Sun Frontier Fudousan Co., Ltd

Financial Results of the Third Quarter of Fiscal Year Ending March 31, 2026

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

February 5, 2026

SUN FRONTIER

Tokyo Stock Exchange Prime Market 8934

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SUN FRONTIER

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I am Hirahara, General Manager of the Corporate Planning Department.

I'll walk you through the performance highlights up to page 16.

About Sun Frontier Group

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Based on the value of “altruism” that we have held, we are committed to contributing to the creation of a sustainable society by developing human resources and working to solve social issues through business growth

Implement our management based on three pillars of philosophy, small-group profitability system, and the client ’ s perspective to create long-term corporate value.

Sun Frontier Philosophy

Company policy

COMPASSION

We believe in helping others, as many as we can, throughout our lives.

Management Philosophy

Our mission is to look after every employee and pursue the happiness of both mind and matter. At the same time, to co-create a rich and sustainable society by contributing to the evolution and the development of the human society.

Future Image

Our vision is to become the most appreciated visionary company that fully utilizes limited resources and continues the challenges to create new values.

Course of Action

1. Work For Your colleagues
2. Do The Right Thing
3. Absolute Proactiveness
4. Do it immediately, do it definitely, do it until success
5. Stay Humble, Thankful, And Respectful
6. Always Work Creatively
7. Be GENBA-Centric
8. Be Open-Minded Cheerful and Wonderful

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First, let me explain the purpose of our group.

Our altruistic values elevate the mindset of all employees and drive the growth of our business.

As shown in the circle on the left, our three management pillars are: Mental management based on our philosophy, All-employee participation management through the small-group profitability system, and Business management based on the client’s perspective.

These three pillars interact with one another and foster sustainable growth.

Going forward, we will continue to address social issues through the practice of our management philosophy while striving to maximize the corporate value of the group.

Overview

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Executive Summary

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Performance Summary

- Both net sales and profits increased significantly YoY
- Operating profit and ordinary profit were about 70% of the full-year forecast
  Steady progress towards achieving the full-year forecast
- Results by segment
  - The Real Estate Revitalization Business maintained a high profit margin and sales and profit increased. Steady growth in property sales
  - In the Real Estate Service Business, sales and profits increased significantly due to strong performance across all businesses.
  - In the Hotel and Tourism Business, sales and profits increased due to strong demand for domestic travel and inbound tourism

Topics

- Three new hotels opened
  STITCH HOTEL KYOTO（Opened on June 30 2025）
  Tabino Hotel Kakogawa Befu Station（Opened on September 15 2025）
  Tabino Hotel Ishikari（Opened on October 20 2025）
- Two companies joined the Group through M&A
  Nagano Linden Holdings (Hotels) in August 2025
  Otake Kenso Holdings（Processing and construction of sashes and glass windows) in October 2026
- The Group issued its first Integrated Report in September 2025

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Looking at our third-quarter performance summary, both net sales and profits increased significantly year on year.

We've also reached about 70% of our full-year forecast at this point.

As key highlights, we'd like to point to three items: the opening of three new hotels, two M&A transactions, and the publication of our first-ever integrated report.

Overview of FY2026/3 3Q

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Sales and profit increased significantly. Steady progress towards achieving the full-year forecast

(unit: million yen)	FY2025/3 3Q	FY2026/3 3Q	YoY increase/decrease	YoY change rate	forecast for FY2026/3 forecast	forecast for FY2026/3 progress rate
Net sales	60,501	77,144	16,642	+27.5%	117,000	65.9%
Greoss Profit (Loss)	19,445	26,181	6,735	+34.6%	36,420	71.9%
Selling, General and Administrative Expenses	7,475	9,015	1,540	+20.6%	12,580	71.7%
Operating Profit (Loss)	11,970	17,165	5,195	+43.4%	23,840	72.0%
Ordinary Profit (Loss)	11,414	16,154	4,740	+41.5%	22,500	71.8%
Ordinary Profit Marigin	18.9%	20.9%	-	+2.1%pt	19.2%	-
Profit (※)	7,855	10,434	2,579	+32.8%	15,500	67.3%

(※) The profit attributing to owners of parent.

	As of the End of March 2025	As of the End of Decmeber 2025	Compared to the End of March 2025 increase/decrease	Compared to the End of March 2025 change rate	forecast for FY2026/3
Total Assets	218,190	250,219	32,028	+14.7%	-
Equity	102,159	108,672	6,512	+6.4%	-
Equity to Total Assets Ratio	46.8%	43.4%	-	-3.4%pt	-
ROE	14.7%	-	-	-	14.2%
EPS(yen)	291.58	215.01	-	-	319.39
Dividends per share (yen)	66	38	-	-	76
Dividend Payout Ratio	22.6%	-	-	-	23.8%

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Based on the progress I mentioned on the previous slide, we are well on track to achieve our full-year forecast.

One of the reasons for the significant year-on-year increase is that, in the prior fiscal year, property sales were concentrated in the fourth quarter.

While our equity ratio declined by 3.4 percentage points, it remains at a solid level of 43.4%.

Going forward, we will continue to balance financial soundness with an appropriate level of leverage and further improve capital efficiency.

Consolidated Income Statement

SUN FRONTIER

Sales and profits increased in all segments. Stock-type business progresses steadily.

(unit: million yen)	FY2025/3 3Q	FY2026/3 3Q	YoY increase/decrease	YoY change rate	forecast for FY2026/3 forecast	forecast for FY2026/3 progress rate
Net Sales	60,501	77,144	16,642	+27.5%pt	117,000	65.9%
Real Estate Revitalization Business	38,305	46,763	8,458	+22.1%pt	81,340	57.5%
Real Estate Service Business	9,279	12,658	3,378	+36.4%pt	14,000	90.4%
Hotel and Tourism Business	12,502	14,948	2,445	+19.6%pt	21,490	69.6%
Other Business	1,357	3,799	2,441	+179.9%pt	2,230	170.4%
Adjustments	-942	-1,024	-81	-	-2,060	-
Gross Profit (Loss)	19,445	26,181	6,735	+34.6%pt	36,420	71.9%
Real Estate Revitalization Business	11,890	15,039	3,148	+26.5%pt	25,560	58.8%
Real Estate Service Business	4,589	6,935	2,345	+51.1%pt	6,940	99.9%
Hotel and Tourism Business	3,230	3,962	731	+22.7%pt	4,340	91.3%
Other Business	328	915	586	+178.9%pt	530	172.6%
Adjustments	-592	-670	-78	-	-950	-
Selling, General and Administrative Expenses	7,475	9,015	1,540	+20.6%pt	12,580	71.7%
Operating Profit (Loss)	11,970	17,165	5,195	+43.4%pt	23,840	72.0%
Ordinary Profit (Loss)	11,414	16,154	4,740	+41.5%pt	22,500	71.8%
Profit	7,855	10,434	2,579	+32.8%pt	15,500	67.3%

■Real Estate Revitalization Business	The number of properties sold was 16 (down 6 from the same period of the previous fiscal year). Sales and profit surged due to the sale of large-scale properties.
■Real Estate Service Business	Sales and profits increased due to growth in the Brokerage Business and strong occupancy in the Rental Conference Room Business.
■Hotel and Tourism Business	Sales and profit increased as average daily rates and occupancy rates increased due to continued strong tourism demand and strengthening our operational capabilities.
■Others	Sales and profits increased due to the inclusion of the performance of the Otake Kenso Group acquired through M&A in October

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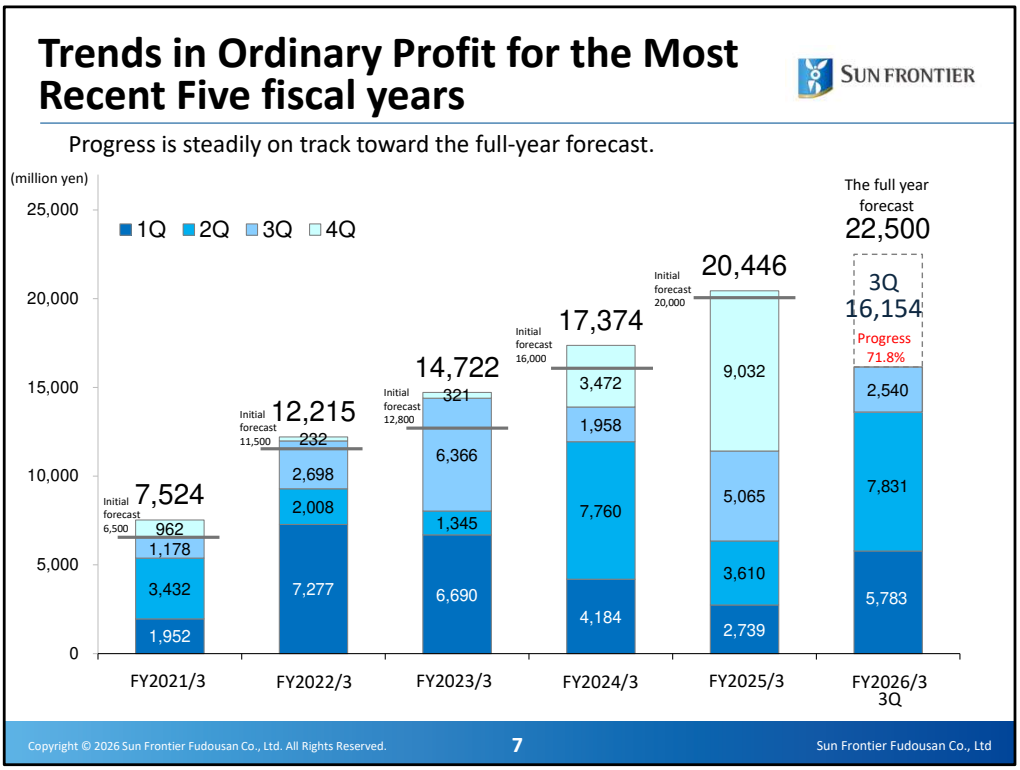
This slide shows our consolidated statement of income.
All segments achieved growth in both net sales and profits, with particularly strong performance in our Stock-Type Businesses.

In the Real Estate Revitalization Business, both net sales and gross profit have reached just under 60% of the full-year forecast. This is in line with our initial plan.

In the Real Estate Services Business, group-wide synergies are taking hold, and both scale and profitability are growing steadily, led by our Conference Room Rental Business and Property Management Businesses.

In the Hotel and Tourism Business, our operations segment continued to improve both occupancy rates and average daily rates. As a result, net sales has reached 70% of the full-year forecast, while gross profit has reached 91%.

As for Selling, General and Administration Expenses, we continue to invest steadily in human capital to attract and retain top talent.



This slide shows the trend in ordinary income.

On a cumulative basis through the third quarter, we've achieved a record-high level, and we remain confident in our outlook to reach the full-year forecast of 22.5 billion yen.

Consolidated Balance Sheet
- Assets -

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Inventories increased due to the acquisition and commercialization of properties for replanning and progress in hotel development. In addition, cash and deposits decreased due to the payment of dividends.

(unit: million yen)	As of the End of March 2025	As of the End of Decmeber 2025	increase/decrease (compared to the End of March 2025)
Current Assets	183,706	208,127	24,420
Cash and Deposits	44,920	36,520	-8,399
Inventories	133,713	164,202	30,489
Breakdown) RP	115,549	138,994	23,445
Hotel	15,326	22,057	6,730
Overseas, etc	2,837	3,150	313
Other Current Assets	5,072	7,403	2,330
Non-current Assets	34,484	42,091	7,607
Property, Plant and Equipment	24,290	31,093	6,802
Intangible Assets	2,288	3,275	987
Investments and Other Assets	7,904	7,722	-182
Total Assets	218,190	250,219	32,028

Progress of hotel development

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Next, I will walk you through our consolidated balance sheet.

Total assets increased by 32.0 billion yen from the end of the previous fiscal year to 250.2 billion yen.

The main components of this change were a decrease of 8.4 billion yen in cash and cash equivalents, while inventories increased by 30.4 billion yen and fixed assets increased by 7.6 billion yen, mainly due to strong property acquisitions and the impact of M&A.

Consolidated Balance Sheet
- Liabilities/Equity -

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Interest-bearing debt increased due to increased purchases.
We are actively promoting investment while maintaining a sound financial structure.

(unit: million yen)	As of the End of March 2025	As of the End of Decmeber 2025	increase/decrease (compared to the End of March 2025)
Current Liabilitoes	26,663	26,410	-253
Short-term borrowings, etc.	10,240	11,099	858
Other Current Liabilities	16,423	15,311	-1,111
Non-current Liabilities	85,634	114,513	28,878
Long-term borrowings	72,219	99,447	27,228
Bonds Payable	9,999	9,999	0
Other Non-current Liabilities	3,415	5,065	1,650
Total Liabilities	112,298	140,923	28,625
Shareholders' Equity	100,949	107,794	6,845
Other	4,942	1,500	-3,442
Total Net Assets	105,892	109,295	3,403
TotalLiabilities and Net Assets	218,190	250,219	32,028
Equity Ratio Trends	46.8%	43.4%	-3.4%pt

Interest-bearing debt (including lease liabilities) 120,582 million yen

Decreased 3,000 million yen due to redemption of preferred stock

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Turning to liabilities and equity, interest-bearing debt increased by 28.0 billion yen from the end of the previous fiscal year, reaching 120.5 billion yen.

Our financial institutions continue to highly value the soundness of our financial position and the discipline of our purchasing standards.

Backed by this investment capacity, we will continue to pursue proactive growth investments.

Performance for Each Business Segment

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Real Estate Revitalization Business –Summary–

We maintained a high profit margin and sales and profit increased. A total of 22 properties were sold, including those scheduled for closing.

(unit: million yen)	FY2025/3 3Q	FY2026/3 3Q	YoY increase/decrease	YoY change rate	forecast for FY2026/3 forecast	forecast for FY2026/3 progress rate
Net Sales	38,305	46,763	8,458	22.1%	81,340	57.5%
Replanning Business	36,343	43,928	7,584	20.9%	78,440	56.0%
Rental Building Business	1,961	2,834	873	44.5%	2,900	97.8%
Gross Profit (Loss)	11,890	15,039	3,148	26.5%	25,560	58.8%
Replanning Business	11,686	14,248	2,562	21.9%	25,160	56.6%
Rental Building Business	204	790	586	286.9%	400	197.7%
Segment Profit (※)	10,743	13,379	2,635	24.5%		
Replanning Business	10,539	12,588	2,049	19.4%		
Rental Building Business	204	790	586	286.9%		
Segment Profit Margin	28.0%	28.6%	-	+0.6%pt		
Replanning Business	29.0%	28.7%	-	-0.3%pt		
Rental Building Business	10.4%	27.9%	-	+17.5%pt		

(※) Calculated by subtracting specific costs incurred by each project, such as interest expenses, sales commission and goodwill depreciation, from gross profit (same for all pages)

■ Replanning Business — The number of properties sold decreased, but sales and profits increased due to the sales of large-scale properties and newly constructed properties with high profitability.

(Properties sold) — 16 (including 3 small-lot properties, 2 new constructions, 1 NY property). A decrease of 6 properties compared to the same period of the previous fiscal year.
6 properties already contracted or scheduled for closing in this fiscal year.

(Average project period) — 818 days (up 35 days compared to the previous fiscal year).
The inclusion of two newly constructed projects extended the project period slightly compared to the previous year.

■Rental Building Business — Sales and profits soared due to a decrease in lease related expenses compared to the same period of the previous fiscal year, in addition to progress in property acquisitions.

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Next, I'll move on to performance by business segment.

Our core replanning business, as mentioned on page 6, is expected to achieve our initial forecast while maintaining a profit margin of 30%, factoring in the outlook for the fourth quarter.

In addition, the Rental Building Business has returned to its normal profit margin, as the impact of one-off expenses recorded in the previous fiscal year has been eliminated.

Performance for Each Business Segment

Real Estate Revitalization Business –Property Acquisition–

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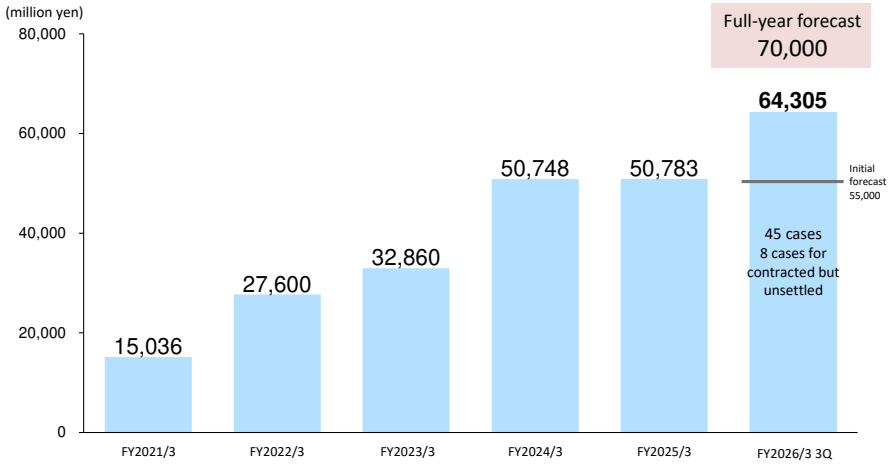
Acquisitions totaling 64.3 billion yen, including properties that have been contracted but not yet closed.

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



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As for the acquisition of replanning properties, as you can see, purchases have built up to around 70.0 billion, representing a roughly 40% increase year on year.

We will continue to maintain our strict acquisition criteria, while further strengthening our overall sourcing capabilities in the office segment, both at the individual and organizational levels.

Performance for Each Business Segment

Real Estate Revitalization Business –Acquisitions and Inventory Balance–

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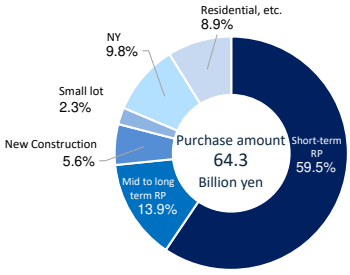
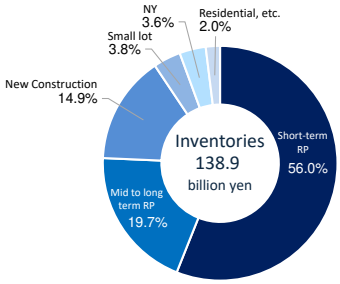
Breakdown of Property Acquisitions and Inventory Balance for the Third Quarter Cumulative Period

Breakdown of Purchase amount for Replanning Properties



- Acquisitions totaling 64.3 billion yen for 45 properties (including 13.7 billion yen for 8 properties that have been contracted but not yet closed).
- Acquisitions in FY2025/3 3Q: 43.2 billion yen for 38 properties (including 18.3 billion yen for 12 properties that have been contracted but not yet closed).

Breakdown of Inventories for Replanning Properties



- Number of properties in inventory at the end of 3Q was 83 (Up 13 compared to the same period of the previous fiscal year)
- The weight of new buildings and small-lot properties increased, leading to greater asset diversification.

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The pie chart on the left shows the 64.3 billion yen in acquisitions for our real estate revitalization business this fiscal year, which I explained on the previous slide, broken down by asset type.

The pie chart on the right shows the breakdown of our inventories by asset type.

As you can see, we will continue to further strengthen our core products while also expanding into new asset types, advancing portfolio diversification at the same time.

Performance for Each Business Segment
Real Estate Revitalization Business - Trends in Inventories and Property Sales Gains

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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	36.1billion yen	50.3billion yen	57.5 billion yen
Business 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
Profit margin	29.2%	27.2%	32.8%	29.8%	29.4%
Acquisitions during the fiscal year, construction work, etc.	31.6 billion yen	47.7 billion yen	62.8 billion yen	77.2 billion yen	97.8～99.8 billion yen
Ending balance of the inventory	77.3 billion yen	80.1 billion yen	106.8 billion yen	133.7 billion yen	174.0～176.0 billion yen

Sale in the following fiscal year / Sale during the year / Carry over / Keep holding

Although COVID-19 pandemic prolonged, sales remained strong. Refocused on purchased, but the inventory balance declined.

Sales remained strong. The results of strengthening purchase emerged, leading to the increase of the balance of inventories .

The balance increased by selling as planned and investing aggressively.

Aggressively invest for the next fiscal year and beyond while selling at high margins and achieving the Medium-Term Management Plan

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.

Ending balance for FY2026/3 (Forecast)	Gross profit margin (Assumed)	Net sales (Assumed)	Unrealized gains on inventories (Assumed)
174.0～176.0 billion yen	25～30%	232.0～250.0 billion yen	56.0～74.0 billion yen

Business profit = gross profit – sales commissions

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This slide shows the actual results and outlook for gross profit generated from inventories and property sales.

As in previous years, we believe this clearly demonstrates both our track record of expanding the business while maintaining a high level of profitability, as well as the strong feasibility of achieving future results.

Performance for Each Business Segment

Real Estate Services Business

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

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Sales and profits significantly increased due to steady performance of all businesses.
Full-year forecast has almost been achieved.

(unit: million yen)	FY2025/3 3Q	FY2026/3 3Q	YoY increase/decrease	YoY change rate	forecast for FY2026/3 forecast	forecast for FY2026/3 progress rate
Net Sales	9,279	12,658	3,378	36.4%	14,000	90.4%
PM/BM/Brokerage Business, etc.	6,217	8,410	2,193	35.3%	8,789	95.7%
Rental Conference Room	3,062	4,247	1,185	38.7%	5,210	81.5%
Gross Profit (Loss)	4,589	6,935	2,345	51.1%	6,940	99.9%
PM/BM/Brokerage Business, etc.	4,012	5,500	1,487	37.1%	5,915	93.0%
Rental Conference Room	576	1,435	858	148.9%	1,024	140.1%
Segment Profit (※)	4,581	6,923	2,342	51.1%		
PM/BM/Brokerage Business, etc.	4,012	5,500	1,487	37.1%		
Rental Conference Room	568	1,423	855	150.4%		
Segment Profit Margin	49.4%	54.7%	-	+5.3%pt		
PM/BM/Brokerage Business, etc.	64.5%	65.4%	-	+0.9%pt		
Rental Conference Room	18.6%	33.5%	-	+15.0%pt		

■PM/BM/Brokerage Business, etc.
(Property Management) Sales and profit increased due to an increase of 22 buildings under management compared to the end of the previous fiscal year
(Building Management) Sales and profits increased as the number of buildings under management rose due to strengthened collaboration within the Group
(Sales Brokerage) In addition to successful contract closures from internal Group referrals, the handling of larger-scale projects increased, leading to higher sales and profit
(Leasing Brokerage) Demand related to hybrid working styles and talent acquisition increased, resulting in higher sales and profits
(Rent Guarantee) Sales and profit increased due to steady growth in both new guarantee contracts and renewal guarantee contracts

■Rental Conference Room
Sales and profits surged as long-term use and large-scale projects increased, and as newly opened sites—those in operation for less than one year—gained traction

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Our real estate services business is closely integrated with the Replanning Business in a complementary relationship, serving as a platform that enables our group to provide a one-stop, high value-added value chain.

In terms of progress against the full-year forecast, gross profit has reached 93% in businesses such as PM, BM, and brokerage, and a strong 140% in the Conference Room Rental Business.

Performance for Each Business Segment

SUN FRONTIER

Hotel and Tourism Business

Sales and profits increased in the Hotel Operation Business due to strong inbound tourism demand and strengthened operational capabilities.

(unit: million yen)	FY2025/3 3Q	FY2026/3 3Q	YoY increase/decrease	YoY change rate	forecast for FY2026/3 forecast	forecast for FY2026/3 progress rate
Net Sales	12,502	14,948	2,445	19.6%	21,490	69.6%
Hotel Development Business	275	0	-275	-	3,000	0.0%
Hotel Operation Business, etc.	12,227	14,948	2,721	22.3%	18,490	80.8%
Gross Profit (Loss)	3,230	3,962	731	22.7%	4,340	91.3%
Hotel Development Business	109	-28	-138	-	520	-5.5%
Hotel Operation Business, etc.	3,120	3,990	869	27.9%	3,820	104.5%
Segment Profit (※)	3,041	3,528	486	16.0%		
Hotel Development Business	20	-202	-222	-		
Hotel Operation Business, etc.	3,021	3,730	709	23.5%		
Segment Profit Margin	24.3%	23.6%	-	-0.7%pt		
Hotel Development Business	7.3%	-	-	-		
Hotel Operation Business, etc.	24.7%	25.0%	-	+0.2%pt		

■Hotel Development Business

(New development) 16 hotels with 2,539 rooms under construction or planning from next fiscal year onward

(Sales) Sales activities are continuing

■Hotel Operation Business

(New openings and acquisitions) STITCH HOTEL KYOTO (16 rooms) opened in June/NAGANO LINDENPLAZA HOTEL (136 rooms) acquired through M&A in August

Tabino Hotel Kakogawa Befu Station (172 rooms) opened in September/Tabino Hotel Ishikari (175 rooms) opened in October

(Operations) In addition to strong inbound tourism, we strengthened our operational capabilities, and occupancy rates and average daily rates improved leading to increased sales and profit.

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In the development side of our Hotel and Tourism Business, we are identifying and carefully selecting sites that fit our business model, with a target of reaching 10,000 rooms.

In the Operation Business, we have maintained a high segment profit margin of 25%, and gross profit has already reached 104% of the full-year forecast.

Together with local communities, we will continue to create “Heartwarming and Fun Hotels” that also contribute to regional revitalization.

Performance for Each Business Segment

SUN FRONTIER

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

Sales and profits increased due to an increase in the number of construction orders, as well as the inclusion of results from M&A.

(unit: million yen)	FY2025/3 3Q	FY2026/3 3Q	YoY increase/decrease	YoY change rate	forecast for FY2026/3 forecast	forecast for FY2026/3 progress rate
Net Sales	1,357	3,799	2,441	179.9%	2,230	170.4%
Gross Profit (Loss)	328	915	586	178.9%	530	172.6%
Segment Profit (※)	281	795	514	183.2%		
Segment Profit Margin	20.7%	20.9%	-	+0.2%pt		

■Construction Business

Sales and profits increased on a year-on-year basis due to an increase in the number of construction orders for office interior construction and communication network works.
Sales and profits also increased due to the inclusion of the performance of the Otake Kenso Group, which was acquired through M&A in October.

■Overseas Development Business (Vietnam)

Construction of the second HIYORI Aqua Tower condominium project in Vietnam, which commenced in August 2024, is currently progressing toward completion in the first half of FY2027. Sales are scheduled to begin in March 2026.

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Finally, in our Construction Business, the Otake Kenso Group joined our group in October last year.

To strengthen our overall group capabilities, we will work together to generate synergies through the shared practice of our philosophy.

In addition, in our Overseas Development Business in Vietnam, sales of our second development project, HIYORI Aqua Tower, will begin the sale in March this year.

Going forward, we will continue to contribute to regional development in Vietnam, helping to create smiles, joy, and happiness for local communities.

That concludes my presentation.

Growth Strategies and Business Initiatives

SUN FRONTIER

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I’m Saito, President and CEO.

Now, I’d like to walk you through our growth strategy and the initiatives across each of our business.

Business Environment Awareness

SUN FRONTIER

1. Even amid an interest rate cut cycle, the global economic outlook remains uncertain due to tariff policies, geopolitical risks, and a slowdown in the Chinese economy.

- ◆ In the United States, while interest rate cuts have contributed to an improvement in financial conditions, concerns remain regarding tariff policies and geopolitical risks.
- ◆ Although the IMF has revised upward its global economic growth outlook, caution is still required regarding a slowdown in the Chinese economy and volatility in financial markets.

2. In the Japanese economy, while the weak yen and rising stock prices continue, close attention should be paid to uncertainty surrounding policy management and concerns over fiscal deterioration..

- ◆ While expectations are high for aggressive fiscal measures under the Takaichi administration, there are concerns about declining fiscal discipline and rising interest rates.
- ◆ The Bank of Japan has raised its policy interest rate to curb inflationary pressures caused by the weak yen and has indicated its intention to continue tightening.

3. In the central Tokyo office building market, rents continue to rise and vacancy rates are improving, supporting strong investment appetite.

- ◆Although new office supply is expected to increase in 2026, demand remains resilient due to the need to improve productivity and secure talent.
- ◆ Despite rising interest rates, investment appetite among wealthy individuals and institutional investors, particularly in Asia, remains solid.

4. In the hotel and tourism market, the weak yen has provided a tailwind, with both the number of inbound visitors and travel spending reaching record highs.

- ◆ The annual number of foreign visitors to Japan in 2025 exceeded 42 million, marking a new record, supported by strong inbound demand driven by the weak yen.
- ◆ In 2026, although growth in accommodation demand is expected to be limited, the market is projected to remain resilient, supported by higher average spending per guest.

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To begin, I'd like to share our view of the current business environment, which is summarized on this slide.

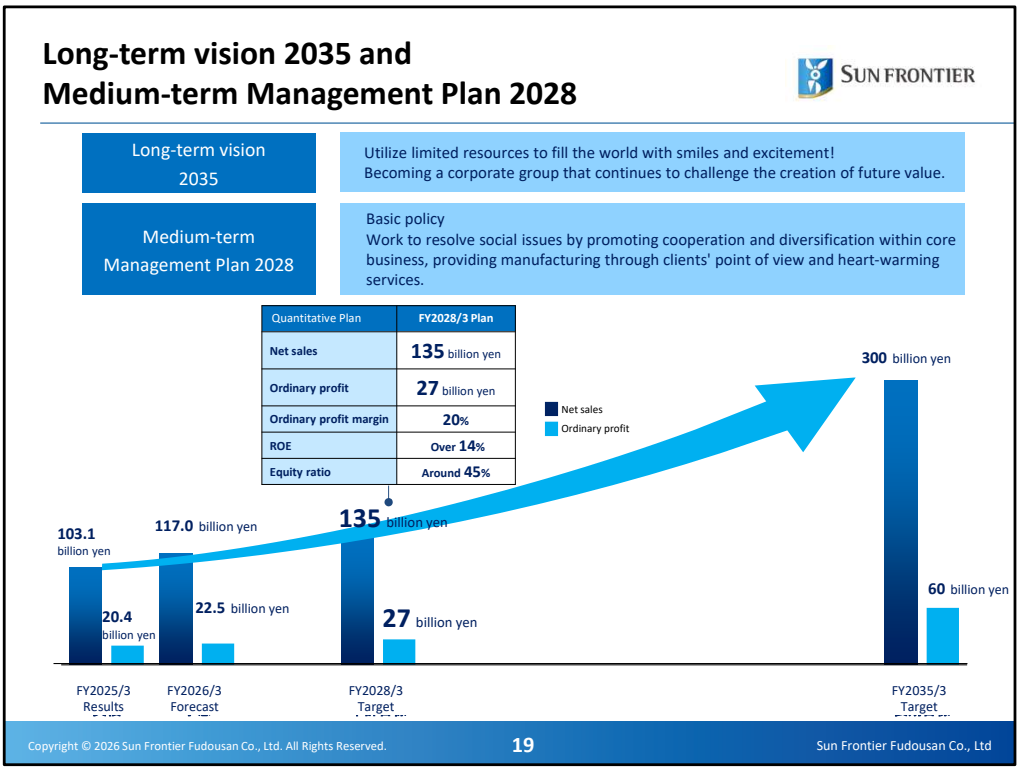
According to the IMF's latest World Economic Outlook, global growth for this year is projected at 3.3%. This represents a slight upward revision from the October forecast, and overall, a gradual recovery is expected to continue.

In Japan, meanwhile, the outlook will depend on future government leadership and policy direction. There are concerns about rising long-term interest rates driven by expansionary fiscal policies and tax cuts. In addition, ongoing inflation, potential interest rate hikes by the Bank of Japan, and geopolitical tensions such as issues involving China and Taiwan continue to make the economic outlook difficult to predict.

Against this backdrop, both the office and hotel markets have remained solid in the near term.

Office rents and hotel room rates are still on an upward trend, and although the pace of increase is slowing somewhat, we expect this trend to continue for some time.

Going forward, while remaining well prepared for uncertainty in the global economy and sudden changes in the financial environment, we will continue to execute our business steadily in line with our plans.



Next, I'd like to outline our long-term vision and our medium-term management plan, which are summarized here.

Under our medium-term management plan, we are implementing a range of strategies and initiatives based on our core policy of working to resolve social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heartwarming services.

By the final year of the plan, the fiscal year ending March 2028, we aim to achieve net sales of 135.0 billion and ordinary profit of 27.0 billion.

At the same time, while maintaining an equity ratio of around 45%, we are targeting an ordinary income margin of 20% and an ROE of 14% or higher. Through these efforts, we will continue to strengthen our financial foundation by balancing stability, profitability, and capital efficiency.

Growth Strategies

SUN FRONTIER

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 (Area expansion)	Contribute to the realization of a sustainable society by utilizing real estate in resource recycling methods.
		New construction (Business domain expansion)			
		Sale of small-lot (Act on Specified Joint Real Estate Ventures)			
	Services	Real Estate Services			Resolve our clients' concerns from their perspective, for their smile and excitement.
	Operation	Rental conference rooms			
Hotel	Development	New construction	Nationwide		Expand heart-warming and fun hotels nationwide to grow with local communities.
		Renovation			
	Operation	Hotel operation			
Residential	Development	New construction (Business domain expansion)	Vietnam (Area expansion)	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		

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Under our growth strategy, we are pursuing a business model that combines manufacturing and services.

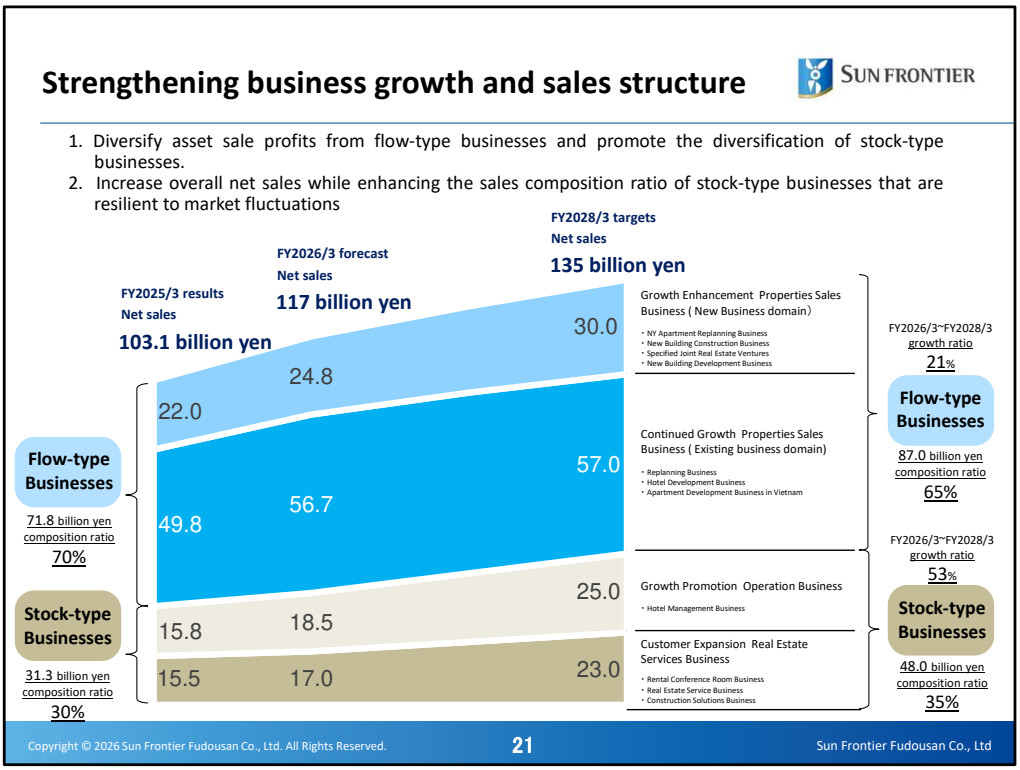
By making effective use of capital and circulating it efficiently, we aim to expand our business domains and accelerate growth.

In the office segment, in addition to the revitalization of existing buildings, we are also placing greater emphasis on new construction projects.

In our replanning and fractional real estate business, we are expanding into new regions and are also taking on projects in Osaka.

In the hotel segment, alongside new development and renovation projects, we are actively utilizing M&A as we work to increase the number of hotels under operation.

In the residential segment, we have also begun developing new rental apartment projects in Tokyo.



At the same time, as we expand and grow these businesses, we are also working to transform our earnings structure.

In our Flow-Type business, we are promoting diversification across asset types, while in our Stock-Type business, we are expanding into related fields.

By steadily growing overall net sales, we also aim to increase the proportion of Stock-Type business, which are more resilient to market fluctuations.

Under our current medium-term management plan, we are targeting total net sales growth of 35% over three years. Of this, we expect growth of 21% in Flow-Type business and 53% in Stock-Type business.

As a result, we plan to increase the share of Stock-Type business in total net sales to 35%.

Aggressive Investment for Future Business Growth

SUN FRONTIER

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】

Business proceeds from sales etc. of properties

Loans

Cash and deposits

322 billion yen

【Cumulative capital expenditure】

Business growth Investment

310 billion yen

Return to shareholders

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

*Conversion of convertible bonds into shares is expected to progress at the end of fiscal year ending March 31, 2027, resulting in increased number of shares.

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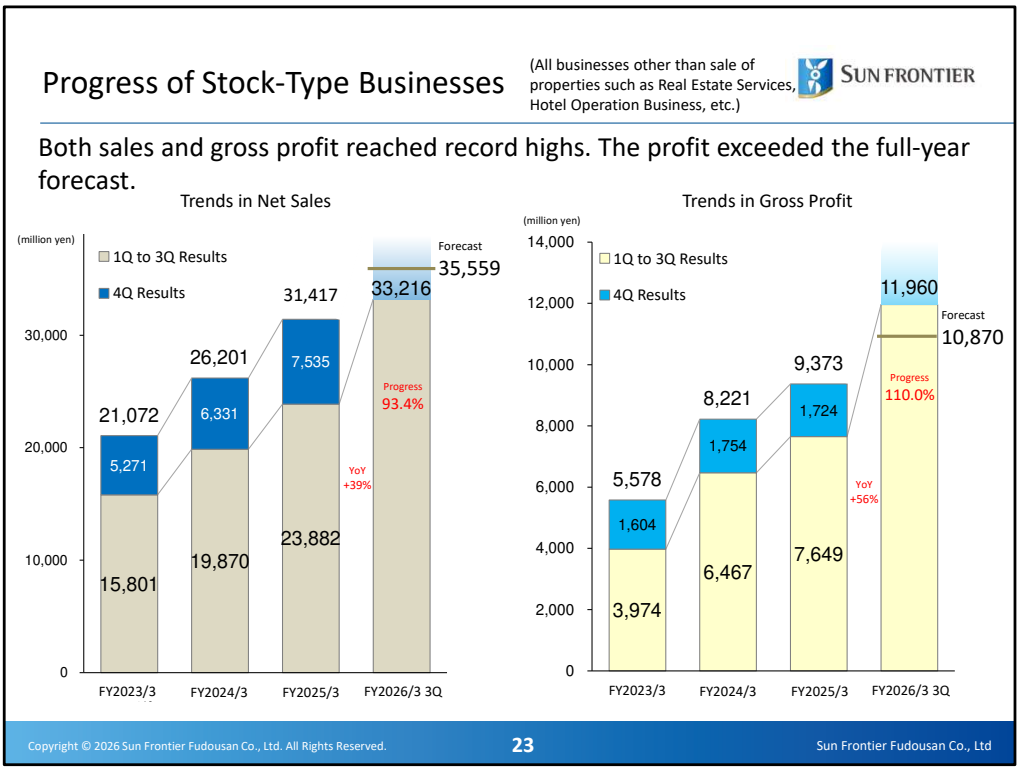
Next, turning to our capital allocation plan, we are planning total capital investment of 310.0 billion yen over the three-year period.

This includes 200.0 billion yen invested in replanning-related business, 21.0 billion yen in small-lot real estate investment products, and 70.0 billion yen in hotel development.

In addition, we plan to invest 10.0 billion yen in areas such as M&A.

In executing these investments, we will continue to rigorously assess each project from a cost-of-capital perspective, while proactively investing to accelerate future growth.



Next, I'd like to walk you through our recent performance and the progress of each business.

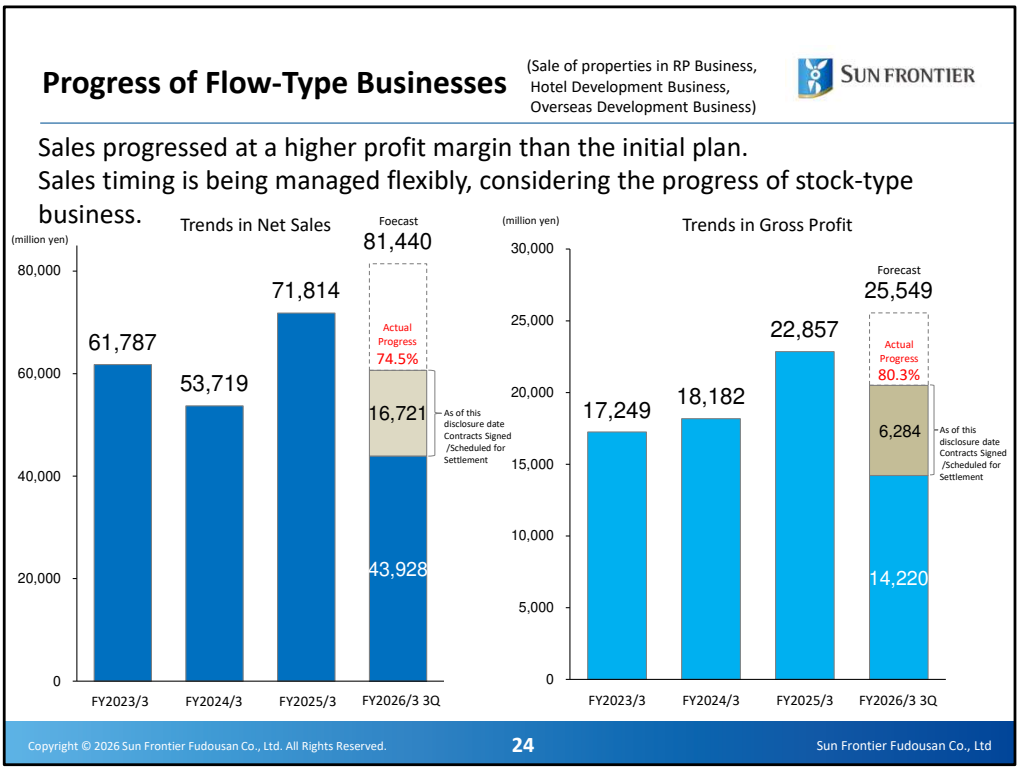
Let me start with the performance of our Stock-Type business.

This chart shows the trends in net sales and gross profit for businesses that do not involve property sales, such as our Real Estate Service and Hotel Operation.

Thanks to strong performance across the board, all of our Stock-Type business continue to grow, achieving increases in both net sales and profit and reaching new record highs.

For this nine months ended December 31, 2025, total net sales reached 33.2 billion, up 39% year on year, while gross profit amounted to 11.9 billion, representing a 56% increase.

In terms of progress against our full-year plan, net sales has reached 93%, and gross profit has exceeded our initial forecast, reaching 110%. Looking ahead to the fourth quarter, from January through March, growth rates are expected to ease slightly due to some seasonal winter factors, but we expect performance to continue to build steadily.



Next, let me go over the progress of our Flow-Type business.

This chart shows net sales and gross profit, combining only the sales of properties held for sale, such as replanning properties and hotel assets.

For this fiscal year's progress to date, the figures include not only actual results through the end of December, but also properties for which sales were completed between January and the date of yesterday's earnings announcement, as well as those already under contract and scheduled to close by the end of March.

Taking all of this into account, progress against the full-year forecast stands at 74% for net sales and 80% for gross profit.

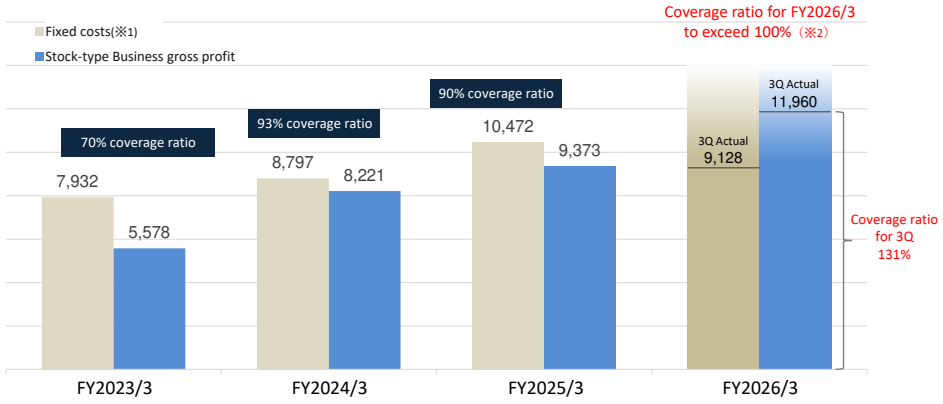
As profit margins have exceeded our initial plan and remain at a high level, profit is progressing ahead of net sales.

Looking toward the year-end outcome, we plan to respond flexibly, while also taking next fiscal year's sales plan into consideration.

Coverage Ratio by Stock-Type Business (Stable Businesses)

SUN FRONTIER

Work toward establishing a structure to cover fixed costs through gross profit from stock-type businesses.



(※1) Fixed costs = SG&A expenses - sales commission + interest expenses
(※2) Coverage ratio = stock-type gross profit ÷ Fixed costs

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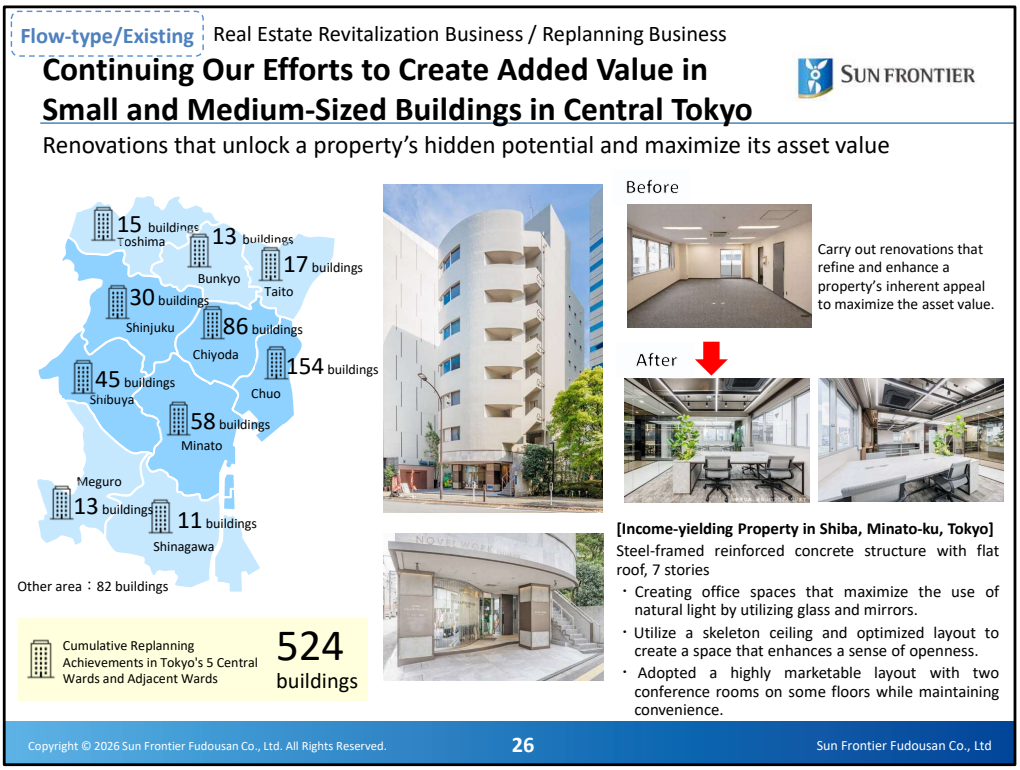
Next, I'd like to discuss the coverage ratio of company-wide expenses by our Stock-Type business.

This chart shows how much of our fixed costs—such as Selling, General and Administration Expenses and interest payments—are covered by earnings from our stock-based businesses, and how this has evolved over time.

Three years ago, the coverage ratio was around 70%. This increased to 90% in the previous fiscal year, and as of the end of the third quarter this year, it has reached 131%.

Based on recent trends, we believe that even on a full-year basis, we can establish a stable earnings structure in which our expenses are covered by recurring businesses, without relying on gains from property sales.



Next, I'd like to explain in a bit more detail the initiatives we are undertaking in both our Flow-Type and Stock-Type Business.

Let me start with our Replanning Business, which is part of our Flow-Type operations. This is our core business, and since our founding, we have built a track record of 524 projects in total.

As a recent example, we'd like to introduce one such project.
The property is a seven-story building in Minato Ward, approximately 35 years old, with a total floor area of about 250 tsubo. It represents a typical example of the small- to mid-sized urban office buildings where we have particular strength.

By drawing out the building's potential value—such as its ability to bring in natural light from three sides—we created an open and bright space that makes full use of natural light.

We also designed the layout to include meeting rooms and other features, creating an office that combines convenience from the tenant's perspective with strong design appeal.

As a result, tenant leasing progressed smoothly, rental levels improved significantly, and we were ultimately able to sell the property as a fully occupied, highly profitable building.

Flow-type/Existing Real Estate Revitalization Business / Replanning Business

Creating social value through the value enhancement of small and medium-sized buildings

SUN FRONTIER

In the second phase of the "Model Survey Project to Promote Investment in Value-Up and Renovation of Small and Medium-sized Buildings" conducted by the Ministry of Land, Infrastructure, Transport and Tourism, our initiatives in three properties were selected as model cases.

[Relationship between the Model Survey Project and the Company's Replanning Business]

Social background

An increase in the number of small and medium-sized buildings constructed many years ago

Growing need for environmental friendliness, compliance with laws and regulations, and working environment

Purpose of MLIT Model Survey Project

Dissemination of renovation models for sustainable use
Development of an enabling environment to promote investment in value-up renovations
Visualization of the effects and value to support renovation investment decisions

Replanning Business

- Real Estate Revitalization Business centering on small and medium-sized buildings
- Improvement of environmental efficiency and ensuring compliance with laws and regulations
- Space planning focusing on the sustainable use of buildings

[Our Company's selected cases]

[THE PORTAL IWAMOTOCHO]

- Highly reproducible and versatile renovation models combining changes of use and environmental considerations, applicable to small and medium-sized buildings.

[Honmachi Highest Building]

- Securing safety and compliance through legal corrections and facility upgrades
- Enhancing leasing and sales competitiveness through improved environmental performance

[Biz Feel KANDA]

- Legal compliance measures to ensure regulatory compliance and safety
- Contributing to employee retention and productivity improvements through wellness certifications

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As an additional highlight, three Replanning properties that are currently being prepared for commercialization have been selected for a "Model Survey Project" by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

This initiative, formally known as the Model Survey Project to Promote Value-Enhancing Renovation Investment in Small and Medium-Sized Buildings, aims to address the fact that, although many buildings are reaching the stage where renovation is needed, value-enhancing renovations that respond to social challenges have yet to become widespread. The project focuses on identifying effective renovation approaches and assessing their impact and then sharing those findings more broadly.

Through these efforts, the Ministry seeks to encourage greater investment in value-enhancing renovations for small and medium-sized buildings.

In this second phase of the program, 12 projects were selected in total, and three of them are Replanning properties from our company.

All of these projects align with our core business of enhancing the usability of existing office buildings through renovation and revitalization.

Key reasons cited for their selection include investments that address social issues, such as correcting non-compliance with regulations, upgrading aging facilities, obtaining environmental performance certifications, and providing set-up offices.

These efforts were also recognized for their potential to enhance real estate value, including improved asset liquidity, stronger leasing competitiveness, and better rental income performance.

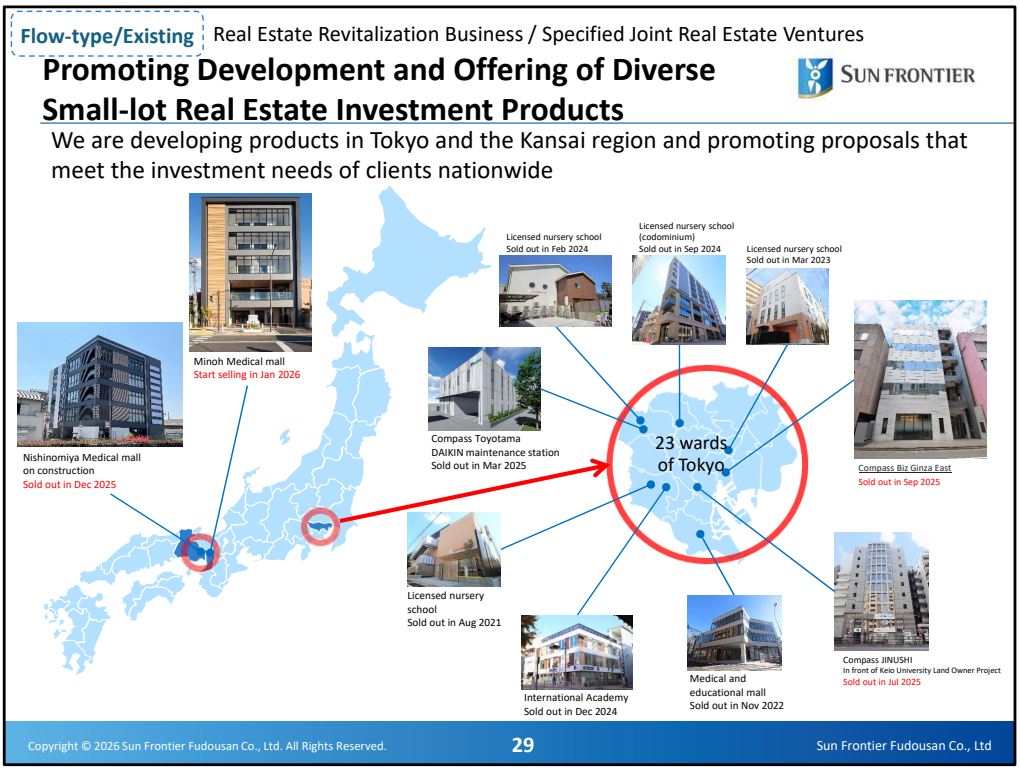
Next, let me talk about our New Office Building Development Business.

Leveraging the high value-added renovation expertise we have built through our replanning business, we are developing new office buildings primarily in Tokyo’s five central wards.

At present, we are working on a total of 14 new development projects.

The photo on the right shows an office building currently under construction in Chuo Ward, which is scheduled for completion next month.

Located along Nihonbashi Sakuradouri, the building enjoys a prime location and has been designed as a highly functional and comfortable office, featuring spaces for interaction such as a lounge, as well as views from a rooftop terrace.



Next, let me turn to our Fractional Real Estate Business.

In this business, we primarily attract tenants that are closely tied to local communities, such as daycare centers and medical clinics, and operate the properties under long-term lease arrangements. We then sell these buildings as fractional real estate investment products.

While the recent outline of tax reform includes revisions to methods for valuing real estate assets, the clinic mall building in Nishinomiya that was on sale was fully sold out as planned in December.

Going forward, we will continue to develop and sell fractional real estate projects as investment products characterized by stable rental income.

Flow-type/Existing Real Estate Revitalization Business / Residential Development Business

Developing value-creating rental apartments that help connect people and communities with smiles.

SUN FRONTIER

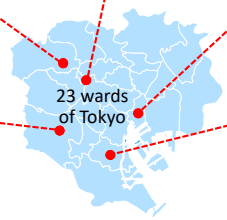
We are expanding our business into the development of high value-added, newly constructed rental apartment buildings equipped with soundproofing features and pet-friendly facilities

[New-built] construction start in Jan 2026 [Plan] Sale scheduled for FY2028/3	
Location	Toyotama-Kita, Nerima-ku
Structure	Reinforced concrete bearing wall structure, four-story building
Room layout / number of units	1K: 8 units, 2DK: 3 units, 1LDK: 1 unit

[New-built] Completion in Jan 2026 [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

[New-built] construction started in Jan 2026 [Plan] Sale scheduled for FY2028/3	perspective drawing
Location	Nihonbashi-Kayabacho, Chuo-ku
Structure	Reinforced concrete structure, 12-story building
Room layout / number of units	1LDK: 10 units, 2LDK: 10 units, Premium 3LDK: 1 unit

[New-built] construction start: July 2026 [Plan] Sale scheduled for FY2029/3	**An existing building on site remains**
Location	Funabashi, Setagaya-ku
Structure	Reinforced concrete bearing wall structure, four-story building with one basement
Room layout / number of units	1DK: 10 units, 1LDK: 4 units, 2DK: 1 unit, 3LDK: 4 units



[New-built] construction completed in Jul 2026 [Plan] Sale scheduled for FY2027/3	perspective drawing
Location	Nishi-Oi, Shinagawa-ku
Structure	Reinforced concrete bearing wall structure, five-story building
Room layout / number of units	1K: 18 units, 2DK: 1 unit

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Next, let me update you on the progress of our Residential Business.

We are developing single-building rental apartment projects primarily in Tokyo's five central wards and the seven adjacent wards.

This business has only been running for about two years, and we currently have five projects underway, as shown here.

Of these, the apartment building in Nishi-Ochiai, Shinjuku Ward, was completed in January.

As this is a soundproof-type apartment building, leasing has been progressing smoothly, and we plan to begin sales later this month.

Flow-type/Existing Real Estate Revitalization Business / Apartment Renovation Business in New York

Promoting the Apartment Renovation Business in New York

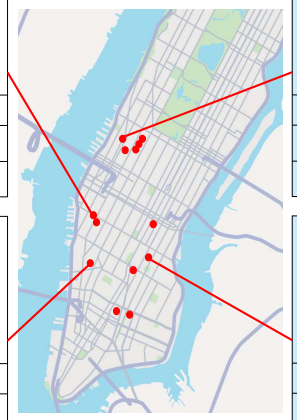
SUN FRONTIER

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.

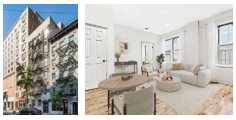
On sale	
Location	Chelsea Area
Structure	A five-story brick building with one basement floor
Room layout / number of units	1LDK: 2units,2LDK: 1unit, 3LDK: 2units

Sold in jul 2025	
Location	West Village
Structure	A five-story brick building with one basement floor
Room layout / number of units	1R: 4units, 2LDK: 8units

【Map of Manhattan, New York】



On sale	
Location	Hell's Kitchen Area
Structure	A five-story brick building with one basement floor
Room layout / number of units	Office: 1unit, 1R: 1unit, 1LDK: 9units

Sold in Dec 2025 Sales will be accounted in 4Q	
Location	Union Square Area
Structure	A six-story brick building with one basement floor
Room layout / number of units	2LDK:3units, 3LDK: 15 units, 4LDk: 1unit

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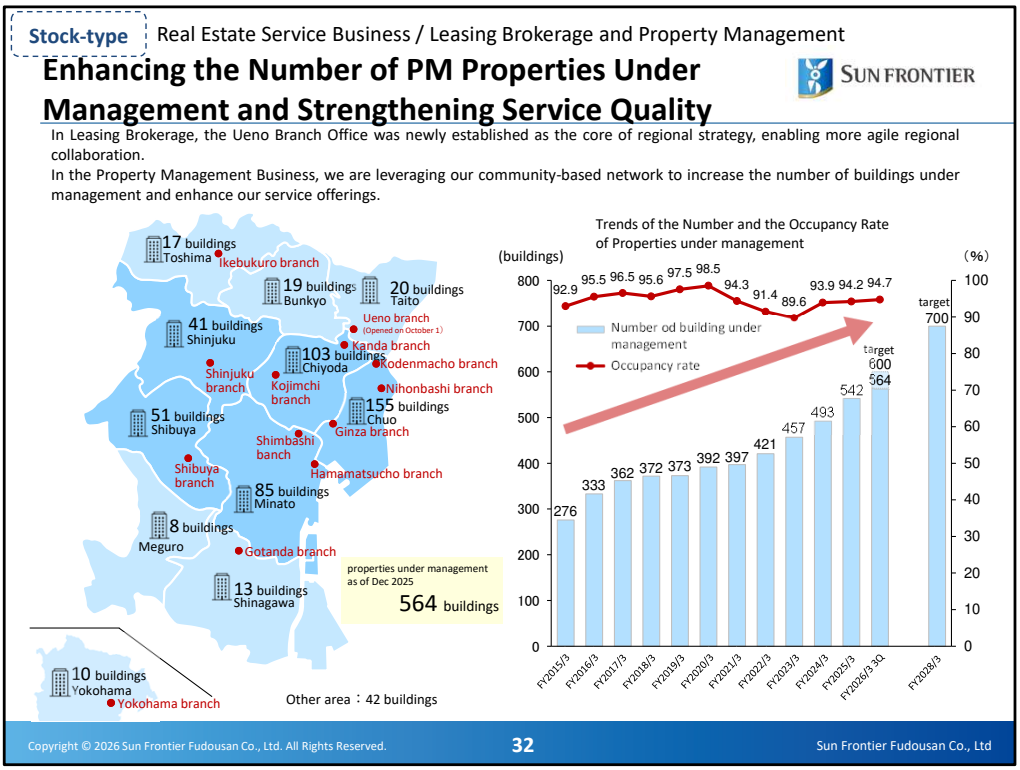
Next, let me talk about our Apartment Replanning Business in New York.

We launched this business in 2019, and to date we have acquired a total of 13 properties, carried out renovation and revitalization projects, and sold eight of them.

In the current fiscal year, we have completed sales of two properties, one of which will be recorded in the fourth quarter.



Next, I'd like to explain the current status of our Stock-Type Business.

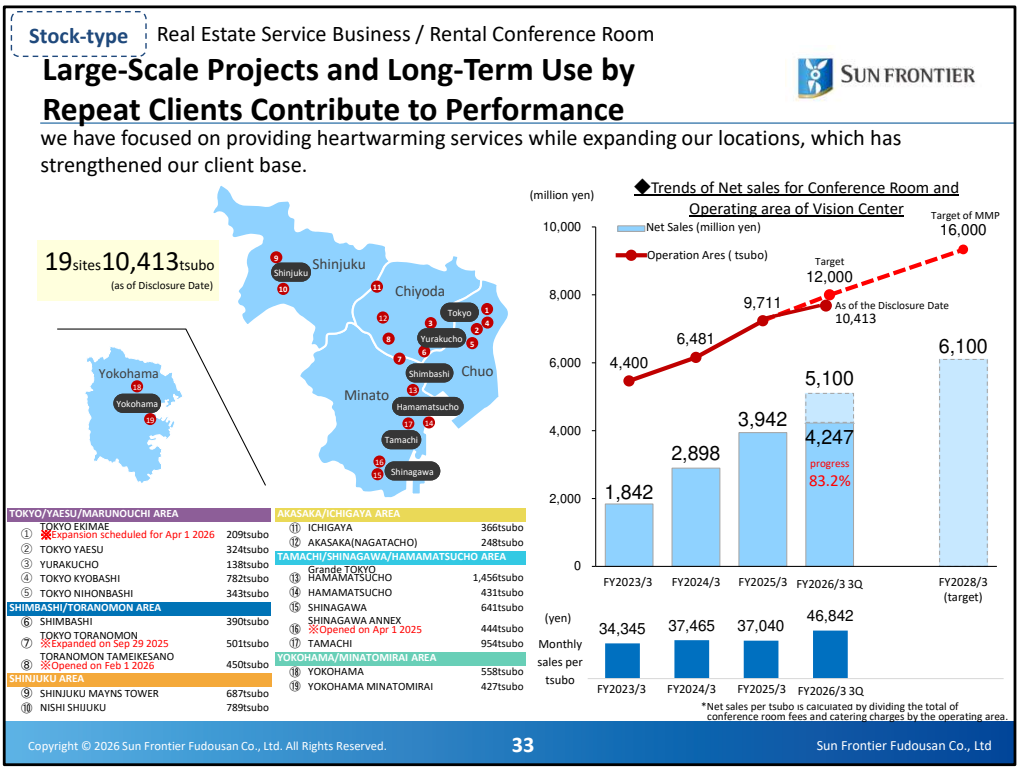
Let me start with our Real Estate Services Business.

This business spans a wide range of services, including leasing brokerage, sales brokerage, property management (PM), building management (BM), and rent guarantees.

These services work together in an integrated manner to form a multi-layered business model.

In our leasing brokerage business, we opened a new Ueno branch last October, bringing our total number of locations to 13.

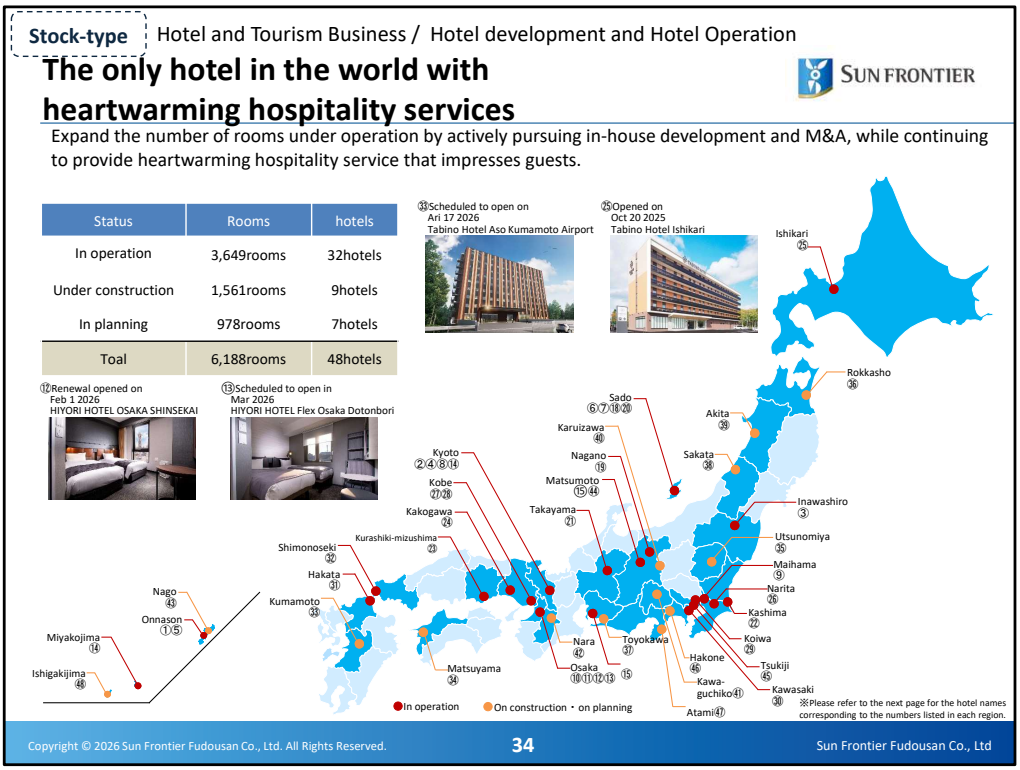
In our property management business, the number of managed buildings increased by 22 this fiscal year, reaching a total of 564 buildings as of the end of December.



In our rent Conference Room Business, supported by strong performance, we have been expanding our operating floor space.

Most recently, we opened the Tameike-Sanno location on February 1.

Including this new site, we now operate 19 locations in total, with an aggregate floor area of 10,413 tsubo.



Next, I'll move on to our Hotel Operation Business, which is also part of our Stock-Type business.

This business has also been growing steadily, thanks to strong performance.

In the current fiscal year, we added a total of four hotels—three through new openings and one through M&A.

As a result, we are now operating 32 hotels, with a total of 3,649 guest rooms.

We have also been steadily advancing the rebranding of hotels previously acquired through M&A.

Last week, on February 1, we rebranded and reopened the Joytel Hotel in the Shinsekai area of Osaka as a HIYORI Hotel.

In addition, a hotel in the Dotonbori area is scheduled to be rebranded and reopened next month.

Stock-type | Hotel and Tourism Business / Hotel development and Hotel Operation

List of Hotels in operation , under construction, and in planning

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In operation

LUXURY	73rooms
① Oriental Hills Okinawa	14rooms
② Sora Niwa Terrace Kyoto Bettei	32rooms
③ Seifutei	11rooms
④ STITCH HOTEL KYOTO	16rooms
UPPER	429rooms
⑤ Hiyori Ocean Resort Okinawa	203rooms
⑥ HOTEL OOSADO	72rooms
⑦ HOTEL AZUMA	52rooms
⑧ Sora Niwa Terrace Kyoto	102rooms
UPPER MIDDLE	727rooms
⑨ HIYORI HOTEL MAIHAMA	80rooms
⑩ HIYORI HOTEL OSAKA NAMBA STATION	224rooms
⑪ HIYORI HOTEL OSAKA SUMINOEKOEN STATION	229rooms
⑫ HIYORI HOTEL OSAKA SHINSEKAI ※Reopened rebranded on Feb 1 2026	103rooms
⑬ HIYORI HOTEL Flex Osaka Dotonbori ※Reopened rebranded Mar 1 2026	53rooms
⑭ HIYORI Stay Kyoto Kamogawa	38rooms
MIDDLE	291rooms
⑮ Tabino Hotel Iit Matsumoto	176rooms
⑯ Tabino Hotel Iit Miyakojima・Villa Miyakojima	115rooms
ECONOMY	1,571rooms
⑰ Spring Sunny Hotel Nagoya Tokoname Station	194rooms
⑱ DONDEN Highland	12rooms
⑲ Nagano Linden Plaza Hotel	136rooms
⑳ Tabino Hotel Sado・Live Sado	129rooms
㉑ Tabino Hotel Hida Takayama	80rooms
㉒ Tabino Hotel Kashima	194rooms
㉓ Tabino Hotel Kurashiki Mizushima	155rooms
㉔ Tabino Hotel Kakogawa befu station	172rooms
㉕ Tabino Hotel Ishikari	175rooms
㉖ Tabino Hotel EXpress Narita	97rooms
㉗ Kobe Plaza Hotel ※operation entrusted	107rooms
㉘ Kobe Plaza Hotel West ※operation entrusted	120rooms

In operation

BUDGET	558rooms
㉙ SKY HEART Hotel Keisei Koiwa Mae	102rooms
㉚ SKY HEART Hotel Kawasaki	197rooms
㉛ SKY HEART Hotel Hakata	157rooms
㉜ SKY HEART Hotel Shimonoseki	102rooms
In operation subtotal	**3,649rooms**

On construction and on planning

Open schedule in FY2027/3	1,392rooms	
㉝ Tabino Hotel Aso Kumamoto Airport	213rooms	Open schedule on Apr 17 2026
㉞ HIYORI HOTEL MATSUYAMA	245rooms	Open schedule in Apr 2026
㉟ Tabino Hotel Utsunomiya Yuinomori	201rooms	Open schedule in Aug 2026
㊱ Tabino Hotel Aomori Rokkashomura	210rooms	Open schedule in Oct 2026
㊲ Tabino Hotel Iit Toyokawa	112rooms	Open schedule in Nov 2026
㊳ Tabino Hotel Iit Sakata	178rooms	Open schedule in Dec 2026
㊴ Tabino Hotel Iit Akita Ekimae	233rooms	Open schedule in Feb 2027
Open schedule in FY2028/3	678rooms	
㊵ HIYORI TERRACE Karuizawa Spa & Resort	81rooms	
㊶ HIYORI TERRACE Fujisan Kawaguchiko Spa & Resort	134rooms	
㊷ HIYORI HOTEL Kintetsu Nara	177rooms	
㊸ HIYORI HOTEL Nago	156rooms	
㊹ Tabino Hotel Iit Matsumoto	130rooms	
Open schedule in FY2029/3	469rooms	
㊺ STITCH HOTEL GINZA EAST	36rooms	
㊻ Sora Niwa TERRACE Hakone Yumoto	108rooms	
㊼ Atami Hotel Project	120rooms	
㊽ Tabino Hotel Iit Ishigakijima	205rooms	
On construction and on planning subtotal	**2,539rooms**	
In operation,On construction and on planning total	**6,188rooms**	

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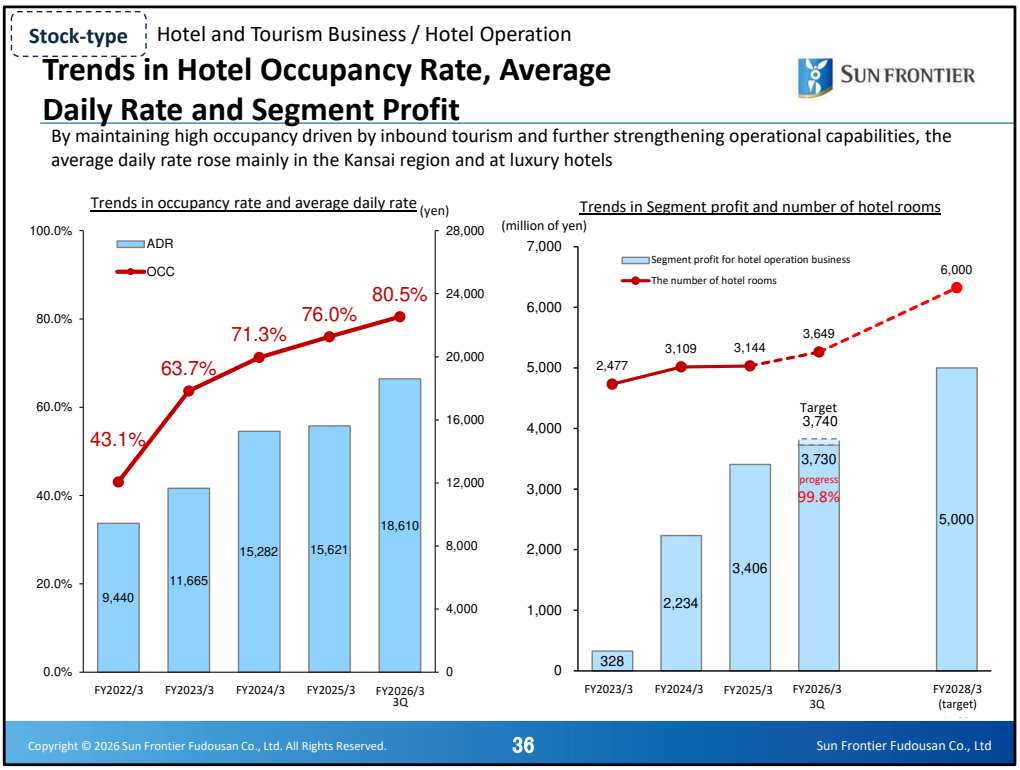
This slide shows a list of hotels that are currently in operation, as well as those scheduled to open in the future.

In the next fiscal year, we plan to open seven new hotels, adding a total of 1,392 guest rooms.

Looking further ahead, when we include not only hotels currently in operation but also those for which we have already acquired development sites and are in the planning stage, we expect to expand to a total of 48 hotels with 6,188 guest rooms over the next three years.



Next, this slide shows the performance trends of our Hotel Operations Business.

Both occupancy rates and average room rates continue to trend upward, and performance has been growing steadily.

While we have seen some impact from reduced inbound travel from China at certain hotels, such as those in Osaka and Tokoname, the effect has been limited so far, and overall performance remains solid.

Going forward, while responding flexibly to changes in the business environment, we will continue to refine our service capabilities under our philosophy of a “Heartwarming and Fun Hotels”, delivered through heartfelt hospitality, and further grow the business.

Stock-type Construction Business

Conducted M&A to Strengthen the Foundation for the Construction Sector

SUN FRONTIER

Acquired 100% shares of Otake Kenso Group, which has a proven track record in the processing and construction of sashes and glass.

Strengths and Synergies of Both Companies

OTAKE KENSO

- Quality, delivery, and cost managed by skilled technicians
- Track record in design and construction of sashes and glass windows
- Responsiveness and supply speed from its own factory

×

SUN FRONTIER

- Acquisition and planning capabilities for small and medium-sized buildings in central Tokyo.
- Client-focused development capabilities and heartwarming hospitality services
- Broad client base and group company network.

By combining the strengths of both companies, we aim to enhance product development capabilities for replanning small and medium-sized buildings in central Tokyo, as well as to promote business growth in the construction-related field.

Company overviews

Name	Otake Kenso Holdings Co., Ltd.
Founded	July 15, 1960
Established	September 2017 (due to transition to HD)
Headquarters	5-8-19, Kitashinagawa, Shinagawa-ku, Tokyo
Group net saless (※)	5,125 million (FY ended March 2025)
No. of employees	115 (total for 5 group companies)

※ The sales figure is the sum of the financial statements of the five group companies before applying listed company standards (net sales recognition standards, accrual basis, etc.) and before our audit.

Topics

- ✓ Acquired 100% of the shares of Otake Kensou Holdings Co., Ltd. on Oct 1, 2025.
- ✓ It has been included in our consolidated results for the third quarter.

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Next, let me turn to our construction business.

In October last year, we acquired 100% of the shares of the Otake Kenso Group through an M&A transaction.

As a result, in the third quarter, approximately 1.2 to 1.3 billion in net sales for a three-month period was added to our Stock-Type businesses.

Going forward, we will further strengthen collaboration across the group, with the aim of expanding our business foundation in the construction-related fields and driving further growth in performance.

That concludes my overview of our recent initiatives across each business area.

Publication of the Integrated Report 2025

SUN FRONTIER

Expanding the disclosure of financial and non-financial information and promoting more transparent information dissemination.

The Group issued its first integrated report in September 2025.
In addition to the company philosophy we have cherished since our founding, the report comprehensively communicates our path toward enhancing future corporate value by integrating financial and non-financial information, including our management philosophy, growth strategies, and sustainability management.

<Contents>

SECTION 01 Sun Frontier's Values
Looking back at the history of the Company's core values

SECTION 02 Corporate Value Creation and Our Vision
Detailed explanation of the vision, including top management's message and the value creation process

SECTION 03 Putting Value Creation into Practice
Growth strategies by business segment and interviews with employees who are taking on new challenges

SECTION 04 The Foundation of "Altruism" Supporting Value Creation
Categorized by ESG and included human capital discussions and interviews with outside directors

SECTION 05 Record of Value Creation
Financial and non-financial historical data

Front cover

Information disclosure system

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Finally, last September, we published our first-ever Integrated Report.

The report provides a comprehensive overview of our company, covering not only our management philosophy and growth strategy, but also non-financial information such as our approach to sustainability management.

It serves as an important guide that outlines our path toward enhancing long-term corporate value, so we hope you will take the time to have a look.

That concludes my presentation.