

May 17, 2018

To whom it may concern

Company name: **Pressance Corporation Co., Ltd.**
Listing: First Section of the Tokyo Stock Exchange
Securities code: 3254
URL: <http://www.pressance.co.jp/>
Representative: Shinobu Yamagishi, President and Representative Director
Contact: Yutaka Doi, Vice President and Director
TEL: +81-6-4793-1650

Notice of Mid-term Business Plan

Pressance Corporation Co., LTD (“the Company”) has made “Mid-term Business Plan” for three fiscal years ending March 2021.

1. Period

Three fiscal years from April 1, 2018 to March 31, 2021

2. Management goal

In addition to the existing management goal of achieving 10% or greater operating profit year on year, the Company has set a goal of raising its dividend payout ratio gradually up to 20% within the next five fiscal years ending March 2023.

3. Mid-term Business Plan (Consolidated)

(Millions of yen)

	FY2019/March	FY2020/March	FY2021/March
Net Sales	152,471	204,070	247,858
Operating Profit	24,541	28,088	32,028
Ordinary Income	23,661	27,048	30,737
Net Income	16,132	18,498	20,982

3. Business Strategy

The Company will vigorously strive to increase market share in Osaka, Kyoto, Kobe, Nagoya, Tokyo Metropolitan Area and Okinawa where the Company has already been recognized as a market leader. The Company will also strive to strengthen market position in the new market, such as Hiroshima, Fukuoka and other local major cities.

By the enhancement of land procurement and sales activities, the Company will strive to expand the number of condominiums and hotels to be provided that are highly satisfactory to our customers in terms of prices as well as location and also will strive to increase the number of units sold and to increase the profit.

The Company aims net sales of 247.8 billion yen and operating profit of 32 billion yen in the fiscal year ending March 2021.

Business Plan

April, 2018 to March, 2021

Pressance Corporation Co., Ltd.

[JPX Security Code: 3254.T]

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



Summary of Three year Business Plan

Performance target

- Sales: JPY 247.8 billion, Operating profit JPY 32.0 billion in the next three years, until FY ending in March, 2021

Management goal

- Operating profit: increase by 10% or greater year on year
- Dividend payout ratio: within the next 5 years, raising up to 20%
- Annual total dividend amount: increase by 15 % or greater year on year

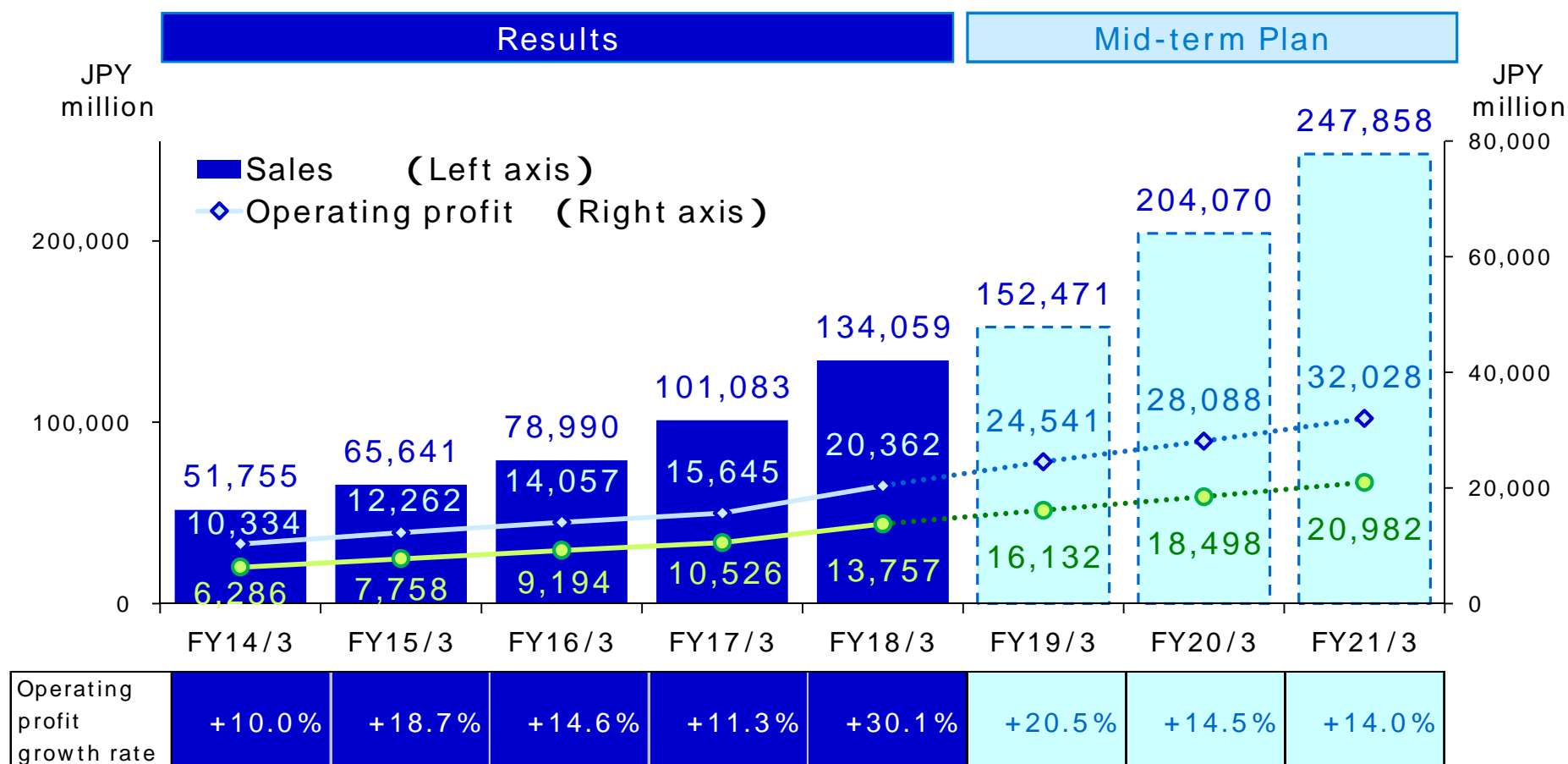
Strategies

- Vigorously increase market shares in Osaka, Kobe, Kyoto, Nagoya, Tokyo Metropolitan Area and Okinawa where Pressance have been ranked as the market leader.
- Strengthen market position in the new market, such as Hiroshima, Fukuoka and other local major cities.

Expand the number of condos and hotels that highly satisfy the customers needs.

Mid-term Business Plan

- Sales: Compound Average Growth Rate 22.7%
- Operating Profit: continuously grow by 10 % or greater year on year



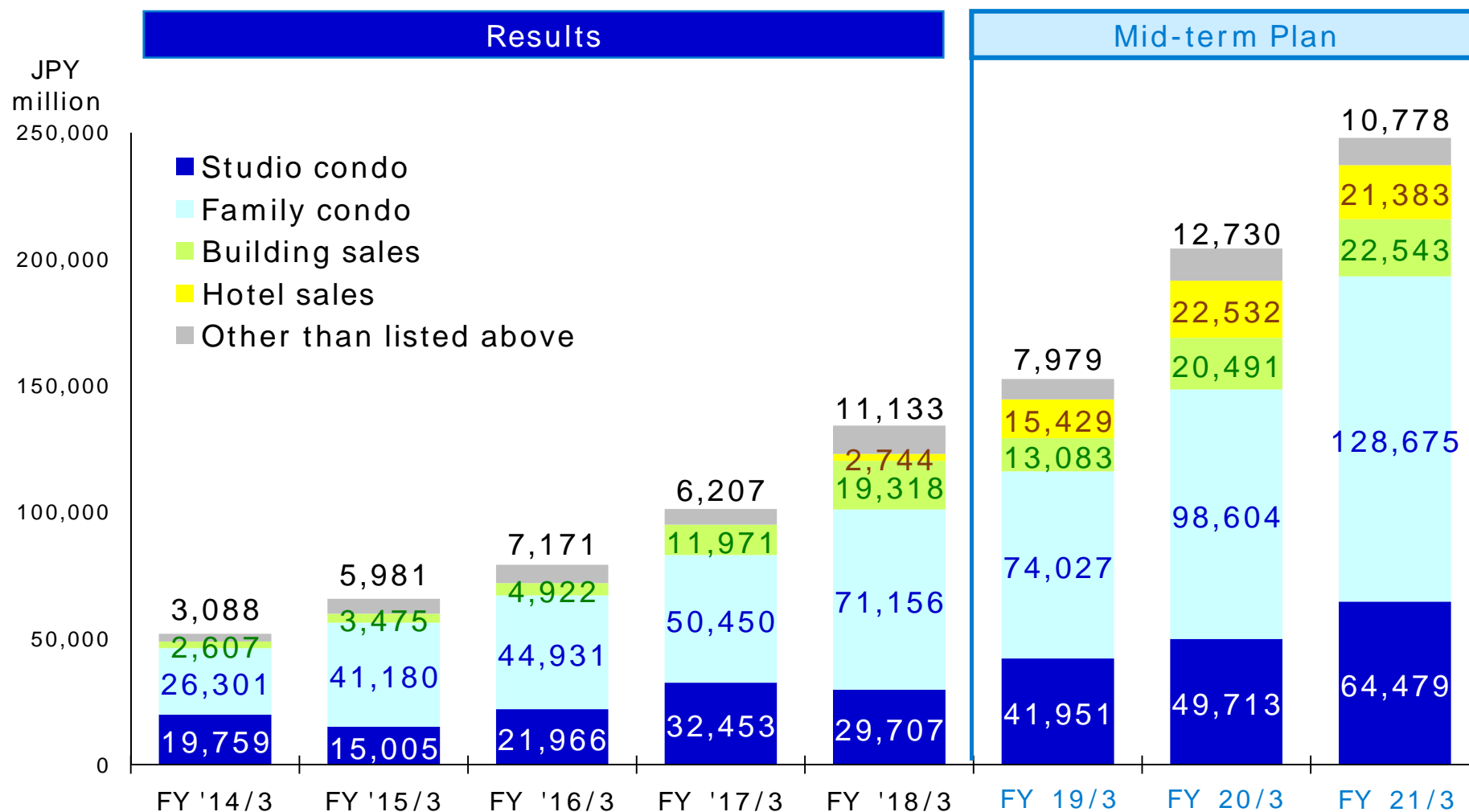
Mid-term Business Plan

(JPY Million)

	Results			Mid-term Plans								
	FY 2018/3			FY 2019/3			FY 2020/3			FY 2021/3		
	Amount	Ratio to Sales	YoY	Amount	Ratio to Sales	YoY	Amount	Ratio to Sales	YoY	Amount	Ratio to Sales	YoY
Sales	134,059	100.0%	132.6%	152,471	100.0%	113.7%	204,070	100.0%	133.8%	247,858	100.0%	121.5%
Cost of Goods Sold	99,575	74.3%	135.2%	110,820	72.7%	111.3%	155,387	76.1%	140.2%	191,343	77.2%	123.1%
Gross profit	34,484	25.7%	125.7%	41,650	27.3%	120.8%	48,683	23.9%	116.9%	56,514	22.8%	116.1%
SGA expenses	14,121	10.5%	119.8%	17,108	11.2%	121.2%	20,594	10.1%	120.4%	24,486	9.9%	118.9%
Operating profit	20,362	15.2%	130.1%	24,541	16.1%	120.5%	28,088	13.8%	114.5%	32,028	12.9%	114.0%
Ordinary income	19,858	14.8%	128.8%	23,661	15.5%	119.2%	27,048	13.3%	114.3%	30,737	12.4%	113.6%
Profit attributable to owners of parent	13,757	10.3%	130.7%	16,132	10.6%	117.3%	18,498	9.1%	114.7%	20,982	8.5%	113.4%

Sales plans by major products

Sales of Studio and Family-type condos biz will soundly grow



Sales plans by major products

(JPY million)

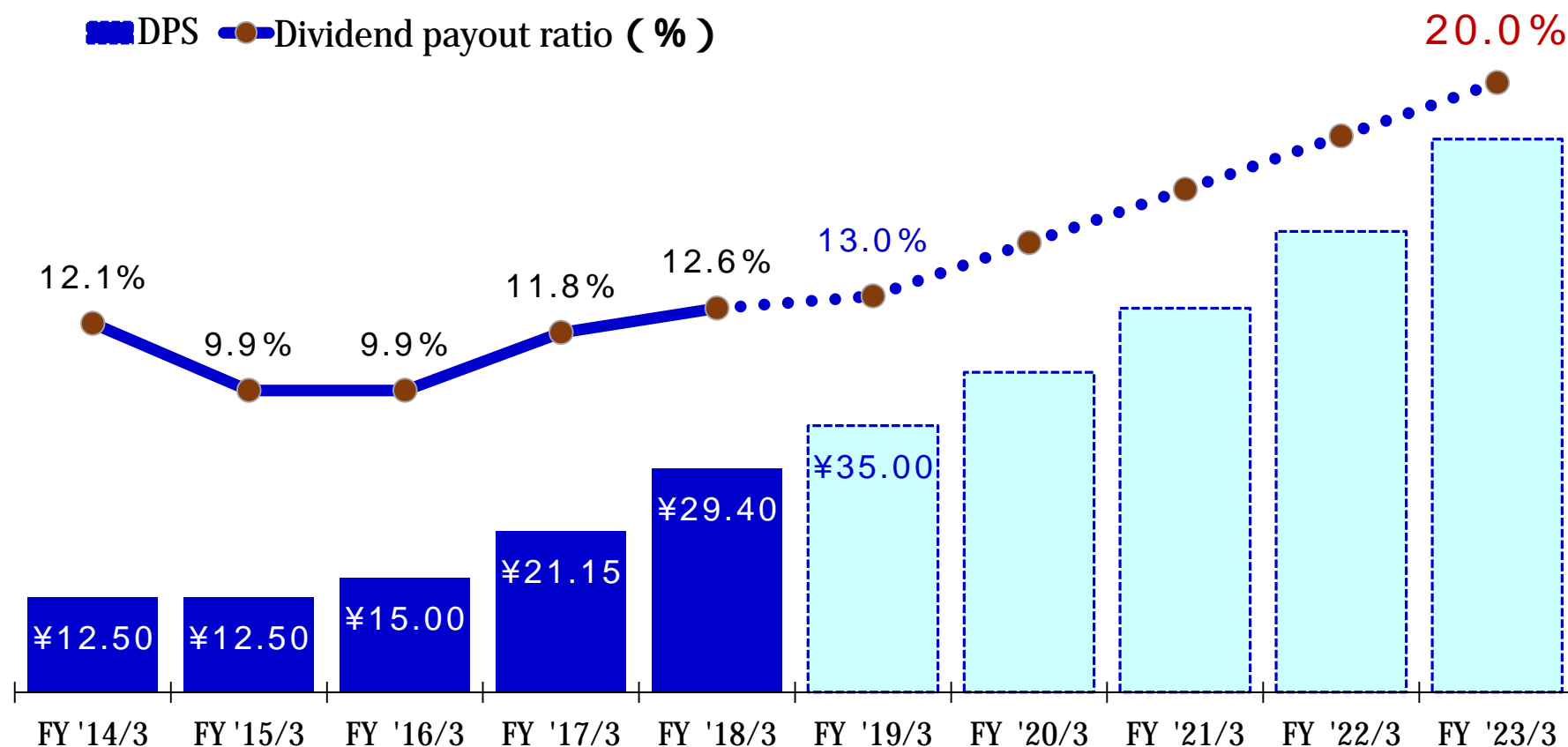
	Results			Mid-term Forecasts								
	FY '18/3			FY '19/3			FY '20/3			FY '21/3		
	Amount	Component ratio	YoY	Amount	Component ratio	YoY	Amount	Component ratio	YoY	Amount	Component ratio	YoY
Studio condo	29,707	22.2%	91.5%	41,951	27.5%	141.2%	49,713	24.4%	118.5%	64,479	26.0%	129.7%
Family condo	71,156	53.1%	141.0%	74,027	48.6%	104.0%	98,604	48.3%	133.2%	128,675	51.9%	130.5%
Building sales	19,318	14.4%	161.4%	13,083	8.6%	67.7%	20,491	10.0%	156.6%	22,543	9.1%	110.0%
Hotel sales	2,744	2.0%	NA	15,429	10.1%	562.3%	22,532	11.0%	146.0%	21,383	8.6%	94.9%
Sub total for Condominium sales business	122,926	91.7%	129.6%	144,492	94.8%	117.5%	191,340	93.8%	132.4%	237,080	95.7%	123.9%
Other than listed above	11,133	8.3%	179.4%	7,979	5.2%	71.7%	12,730	6.2%	159.5%	10,778	4.3%	84.7%
Total	134,059	100.0%	132.6%	152,471	100.0%	113.7%	204,070	100.0%	133.8%	247,858	100.0%	121.5%

Note: product types are subject to change due to the change in market conditions or needs. And it may cause change in sales and/or profits.

Shareholder return : Increase in dividend payout ratio and dividend

- Increase dividend payout ratio up to 20% in the next five years

Accelerate increase in total dividends



Shareholder return : increase in EPS and total dividend

- Continuous operating profits growth by 10% or greater year on year
increasing profit available for dividend
- Expanding total dividend amount by 15% or greater year on year
(increasing retained earnings for dividends) × (increasing dividend payout ratio)

Total Dividends

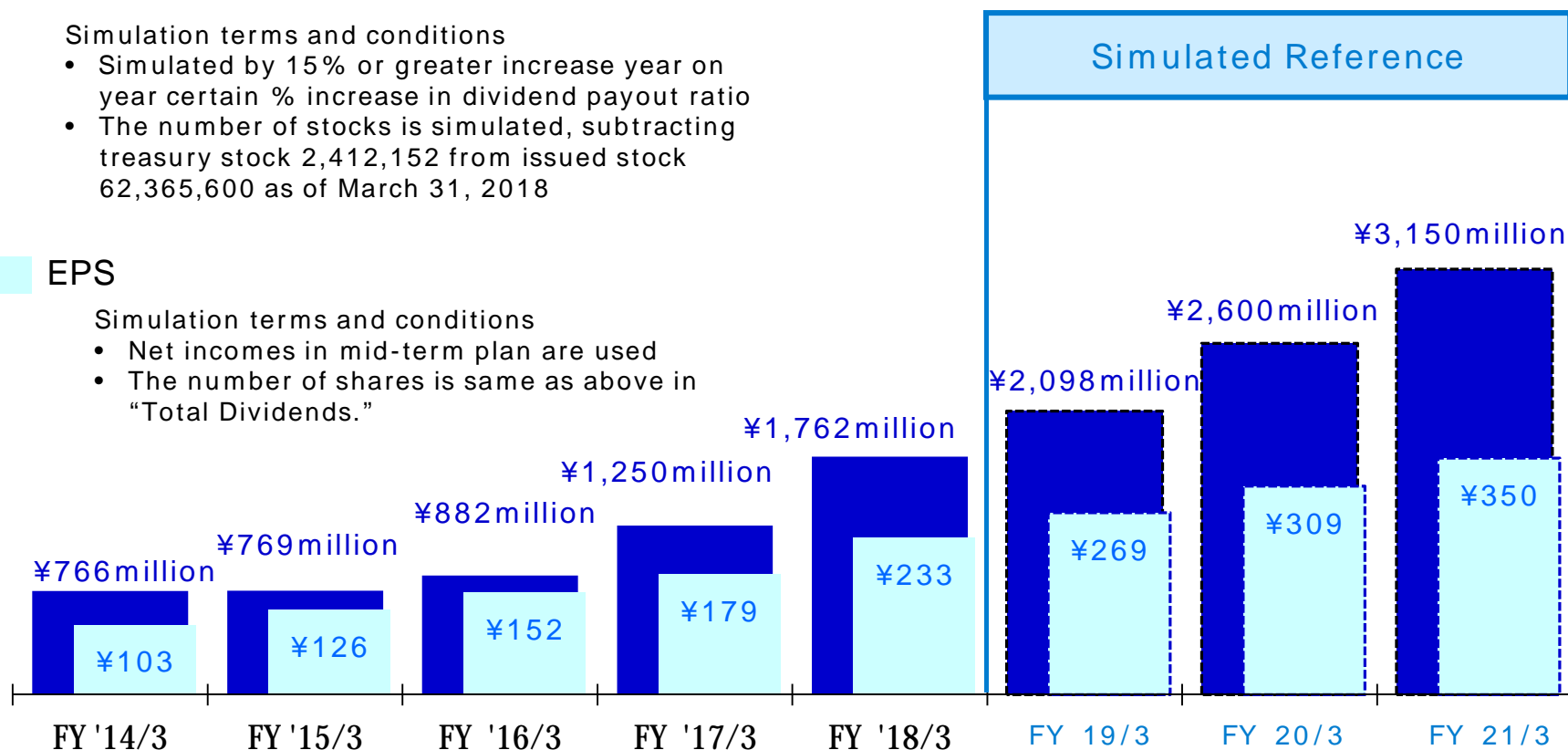
Simulation terms and conditions

- Simulated by 15% or greater increase year on year certain % increase in dividend payout ratio
- The number of stocks is simulated, subtracting treasury stock 2,412,152 from issued stock 62,365,600 as of March 31, 2018

EPS

Simulation terms and conditions

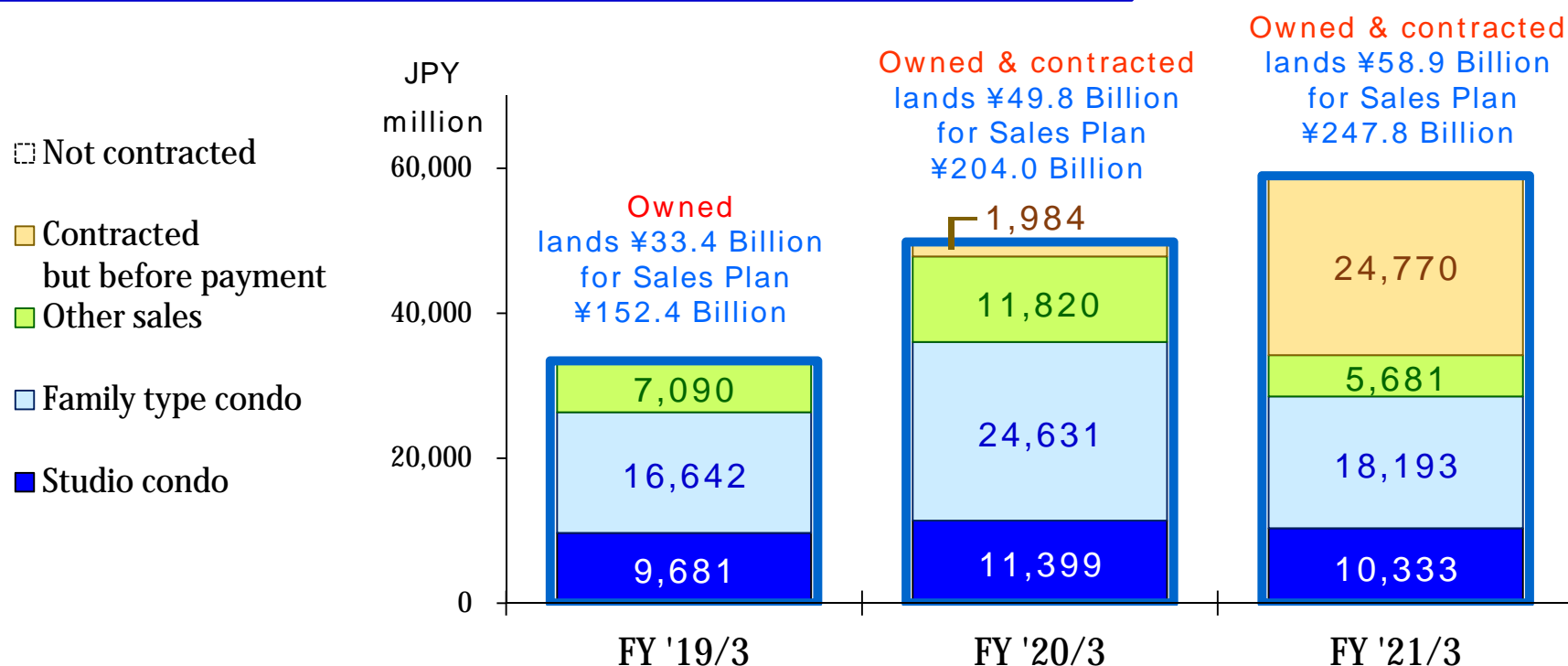
- Net incomes in mid-term plan are used
- The number of shares is same as above in "Total Dividends."



Acquisition of lands for sales in each FY (Delivery Year Basis)

- The lands owned and the lands contracted but before payment have been arranged for the next three year sales
- Making progress on construction and sales

Sound prospect on achieving mid-term plan in terms of lands acquisition

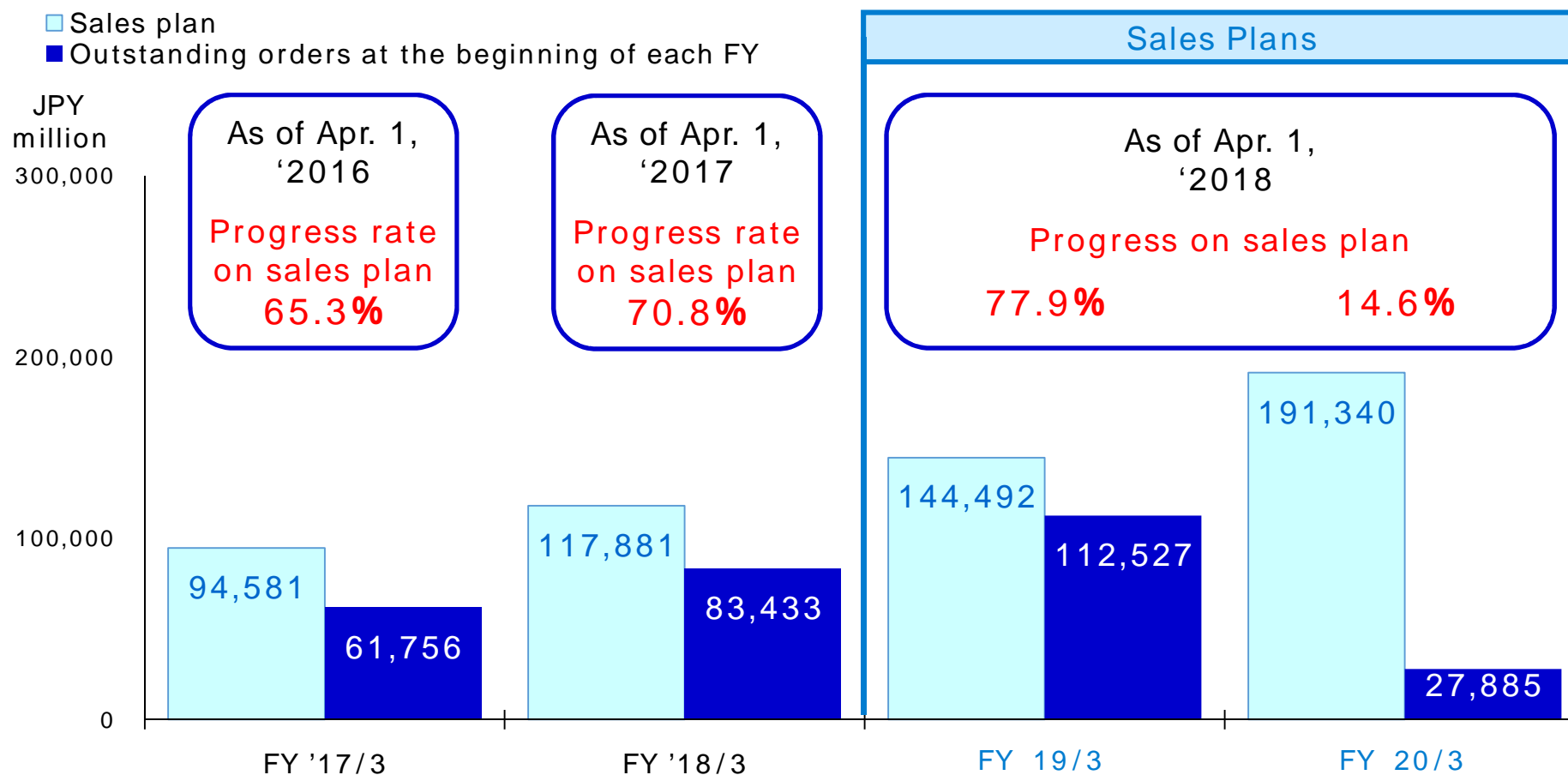


Owned another 6.3 billion lands for studio condos that Pressance possesses by itself

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Progress on sales plan regarding the sales of condos as of April 1, 2018

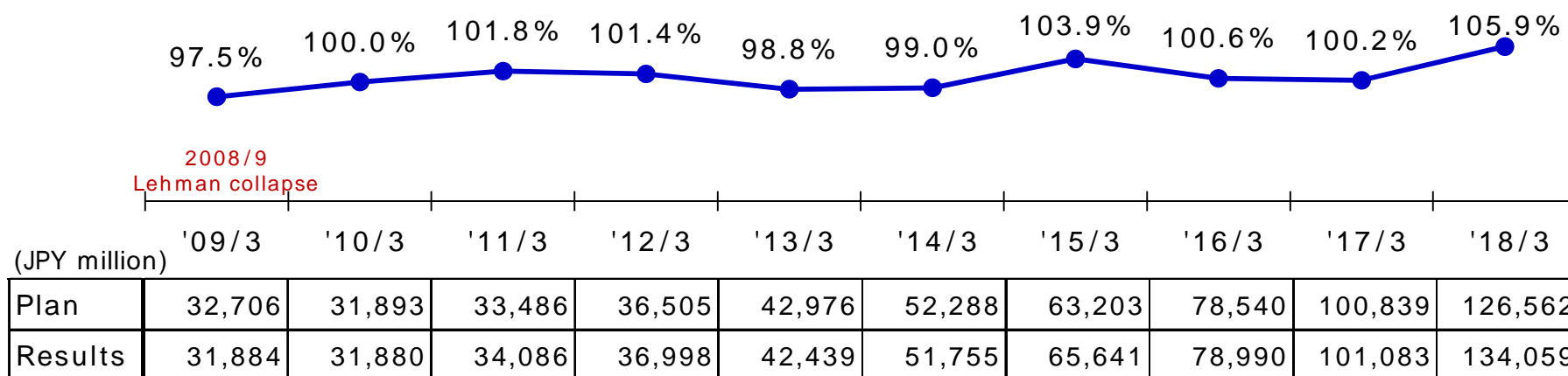
- Substantial rate to annual sales forecasts at the beginning of each FY.
- Higher progress rate on the sales plan for FY 2019/3 as of April 1, 2018



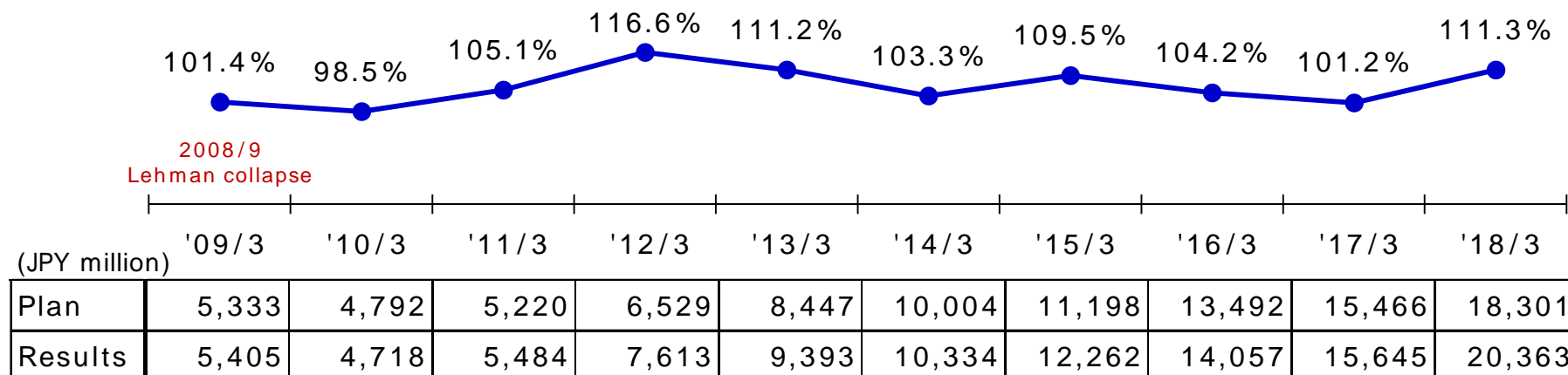
Achievement rates to plans in the past (= result ÷ plan)

Achievement rate has exceeded 100% for 8 consecutive years recently

Achievement rate on Sales



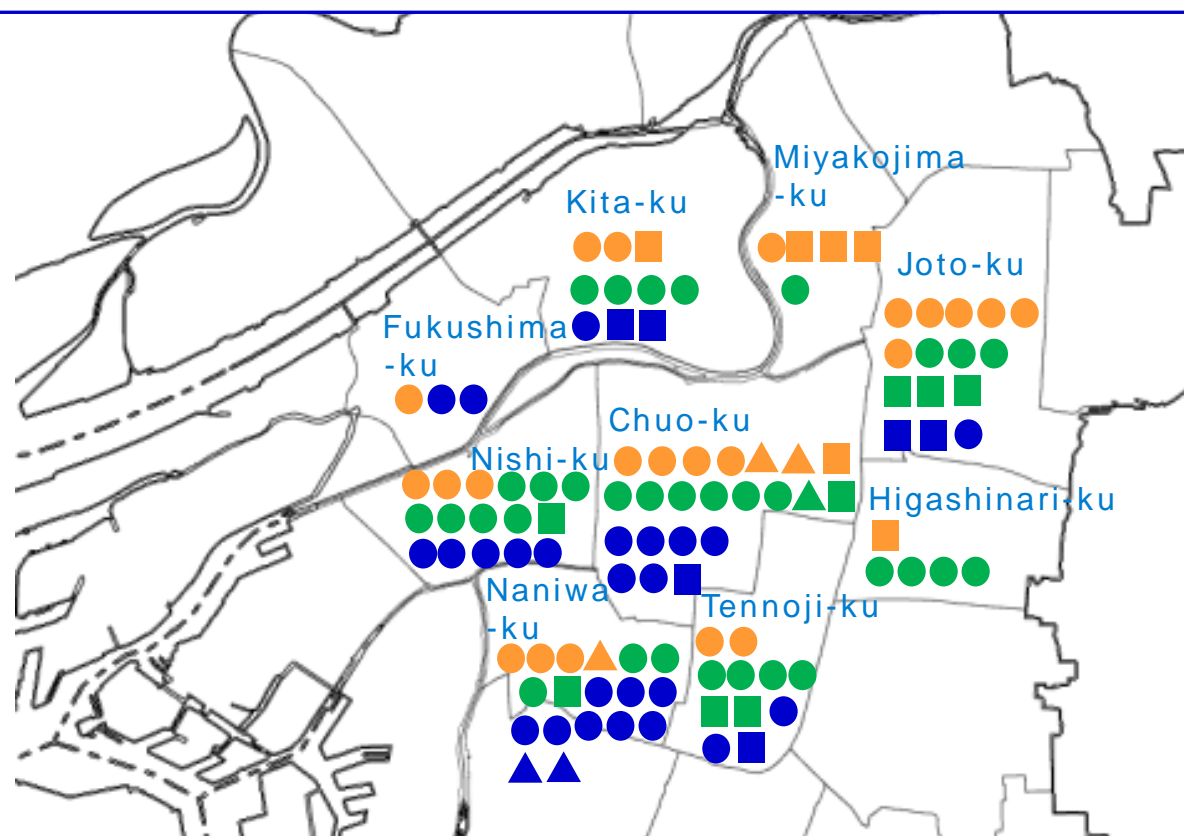
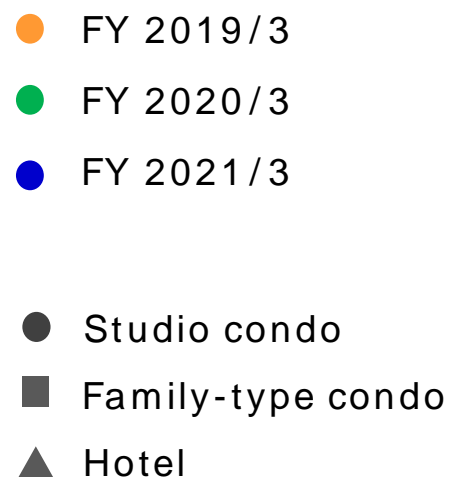
Achievement rate on Operating Profits



Increase in supply and sales in the center of Osaka city

Plan to supply and sell number of condos and hotels in the center of Osaka city

- Population tends to increase, and the needs to live in the center of Osaka have been expanding.
- The market for studio condos has been expanding as more people have invested in real estates.

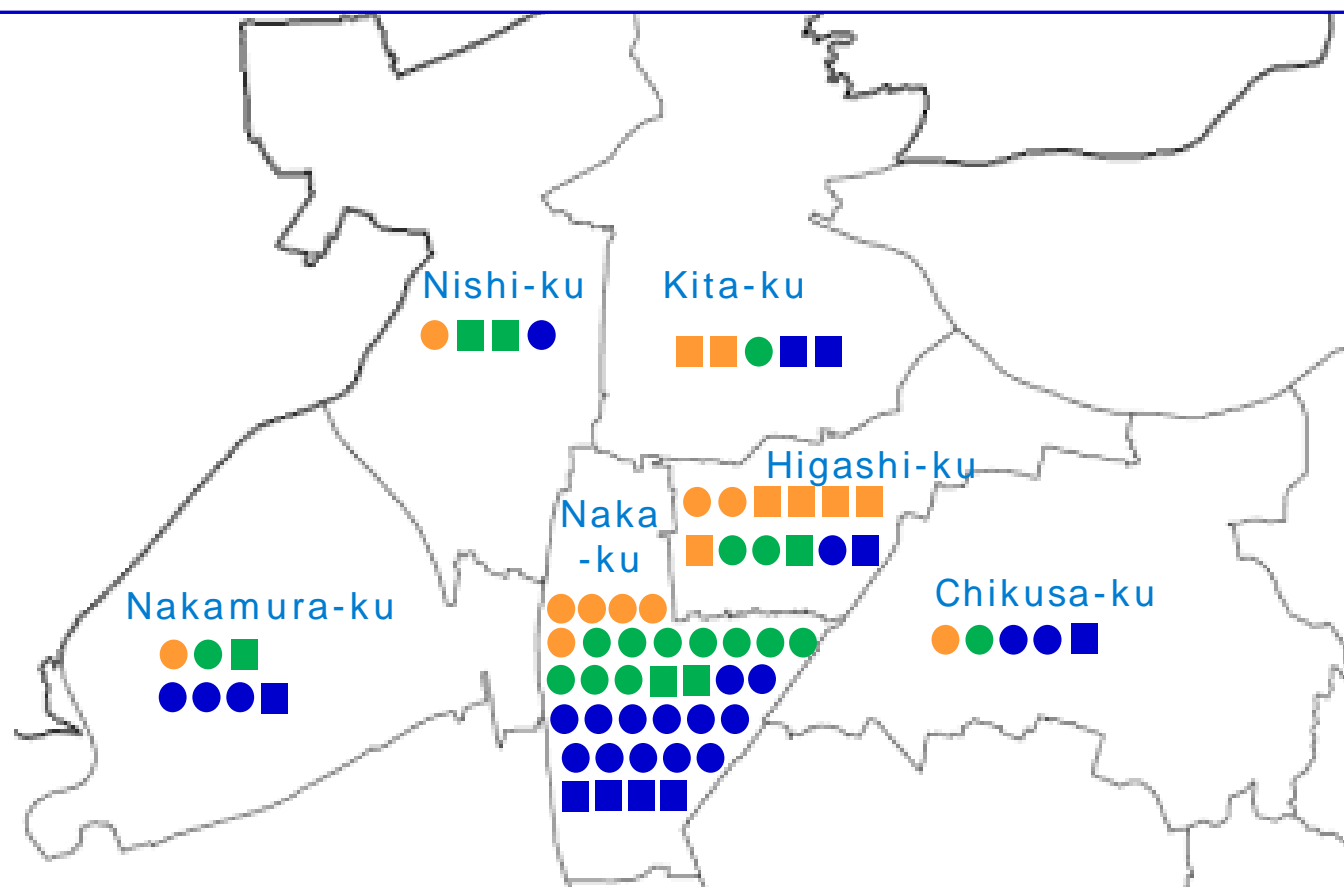


Increase in supply and sales in the center of Nagoya city

Plan to supply and sell number of condos in the center of Nagoya city

- Population tends to increase, and the needs to live in the center of Nagoya have been expanding.
- The market for studio condos has been expanding as more people have invested in real estates.

- FY 2019/3
- FY 2020/3
- FY 2021/3
- Studio condo
- Family-type condo





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