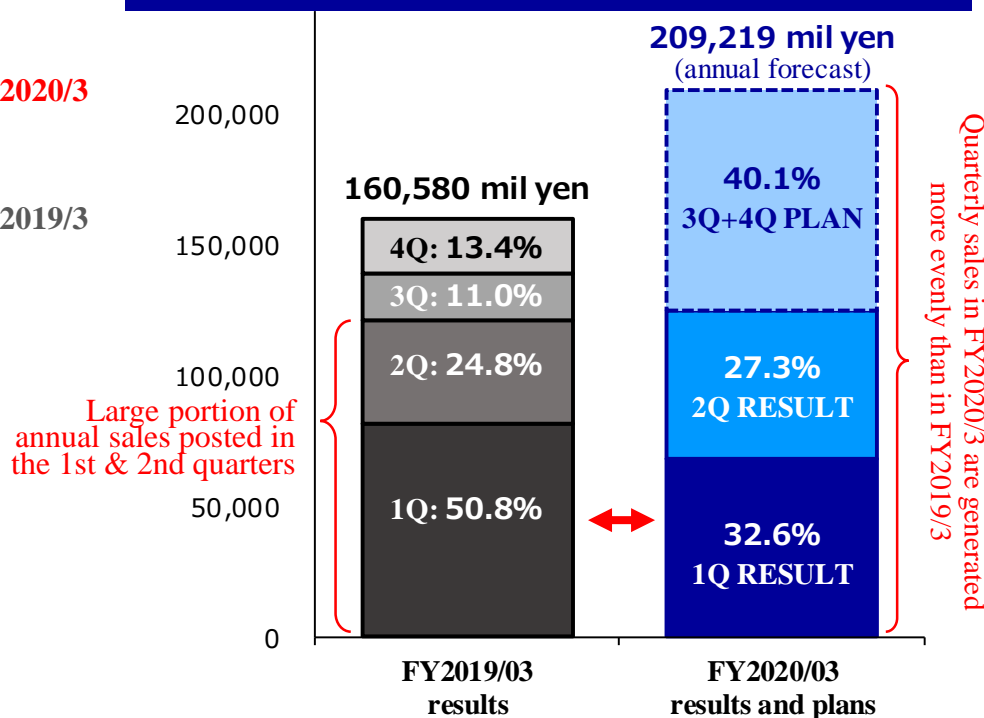


Sales plan for the current FY

- Achieved the same level as FY2019/3 as of the end of 2nd Q
- Expected to exceed FY2019/3 result from 3rd Q FY2020/3 onwards

- Cumulative Sales results up to 2Q & 3Q·4Q plans FY '20/03
- ◆ Cumulative Sales results in FY '19/03

(2) Percentage of quarterly sales



* Condominium sales are posted when condos are constructed and delivered to customers. They may be posted irregularly due to the timing of land acquisition, development plans and/or construction periods.

Consolidated Balance Sheet Summary

	As of March 31, 2018		As of March 31, 2019		As of September 30, 2019		
	Result (million yen)	Composition ratio	Result (million yen)	Composition ratio	Result (million yen)	Composition ratio	Change (million yen)
Current Assets	227,161	92.6%	280,591	92.9%	292,246	93.3%	11,654
real estate for sale	11,275	4.6%	9,603	3.2%	12,651	4.0%	3,047
real estate for sale in process	180,461	73.5%	225,302	74.6%	231,506	73.9%	6,204
Non-current Assets	18,237	7.4%	21,350	7.1%	21,005	6.7%	▲ 345
Total Assets	245,399	100.0%	301,942	100.0%	313,251	100.0%	11,309
Current Liabilities	67,537	27.5%	82,916	27.5%	75,960	24.2%	▲ 6,955
short-term liabilities with interest	40,473	16.5%	54,467	18.0%	47,437	15.1%	▲ 7,030
Non-current Liabilities	102,689	41.8%	124,407	41.2%	128,310	41.0%	3,903
long-term liabilities with interest	102,021	41.6%	123,619	40.9%	127,481	40.7%	3,861
Total Liabilities	170,226	69.4%	207,323	68.7%	204,271	65.2%	▲ 3,052
Total Net Assets	75,172	30.6%	94,618	31.3%	108,980	34.8%	14,361
Total Liabilities and Net Assets	245,399	100.0%	301,942	100.0%	313,251	100.0%	11,309

Major factors of change: Changes from the end of March 31, 2019

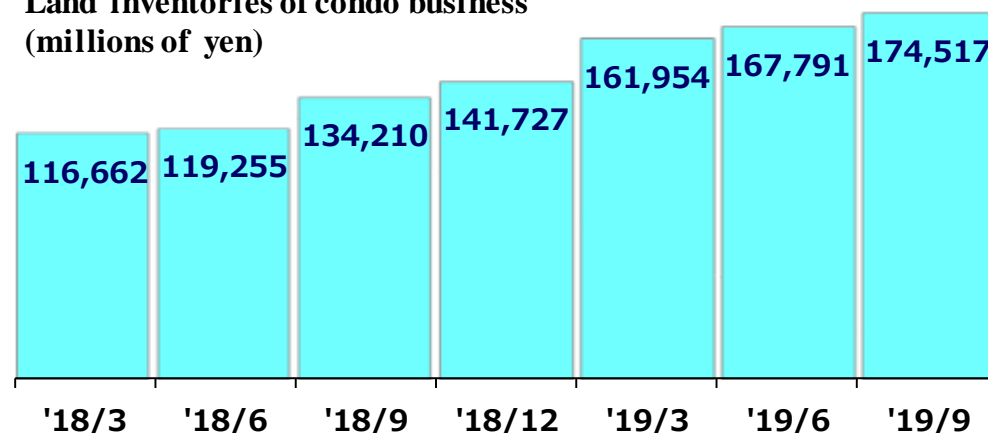
- **Current Assets:** Real estate for sale up by 3,047 million yen, Real estate for sale in process up by 6,204 million yen
- **Non-current Assets:** Real estate for rent (net) down by 850 million yen (new holdings: 1 building ; transferred to real estate for sale: 2 buildings)
- **Liabilities:** Bank loans payable down by 3,168 million yen, advances received down by 2,922 million yen (due to an increase in delivered properties)
- **Total Net Assets:** Recorded net income of 15,660 million yen

* As for inventory in red frame in the matrix above, refer to the next page for details.

Land Inventory as of September 30, 2019

Breakdown of the number in the red frame on the previous page	Amount (million yen)
Real Estate for Sale	12,651
Land Cost for Condominium Biz (A)	3,810
Other Land Cost	7
Construction Cost	8,832
Real Estate for Sale in Process	231,506
Land Cost for Condominium Biz (B)	170,706
Other Land Cost	14,865
Construction Cost	45,934

Land inventories of condo business (millions of yen)



	Amount (million yen)	Units	Volume of procured land compared with sales plans
Land Cost for Condominium Biz (A) + (B)	174,517	26,481	
Studio Condominium	66,374	13,101	Equivalent to the sales volume for about next 3 years
Family-type Condominium	74,243	7,553	Equivalent to the sales volume for about next 3 years
Condominium Building Sales	20,716	4,012	Equivalent to the sales volume for about next 3 years
Hotel Sales	13,181	1,815	—

- ✓ Properties with settled land (registered under the Company's name) are included in land inventory. (In addition to the numbers above, there are 38 buildings with 2,712 units whose land sales contracts have been completed but payment has not been settled yet. Of these, Studio condos 2,084 units, Family-type condos 628 units.)
- ✓ The sum of land cost for the condominium business (included in total inventory) of (A) + (B) of 174,517 million yen is obtained by aggregating real estate for sale (12,651 million yen) and real estate for sale in process (231,506 million yen) recorded in the balance sheet for 2Q FY 2020/3, minus other land cost (7 million yen + 14,865 million yen = 14,873 million yen) and construction cost (8,832 million yen + 45,934 million yen = 54,767 million yen).

* Other land costs include land-related costs for used real estate and residential houses.

Prospects for Achievement of Condo Sales Plan FY '20/3 & Outstanding Contracts (as of October 1, '19)

Outstanding Balance of Contracts as of September 30, 2019

	Total Outstanding Balance of contracts A+B		Breakdown by delivery timing			
			During FY 2020/3 Scheduled Delivery A		FY 2021/3 or later Scheduled Delivery B	
	Units	Amount (mil yen)	Units	Amount (mil yen)	Units	Amount (mil yen)
Studio	1,548	28,492	1,198	21,937	350	6,555
Family-type	1,878	67,908	503	18,420	1,375	49,488
Condo Bldg. Sales	2,125	35,096	606	11,509	1,519	23,587
Hotel Sales	1,066	26,254	664	16,242	402	10,011
Sales of other residential houses and real estate	44	2,200	44	2,200	0	0
Total	6,661	159,952	3,015	70,309	3,646	89,642

As of the end of the 2nd Q of FY 2020/3 (Sep. 30, 2019), the combined amount of 2Q sales results and received orders to be posted as sales during FY2020/3 has already achieved

95.4% of the annual sales plan

Outstanding orders: The sum of the prices of property sales contract, proceeding in the following status.

- Buildings under construction and yet to be delivered
- Completed sales contracts
- Uncompleted transfer of property (before buyers' registration)

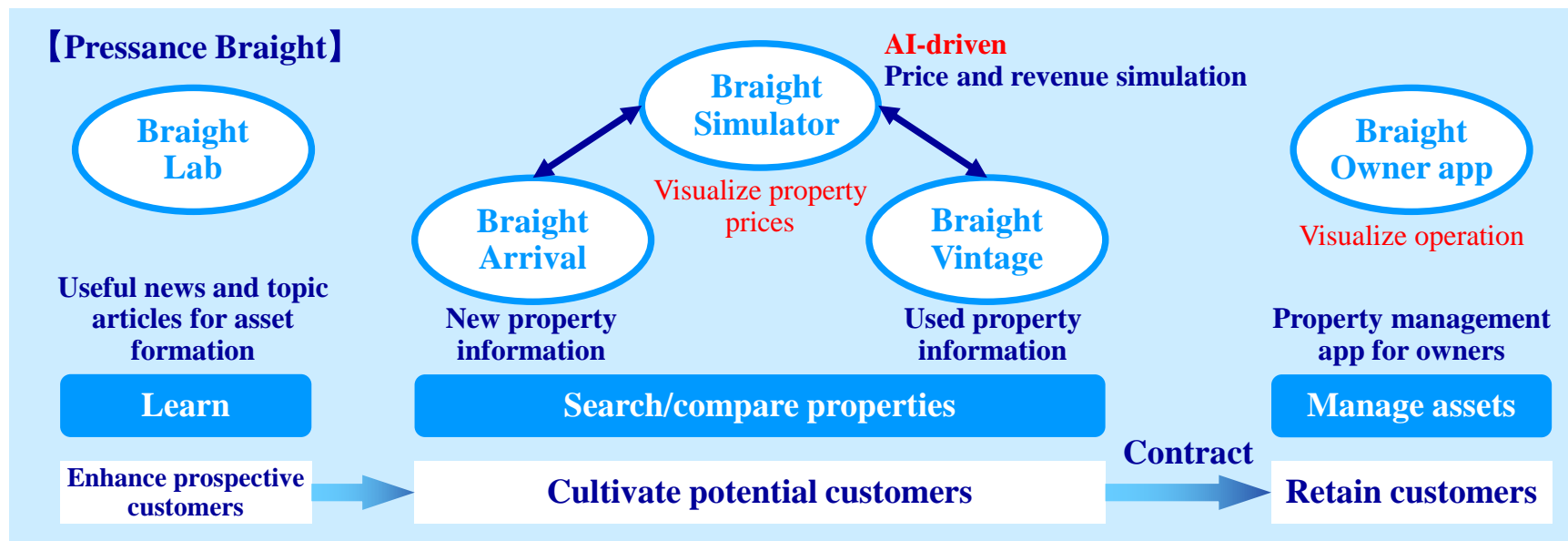
Normally, outstanding orders are transferred to sales when properties are completed and delivered to customers.

Progress on Sales Plan FY2020/3

	Sales results in 2Q, FY2020/3 C		Of Outstanding Orders, Orders Scheduled for Delivery in FY 2020/3 A		Sales Results & Sales to Be Posted as of the end of 2Q FY2020/3 D=C+A		Progress to Annual Sales Plan (E) as of the end of 2Q	
	Units	Amounts (mil yen)	Units	Amounts (mil yen)	Units	Amounts (mil yen)	Amount (mil yen) E	Progression rate (%) D/E
Studio	2,161	43,462	1,198	21,937	3,359	65,399	70,901	92.2%
Family-type	1,402	52,764	503	18,420	1,905	71,185	74,757	95.2%
Condo Bldg. Sales	672	9,965	606	11,509	1,278	21,474	24,715	86.9%
Hotel Sales	129	3,050	664	16,242	793	19,292	18,292	105.5%
Sales of other residential houses and real estate	101	11,993	44	2,200	145	14,193	12,035	117.9%
Total	4,465	121,236	3,015	70,309	7,480	191,545	200,702	95.4%

ReTech-based project and its progress

Our ReTech = AI-driven web marketing tool to visualize real estate investment information



Braight's achievements during the April-September period

* Figures in () are for 2Q only.

# of memberships	3,218		(2,147)		
	New properties		Used properties		Total
Orders in amount (million yen, excluding tax)	299	(166)	1,049	(551)	1,349 (718)
# of orders	15	(8)	77	(40)	92 (48)

Made a good start with orders increasing as memberships increases



Pressance Corporation Co., Ltd.

(Note) Prospective numbers listed in the earnings outlook and other materials are based on information available at the time of disclosure and largely contain uncertain factors. The actual results may be different depending on changes in business.

<For inquiries, contact>

Management headquarters Pressance Corporation

TEL: 06-4793-1650 (main) FAX: 06-4793-1651

E-mail: psc@pressance.co.jp