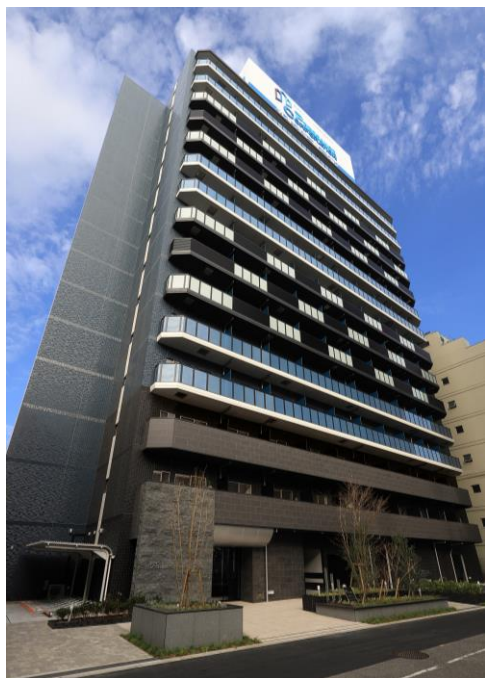


# Company Presentation for the Fiscal Year 2019/March



**Pressance Corporation Co., Ltd.**



**Released in May 2019**

[JPX Securities Code: **3254**. T]

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

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## I. Company Information

## Company Profile

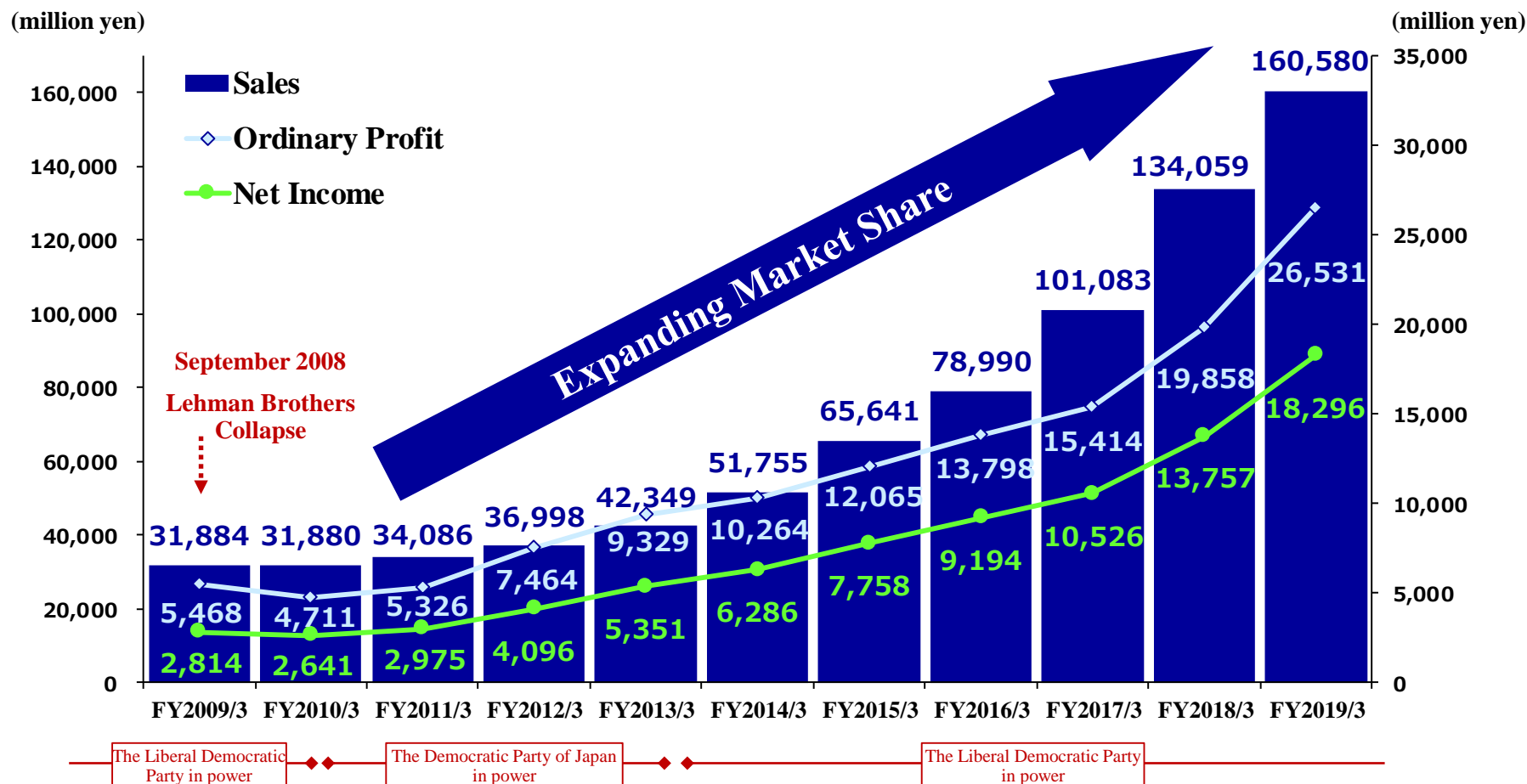
<b>Company Name</b>	<b>Pressance Corporation Co., Ltd.</b>
<b>Founded</b>	<b>October 1, 1997</b>
<b>Representative:</b>	<b>President and Representative Director: Shinobu Yamagishi</b>
<b>Location:</b>	<b>27th Floor Crystal Tower, 1-2-27 Shiromi, Chuo-ku, Osaka, Japan</b>
<b>Capital:</b>	<b>2,404 million yen (as of March 31, 2019)</b>
<b>Number of Employees as of March 31, 2019:</b>	<b>323 (Non-consolidated, average age: 30.4) 612 (Consolidated, average age: 32.5)</b>
<b>Business Outline:</b>	<b>Planning, development, sales and management of urban-type condominiums Planning and development of hotels</b>
<b>Major Products:</b>	<ul style="list-style-type: none"> <li>• <b><u>Studio condominium</u></b>: selling a room one by one directly to an investor in real estate. (Owners make rental contracts with residents.)</li> <li>• <b><u>Family-type condominium</u></b>: selling a room one by one directly to a family who purchases and lives in the property.</li> <li>• <b><u>Condominium building sales</u></b>: wholesaling all or part of a condominium building mainly to other condominium dealers</li> <li>• <b><u>Hotel</u></b>: planning, developing, and selling hotel properties to other hotel companies (owning some of them).</li> </ul>
<b>End of Fiscal Year:</b>	<b>March</b>
<b>Stock Exchange Listing:</b>	<b>Tokyo Stock Exchange, first section (Section Code: 3254)</b> <b>JPX-Nikkei Index 400 component</b> <b>JPX-Nikkei Mid and Small Cap Index component</b>

## Corporate History

<b>1997</b>	<b>October</b>	<b>Founded under the name Nikkei Prestige Co., Ltd.</b>
<b>1997</b>	<b>October</b>	<b>Obtained Building Lots and Buildings Transaction Business License (License No. (1) 45679 issued by the Governor of Osaka).</b>
<b>1998</b>	<b>November</b>	<b>First condominium building under company brand sold: “Pressance Namba Higashi”</b>
<b>1998</b>	<b>December</b>	<b>Founded Pressance Community Co., Ltd., (currently Pacific Co., Ltd.) for building management, insurance agency business.</b>
<b>1999</b>	<b>June</b>	<b>Founded Nikkei Assist Co., Ltd. (currently Pressance Jyuhan Co., Ltd.) to sell family condominiums.</b>
<b>1999</b>	<b>June</b>	<b>Launched the real estate rental and management business.</b>
<b>2000</b>	<b>July</b>	<b>First sale of an in-house developed property: “Pressance Shinsaibashi EAST”</b>
<b>2002</b>	<b>April</b>	<b>Changed the company name to Pressance Corporation Co., Ltd.</b>
<b>2003</b>	<b>May</b>	<b>First sale of in-house developed property in Tokai area: “Pressance Nagoyajo mae”</b>
<b>2005</b>	<b>February</b>	<b>Opened the Nagoya Sales Center.</b>
<b>2005</b>	<b>July</b>	<b>Promoted Nagoya Sales Center to Nagoya Branch.</b>
<b>2007</b>	<b>December</b>	<b>Listed on the Second Section of the Tokyo Stock Exchange.</b>
<b>2008</b>	<b>August</b>	<b>Founded Room Pro Co., Ltd. (currently Pressance Realta Co., Ltd.) to buy, sell and act as an agent for used property.</b>
<b>2008</b>	<b>December</b>	<b>Opened the Tokyo Branch.</b>
<b>2013</b>	<b>October</b>	<b>Listed on the First Section of the Tokyo Stock Exchange.</b>
<b>2014</b>	<b>April</b>	<b>Acquired shares of construction company TRYST Co., Ltd., making it into a subsidiary.</b>
<b>2014</b>	<b>August</b>	<b>Founded Pressance Guarantee Co., Ltd. to deal with the rental guarantee obligation.</b>
<b>2015</b>	<b>May</b>	<b>Founded Pressance Real Estate Co., Ltd. to conduct the real estate solution business.</b>
<b>2015</b>	<b>August</b>	<b>Selected as a component of the “JPX Nikkei Index 400”.</b>
<b>2016</b>	<b>September</b>	<b>Founded Proshere Co., Ltd. to participate in real estate projects in ASEAN region and neighboring countries.</b>
<b>2016</b>	<b>December</b>	<b>Selected as a component of the “JPX-Nikkei Mid and Small Cap Index”.</b>
<b>2017</b>	<b>January</b>	<b>Selected as a Loan Margin Trading Issues.</b>

## Trends of Sales, Ordinary Profit and Net Income

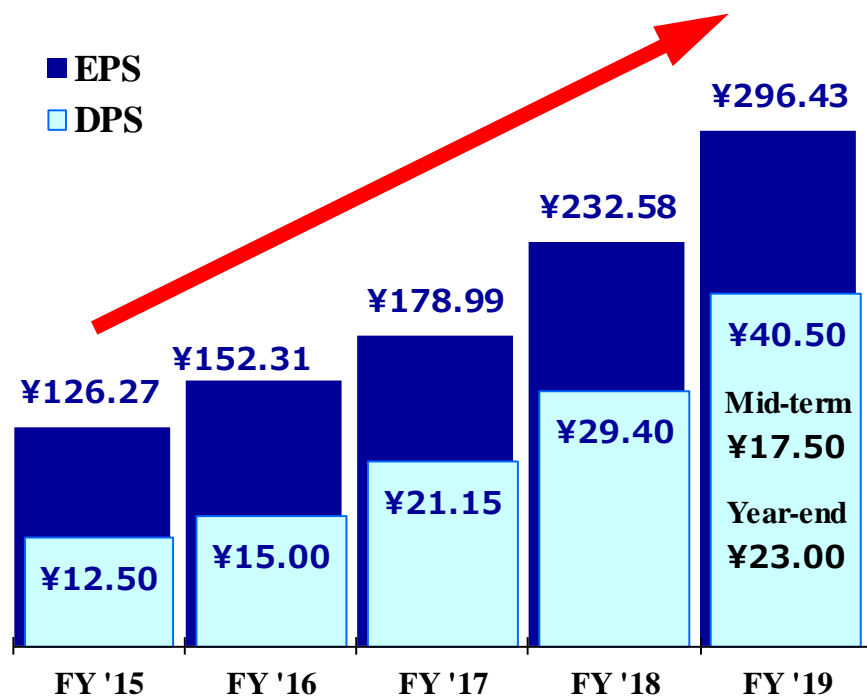
**Achieved record-high sales and income for 9 consecutive years  
+ Maintained high profitability**



## Trends of EPS, DPS and Stock Price

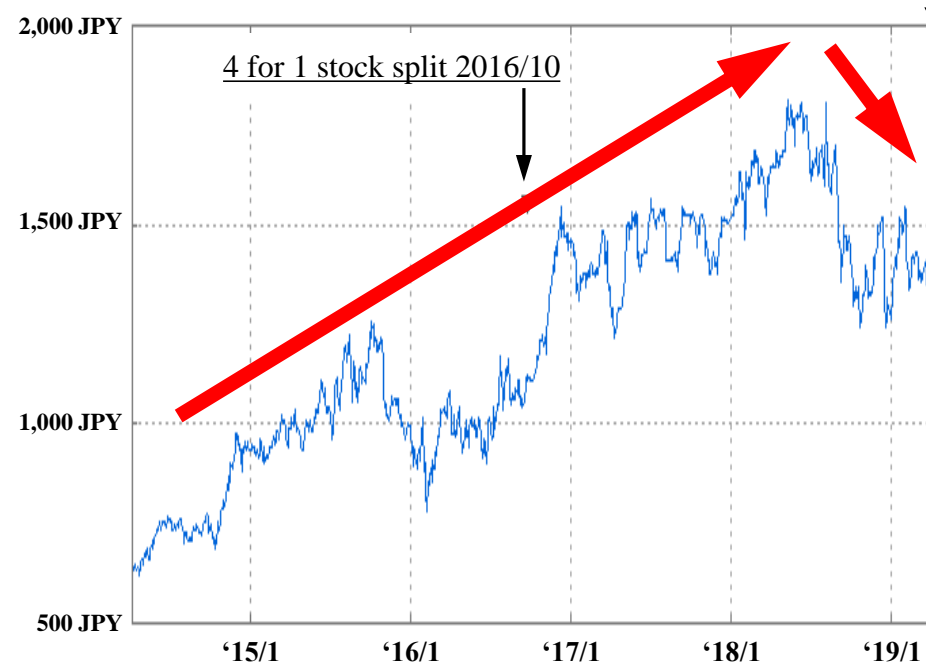
**Stable Profit Growth ⇒ Increasing Total Dividend Amount + Rising Stock Price**

### Continuous EPS & DPS growth



- Continuous and Moderate Upward Trend in Stock Prices
- Dropped since Sep. 2018 due to external factors.

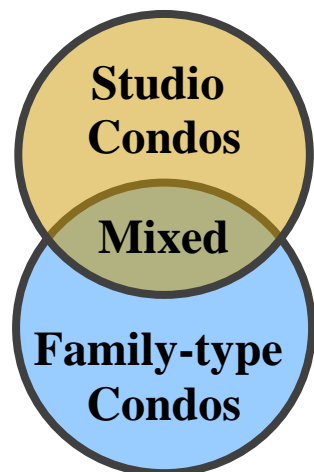
**1,377 JPY as of Friday, Mar. 29, 2019**



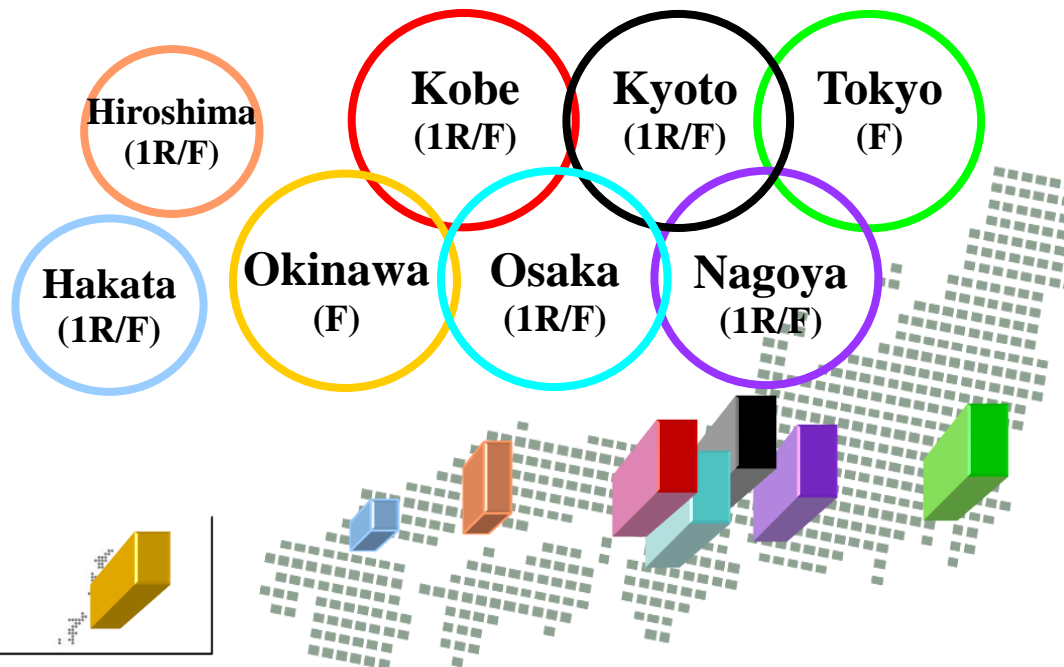
Note: The company carried out a 4-for-1 stock split of common shares effective October 1, 2016. The stock split is factored into the figures shown in the above graphs.

## Business Outline

### Major Products



### Business Areas



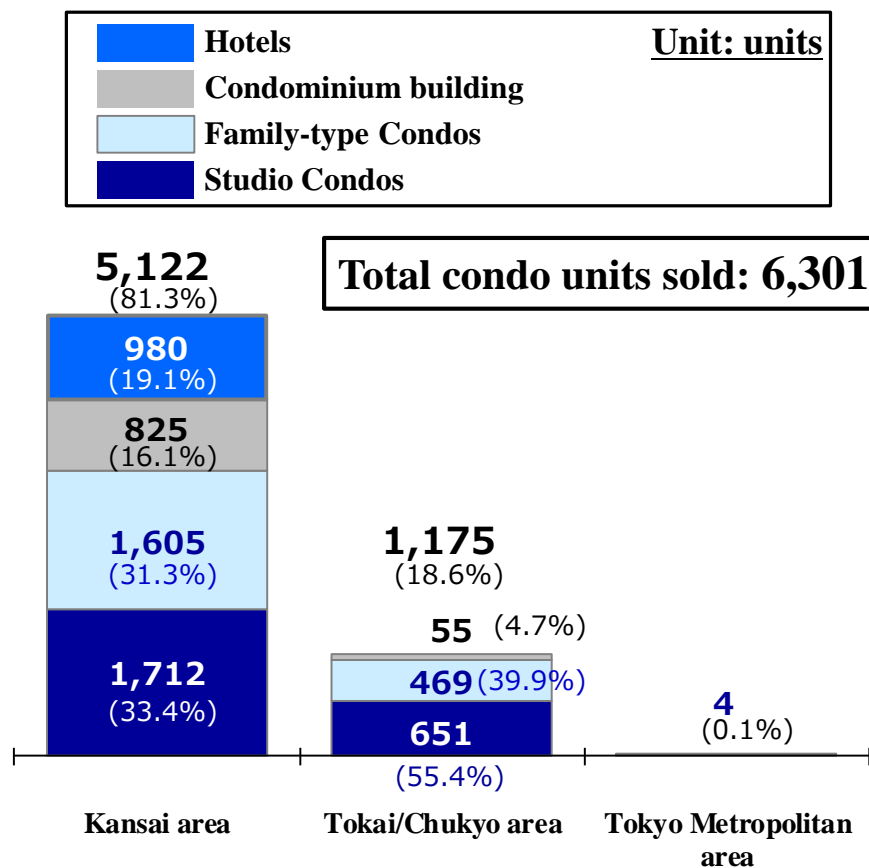
### Product Features

Type	Area per unit	Floor plan	Features	Selection Criteria
Studio Condos	Approx. 20-50 m <sup>2</sup>	Studio to 1LDK	<ul style="list-style-type: none"> <li>• <b>Urban area</b></li> <li>• Within 5 minutes by foot from major railway station</li> </ul>	Convenient locations (near universities, colleges, companies, commercial facilities, etc.)
Family-type Condos	Approx. 50-100 m <sup>2</sup>	1LDK to 4LDK	<ul style="list-style-type: none"> <li>• <b>Urban, suburb area</b></li> <li>• Within 10 minutes by foot from major railway station</li> </ul>	Good environment (elementary and junior high school district, near companies, commercial facilities, etc.)
Mixed	Approx. 20-100 m <sup>2</sup>	Studio to 4LDK	<ul style="list-style-type: none"> <li>• <b>Urban, suburb area</b></li> <li>• Within 5 minutes by foot from major railway station</li> </ul>	Criteria similar to those for studio condos above

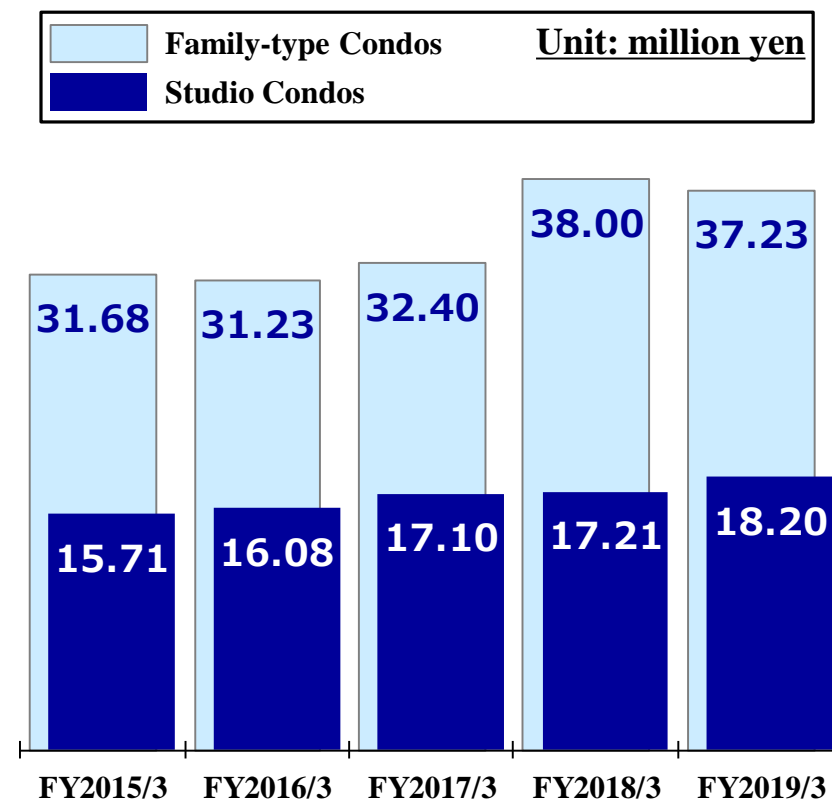


# Number of Units Sold by Area and Trends of Condominium Average Prices

## Number of Units Sold by Area and Type



## Trends of Condominium Average Prices



### ■ Focus on Kansai, Tokai and Chukyo areas

\*Condominium building sales: wholesaling all or part of a condominium building mainly to other condominium dealers

- Cost saving by large volume ⇒ Pricing Advantage
- Core customers ⇒ Persons with Avg Salary

## Market Position (Based on the number of units supplied in 2018)

The number of units supplied to the market in 2018 (Jan. 1 to Dec. 31 in 2018)

Tabulated by the Company based on the data provided by Real Estate Economic Institute Co., LTD.

Region	Kansai	Chukyo/Tokai	Total
<b>Our Ranking</b>	<b>Ranked No. 1 for 9 consecutive years</b>	<b>Ranked No. 1 for 7 consecutive years</b>	<b>Ranked No. 2 for 2 consecutive years</b>
Number of our supply	4,133 units	1,019 units	5,267 units
Cumulative number of supply	20,958 units	5,115 units	80,256 units
Market share *	<b>19.7%</b>	<b>19.9%</b>	<b>6.6%</b>

Top 5 ranking and supplied units	No. 1	Pressance Corporation	4,133 units	Pressance Corporation	1,019 units	Sumitomo Realty Develop	7,377 units
	No. 2	Nihon Eslead	2,401 units	Nomura Real Estate	425 units	Pressance Corporation	5,267 units
	No. 3	Nissho Estem	1,053 units	Daikyo	270 units	Nomura Real Estate	5,224 units
	No. 4	Hankyu Hanshin Properties	966 units	Shizuoka Railway	253 units	Mitsubishi Jisho Residence	3,614 units
	No. 5	Kintetsu Real Estate	734 units	Takara Leben	228 units	Mitsui Fudosan Residential	3,198 units

\* Calculated by the Company based on the data provided by Real Estate Economic Institute Co., Ltd.

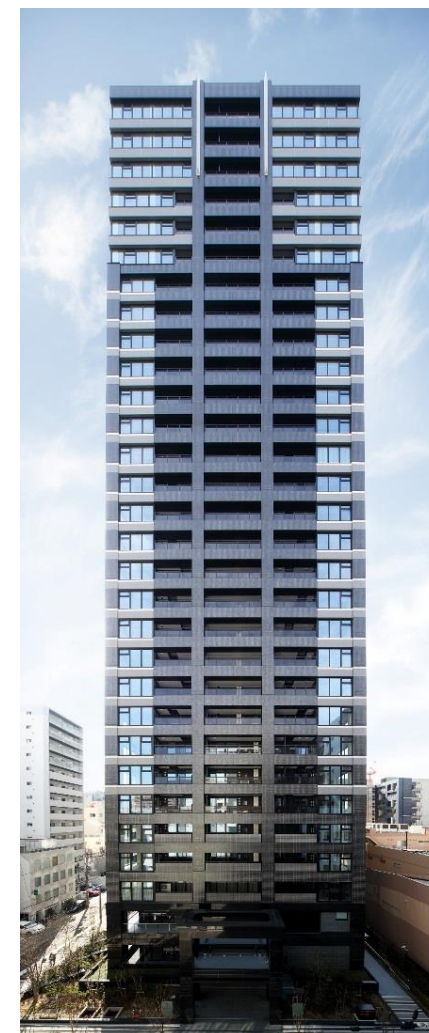
## Cumulative Sales of Major Condominiums

Osaka	319	buildings	21,402	units
Aichi	169	buildings	10,575	units
Kyoto	76	buildings	3,792	units
Hyogo	72	buildings	5,436	units
Shiga	10	buildings	1,508	units
Okinawa	20	buildings	1,073	units
Tokyo	16	buildings	931	units
Hiroshima	5	buildings	410	units
Others	20	buildings	1,525	units
<b>Total</b>	<b>707</b>	<b>buildings</b>	<b>46,652</b>	<b>units</b>

(Note) The numbers of buildings and units are accumulated figures from November 1998 to March 31, 2019.



Pressance Umeda Kita All  
(Osaka City/Studio Condominium)



Pressance Legend  
Sakaisuji-Honmachi Tower  
(Osaka City/Family-type  
Condominium)



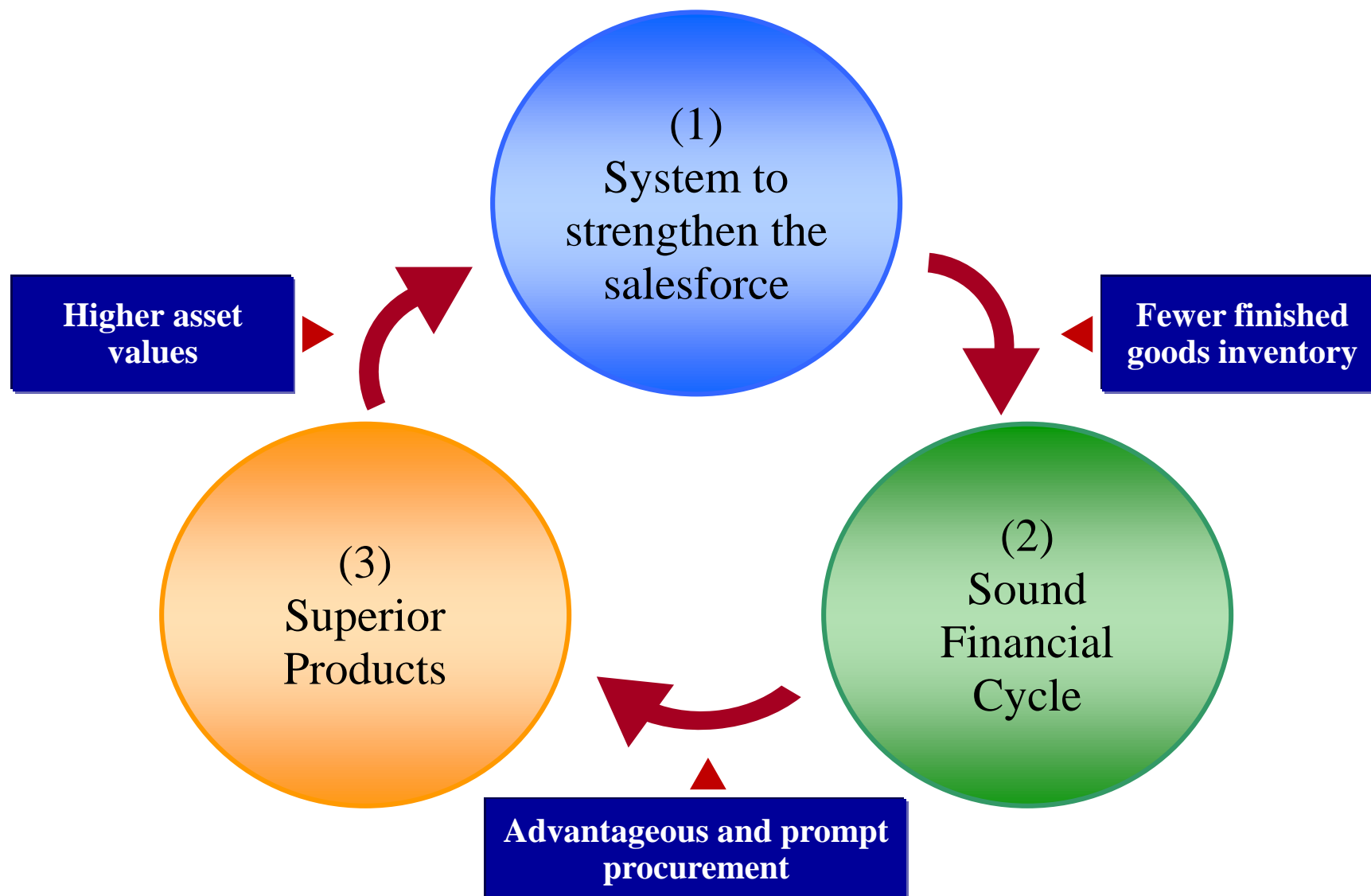
Pressance Loger  
Kobe Port Island  
(Kobe City/Family-type  
Condominium)

Pressance Grand Izumi  
(Nagoya City/Family-type  
Condominium)



## II. Our Strengths

## Synergy of Our Three Competitive Advantages



## (1) System to strengthen the salesforce

### Basic Sales Policy

### To sell out all condos upon the completion of construction

#### Mechanism to strengthen salesforce

**New hires grow quickly by man-to-man training with his/her manager**

- As soon as new employees find the slightest bit of demand from potential customer, they quickly pass the baton over to the managers.
- Managers then complete all the task to close the deal, showing sales method and customer handling skills to the new employees.
- New employees can learn how to successfully close deals and experience lots of “Success Experiences” in a short period of time, exercising the same procedures and skills. As a result of this, new employees can quickly be independent.

**All sales persons focus on the sales for one property for a certain period.  
⇒ Promoting competition within the organization**

- Intense competition between sales personnel who fully understand the features of self-developed properties.
- Competition under equal condition among rivals at the same level of sales skills.
- Competition between the team of a new hire and a manager versus senior colleagues.

**Transparent evaluation system with rewarding incentives  
⇒ Maintaining high motivation**

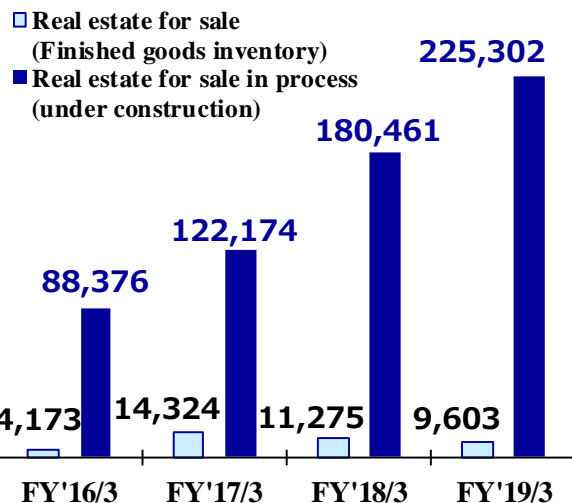
- ESOP and stock option that allow employees to own treasury stocks.
- Wage rise and promotion twice a year, regardless of career in the company or age.

**Strong salesforce ⇒ Early capital recovery and sales growth driven by quick sellout**

## (2) Sound Financial Cycle

### Inventory Assets (consolidated)

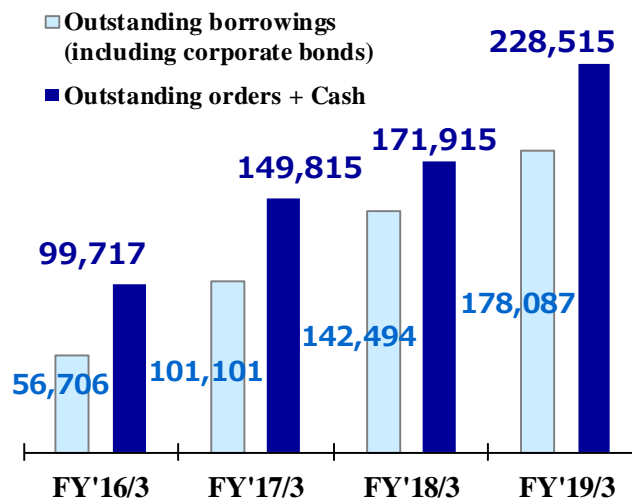
(Unit: million yen)



- Increase in-process inventory every term for future sales and profits
- Minimal inventory of finished goods

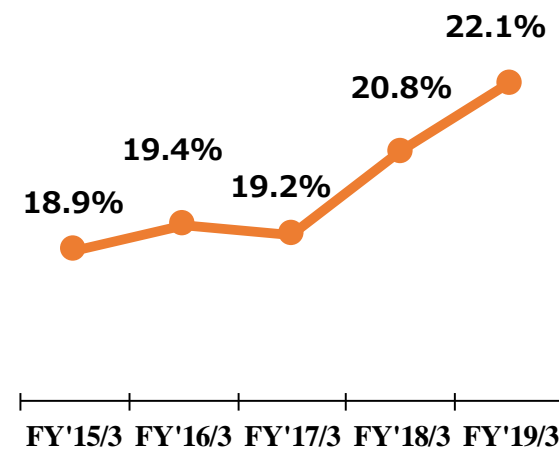
### Outstanding Borrowings and Outstanding Orders + Cash

(Unit: million yen)



- Enough outstanding orders to repay borrowings
- Early repayment of project loans
- Good relationships with financial institutions  
⇒ Borrowing on favorable terms

### Return on Equity (ROE)



- Over 10% growth in net income for nine consecutive FYs
- Share buybacks during FY 2016/3
- Maintain high ROE
- Continuous and substantial profit growth generates upward trend

Positive financial cycle generated by active procurement, solid sales and favorable borrowing terms



### (3) Superior Products

#### Location

##### Convenience:

From major railway station in the center of cities and surrounding area,

- Studio Condos : within 5 minutes by foot
- Family-type Condos : within 10 minutes by foot

#### Price

High Cost Performance

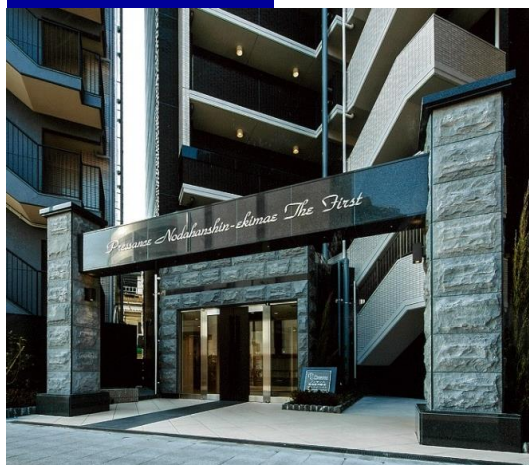


Reasonable selling price

#### Facilities

High value-added: focusing on luxury, comfortability and functionality

##### Luxury



##### Comfortability

- CATV (Up to 159 channels)
- Sound proof window T-2
- Sound insulation flooring

##### Functionality

- Prefabricated bath with a bathroom laundry dryer
- Gas hot water floor heater
- Auto light sensor

High asset value and high brand value for a long period of time



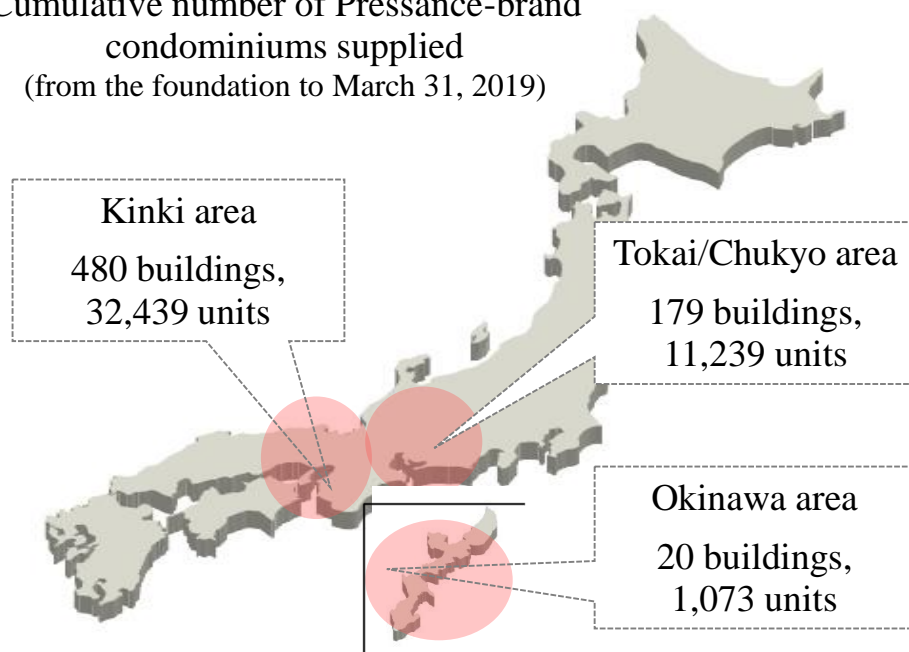
## III. Business Strategies

## Area Strategies

### Dominant strategy

We advance our business activities, focusing on certain areas

Cumulative number of Pressance-brand condominiums supplied  
(from the foundation to March 31, 2019)



#### Effects by Dominant strategy

- (1) Acquiring the information of selling lands on a priority basis and intensively, we can purchase lands much more than competitors.
- (2) Maximize the cost-effectiveness of advertising expenses by focusing media promotion (TV commercials, etc.) on limited areas.
- (3) Customers can see the real supply condos, which increase brand recognition and trust from customers.

**Due to our large market share, competitors face difficult circumstances to newly enter and compete.**

# Launch a new business driven by ReTech to accelerate business growth

## Our ReTech

**Braight**

Website for property for investment,

**Utilizing AI and Technology**

**“Braight”**

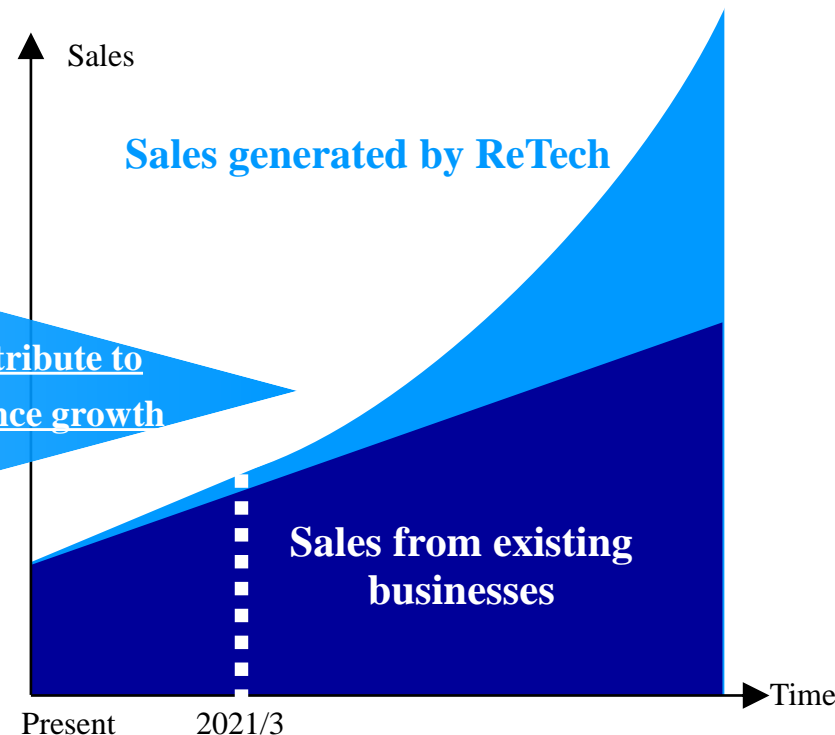
**Our track record of a large number of transactions (707 buildings, 46,652 units)**

**Big data for real estate transactions (About 60 million transactions)**

Additional sales revenues contribute to med- and long-term performance growth

## Image of sales growth

(Note) The figure has been prepared for referential purposes only.  
Actual time and amount are not taken into consideration.



**The new ReTech-driven business will generate additional sales on top of sales from existing businesses (forecast figures).**

Sales targets for the new ReTech-driven business	FY 2022/3	FY 2023/3	FY 2024/3
	10,800 million yen	16,560 million yen	24,480 million yen

# Customer Benefits and Effects Expected from Braight

## Braight Content

**Braight  
Lab**

Offers news and columns on a wide range of topics

**Braight  
Simulator**

**AI** simulate values & revenue forecasts of properties

**Braight  
Arrival**

Information about our new properties for sale

**Braight  
Vintage**

Information about our used properties for sale

**Braight  
App**

Asset management app for owners

## Customer Benefits

Customers can get information anytime they want at their own pace.

Customers can visualize real estate values: Customers can grasp fair market price values via AI simulation.  
Customers can easily recognize high market value of our properties.

Use of information systems ensures smooth communication and customer services.

## Expected effects on our performance

Increase in the number of potential customers, including digital natives

Increase in sales of New and used properties

Enhancement of customer service and operational efficiency

Personalized buyer support, face-to-face and/or by phone

Increased sales + Reduced cost = Accelerated performance growth

Enhanced brand power via synergy between Pressance and Braight = Enhanced corporate value

# Hotel Business

## A total of 23 hotels, including 9 delivered, 12 under development, 1 company-owned, and 1 for renovation

Hotel operating pattern [Due to changes of plans, it may be changed in terms of the patterns (A or B), the number of units and completion time.]

A: To be sold to hotel business companies (specific buyers/candidates) 22 properties

B: To be owned by Pressance, and its operation will be outsourced to a hotel operating company 1 property

		Address	Operating pattern	Nearest Railway Station	# of rooms
<b>FY 2018 ended in March</b>	1	Inari, Naniwa-ku, Osaka-city	Delivered Apr. '17	JR Namba	72
	2	Motomachi, Naniwa-ku, Osaka-city	Delivered Oct. '17	JR Namba	111
<b>FY 2019 ended in March</b>	1	Minamisemba, Chuo-ku, Osaka-city	Delivered Apr. '18	Shinsaibashi on Subway Midosuji Line	124
	2	Hiranomachi, Chuo-ku, Osaka-city	Delivered Apr. '18	Kitahama on Subway Sakaisuji Line	116
	3	Nishimiyahara, Yodogawa-ku, Osaka-city	Delivered Jul. '18	JR Shin-Osaka	120
	4	Shikitsuhigashi, Naniwa-ku, Osaka-city	Delivered Jul. '18	Daikokucho on Subway Midosuji Line	300
	5	Tenjinyamacho, Nakagyo-ku, Kyoto-city	Delivered Sep. '18	Shijo on Subway Karasuma Line	63
	6	Gojo-Omiya-dori, Shimogyo-ku, Kyoto-city	Delivered Sep. '18	Ohmiya on Hankyu Kyoto Line	122
	7	Goko-dori, Chuo-ku, Kobe-city	Delivered Sep. '18	JR Sannomiya	135
<b>FY 2020 ending in March</b>	1	Nakadori 3chome, Akita-city *	B (Will deliver from FY 2021/3)	Akita on Akita-Shinkansen, JR Uetsu-honsen	234
	2	Noboricho, Naka-ku, Hiroshima-city	A	Ebisucho on Hiroshima Dentetsu	126
	3	Minamihonmachi, Chuo-ku, Osaka-city	A	Hommachi on Subway Midosuji Line	174
	4	Aburanokoji-dori, Shimogyo-ku, Kyoto-city	A	Gojo on Subway Karasuma Line	166
	5	Kamikawabatamachi, Hakata-ku, Fukuoka-city	A	Nakasukawabata on Subway Hakozaki Line	204
	6	Nishikujozaecho, Minami-ku, Kyoto-city	A	JR Kyoto	120
	7	Oicho, Nakagyo-ku, Kyoto-city	A	Marutamachi on Subway Karasuma Line	12
<b>FY 2021 ending in March</b>	1	Yasaka-dori, Higashiyama-ku, Kyoto-city,	A (Completed FY 2019/3)	Kiyomizugojo on Keihan Line	7
	2	Onoecho, Naka-ku, Yokohama-city	A	JR Kannai	277
	3	Nishi 2chome, Naha-city	A	Asahibashi on Yui Rail	240
	4	Motomachi 2chome, Naniwa-ku, Osaka-city	A	JR Namba	300
	5	Sennichimae, Chuo-ku, Osaka-city	A	Namba on Subway Midosuji, Nankai Line	182
	6	Tenymachi, Hakata-ku, Fukuoka-city	A	Gofukumachi on Subway Hakozaki Line	180
	7	Toganocho, Kita-ku, Osaka-city	A	Higashi Umeda on Subway Tanimachi Line	117

\* renovation

## Stock Business Expansion

### (1) Expansion of the rental property management business

Reduce owners' rental property management burdens and secure profitability for owners maintaining high occupancy rates.

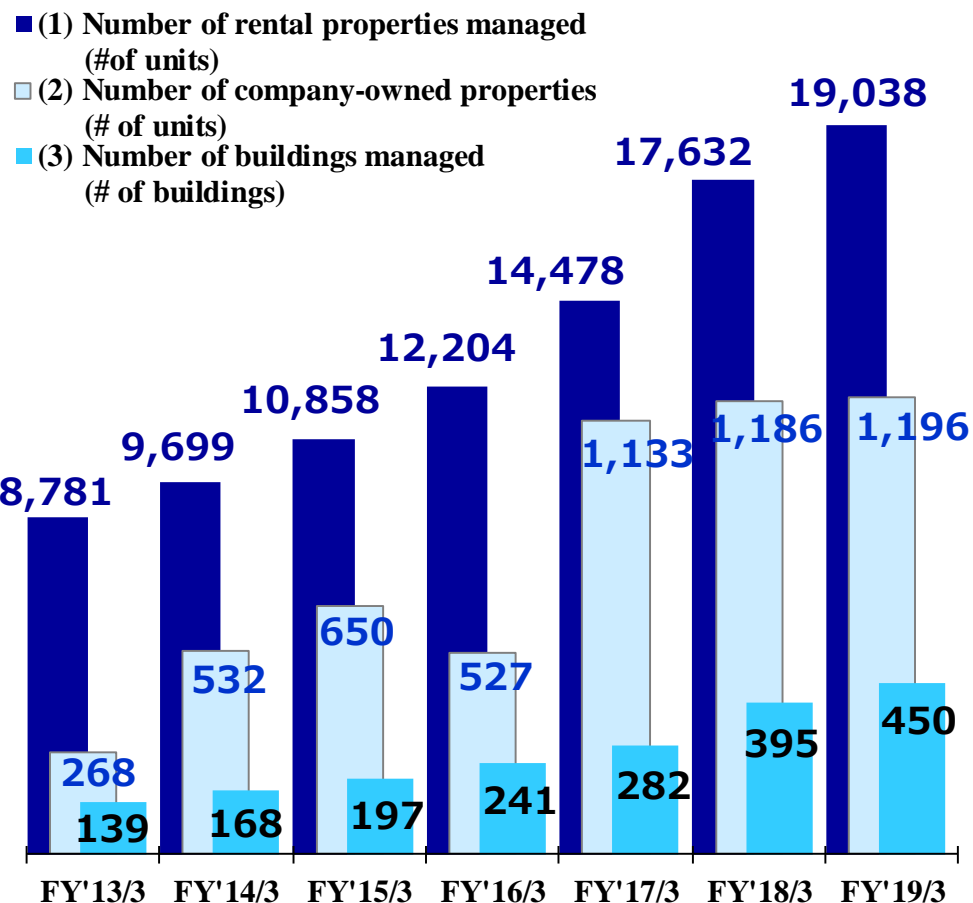
### (2) Expansion of the condominium rental business (company-owned condos)

Own superior rental properties such as studio condominiums

### (3) Expansion of the building management business

Maintain the asset value of property for a long period of time through finely-tuned management by expert staff

**Secure stable sources of income**



(Source) Number of rental properties managed and number of company-owned properties: Pressance Corporation Co., Ltd.  
Number of buildings managed: Pressance Community Co., Ltd.

## Expansion of Stock Business Profit

### Flow Business

Studio condo sales

Family-type Condo sales

Condominium building

Hotel development & sales

### Stock Business

Rental property management

Buildings maintenance management

Property insurance agency

Internal/external repair works on buildings

Rental revenue on owned condos

Expand the number of condo sales

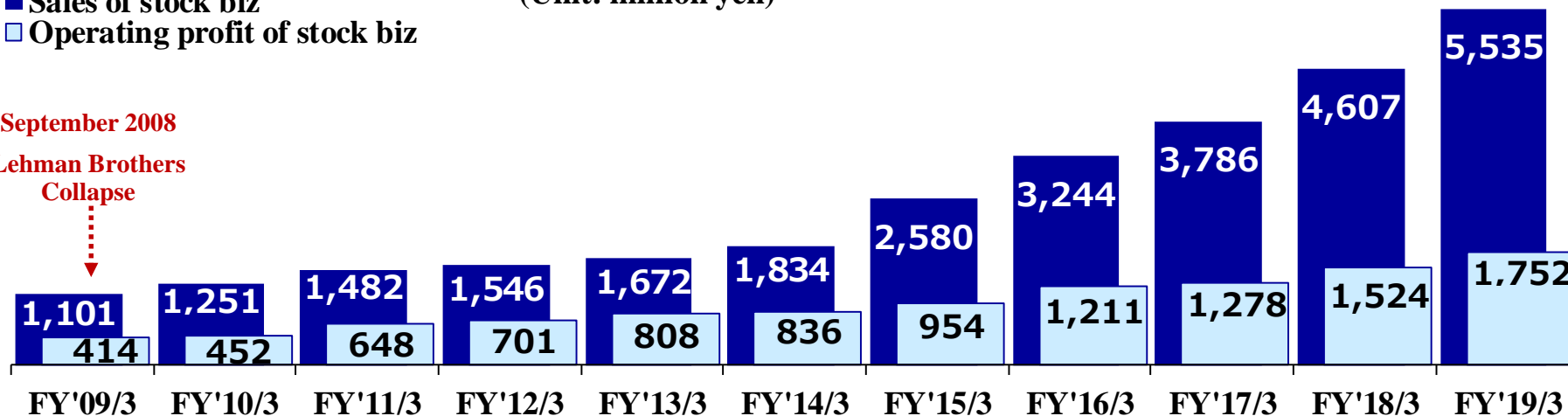
**Stock Business Sales and Profit**  
will be automatically  
accumulated and increased.

## Sales and Operating Profit (Stock Business)

■ Sales of stock biz  
■ Operating profit of stock biz

(Unit: million yen)

September 2008  
Lehman Brothers  
Collapse



## **IV. Trends of Business Results and Forecasts**



## Consolidated Income Statement (Summary)

- 10% or more year-on-year increase in sales and profits for 9 consecutive years. Sales and profits hit record highs (Operating profit in FY 2019/3 increased by 33.2% year on year)
- Plan to continuously achieve year-on-year operating profit growth of 10% or more, one of our targets

[Units: million yen]

	FY 2018/March Results	FY 2019/March Results		FY 2020/March Plan			FY 2021/March Plan		
	Amounts <b>A</b>	Amounts <b>B</b>	YoY (%) <b>B/A</b>	Amounts <b>C</b>	Ratio to sales	YoY (%) <b>C/B</b>	Amounts <b>D</b>	Ratio to sales	YoY (%) <b>D/C</b>
Sales	134,059	160,580	119.8%	209,219	100.0%	130.3%	250,960	100.0%	120.0%
Cost of Goods Sold	99,575	116,378	116.9%	154,940	74.1%	133.1%	190,355	75.9%	122.9%
Gross Margin	34,484	44,201	128.2%	54,278	25.9%	122.8%	60,604	24.1%	111.7%
SG & A expenses	14,121	17,082	121.0%	21,746	10.4%	127.3%	24,169	9.6%	111.1%
Operating Profit	20,362	27,118	133.2%	32,531	15.5%	120.0%	36,434	14.5%	112.0%
Ordinary Profit	19,858	26,531	133.6%	31,429	15.0%	118.5%	35,108	14.0%	111.7%
Net Income attribute to shareholders of parent company	13,757	18,296	133.0%	21,520	10.3%	117.6%	23,984	9.6%	111.4%

- FY 2019/3 Results:**
- Sales were up by 26,520 million yen from FY 2018/3 due to strong sales.
  - Operating profit was up by 6,756 million yen as a 9,717 million yen increase in gross margin offset 2,961 million yen increase in SG & A expenses.

Sales and profits will continuously increase in FY 2020/3 and FY 2021/3.

## Sales Results and Plan by Major Product in Condominium Sales Business

	FY 2018/March Results			FY 2019/March Results			FY 2020/March Plan		FY 2021/March Plan	
	No. of units	Amount (¥ million) <b>A</b>	YoY (%)	No. of units	Amount (¥ million) <b>B</b>	YoY (%) <b>B/A</b>	Amount (¥ million) <b>C</b>	YoY (%) <b>C/B</b>	Amount (¥ million) <b>D</b>	YoY (%) <b>D/C</b>
Studio Condos	1,726	29,707	91.5%	2,363	43,011	144.8%	70,901	164.8%	70,765	99.8%
Family-Type Condos	1,860	71,156	141.0%	2,078	77,375	108.7%	74,757	96.6%	120,037	160.6%
Condo Building Sales *	1,246	19,318	161.4%	880	12,459	64.5%	24,715	198.4%	29,238	118.3%
Hotel Sales	183	2,744	NA	980	17,625	642.3%	18,292	103.8%	17,888	97.8%
Total	5,015	122,926	129.6%	6,301	150,472	122.4%	188,666	125.4%	237,928	126.1%

**FY 2019/3 results:** Sales were up due to strong sales.

On a year-on-year basis, sales increased by 1,286 units and 27,546 million yen.

- Studio condos: Sales to increase by 637 units and 13,304 million yen
- Family-type condos: Sales to increase by 218 units and 6,218 million yen
- Condominium building sales: Sales to decrease by 366 units and 6,858 million yen
- Hotel sales: Sales to increase by 5 buildings (797 rooms) and 14,881 million yen

**FY 2020/3 plan:** Growing sales of studio condos will drive sales and earnings up.

**FY 2021/3 plan:** Growing sales of family-type condos will drive sales and earnings up.

\* Condominium building sales: wholesaling all or part of a condominium building mainly to other condominium dealers

## Consolidated Balance Sheet (Summary)

(million yen)

	As of March 31, 2017		As of March 31, 2018		As of March 31, 2019		
	Results (million yen)	Composition ratio	Results (million yen)	Composition ratio	Results (million yen)	Composition ratio	Changes (million yen)
<b>Current Assets</b>	<b>171,810</b>	<b>92.7%</b>	<b>227,161</b>	<b>92.6%</b>	<b>280,591</b>	<b>92.9%</b>	<b>53,430</b>
real estate for sale	14,324	7.7%	11,275	4.6%	9,603	3.2%	▲ 1,672
real estate for sale in process	122,174	65.9%	180,461	73.5%	225,302	74.6%	44,840
<b>Non-current Assets</b>	<b>13,497</b>	<b>7.3%</b>	<b>18,237</b>	<b>7.4%</b>	<b>21,350</b>	<b>7.1%</b>	<b>3,112</b>
<b>Total Assets</b>	<b>185,307</b>	<b>100.0%</b>	<b>245,399</b>	<b>100.0%</b>	<b>301,942</b>	<b>100.0%</b>	<b>56,543</b>
<b>Current Liabilities</b>	<b>49,438</b>	<b>26.7%</b>	<b>67,537</b>	<b>27.5%</b>	<b>82,916</b>	<b>27.5%</b>	<b>15,379</b>
short-term liabilities with interest	25,410	13.7%	40,473	16.5%	54,467	18.0%	13,994
<b>Non-current Liabilities</b>	<b>76,253</b>	<b>41.1%</b>	<b>102,689</b>	<b>41.8%</b>	<b>124,407</b>	<b>41.2%</b>	<b>21,717</b>
long-term liabilities with interest	75,691	40.8%	102,021	41.6%	123,619	40.9%	21,597
<b>Total Liabilities</b>	<b>125,691</b>	<b>67.8%</b>	<b>170,226</b>	<b>69.4%</b>	<b>207,323</b>	<b>68.7%</b>	<b>37,096</b>
<b>Total Net Assets</b>	<b>59,615</b>	<b>32.2%</b>	<b>75,172</b>	<b>30.6%</b>	<b>94,618</b>	<b>31.3%</b>	<b>19,446</b>
<b>Total Liabilities and Net Assets</b>	<b>185,307</b>	<b>100.0%</b>	<b>245,399</b>	<b>100.0%</b>	<b>301,942</b>	<b>100.0%</b>	<b>56,543</b>

We adopted the Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. beginning in the fiscal year ended March 31, 2019. These changes have been applied retroactively to the figures for current and fixed assets as of March 31, 2018.

### Results as of March 31, 2019 (major year-on-year changes)

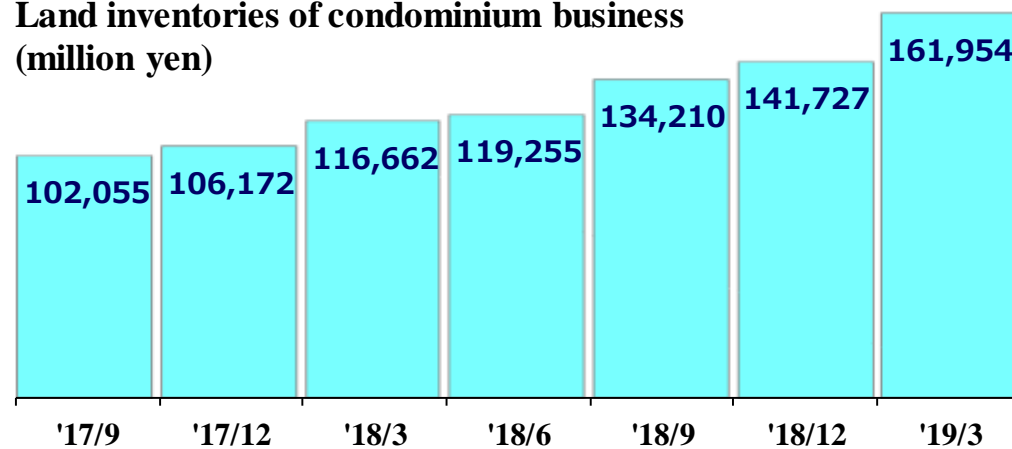
<b>Current Assets:</b>	Real estate for sale down by 1,672 million yen, real estate for sale in progress up by 44,840 million yen
<b>Non-current Assets:</b>	Rental properties (net) up by 1,315 million yen (newly owned 5 properties, transferred 3 properties to real estate for sale)
<b>Liabilities:</b>	Borrowings from banks up by 38,492 million yen
<b>Shareholders' Net Assets:</b>	Recorded net income of 18,296 million yen

\* Details of land inventory (figures in the red frame) are provided on the next page.

## Land Inventory (as of March 31, 2019)

Breakdown of the number in the red frame on the previous page	Amount (million yen)
<b>Real Estate for Sale</b>	<b>9,603</b>
Land Cost for Condominium Biz (A)	2,653
Other Land Cost	2
Construction Cost	6,947
<b>Real Estate for Sale in Process</b>	<b>225,302</b>
Land Cost for Condominium Biz (B)	159,300
Other Land Cost	20,500
Construction Cost	45,500

Land inventories of condominium business  
(million yen)



	Amount (million yen)	Units	Volume of procured land compared with sales plans
<b>Land Cost for Condominium Biz (A) + (B)</b>	<b>161,954</b>	<b>24,625</b>	
Studio Condominium	54,255	11,159	Equivalent to the sales volume for about next 3 years
Family-type Condominium	75,767	8,074	Equivalent to the sales volume for about next 3 years
Condominium Building Sales	18,881	3,699	Procured the lands for scheduled delivery up to March 2021
Hotel Sales	13,049	1,693	Procured the lands for scheduled delivery up to March 2021

- ✓ Land Inventory includes the land procured and registered as the company properties.  
(In addition to the figures above, there are 55 buildings with 4,027 units for which land purchase and sale agreements have been signed but payments have not been made. These include 3,070 studio condo units and 957 family-type condo units.)
- ✓ The sum of land cost for the condominium business (included in inventory total) of (A) + (B) of 161,954 million yen is obtained by aggregating real estate for sale (9,603 million yen) and real estate for sale in process (225,302 million yen), minus other land cost (2 million yen + 20,500 million yen = 20,503 million yen) and construction cost (6,947 million yen + 45,500 million yen = 52,448 million yen), recoded in the balance sheet for FY 2019/3.

\* Other land cost includes land acquisition-related costs for real estate to be owned, land to be sold, and housing sales operations.

## Outlook for Achieving FY 2020/3 Sales Plan and Outstanding Contracts (as of Apr. 1, 2019)

As of the beginning of FY 2020/3, **already achieved 73.3%** of this fiscal year's sales target for condominium sales as well as other housing and real estate sales business

### Outstanding Orders as April 1, 2019

	Total Outstanding Orders <b>A + B</b> as of Apr. 1, 2019		Breakdown by delivery timing			
			During FY 2020/3 <b>A</b>		From FY 2021/3 <b>B</b>	
	Units	Amount (¥ million)	Units	Amount (¥ million)	Units	Amount (¥ million)
Studio	2,238	44,142	2,238	44,142	0	0
Family-type	2,123	77,588	1,503	55,713	620	21,875
Condo Bldg. Sales	1,904	29,428	1,318	21,347	586	8,080
Hotel Sales	1,054	25,708	664	16,242	390	9,466
Other housing and real estate sales business	19	9,657	19	9,657	0	0
<b>Total</b>	<b>7,338</b>	<b>186,525</b>	<b>5,742</b>	<b>147,102</b>	<b>1,596</b>	<b>39,422</b>

**As of the beginning of FY 2020/3  
(April 1, 2019),**

orders of 147,102 million yen to be sales for FY2020/3 have been already **received and secured up to**

**73.3%**

**of the sales plan of 200,702 million yen for FY 2020/3 in condo sales, other real estate and residential houses business**

### FY 2020/3 Progress on Outstanding Orders as April 1, 2019

	Outstanding Orders Scheduled Delivery During FY 2020/3		Sales Plan for FY 2020/3	
	Units	Amount <b>A</b> (¥ million)	Amount <b>C</b> (¥ million)	Progression Rate <b>A/C</b>
Studio	2,238	44,142	70,901	<b>62.3%</b>
Family-type	1,503	55,713	74,757	<b>74.5%</b>
Condo Bldg. Sales	1,318	21,347	24,715	<b>86.4%</b>
Hotel Sales	664	16,242	18,292	<b>88.8%</b>
Other housing and real estate sales business	19	9,657	12,035	<b>80.2%</b>
<b>Total</b>	<b>5,742</b>	<b>147,102</b>	<b>200,702</b>	<b>73.3%</b>

#### Note:

The amount of outstanding orders is the sum of sales contract completed for properties with the following status.

- Buildings mainly under construction and not to be delivered yet
- 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.

## V. Shareholder Returns

## Dividend Trends and Policy

### ➤ Annual dividend per share

FY 2019/3: 40.5 yen (up 11.1 yen, payout ratio of 13.7%) ⇒ FY 2020/3: 52.0 yen (up 11.5 yen, payout ratio of 15.0%)

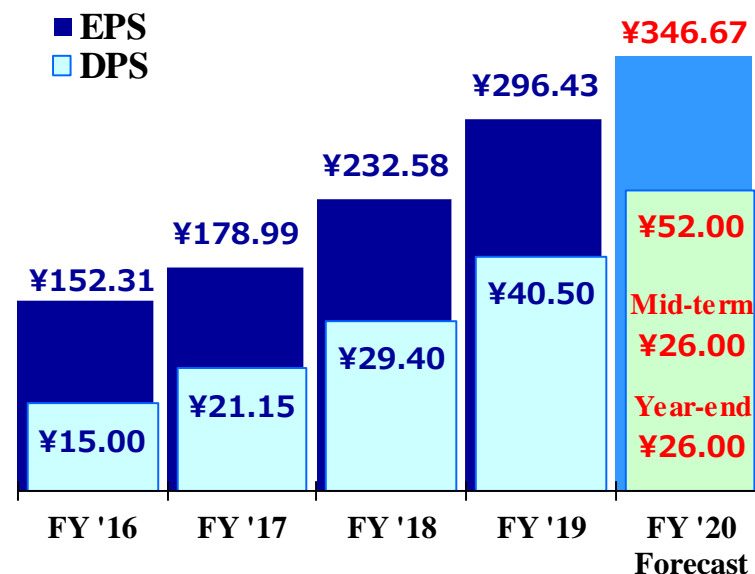
### ➤ Dividend policy (Medium-term Business Plan announced on May 10, 2018)

- Increase retained earnings for dividends by expanding operating profit by 10% or greater every year
- Dividend payout ratio: Gradually increase to 20% by the end of FY 2023/3
- Annual total dividend amount: Increase by 15% or greater year on year

Record date	Annual dividend			Dividend growth rate YoY	Total dividend (million yen)	Dividend payout ratio
	2Q	Year-end	Total			
<b>FY 2020 (Forecast)</b>	<b>¥26.00</b>	<b>¥26.00</b>	<b>¥52.00</b>	<b>28.4%</b>	<b>NA</b>	<b>15.0%</b>
FY 2019	¥17.50	¥23.00	¥40.50	37.8%	2,524	13.7%
FY 2018	¥12.50	¥16.90	¥29.40	39.0%	1,762	12.6%
FY 2017	¥8.75	¥12.40	¥21.15	41.0%	1,250	11.8%
FY 2016	¥0.00	¥15.00	¥15.00	20.0%	882	9.8%

**Note:** The company carried out a 4-for-1 stock split of common shares effective October 1, 2016.

The stock split is factored into the figures shown above.



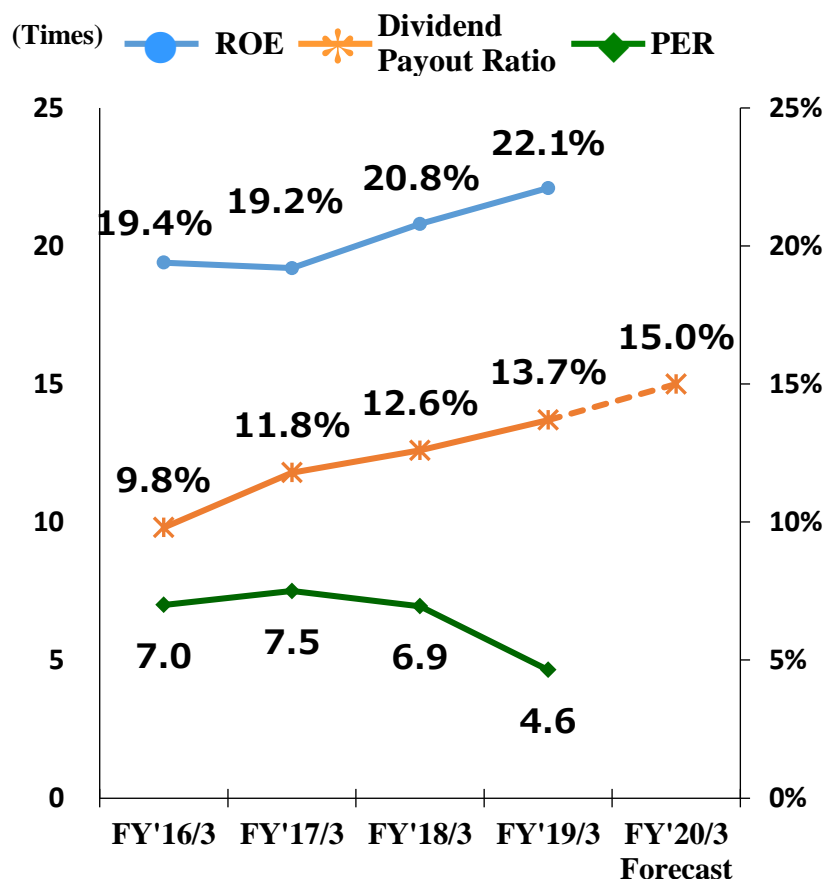
### Shareholder benefit plan and criteria for perks (partially revised from FY 2020/3)

FY 2019/3 (To be delivered in the end of June 2019)	100 shares or more and less than 400 shares	VJA Gift Card equivalent to 2,000 yen	FY 2020/3 (To be delivered in the end of June 2020)	400 shares or more	VJA Gift Card equivalent to 5,000 yen
	400 shares or more	VJA Gift Card equivalent to 5,000 yen			

# Objective on Share Price and Our Goal with Prioritized Actions

## High ROE, Low PER

### Trends of PER, ROE and Dividend payout ratio



Prioritized Action (1)

**Increase dividend payout ratio continuously to 20% by FY 2023/3**



Prioritized Action (2)

**10% or more growth of operating profit every year**



### Our Goal

**Expect the Increase of Stock Price Valuation (  $\div$  PER )**





**Pressance Corporation Co., Ltd.**

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

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