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I am Hirahara, General Manager of the Corporate Planning Department.  
I will now explain the performance summary up to page 13



## Overview of the Results for FY2026/3 1Q



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## Overview of the Results for FY2026/3 1Q



Sales and profit increased significantly compared to the same period last year, which is a good start against the full year forecast. Property sales drove overall performance, and the Service and Operation Businesses also grew steadily.

(Unit: million yen)

	Results	Profit margin	Year-on-year	Growth rate	Forecast	Achievement rate
Net sales	27,319	—	+11,633	74.2%	117,000	23.3%
Operating profit	6,021	22.0%	+3,186	112.4%	23,840	25.3%
Ordinary profit	5,783	21.2%	+3,043	111.1%	22,500	25.7%
Profit <sup>※</sup>	3,978	14.6%	+2,100	111.8%	15,500	25.7%

\*The profit attributing to owners of parent.

### Performance Highlight

- Property sales are driving performance through the scheduled settlement of large-scale properties, while property sales planned for the second quarter are also progressing steadily.
- While settling property purchases contracted in the previous fiscal year, acquisitions for the current fiscal year are being accelerated ahead of schedule toward achieving the targets of the medium-term management plan.
- The Real Estate Service Business achieved record-high performance in the first quarter, driven by growth across all segments, including brokerage, property management, and rental meeting room services.
- The Hotel Operation Business achieved growth by capturing inbound demand. In addition to opening new hotels, the number of rooms under operation is expected to increase through M&A.
- In the Hotel Development Business, construction of two new-built hotels scheduled to open in the current fiscal year is progressing smoothly. The sale of hotel properties is expected in the second half of the fiscal year.

In the first quarter, we recorded a significant year-on-year increase in both net sales and profit.

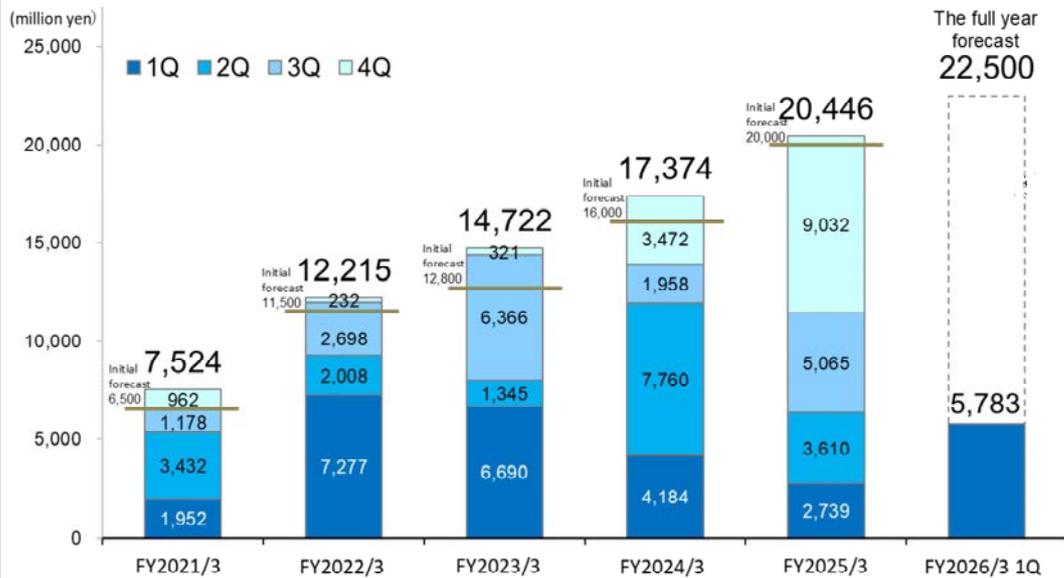
However, this represents roughly one-fourth of our full-year forecast, which is in line with our initial plan.

By business segment, all segments performed well — both flow-type and stock-type businesses — including property sales and acquisitions in the Replanning Business, as well as the Real Estate Service and Hotel Operation businesses.

# Trends in Ordinary Profit for recently 5 fiscal years



Solid start in line with the full-year forecast.



This graph shows quarterly results and progress toward the full-year forecast for ordinary profit over the past five fiscal years.

Our Group will continue working to minimize quarterly performance fluctuations while striving to maximize corporate value under our highly profitable business structure.

## Consolidated Income Statement



(Unit: million yen)

	FY2025/3 1Q	FY2026/3 1Q	YoY increase/decrease	YoY change rate
Net sales	15,685	27,319	+11,633	74.2%
Real Estate Revitalization Business	8,711	17,857	+9,145	105.0%
Replanning business	8,020	17,045	+9,024	112.5%
Rental Buildings Business	690	812	+121	17.5%
Real Estate Service Business	3,119	4,289	+1,169	37.5%
Hotel and Tourism Business	3,681	4,598	+917	24.9%
Hotel Development Business	-	-	-	-
Hotel Operation, etc.	3,681	4,598	+917	24.9%
Other Business	481	756	+275	57.3%
Adjustments	-308	-183	+125	-
Gross Profit (Loss)	5,194	9,134	+3,940	75.9%
Real Estate Revitalization Business	2,638	5,459	+2,820	106.9%
Replanning Business	2,591	5,226	+2,635	101.7%
Rental Buildings Business	47	232	+185	390.8%
Real Estate Service Business	1,699	2,310	+611	36.0%
Hotel and Tourism Business	888	1,234	+346	39.0%
Hotel Development Business	-0	-0	+0	-
Hotel Operation, etc.	888	1,235	+346	39.0%
Other Business	172	208	+35	20.5%
Adjustments	-204	-78	+126	-
Selling, General and Administrative Expenses	2,359	3,113	+753	31.9%
Operating Profit (Loss)	2,834	6,021	+3,186	112.4%
Ordinary Profit (Loss)	2,739	5,783	+3,043	111.1%
Profit	1,878	3,978	+2,100	111.8%
EPS	38.68 yen	81.97 yen	+43.29 yen	111.9%

### Keynotes of Income Statement

#### <The Real Estate Revitalization Business>

Although the number of properties sold was four (down two from the same period last year), the sales of larger-scale properties led to increased net sales and profit. Including properties that have been contracted and are scheduled for settlement, profit has progressed to over 40% of the full-year earnings forecast.

#### <The Real Estate Service Business>

Net sales and profit increased due to a rise in the number of buildings under property management, strong performance in rental conference room operations, and the successful brokerage of large-scale property transactions.

#### <The Hotel and Tourism Business>

Net sales and profit increased as the strong demand for domestic travel and inbound demand continued and focus on services led to increases in the average daily rate and occupancy rates.

#### <Selling, General and Administrative Expenses>

In addition to investments in human capital and systems, hotel opening expenses increased due to the expansion of operations.

Next, I would like to explain four key points regarding the consolidated income statement.

1. In the Real Estate Revitalization Business, including properties under contract and scheduled for settlement as of the time of disclosure, progress has exceeded 40% toward the full-year forecast.
2. In the Real Estate Service Business, performance was driven by the rental meeting room and brokerage businesses. Meanwhile, the core PM (Property Management) business — the platform of this segment — continued to expand steadily, with 556 buildings under management and an occupancy rate of 95%, resulting in a record-high quarterly performance.
3. In the Hotel and Tourism Business, we achieved a record-high quarterly performance, driven by a strategy focused on delivering high added value and supported by robust inbound demand.
4. On the cost side, we are steadily making focused investments in human resources and systems, in line with our initial plan.

# Consolidated Balance Sheet - Assets -



<Cash and deposits> Decreased by 4.1 billion yen from the end of the previous fiscal year due to property acquisitions, construction progress, tax payments and dividends distributions

<Inventories> Although there was a decrease due to the sale of large-scale properties in the RP business, the total increased by 1.8 billion yen compared to the end of the previous fiscal year, driven by property acquisitions and construction progress across segments

<Property, plant and equipment> Increased by 1.4 billion yen from the end of the previous fiscal year due to the progress of construction for hotel development.

(Unit: million yen)	As of End of March 2024	As of End of March 2025	As of End of June 2025	Increase/decrease (compared to the End of March 2025)
<b>Current assets</b>	159,518	183,706	182,283	- 1,422
Cash and deposits	47,867	44,920	40,779	- 4,140
Inventories	106,869	133,713	135,532	+1,819
Breakdown) RP※	95,926	115,549	114,354	- 1,194
Hotel	9,545	15,326	18,230	+2,903
Overseas, etc.	1,397	2,837	2,947	+110
Other current assets	4,780	5,072	5,971	+898
<b>Non-current assets</b>	29,143	34,484	35,581	+1,097
Property, plant and equipment	22,323	24,290	25,723	+1,432
Intangible assets	1,193	2,288	2,222	- 65
Investments and other assets	5,626	7,904	7,635	- 268
<b>Total assets</b>	188,661	218,190	217,865	- 324

Note : Includes properties in small-lot real estate properties and New York properties.

Next is the consolidated balance sheet.

Total assets stood at 217.8 billion yen, remaining flat compared to the end of March.

Amid this, cash and deposits decreased by 4.1 billion yen due to property acquisitions, construction costs, tax payments, and dividends.

However, in the Hotel Business, inventories and property, plant and equipment increased by a combined total of 4.3 billion yen.

# Consolidated Balance Sheet - Liabilities/Equity -



<Interest-bearing debt> Increased by 1.5 billion yen from the end of the previous fiscal year to 93.9 billion yen, due to an increase in borrowings for property purchases, despite a decrease due to repayments associated with the sale of large-scale property.

<Equity ratio> The ratio was maintained target level despite active investment initiatives.

Equity Ratio Trends		
As of End of March 2024	As of End of March 2025	As of End of June 2025
48.0%	46.8%	47.7%

(Unit: million yen)	As of End of March 2024	As of End of March 2025	As of End of June 2025	Increase/decrease (compared to the End of March 2025)
Current liabilities	24,767	26,663	24,769	- 1,894
Short-term borrowings, etc.	12,269	10,240	12,154	+1,913
Other current liabilities	12,497	16,423	12,615	- 3,808
Non-current liabilities	69,477	85,634	85,433	- 200
Long-term borrowings	57,272	72,219	71,804	- 414
Bonds payable	9,999	9,999	9,999	-
Other non-current liability	2,205	3,415	3,629	+214
<b>Total liabilities</b>	<b>94,244</b>	<b>112,298</b>	<b>110,203</b>	<b>- 2,095</b>
Shareholders' equity	89,889	100,949	103,115	+2,165
Other	4,526	4,942	4,547	- 395
<b>Total net assets</b>	<b>94,416</b>	<b>105,892</b>	<b>107,662</b>	<b>+1,770</b>
<b>Total liabilities and net assets</b>	<b>188,661</b>	<b>218,190</b>	<b>217,865</b>	<b>- 324</b>

On the liabilities and net assets side, the equity ratio remained at a high level of 47.7%.

Going forward, we will continue to pursue capital efficiency while maintaining business investments and ensuring a sound financial position.

## Performance for Each Business Segment

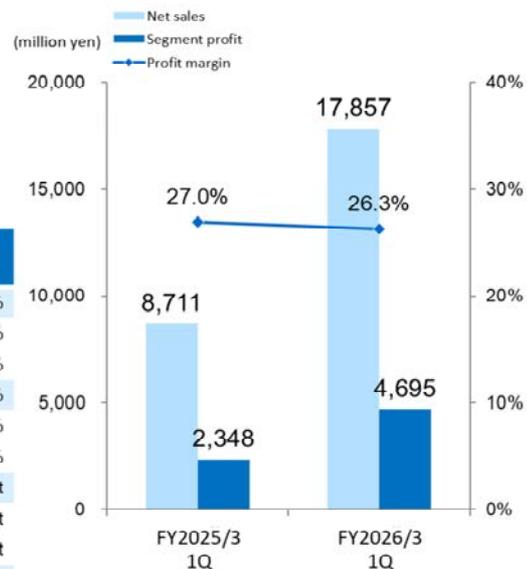


### Real Estate Revitalization Business (Replanning and Rental Buildings)

#### <Replanning Business>

- The number of properties sold was four (down two from the same period last year). Due to the sale of large-scale property, both net sales and profit increased significantly, maintaining a high level of profitability.
- The average business period was 771 days (-12 days YoY). Excluding one new construction property (925 days) and one long-term property (855 days), the average became 653 days.

(Unit: million yen)	FY2025/3 1Q	FY2026/3 1Q	Increase/ Decrease
Net sales	8,711	17,857	+105.0%
Replanning Business	8,020	17,045	+112.5%
Rental Building Business	690	812	+17.5%
Segment profit <sup>※1</sup>	2,348	4,695	+100.0%
Replanning Business	2,300	4,462	+94.0%
Rental Building Business	47	232	+390.8%
Profit margin	27.0%	26.3%	- 0.7%pt
Replanning Business	28.7%	26.2%	- 2.5%pt
Rental Building Business	6.9%	28.7%	+21.8%pt
Number of properties sold	6 cases	4 cases	-2 cases
Number of stocks	70 cases <sup>※2</sup>	77 cases <sup>※2</sup>	+7 cases



※1 "Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.  
 ※2 Land purchase and development projects are included.

Next, I will explain the results by business segment.

The Replanning Business recorded a significant year-on-year increase in both net sales and profit, while maintaining profit margins.

In terms of both net sales and profit, the business is progressing at a steady pace toward the full-year forecast.

Going forward, we will continue to strengthen our stock-type businesses, led by the rental office building business, by replacing assets as needed and expanding a stable earnings base.

## Performance for Each Business Segment



### Real Estate Revitalization Business

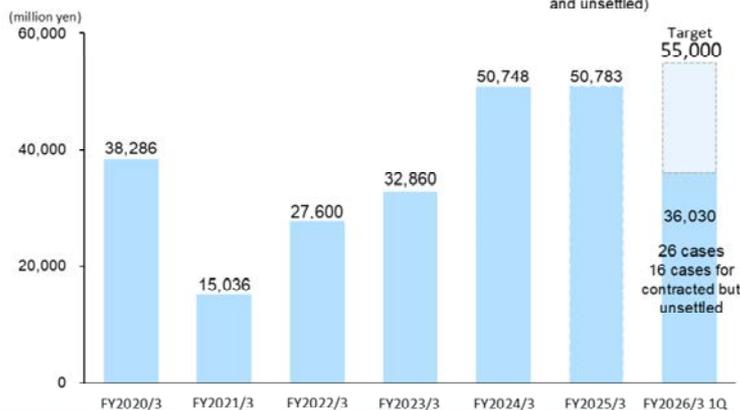
<Property purchase of Replanning Business\*>

36 billion yen including properties that have been contracted and are scheduled for settlement.

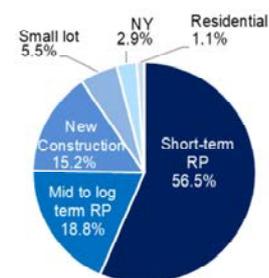
Progress has exceeded 60% toward the full-year purchase target of 55 billion yen.

※Including land, properties in non-current assets, small-lot real estate properties and New York properties.

(Unit: million yen)	FY2025/3 1Q	FY2026/3 1Q	Increase/ Decrease
Number of property purchases	20 cases	26 cases	+6 cases
(of which, contracted and unsettled)	6 cases	16 cases	+10 cases
Purchase amount	17,153	36,030	+18,877
(of which, contracted and unsettled)	3,428	20,488	+22,060



Breakdown of Inventories for Replanning Properties



※ As of the end of June 2025, Inventory balance.: 114,354 million yen

On the acquisition side, we have made steady progress, with over 60% of the full-year target already secured, including properties under contract but unsettled.

We will continue to adhere strictly to our acquisition criteria while working to build a solid foundation for future corporate value.

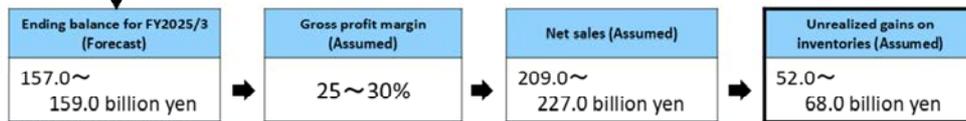
# Trends in Inventories and Gross Profit of Property Sales



Aggressively invest in diversified flow-type businesses in a balanced manner

	FY2022/3 (Results)	FY2023/3 (Results)	FY2024/3 (Results)	FY2025/3 (Results)	FY2026/3 (Forecast)
Sales of properties	57.0 billion yen	61.7 billion yen	53.7 billion yen	71.7 billion yen	81.4 billion yen
Cost of property sales	40.3 billion yen	44.9 billion yen	36.1 billion yen	50.3 billion yen	57.5 billion yen
Gross profit ※	16.7 billion yen RP 16.0 billion yen Hotel 0.7 billion yen	16.8 billion yen RP 15.3 billion yen Hotel 1.5 billion yen	17.6 billion yen RP 15.5 billion yen Hotel 2.1 billion yen	21.4 billion yen RP 20.5 billion yen Hotel 0.9 billion yen	23.9 billion yen RP 23.5 billion yen Hotel 0.4 billion yen
Gross profit margin	29.2%	27.2%	32.8%	29.8%	29.1%
Purchases during the fiscal year, construction work, etc.	31.6 billion yen	47.7 billion yen	62.8 billion yen	77.2 billion yen	80.8 ~ 82.8 billion yen
Ending balance of the inventory	77.3 billion yen	80.1 billion yen	106.8 billion yen	133.7 billion yen	157.0 ~ 159.0 billion yen

Although COVID-19 pandemic prolonged, sales remained strong. Refocused on purchases, but the inventory balance declined. (FY2022/3 to FY2023/3)  
 Sales remained strong. The results of strengthening purchase emerged, leading to the increase of the balance of inventories. (FY2023/3 to FY2024/3)  
 The balance increased by selling as planned and investing aggressively. (FY2024/3 to FY2025/3)  
 Aggressively invest for the next fiscal year and beyond while selling at high margins and achieving the Medium-Term Management Plan (FY2025/3 to FY2026/3)  
 Continued growth under the new Medium-term Management Plan, promoting the development of new buildings. NY Replanning, sales under the Act on Specified Joint Real Estate Ventures. (FY2026/3 Forecast)



※ Gross profit = ordinary profit - sales commission

This chart illustrates our business model for increasing added value in flow-type businesses, based on the relationship between sales, purchases, and inventories as recorded in the financial statements.

The rightmost column represents the initial budget for the current fiscal year. At the same time, the “Assumed” at the bottom indicates the unrealized gains on the balance sheet, calculated in reverse from the profit margin.

## Performance for Each Business Segment

### Real Estate Services Business

(Property Management, Building Maintenance, Sales Brokerage, Leasing Brokerage, Rental Conference Room, Rent Guarantee, etc.)



#### <Property Management and Building Maintenance>

- In the PM business, sales and profit increased due to an increase in the number of buildings under management.
- In the BM business, sales and profit increased due to an increase of buildings under management through strengthened intergroup cooperation.

#### <Brokerage>

- In Leasing Brokerage, net sales and profit increased by capturing demand for hybrid workstyles and talent acquisition amid the return to office environments.
- In Sales Brokerage, net sales and profit increased thanks to the successful closing of referral deals as well as multiple large-scale transactions.

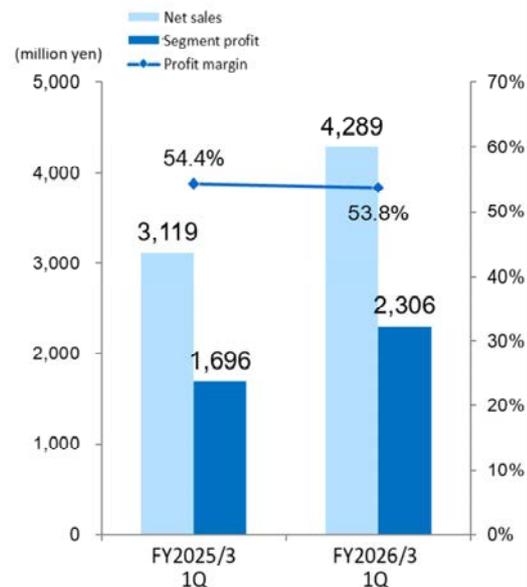
#### <Rental Conference Room>

- Sales and profit increased as newly opened sites (less than one year in operation) are becoming established, along with the accumulation of long-term and large-scale projects.

#### <Rent Guarantee>

- Sales and profit increased due to the steady growth in new contracts and contract renewals.

(Unit: million yen)	FY2025/3 1Q	FY2026/3 1Q	Increase/ Decrease
Net sales	3,119	4,289	+37.5%
Segment profit <sup>※1</sup>	1,696	2,306	+35.9%
Profit margin	54.4%	53.8%	-0.6%pt



※1 "Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.

The Real Estate Service Business has a complementary relationship with the Replanning Business and serves as a platform that provides a one-stop value-added chain across our Group.

As shown in the charts, segment sales exceeded 4 billion yen for the first time, and we maintained a profit margin of 54%.

We will continue to strengthen this stock-type business, which is less susceptible to interest rate fluctuations.

## Performance for Each Business Segment



### Hotel and Tourism Business (Hotel Development, Hotel Operation, etc.)

#### <Hotel Development Business>

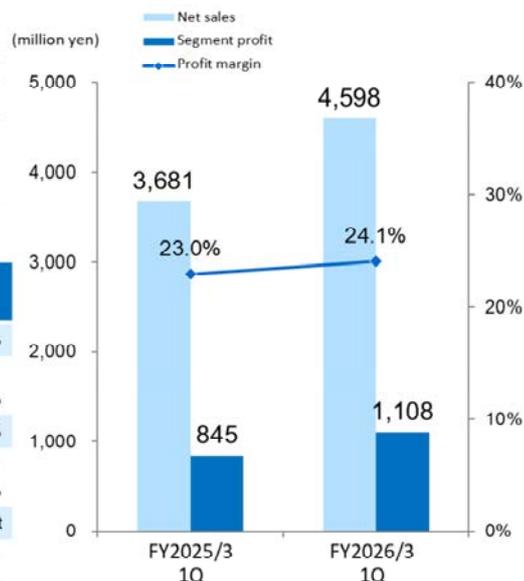
■ Hotel sales are scheduled for the second half of the fiscal year. Kakogawa (scheduled for September 2025) and Ishikari (October 2025) are scheduled to open within the current fiscal year. Hotel construction projects in Kumamoto, and Rokkasho are progressing smoothly.

#### <Hotel Operation Business\*1>

■ Sales and profit increased as strong inbound demand continued, and occupancy rates and average daily rates improved.

(Unit: million yen)	FY2025/3 1Q	FY2026/3 1Q	Increase/ Decrease
<b>Net sales</b>	<b>3,681</b>	<b>4,598</b>	<b>+24.9%</b>
Hotel Development Business	-	-	-
Hotel Operation Business, etc.	3,681	4,598	+24.9%
<b>Segment profit #2</b>	<b>845</b>	<b>1,108</b>	<b>+31.2%</b>
Hotel Development Business	-22	-43	-
Hotel Operation Business, etc.	867	1,152	+32.8%
<b>Profit margin</b>	<b>23.0%</b>	<b>24.1%</b>	<b>+1.1%pt</b>
Hotel Development Business	-	-	-
Hotel Operation Business, etc.	23.6%	25.1%	+1.5%pt

※1 There is Profit of Hotel Rental included.



※2 "Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.

Next is the Hotel and Tourism Business.

In our development projects, we place importance on regional revitalization and are advancing developments not only in high-demand urban areas but also in collaboration with local residents.

Against this backdrop, we plan to open new Tabino Hotels in Kakogawa in September and Ishikari in October.

In our Hotel Operations Business, we are seeing a growing number of repeat guests who support our Group's Philosophy of creating "heartwarming and fun hotels."

Coupled with the tailwind of strong inbound tourism, the impact of our high-value-added strategy is becoming increasingly evident in both occupancy rates and average daily rates.

## Performance for Each Business Segment



### Other Business (Construction Business, Overseas Development Business, etc.)

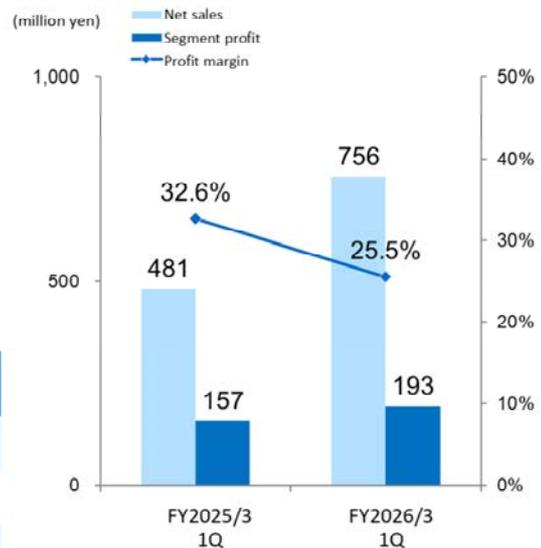
#### <Construction Business>

■ Sales and profit increased due to a year-on-year rise in the number of construction orders, including orders for large-scale projects.

#### <Overseas Development Business>

■ Construction of the second condominium project in Vietnam (HIYORI Aqua Tower), which began in August 2024, is currently underway and scheduled for completion in the second half of fiscal year 2026.

(Unit: million yen)	FY2025/3 1Q	FY2026/3 1Q	Increase/ Decrease
Net sales	481	756	+57.3%
Segment profit <sup>※1</sup>	157	193	+22.9%
Profit margin	32.6%	25.5%	-7.1pt



※1 "Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.

Finally, in the Construction Business, despite facing challenges due to inflation and labor shortages, we achieved year-on-year increases in both net sales and profit.

In our Vietnam operations, the second project of our new condominium development is entering the final stage of foundation work.

Completion is scheduled for the second half of next year.



## Forecast for FY2026/3 and Business Initiatives



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I will now explain our business progress and growth strategies.

# Long-term vision 2035 and Medium-term Management Plan 2028



Long-term vision  
2035

Utilize limited resources to fill the world with smiles and excitement!  
Becoming a corporate group that continues to challenge the creation of future value.

Medium-term  
Management Plan 2028

Basic policy  
Work to resolve social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heart-warming services.

Quantitative Plan	FY2028/3 Plan
Net sales	135 billion yen
Ordinary profit	27 billion yen
Ordinary profit margin	20%
ROE	Over 14%
Equity ratio	Around 45%



First, we are embarking on a new mid-term management plan starting this fiscal year.

This is the first three years towards achieving our 10-year long-term vision.

It is a plan that outlines how we will grow our business.

Our goals for the first year of this mid-term plan are 117 billion yen in net sales and 22.5 billion yen in ordinary profit.

For the final fiscal year ending March 2028, we aim for 135 billion yen in net sales, 27 billion yen in ordinary income, and an ROE of 14% or more.

We will achieve these goals.

## Business Environment Awareness



<p>1. The global economy faces an uncertain outlook due to a sluggish Chinese economy and geopolitical risks, despite progress in tariff negotiations between the U.S. and other countries.</p> <ul style="list-style-type: none"><li>◆ The IMF has revised its global economic growth forecast upward to 3.0%, citing reduced risks of economic slowdown from U.S. tariff policies.</li><li>◆ In the U.S., while tariff negotiations with other countries are making progress, the Federal Reserve Board has kept its policy interest rate unchanged amid signs of stagnation in the labor market.</li></ul>
<p>2. In Japan, although interest rate increases have stabilized, concerns remain about a potential slowdown in growth due to U.S. trade policies and geopolitical risks.</p> <ul style="list-style-type: none"><li>◆ While the Japan-U.S. tariff negotiations have reached an agreement, lowering some future risks, uncertainty remains high.</li><li>◆ Despite continued inflation, the Bank of Japan has decided to maintain its policy interest rate to assess the impact of U.S. tariffs.</li></ul>
<p>3. In the central Tokyo office building market, investment appetite remains strong as rents rise and vacancy rates continue to improve.</p> <ul style="list-style-type: none"><li>◆ Although the number of newly built and completed office buildings is expected to increase from the previous year, demand driven by the need to improve productivity and secure talent remains solid.</li><li>◆ Despite the gradual rise in interest rates, investment appetite among wealthy individuals and institutional investors—particularly in Asia—remains strong.</li></ul>
<p>4. In the hotel and tourism market, although the depreciation of the yen appears to have stabilized, both the number of visitors to Japan and total travel spending reached record highs.</p> <ul style="list-style-type: none"><li>◆ The number of visitors to Japan from January to June 2025 exceeded 20 million earlier than ever before, driven by a significant increase in Chinese tourists.</li><li>◆ Spending from January to June 2025 totaled 4,805.3 billion yen, marking a record high, although per capita spending remained flat.</li></ul>

Next, regarding our understanding of the business environment, it is as follows.

The economic outlook remains uncertain due to factors such as the impact of US tariff policies, a sluggish Chinese economy, and geopolitical risks.

Despite this, the office and hotel markets are both currently performing well.

We expect the upward trend in office rents and hotel room rates to continue for some time.

While keeping an eye on the volatile global economy and rapid changes in the financial environment, we will steadily advance our business according to the plan.

## Progress for FY2026/3 Forecast



(Unit: million yen)	Result for FY2025/3	Forecast for FY2026/3	Result for FY2026/3 1Q	Progress Rate
<b>Net sales</b>	<b>103,174</b>	<b>117,000</b>	<b>27,319</b>	<b>23.4%</b>
<b>Real Estate Revitalization Business</b>	<b>71,339</b>	<b>81,340</b>	<b>17,857</b>	<b>22.0%</b>
Replanning Business	68,684	78,440	17,045	21.7%
Rental Buildings Business	2,654	2,900	812	28.0%
<b>Real Estate Service Business</b>	<b>12,488</b>	<b>14,000</b>	<b>4,289</b>	<b>30.6%</b>
<b>Hotel and Tourism Business</b>	<b>18,831</b>	<b>21,490</b>	<b>4,598</b>	<b>21.4%</b>
Hotel Development Business:	3,071	3,000	—	—
Hotel Operation, etc	15,760	18,490	4,598	24.9%
<b>Other Business</b>	<b>1,992</b>	<b>2,230</b>	<b>756</b>	<b>33.9%</b>
Adjustments	-1,477	-2,060	-183	—
<b>Gross Profit (Loss)</b>	<b>32,225</b>	<b>36,420</b>	<b>9,134</b>	<b>25.1%</b>
<b>Real Estate Revitalization Business</b>	<b>22,114</b>	<b>25,560</b>	<b>5,459</b>	<b>21.4%</b>
Replanning Business	21,860	25,160	5,226	20.8%
Rental Buildings Business	253	400	232	58.2%
<b>Real Estate Service Business</b>	<b>6,124</b>	<b>6,940</b>	<b>2,310</b>	<b>33.3%</b>
<b>Hotel and Tourism Business</b>	<b>4,479</b>	<b>4,340</b>	<b>1,234</b>	<b>28.5%</b>
Hotel Development Business	991	520	-0	—
Hotel Operation, etc	3,487	3,820	1,235	32.3%
<b>Other Business</b>	<b>498</b>	<b>530</b>	<b>208</b>	<b>39.2%</b>
Adjustments	-990	-950	-78	—
<b>Selling, General and Administrative Expenses</b>	<b>10,945</b>	<b>12,580</b>	<b>3,113</b>	<b>24.7%</b>
<b>Operating Profit (Loss)</b>	<b>21,279</b>	<b>23,840</b>	<b>6,021</b>	<b>25.3%</b>
<b>Ordinary Profit (Loss)</b>	<b>20,446</b>	<b>22,500</b>	<b>5,783</b>	<b>25.7%</b>
<b>Profit</b>	<b>14,163</b>	<b>15,500</b>	<b>3,978</b>	<b>25.7%</b>
<b>EPS</b>	<b>291.58 yen</b>	<b>319.11 yen</b>	<b>81.97 yen</b>	<b>25.7%</b>

Next is our current performance.

As explained earlier, the results for the first quarter show a progress rate of 23.4% for net sales and 25.7% for ordinary income against the full-year forecast.

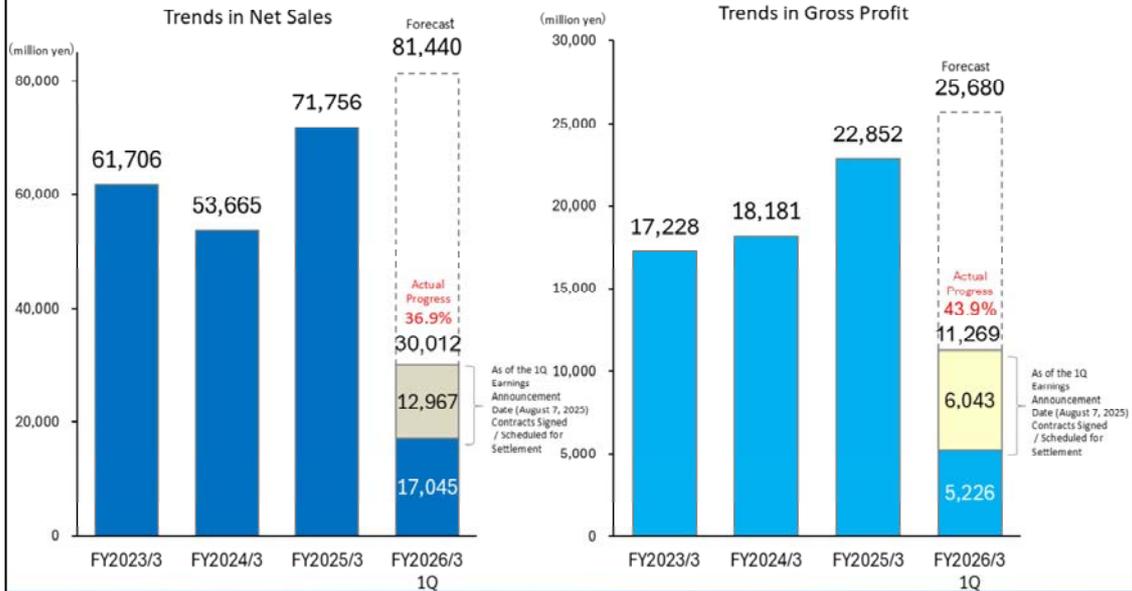
Overall, each business is progressing largely as planned.

## Progress of Flow-Type Businesses

(Sale of properties in RP Business,  
Hotel Development Business,  
Overseas Development Business)



Including properties that have been contracted and are scheduled for settlement, profit has progressed to over 40% of the full-year earnings forecast.



This slide shows the performance trend of our flow-type business.

This is a graph of net sales and gross profit, aggregating only the net sales of real estate properties such as Replanning properties and hotels.

Regarding this fiscal year's performance, we have highlighted the amount of net sales and profit for which properties have been settled or are scheduled to be settled, since the beginning of the second quarter up to yesterday's earnings announcement.

In terms of value, this amounts to approximately 13 billion yen in net sales and 6 billion yen in gross profit.

When we add this to the first quarter results, the gross profit has progressed to 43% of the full-year forecast over the first four months of the current fiscal year.

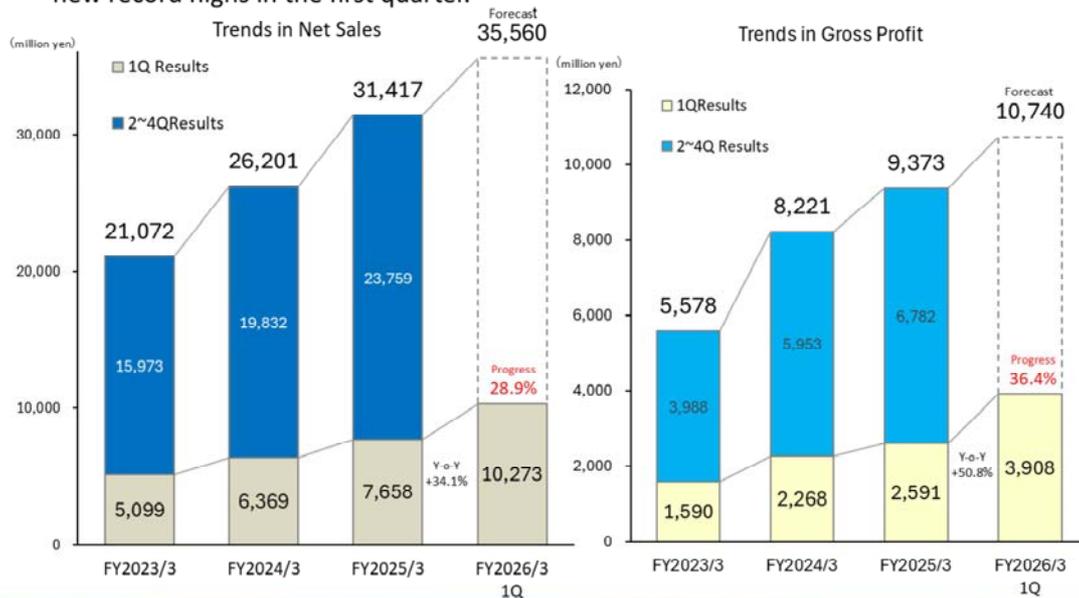
## Progress of Stock-Type Businesses

(All businesses other than sale of properties such as Real Estate Services, Hotel Operation Business, etc.)



SUN FRONTIER

Sales and profit continued their upward trend, and both sales and gross profit hit new record highs in the first quarter.



Our stock-type business is also growing steadily.

In the first quarter, we saw an increase in both net sales and profit compared to the same period last year, reaching a new record high.

This graph shows the trends in net sales and gross profit for businesses other than the sale of real estate properties mentioned earlier, such as real estate services and hotel operations.

In the first quarter, net sales in this segment were 10.2 billion yen, a 28% increase from the same period last year, and gross profit was 3.9 billion yen, a significant 36% increase.

By further accelerating the growth of this segment, we will create a more stable and robust profit structure.



## Growth Strategies and Business Initiatives



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Next, I will explain our growth strategies and business initiatives.

# Growth Strategies



Accelerate growth by expanding business domains through effective circulation and utilization of funds, while diversifying core business tie-ups based on a business model that combines manufacturing and service capabilities.

Three markets to focus	Business model	Business domain	Area	Our goal	
Office	Development	Renovation	Tokyo	Osaka	Contribute to the realization of a sustainable society by utilizing real estate in resource recycling methods.
		<b>New construction</b>			
		Sale of small-lot <small>(Act on Specified Inher Real Estate Ventures)</small>			
	Services	Real Estate Services			
Operation	Rental conference rooms				Resolve our clients' concerns from their perspective, for their smile and excitement.
Hotel	Development	New construction	Nationwide		Expand heart-warming and fun hotels nationwide to grow with local communities.
		Renovation			
	Operation	Hotel operation			
Residential	Development	<b>New construction</b>	Vietnam	Tokyo	Provide high quality residential environment full of safety, security and comfort to contribute to the development of nations.
		Renovation	New York		
	Services	Real Estate Services	Vietnam New York		

This is an overview of the growth strategies for our current mid-term plan.

Our basic policy is to pursue a business model that combines manufacturing and service capabilities.

We will also promote diversification by leveraging our core business, expand our business domains, and accelerate growth by effectively utilizing our funds.

In the office sector, we will focus on new construction projects in addition to our existing regeneration business.

We will also take on projects in Osaka for Replanning and Small-lot Real Estate Investment Products.

In the hotel sector, we will increase the number of hotels we operate by actively utilizing new construction, regeneration projects, and M&A.

In the residential sector, in addition to our previous condominium projects in Vietnam and apartment replanning in New York, we will also engage in new construction of rental apartments in Tokyo.

## Continuing Our Efforts to Create Added Value in Small and Medium-Sized Buildings in Central Tokyo



Capturing the Demand for a Return to Office Work by Converting Spaces into Offices that Harmonize People and Nature.



Below, I will provide a more detailed explanation of our initiatives in each business.

First, our Replanning Business.

This is our core business, and we have accumulated a cumulative track record of 516 buildings since the company's establishment.

On the right side of the slide, we have included a photo of a recent case.

This case involves a six-story rental building in Chuo Ward, where the top floor was the seller's residence, but we converted it into office space after our purchase.

We also carried out a full building renovation and installed setup offices on each floor.

As a result, we were able to significantly improve the rent levels and sell it as a highly profitable building.

## New Construction

# Developing real estate that serves as a local symbol through the integration of art



We are creating new value in real estate by actively developing numerous small- and medium-sized buildings rooted in local communities.



We are formulating a long-term and stable sales plan by combining new development projects such as low-rise retail and office buildings with high-turnover properties like a replanning projects and small-lot investment products.

[Newly Built Income-Yielding Property | Minami-aoyama, Minato-ku, Tokyo]  
Sold in April 2025



Newly built, steel-reinforced concrete structure with flat roof, 2 stories



A newly built low-rise commercial building from the 1/1 (ONE) series, which integrates art and real estate. (The artwork above is by Hom Nguyen)



The highly visible glass facade draws the attention of passersby, while the 3.89-meter-high ceiling creates a sense of extraordinary openness.



The rooftop terrace features a versatile, multi-purpose relaxation space that makes full use of its 31.6 tsubo of space..

Next, our New Construction Business.

We will leverage the high-occupancy, high-value-added regeneration techniques we have cultivated in our replanning business to focus on the development of new buildings.

The photo on the right side of the slide is a recent example of a low-rise commercial building new construction project in Minami-Aoyama.

It is a small, two-story building with a floor area of about 90 tsubo, but it has created unique value based on the theme of "integrating art and real estate," such as featuring a work by the French artist Hom Nguyen on its facade.

## Specified Joint Real Estate Ventures

### Promoting Development and Offering of Diverse Small-lot Real Estate Investment Products



We are developing products in major cities and actively offering investment opportunities that address the diverse needs of clients nationwide. Sales of the Nishinomiya Medical Mall, our first project in the Kansai region, have been strong since its launch in May.



Next, about our Specified Joint Real Estate Ventures and Small-lot Real Estate Business.

We primarily sell buildings that are operated on long-term leases with tenants such as daycare centers and clinics, which are closely related to daily life and education/medical services, as small-lot real estate investment products.

While we primarily focus on central Tokyo and its suburbs, we are also undertaking some projects in the Kansai area in response to customer demand for regional portfolio diversification.

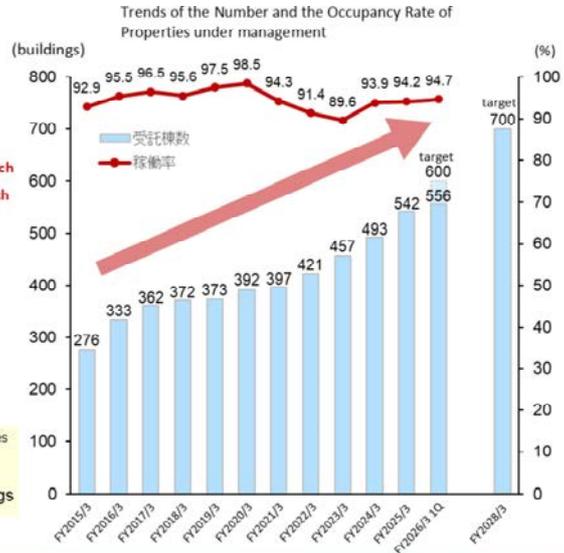
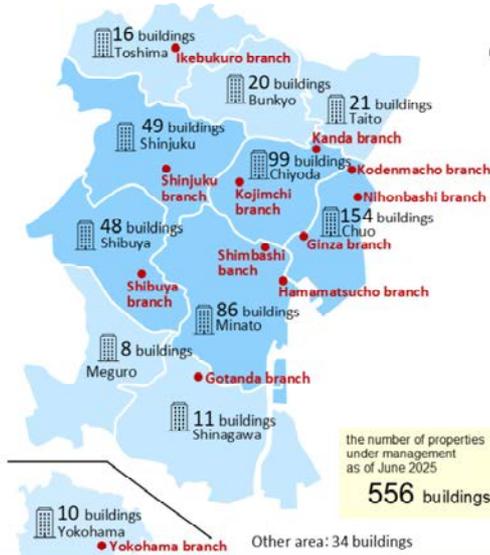
Recently, sales of a new medical mall in Nishinomiya City, our first project in the Kansai area, has begun.

Fortunately, net sales are progressing well.

## More Buildings Under Management and Better Services



The number of buildings under management has steadily increased through synergies with our locally rooted branches. By offering customer-focused services, we are building a platform that drives sustainable business growth.



Next, our Real Estate Services Business.

We will continue to focus on the central Tokyo area, enhance our expertise, and work to strengthen our customer base.

The number of properties under management has increased by 14 from the end of the last fiscal year, now standing at 556 buildings.

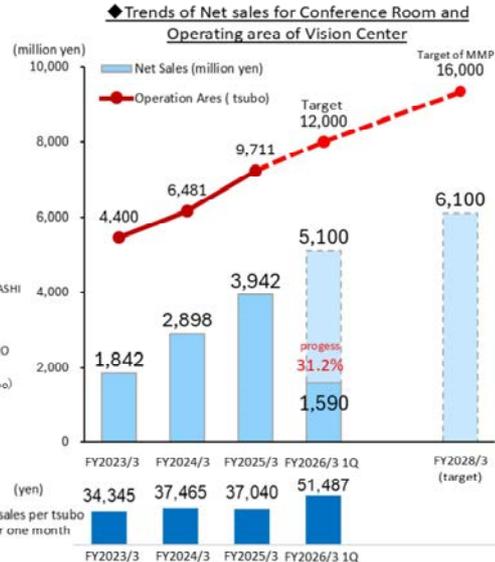
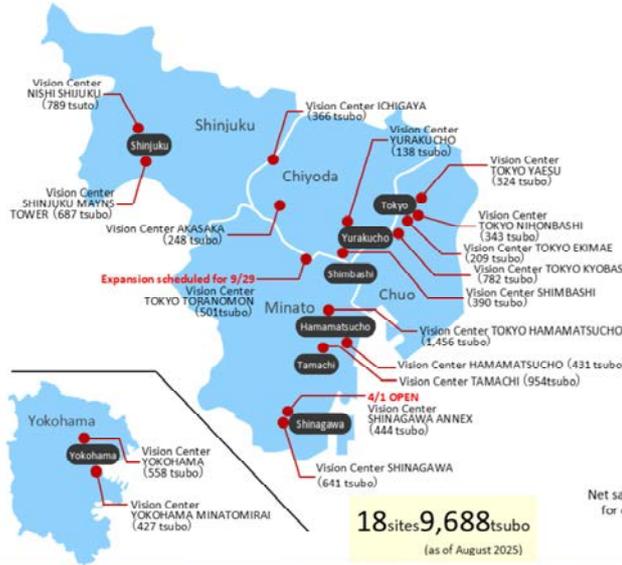
The goal for this fiscal year is 600 buildings, with a plan to expand to 700 buildings in three years.

Rental Conference Room Business

# Large-Scale Projects and Long-Term Use by Repeat Customers Contributed to Performance



Under the policy of “not just selling rooms, but ensuring the success of events,” we have focused on providing heart-warming services, which has strengthened our customer base.

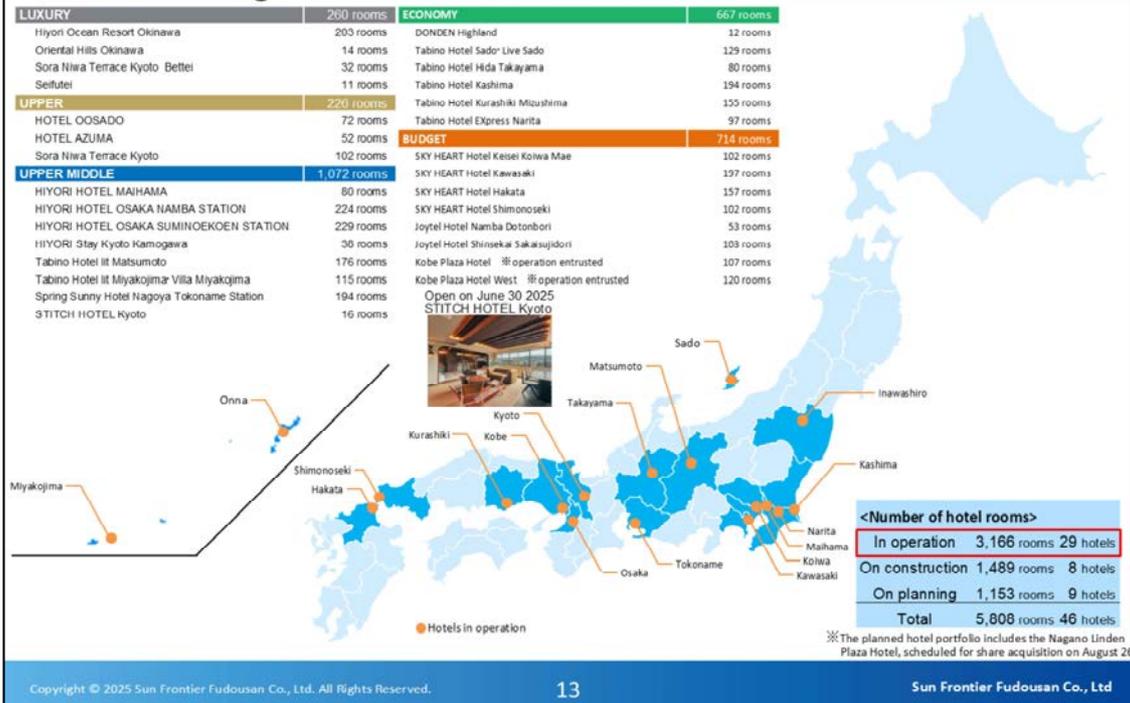


Next, our Rental Conference Room Business.

Backed by strong performance, we are actively opening new sites and expanding our operational area.

The relatively large facilities that have opened since last year are also on track, and performance is progressing smoothly.

## Focusing on Building Enthusiastic Fans With Heartwarming and Fun Hotels



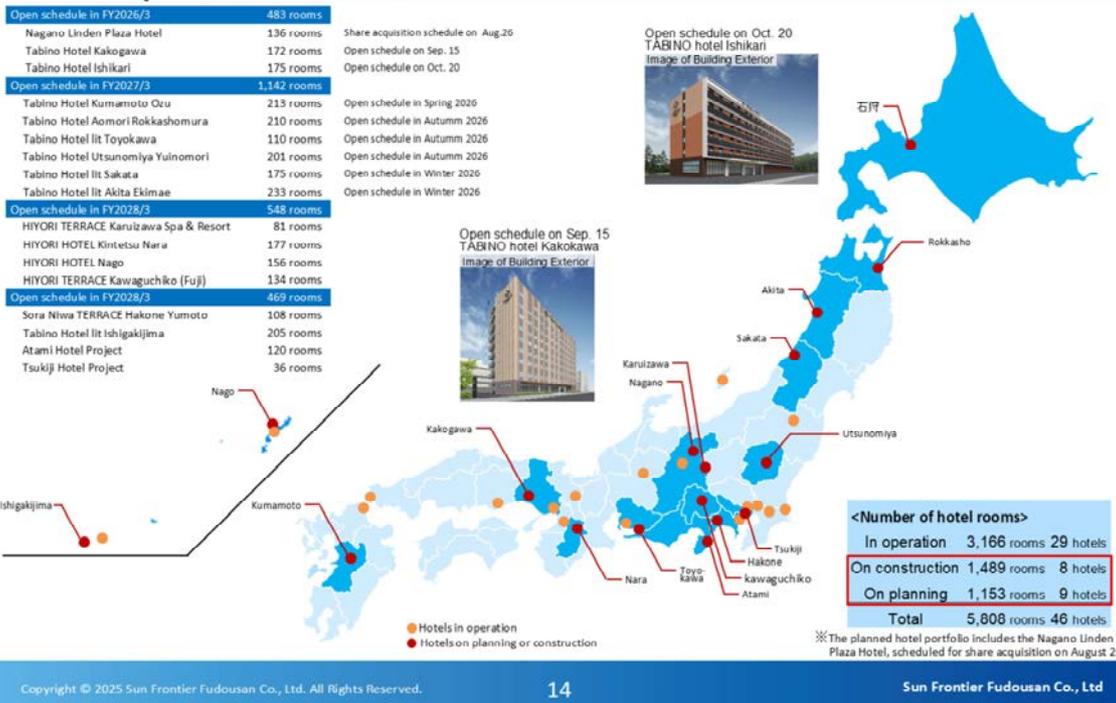
Next, our Hotel and Tourism Business.

The development and opening of new hotels are continuing, and this business is also expanding smoothly.

We currently operate 29 hotels with a total of 3,166 rooms.

A recent topic is the opening of "STITCH HOTEL Kyoto" in June, which was a renovation and regeneration of an existing hotel.

# Actively expanding the business through new developments and M&A



Next, here is a list of hotels scheduled to open in the future.

We have three more openings planned for this fiscal year.

This month, "Nagano Linden Plaza Hotel" will join our group through M&A, followed by the opening of "Tabino Hotel Kakogawa" in September and "Tabino Hotel Ishikari" in October.

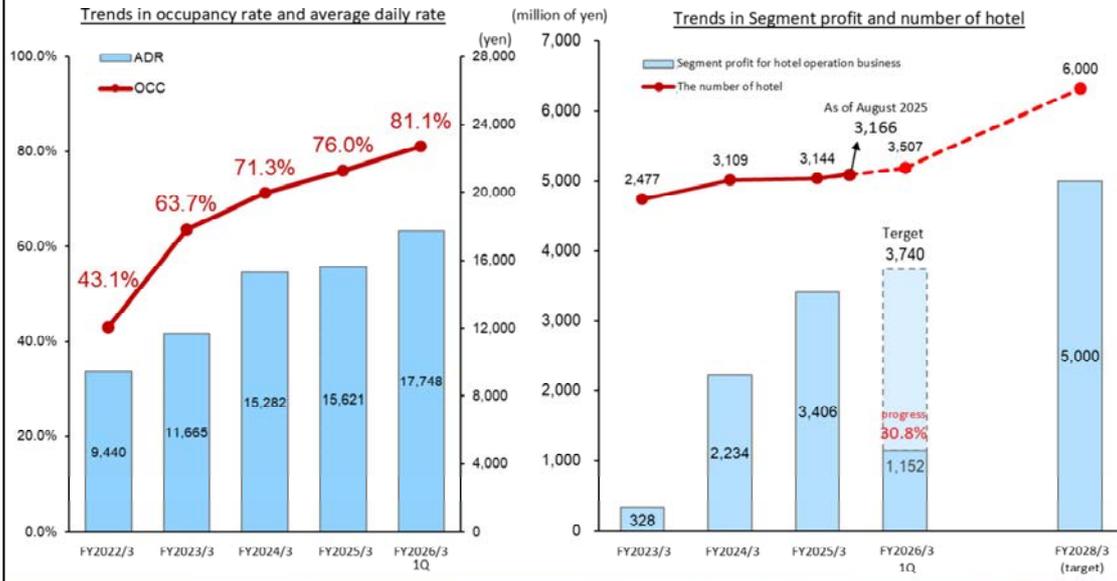
Including those currently under construction and those for which land has been acquired and plans are being formulated, the total is expected to grow to 46 hotels and over 5,800 guest rooms over the next four years.

Furthermore, we aim to expand to 10,000 rooms by 2033.

## Trends in Hotel Occupancy Rate, Average Daily Rate and Segment Profit



The average daily rate rose, particularly in the Kansai area and at luxury hotels, supported by continued high occupancy driven by inbound tourism.



On the other hand, the performance of our Hotel Operations is also very strong.

We are supported by a strong inbound demand and a recovery in domestic travel, and we have received high praise from customers even as we actively increase the number of rooms.

This has created a virtuous cycle, and the business is growing significantly.

Going forward, under our hotel management policy of "heartwarming and fun hotels", we will continue to enhance our service to a level that not only exceeds customer satisfaction but also moves them emotionally, thereby driving further business growth.

**Acquired a hotel operating company (operating one hotel with 136 rooms) through M&A.**



With “heartwarming and fun hotels” as our core concept, we strive to instill naturally friendly service and become the one and only hotel our customers choose.

Name	MK Kosan Co., Ltd.	
Established	January 1969	
Capital	475,000,000 yen	
Date of Share Acquisition	August 26, 2025 (planned) 100% M&A by Sun Frontier Hotel Management Co., Ltd.	
Wholly Owned Subsidiary	Nagano Linden Plaza Hotel Co., Ltd.	
Facilities	Nagano Linden Plaza Hotel 975-1 Minami-Chitosemachi, Oaza-Tsuruga, Nagano City, Nagano	136 rooms



Next, regarding M&A.

As I mentioned earlier, one hotel in Nagano will join our group this month through an M&A.

It is a hotel with a total of 136 rooms, located a 6-minute walk from the Zenkoji Exit of JR Nagano Station.

The settlement is scheduled for August 26, and for the time being, we plan to continue operations as they are.

Residential Development Business

**We are expanding our rental apartment development business in suburban areas near the city center.** 

The development of high value-added, whole-building rental apartments is progressing smoothly toward completion, as the projects enter full-scale execution.

**Purpose of Business Development**

- ① Enhancing the attractiveness of cities and contributing to their revitalization by providing "homes where people can live with a smile."
- ② Proposing the value of new housing through housing development in response to diversifying lifestyles.
- ③ Leveraging know-how from office revitalization to create asset value for residences and stabilize profits.

[Major Business Areas]

5 wards of Central Tokyo, Meguro-ku, Shinagawa-ku, Nakano-ku, Setagaya-ku, Toshima-ku, Bunkyo-ku, Taito-ku, Nerima-ku, Itabashi-ku, Ota-ku



[Current status] Foundation work in progress	
[Plan] Sale scheduled for FY2027/3	
Location	Nishi-Ochiai, Shinjuku-ku
Structure	Reinforced concrete bearing wall structure, four-story building
Room layout / number of units	1K: 11 units, 2DK: 1 unit, 2LDK: 1 unit
Feature	All rooms are soundproof, and it is expected that tenants whose purpose is met will live continuously.

[Current status] Demolition completed; construction not yet commenced. [Plan] Sale scheduled for FY2028/3	<b>Existing building on site</b>	
Location		Nihonbashi-Kayabacho, Chuo-ku
Structure		Reinforced concrete structure, 12-story building
Room layout / number of units		2LDK*5: 11 units
Feature		High demand is expected for a room with a large floor space of over 60m <sup>2</sup> , which is a small supply in the neighborhood.

[Current status] Demolished Vacant lot	
[Plan] Sale scheduled for FY2027/3	
Location	Nishi-Oh Shinagawa-ku
Structure	Reinforced concrete bearing wall structure, five-story building
Room layout / number of units	1K: 18 units, 2DK: 1 unit
Feature	All rooms are soundproof, and it is expected that tenants whose purpose is met will live continuously.

Next, about our Residential Development Business.

Our initiatives in the Residential Development Business have included condominium development in Vietnam and apartment regeneration in New York, and from the previous fiscal year, we have also started working on new construction of whole-building rental apartments in Tokyo.

Our policy is to primarily develop in the central 5 wards and the adjacent 7 wards of Tokyo.

We are currently advancing projects in the three locations listed here.

## Promoting the Apartment Renovation Business in New York



Renovate apartments over 100 years old in New York, the center of the global economy. Upgrade building facilities and interior amenities with the latest technology and design, and sell them as high-yield properties.

On sale		[Map of Manhattan, New York]	Value-add renovation in progress	
Location	Hell's Kitchen Area		Location	Gramercy Park Area
Structure	A five-story brick and wooden building with one basement floor		Structure	A six-story brick building with one basement level
Room layout / number of units	Office: 1 unit, 1LDK: 10 units		Room layout / number of units	2LDK: 3 units, 3LDK: 15 units, 4LDK: 1 unit
Feature	10-minute walk from Times Square and the entire building has been fully renovated.		Feature	A striking, high-profile building located along a major thoroughfare, featuring a sculpted and decorative façade that captures attention.
On sale			Value-add renovation in progress	
Location	Chelsea Area		Location	West Village Area
Structure	A five-story brick building with one basement floor		Structure	A five-story brick building with one basement
Room layout / number of units	1LDK: 2 units, 2LDK: 1 unit, 3LDK: 2 units		Room layout / number of units	1R:2 units, 2LDK: 11 units
Feature	Located in the center of Manhattan. It has various room layouts and is popular among a wide range of clients.		Feature	Situated in a lively area surrounded by apparel brands and popular restaurants, the property primarily offers spacious 2LDK units.

The apartment replanning business in New York is progressing steadily.

We started the business in 2019.

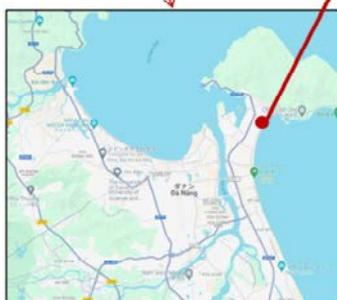
Although we slowed down a bit during the pandemic, we have since acquired 11 buildings, regenerated them through renovation, and sold 7.

We plan to sell 3 buildings this fiscal year, with 1 already sold in July and the remaining 2 scheduled for sale by the end of the year.

## The construction of the HIYORI Aqua Tower Project in Vietnam is progressing.



Our second condominium project is on track and is scheduled for completion in the second half of FY2027/3.



Image

25 floors with 2 basement floors Total floor area: 24,498m<sup>2</sup>  
202 residences (1LDK: 22 units, 2LDK: 176 units, 3LDK: 4 units)

In Vietnam, the construction of our condominium is progressing.

This photo shows our second project, the Hiyori Aqua Tower, a condominium with 202 residential units.

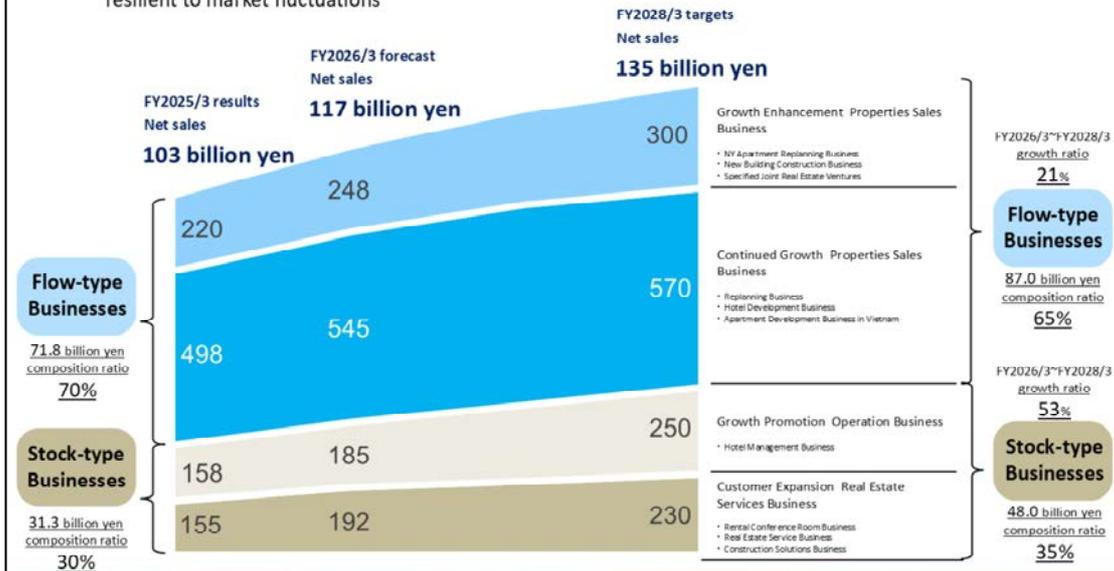
Completion is scheduled for in the second half of the next fiscal year.

## Growth Strategy

### Strengthening business growth and sales structure



1. Diversify asset sale profits from flow-type businesses and promote the diversification of stock-type businesses.
2. Increase overall net sales while enhancing the sales composition ratio of stock-type businesses that are resilient to market fluctuations



These are our specific initiatives in each business, but while expanding and growing these businesses, we will also work on transforming our profit structure.

In our flow-type business of property net sales, we will diversify our asset types, and in our stock-type business, we will promote diversification in related fields.

While steadily increasing overall net sales, we will raise the proportion of our stock-type business, which is more resilient to market fluctuations.

In this mid-term plan, we forecast a net sales growth rate of 21% for the flow-type business over three years, while the stock-type business is expected to have a high growth rate of 53%.

As a result, we will increase the proportion of the stock-type business in our total net sales from the current 30% to 35%.

## Aggressive Investment for Future Business Growth



Focusing on the profit margin and turnover of each segment, actively invest in growing fields while paying attention to the capital cost. Total investment in the next Medium-term Management Plan (FY2026/3-FY2028/3): will be 310 billion yen

[Cumulative capital income] [Cumulative capital expenditure]

<p><b>Business proceeds from sales etc. of properties</b></p> <p>Loans</p> <p>Cash and deposits</p> <p><b>322 billion yen</b></p>	<p><b>Business growth Investment</b></p> <p><b>310 billion yen</b></p> <p>Return to shareholders</p>	Short-term Replanning	100 billion yen	Continue to actively invest in small and medium-sized buildings in the five central wards of Tokyo
		Mid- to long-term Replanning	50 billion yen	Focusing on investment from both rental income and capital gains.
		New construction development	30 billion yen	Expanding investment with our cultivated technologies
		NY Apartments Replanning	20 billion yen	Increase investment to expand business in high-growth markets
		Small-lot real estate properties	21 billion yen	Promotion of commercialization in Kansai and other regions in addition to Tokyo
		Hotel development	70 billion yen	Aggressively invest to increase the number of operating rooms to 10,000
		Vietnam Apartment development	9 billion yen	Investment in Da Nang, where high growth potential and housing demand are expected
		Other M&A	10 billion yen	Actively use to accelerate business growth and create synergies
		Dividend	12 billion yen	Increase dividends in line with profit growth and return to shareholders

\* From FY3 / 25 to end-FY3 / 27, conversion of convertible bonds into shares is expected to progress at the end of each fiscal year, resulting in increased number of shares issued and outstanding.

Finally, regarding our funding plan, we plan to invest a total of 310 billion yen over the three years of the mid-term management plan.

Approximately 200 billion yen will be allocated to office-related businesses and around 70 billion yen to hotel development.

In addition, we plan to invest roughly 29 billion yen in overseas operations and about 10 billion yen in M&A and other areas.

Although we are still at the early stages, investments are already progressing smoothly, including acquisitions for the RP business and M&A-related projects.

For all these investments, we will consistently conduct thorough examinations from a capital cost perspective, while actively pursuing investments aimed at future growth.