Sun Frontier Fudousan Co., Ltd

Financial Results of the Second Quarter of Fiscal Year Ending March 31, 2027

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

November 9, 2026

SUN FRONTIER

Tokyo Stock Exchange Prime Market 8934

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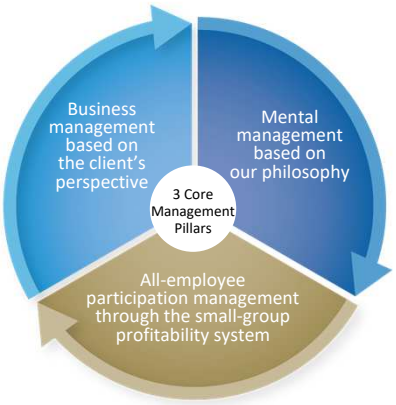
I am Takeshi Hirahara, Division Director of the Administration Division.

I will provide an overview of the financial results through page 19.

About Sun Frontier Group

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, with a spirit of coexistence, we aim to contribute to the evolution and development of human society and realize a sustainable 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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Overview

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Executive Summary

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Summary

◆ **Net sales and each profit reached record highs in the first half of the fiscal year.**
◆ **Operating profit and ordinary profit were about 60% of the full-year forecast.**
Steady progress toward achieving the full-year forecast.
◆ **Results by Segment**
- **In the Real Estate Revitalization Business, net sales and profits increased due to steady property sales.**
- **In the Real Estate Service Business, net sales increased due to growth in the Rental Conference Room Business but profit remained unchanged year on year.**
- **In the Hotel and Tourism Business, net sales and profits increased mainly due to an increase in the number of operating hotels.**

Topics

◆ **Six new hotels opened and the number of hotel rooms increased to 4,638 (up 948 compared to the end of the previous fiscal year).**

HIYORI HOTEL MATSUYAMA	(Opened on April 16, 2026)
Tabino Hotel Aso Kumamoto Airport	(Opened on April 17, 2026)
Tabino Hotel Sado Annex	(Opened on April 17, 2026)
Tabino Hotel Base Takayama Station	(Opened on June 12, 2026)
Tabino Hotel Utsunomiya Yuinomori	(Opened on August 7, 2026)
Tabino Hotel Aomori Rokkashomura	(Opened on October 2, 2026)

◆ **Accelerated development in the residential field**
- **In July 2026, the Aeras Group (rental housing brokerage), which boasts 67 stores in the Tokyo metropolitan area and about 45,000 transactions per year, joined the Group through M&A.**
- **Sold the first newly constructed residential building.**

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For the first half of the second year of our medium-term management plan, both net sales and profit reached record highs.

On a profit basis, we have achieved approximately 60% of our full-year forecasts.

Turning to key topics, six hotels opened during the current fiscal year, bringing the number of rooms under operation to 4,638.

In addition, the Aeras Group, a residential leasing brokerage company with 67 offices in the Tokyo metropolitan area and approximately 45,000 transactions annually, has joined our Group.

We will continue to practice our corporate philosophy as we work to maximize the corporate value of the Group and help resolve social issues.

Performance Summary

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Carrying out steady property sales. The Real Estate Service Business and the Hotel Operation Business performed well, and net sales and profits increased.

(unit: million yen)	FY2026/3 2Q	FY2027/3 2Q	YoY increase/decrease	YoY change rate	forecast for FY2027/3 forecast	forecast for FY2027/3 achievement rate
Net sales	58,232	78,234	+20,001	+34.3%	130,000	60.2%
Gross Profit (Loss)	20,078	24,127	+4,049	+20.2%	42,839	56.3%
Selling, General and Administrative Expenses	5,947	7,485	+1,538	+25.9%	14,689	51.0%
Operating Profit (Loss)	14,130	16,641	+2,511	+17.8%	28,150	59.1%
Ordinary Profit (Loss)	13,614	15,457	+1,843	+13.5%	26,000	59.5%
Ordinary Profit Margin	23.4%	19.8%	-	▲3.6%	20.0%	-
Profit (※)	8,993	10,346	+1,353	+15.1%	17,400	59.5%

(※) The profit attributing to owners of parent.

	As of the End of March 2026	As of the End of September 2026	Compared to the End of March 2026 increase/decrease	Compared to the End of March 2026 change rate	forecast for FY2027/3
Total Assets	264,463	306,404	+41,941	+15.9%	-
Equity	119,740	142,078	+22,337	+18.7%	-
Equity to Total Assets Ratio	45.3%	46.4%	-	+1.1%pt	-
ROE	14.4%	-	-	-	13.1%
EPS(yen)	327.76	180.88	-	-	304.20
Dividends per share (yen)	76.0	40.0	-	-	80.0

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For the first half, net sales were ¥78.2 billion, gross profit was ¥24.1 billion, and ordinary profit was ¥15.4 billion. The ordinary profit margin was 19.8%, and the equity ratio was 46.4%. By achieving these management indicators, we will bring the current medium-term management plan to a successful conclusion.

Consolidated Income Statement

The Real Estate Revitalization Business drove performance, and stock-type businesses progressed steadily as well.

(unit: million yen)	FY2026/3 2Q	FY2027/3 2Q	YoY increase/decrease	YoY change rate	forecast for FY2027/3 forecast	forecast for FY2027/3 achievement rate
Net Sales	58,232	78,234	+20,001	+34.3%	130,000	60.2%
Real Estate Revitalization Business	39,327	54,295	+14,967	+38.1%	85,300	63.7%
Real Estate Service Business	8,359	9,129	+769	+9.2%	17,270	52.9%
Hotel and Tourism Business	9,733	11,871	+2,138	+22.0%	21,950	54.1%
Other Business	1,600	3,726	+2,126	+132.9%	7,480	49.8%
Adjustments	▲ 788	▲ 788	+0	-	▲ 2,000	-
Gross Profit (Loss)	20,078	24,127	+4,049	+20.2%	42,839	56.3%
Real Estate Revitalization Business	13,090	15,655	+2,564	+19.6%	27,450	57.0%
Real Estate Service Business	4,527	5,065	+538	+11.9%	9,060	55.9%
Hotel and Tourism Business	2,566	2,898	+331	+12.9%	5,040	57.5%
Other Business	439	995	+556	+126.6%	1,989	50.1%
Adjustments	▲ 546	▲ 488	+58	-	▲ 700	-
Selling, General and Administrative Expenses	5,947	7,485	+1,538	+25.9%	14,689	51.0%
Operating Profit (Loss)	14,130	16,641	+2,511	+17.8%	28,150	59.1%
Ordinary Profit (Loss)	13,614	15,457	+1,843	+13.5%	26,000	59.5%
Profit	8,993	10,346	+1,353	+15.1%	17,400	59.5%

■ Real Estate Revitalization Business
The number of property sales increased to 19 (up 6 from the same period of the previous fiscal year), and net sales and profits increased.

■ Real Estate Service Business
Net sales, gross profit and SG&A expenses increased mainly due to growth in the Rental Conference Room Business and the acquisition of the Aeras Group.

■ Hotel and Tourism Business
Net sales and profits increased due to an increase in the number of operating hotels compared to the same period of the previous fiscal year, despite the impact of a reactionary decline following Expo 2025 Osaka, Kansai, Japan.

■ Others
Net sales and profits significantly increased due to the contribution of the performance of the Otake Kenso Group, which was acquired in October 2025.

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This is the consolidated statement of income.

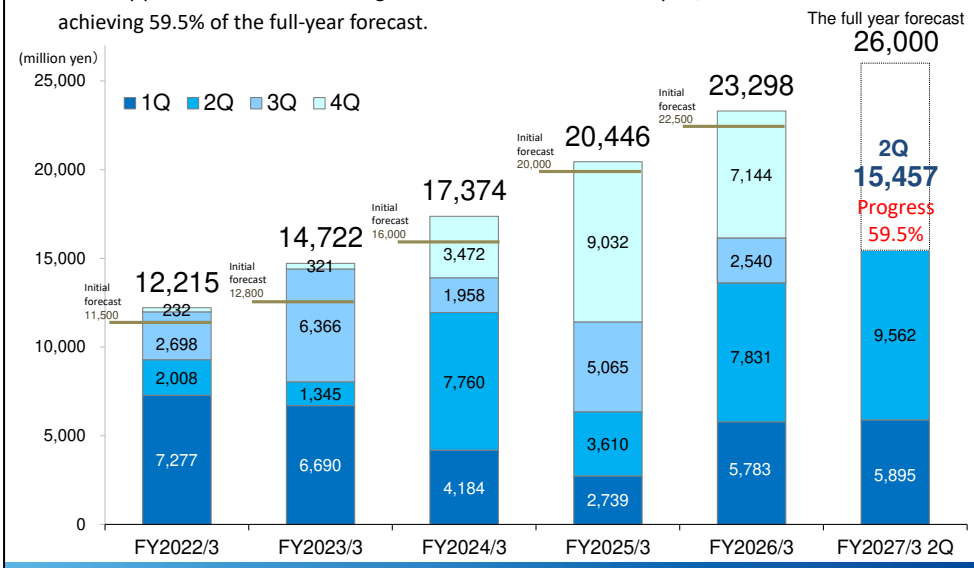
Despite rising interest rates, the Real Estate Revitalization Business drove performance, with net sales increasing 38.1% and gross profit increasing 19.6% year on year.

Selling, general and administrative expenses increased 25.9% year on year, mainly due to higher personnel expenses.

We will continue to control costs while securing capable talent.

Trend in Ordinary Profit

Ordinary profit reached a record high for the first half of the fiscal year, achieving 59.5% of the full-year forecast.



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This chart shows the quarterly trend in ordinary profit.

In the second quarter, ordinary profit reached a record high on a quarterly basis as well.

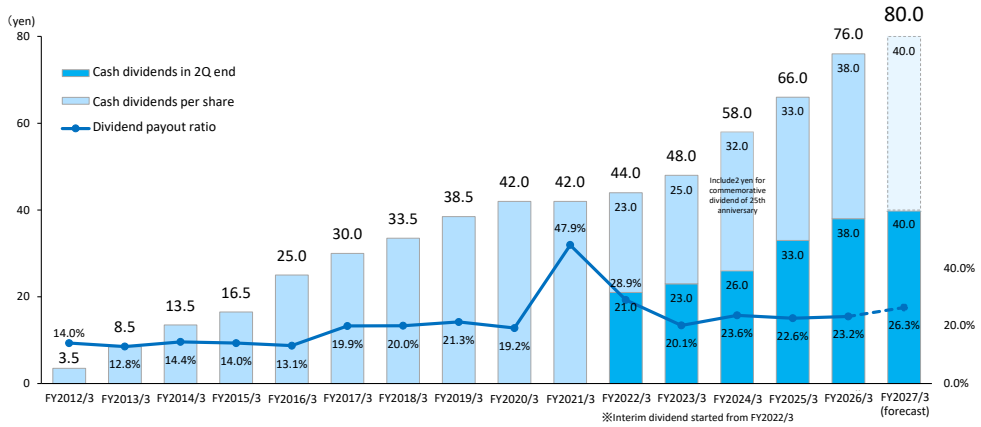
We will continue working to achieve stable growth while minimizing quarterly volatility as much as possible.

Management with a Focus on Capital Costs and Share Price

Return to shareholders -Dividend-

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The Interim dividend is 40.0 yen as initial forecast.(Date of Interim dividend effective：December 1, 2026)
With the exception of maintaining the same dividend in FY2021/3, we will have continued to increase dividend for 14 years. We also expected to keep increasing cash dividends.



Basic Policy for Shareholder Return	①Strive to provide long-term and stable shareholder return ②Secure investment funds for future growth ③Maintain the stability of financial base

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Dividends are in line with our initial forecast.

Excluding the fiscal year ended March 2021, when the dividend was maintained at the same level, we forecast a dividend increase for the 14th consecutive year.

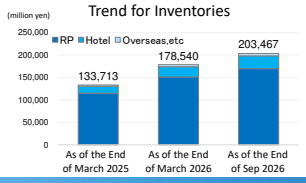
We will continue to balance shareholder returns with proactive investment while maintaining a stable financial foundation.

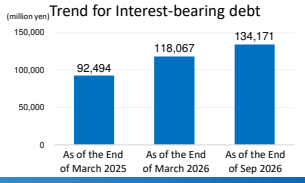
Consolidated Balance Sheet

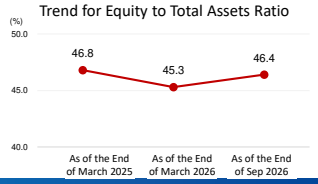
Cash and deposits increased due to steady progress in sales of replanning properties.
Inventories and interest-bearing debt increased due to the acquisition of properties, commercialization and progress in hotel development.
Shareholders' equity grew due to capital increase through third-party allotment to ITOCHU Corporation at the beginning of the fiscal year and the accumulation of profits.

(unit: million yen)	As of the End of March 2026	As of the End of September 2026	increase/decrease (compared to the End of March 2026)
Current Assets	225,705	263,901	+38,196
Cash and Deposits	39,274	51,389	+12,115
Inventories	178,540	203,467	+24,926
Breakdown) RP	150,895	169,517	+18,622
Hotel	23,126	28,480	+5,353
Overseas, etc	4,518	5,469	+951
Other Current Assets	7,890	9,044	+1,154
Non-current Assets	38,758	42,503	+3,744
Property, Plant and Equipment	26,246	28,507	+2,261
Intangible Assets	3,342	4,898	+1,555
Investments and Other Assets	9,170	9,097	▲72
Total Assets	264,463	306,404	+41,941

(unit: million yen)	As of the End of March 2026	As of the End of September 2026	increase/decrease (compared to the End of March 2026)
Current Liabilities	30,703	36,731	+6,027
Short-term borrowings, etc.	10,373	13,147	+2,774
Other Current Liabilities	20,329	23,583	+3,253
Non-current Liabilities	113,375	126,979	+13,604
Long-term borrowings	102,556	115,916	+13,360
Bonds Payable	5,102	5,102	+0
Other Non-current Liabilities	5,716	5,960	+243
Total Liabilities	144,078	163,710	+19,631
Shareholders' Equity	118,243	140,112	+21,869
Other	2,141	2,581	+440
Total Net Assets	120,384	142,694	+22,309
Total Liabilities and Net Assets	264,463	306,404	+41,941







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Next is the consolidated balance sheet.

Total assets increased by ¥41.9 billion from the end of March to ¥306.4 billion.

The main factors were the ¥13.4 billion capital increase through a third-party allotment to ITOCHU Corporation under our capital and business alliance, as well as a ¥16.1 billion increase in interest-bearing debt associated with property acquisitions and value-enhancement investments in the Real Estate Revitalization Business.

Our financial institutions have highly evaluated the soundness of the Group's finances and the rigor of our acquisition criteria. Backed by our investment capacity, including the capital and business alliance with ITOCHU Corporation, we will continue to make proactive investments for growth.

Performance for Each Business Segment

Real Estate Revitalization Business

Net sales and profits significantly increased due to an increase in the number of property sales driven by strong sales. Steady progress toward the full-year forecast.

(unit: million yen)	FY2026/3 2Q	FY2027/3 2Q	YoY increase/decrease	YoY change rate	forecast for FY2027/3 forecast	forecast for FY2027/3 achievement rate
Net Sales	39,327	54,295	+14,967	+38.1%	85,300	63.7%
Replanning Business	37,570	51,796	+14,226	+37.9%	81,100	63.9%
Rental Building Business	1,757	2,498	+741	+42.2%	4,200	59.5%
Gross Profit (Loss)	13,090	15,655	+2,564	+19.6%	27,450	57.0%
Replanning Business	12,600	15,100	+2,499	+19.8%	26,350	57.3%
Rental Building Business	489	555	+65	+13.3%	1,100	50.5%
Segment Profit (※)	11,802	14,258	+2,455	+20.8%		
Replanning Business	11,312	13,702	+2,390	+21.1%		
Rental Building Business	489	555	+65	+13.3%		
Segment Profit Margin	30.0%	26.3%	-	▲3.8%pt		
Replanning Business	30.1%	26.5%	-	▲3.7%pt		
Rental Building Business	27.9%	22.2%	-	▲5.7%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
(Properties sold) 19 (including 16 replanning properties, 2 new constructions,1 NY properties). An increase of 6 properties compared to the same period of the previous fiscal year.
(Average project period) 657 days (down 217 days compared to the previous fiscal year). Except for the two newly constructed projects and one NY property, the average period was 535 days.

■ Rental Building Business
Net sales and profits increased due to higher inventories resulting from steady progress in property acquisitions and other factors.

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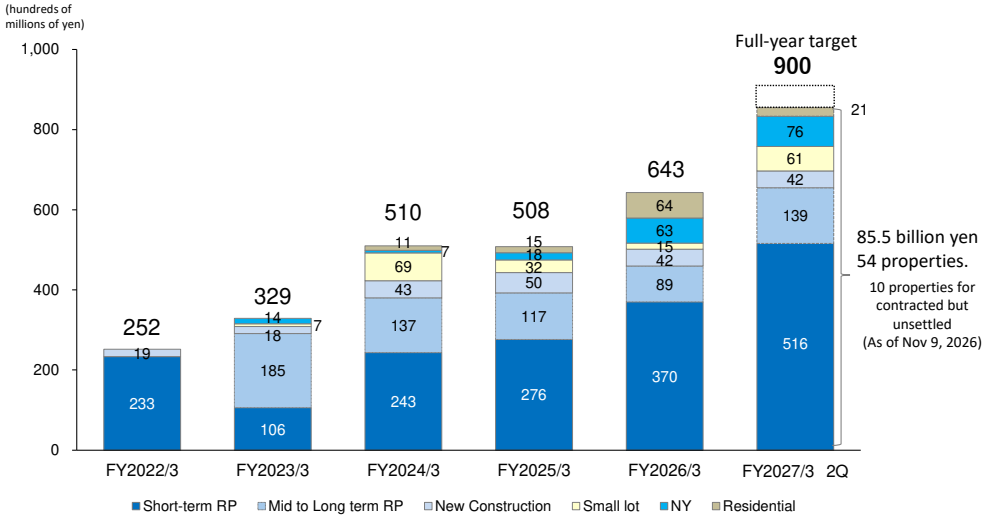
Next, I will explain performance by business segment.

The segment profit margin of our core Replanning Business declined 3.7 percentage points year on year to 26.5%. Nevertheless, in response to changes in the business environment, we are working to shorten project periods while maintaining high margins based on the value we create.

Property Acquisition - Office・Residential -

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Property acquisition amount was 85.5 billion yen, including contracted but unsettled properties.
Exceeding 90% progress towards this year's acquisition target of 90 billion yen.



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This slide covers property acquisitions.

By the end of the first half, acquisitions had reached 95% of the full-year target. To mitigate interest-rate fluctuation risk, we have therefore tightened our acquisition criteria further.

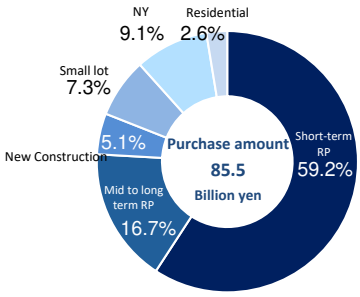
Performance for Each Business Segment

Real Estate Revitalization Business –Indicators–

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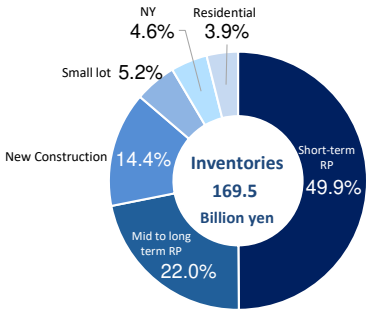
Breakdown of purchases and inventories in the first half of the fiscal year.

Breakdown of
Purchase amount for Replanning Properties



- Acquired 54 properties worth 85.5 billion yen
  (including 10 contracted but unsettled properties worth 13.5 billion yen)
- Purchases in the same period of the previous fiscal year:
  35 properties worth 50 billion yen
  (including 10 contracted but unsettled properties worth 12.2 billion yen)

Breakdown of
Inventories for Replanning Properties



- 2Q-end inventory: 107 properties
  (up 28 compared to the same period of
  the previous fiscal year)
- The weight of new buildings, New York buildings, residences, etc. has increased.
  Asset diversification has progressed.

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The chart on the left shows the breakdown by product category of the ¥85.5 billion acquired in the first half.

The chart on the right shows the product mix of inventories totaling ¥169.5 billion at the end of the first half.

These two charts highlight three points: first, the balance between short-term and medium- to long-term projects; second, product diversification; and third, the expansion of new businesses.

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

	FY2023/3 (Results)	FY2024/3 (Results)	FY2025/3 (Results)	FY2026/3 (Results)	FY2027/3 (Forecast)
Sales of properties	61.7 billion yen	53.7 billion yen	71.7 billion yen	72.4 billion yen	81.1 billion yen
Cost of property sales	44.9 billion yen	36.1billion yen	50.3billion yen	49.0billion yen	54.7 billion yen
Business profit※	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	23.4 billion yen RP 23.4 billion yen Hotel 0 billion yen	26.3 billion yen RP 26.3 billion yen Hotel 0 billion yen
Profit margin	27.2%	32.8%	29.8%	32.3%	32.4%
Acquisitions during the fiscal year, construction work, etc.	47.7 billion yen	62.8 billion yen	77.2 billion yen	93.8 billion yen	105.0～ 110.0billion yen
Ending balance of the inventory	80.1 billion yen	106.8 billion yen	133.7 billion yen	178.5 billion yen	228.8～ 233.8billion yen

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

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

While promote joint investment with ITOCHU Corporation, keep expanding scale of properties and diversifying asset types

Ending balance for FY2027/3 (Forecast)	Gross profit margin (Assumed)	Net sales (Assumed)	Unrealized gains on inventories (Assumed)
228.8～ 233.8 billion yen	25～30%	305.0～ 334.0 billion yen	76.2～ 100.2 billion yen

※ Business profit = gross profit – sales commissions

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This slide shows actual and forecast gross profit from property sales, together with inventory trends.

Based on the results shown here, we will achieve our earnings forecast for the current fiscal year while continuing to build the unrealized gains in inventories shown at the bottom right, which will form the foundation for future earnings.

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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Net sales and gross profit increased due to growth in the Rental Conference Room Business and the acquisition of the Aeras Group. Segment profit remained at the same level as the previous year.

(unit: million yen)	FY2026/3 2Q	FY2027/3 2Q	YoY increase/decrease	YoY change rate	forecast for FY2027/3 forecast	forecast for FY2027/3 achievement rate
Net Sales	8,359	9,129	+769	+9.2%	17,270	52.9%
PM/BM/Brokerage Business, etc.	5,514	5,872	+357	+6.5%	11,250	52.2%
Rental Conference Room	2,844	3,256	+411	+14.5%	6,020	54.1%
Gross Profit (Loss)	4,527	5,065	+538	+11.9%	9,060	55.9%
PM/BM/Brokerage Business, etc.	3,533	3,842	+309	+8.8%	7,540	51.0%
Rental Conference Room	994	1,222	+228	+23.0%	1,520	80.5%
Segment Profit (※)	4,520	4,496	▲23	▲0.5%		
PM/BM/Brokerage Business, etc.	3,533	3,283	▲250	▲7.1%		
Rental Conference Room	986	1,212	+226	+22.9%		
Segment Profit Margin	54.1%	49.3%	-	▲4.8%pt		
PM/BM/Brokerage Business, etc.	64.1%	55.9%	-	▲8.2%pt		
Rental Conference Room	34.7%	37.2%	-	+2.6%pt		

■ PM/ BM/ Brokerage Business, etc.

(Property Management) Net sales and profits increased as the number of buildings under management was 580, an increase of 21 compared to the end of the previous fiscal year

(Building Maintenance) Net sales increased compared to the same period of the previous fiscal year due to an increase in the number of buildings under management, but profits decreased due to increased outsourcing expenses and system costs, etc.

(Sales Brokerage) Although the number of transactions increased compared to the same period of the previous fiscal year, net sales and profits decreased due to a decline in the number of large-scale projects handled.

(Office Leasing Brokerage) Although the leasing of the Company's RP projects progressed, net sales and profits decreased due to a decrease in the number of external deals, etc.

(Residential Leasing Brokerage) The Aeras Group joined us through M&A conducted during this second quarter, contributing to sales growth.

(Rent Guarantee) Net sales and profits increased due to steady growth in the number of new contracts.

■ Rental Conference Room Net sales and profits increased compared to the same period of the previous fiscal year due to an increase in operating floor area resulting from the opening of Vision Center Ichigaya Ekimae and the expansion of existing facilities, revisions to usage fees, continued orders for large-scale projects, and an increase in repeat customers.

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The Real Estate Services Business is integrated with and complementary to the Replanning Business, serving as the platform through which our Group provides a one-stop, high-value-added value chain.

We aim to create synergies in the residential business by leveraging the talented people, network of 67 offices in the Tokyo metropolitan area, and customer base of the Aeras Group, which joined us in July.

Performance for Each Business Segment

Hotel and Tourism Business

Net sales and profits increased mainly due to an increase in the number of operating hotels as the overall accommodation market remained strong.

(unit: million yen)	FY2026/3 2Q	FY2027/3 2Q	YoY increase/decrease	YoY change rate	forecast for FY2027/3 forecast	forecast for FY2027/3 achievement rate
Net Sales	9,733	11,871	+2,138	+22.0%	21,950	54.1%
Hotel Development Business	0	11	+11	-	0	-
Hotel Operation Business, etc.	9,733	11,860	+2,127	+21.9%	21,950	54.0%
Gross Profit (Loss)	2,566	2,898	+331	+12.9%	5,040	57.5%
Hotel Development Business	▲ 27	9	+37	-	0	-
Hotel Operation Business, etc.	2,594	2,888	+293	+11.3%	5,040	57.3%
Segment Profit (※)	2,291	2,421	+129	+5.6%		
Hotel Development Business	▲ 127	▲ 217	▲ 89	-		
Hotel Operation Business, etc.	2,419	2,638	+219	+9.1%		
Segment Profit Margin	23.5%	20.4%	-	▲3.2%pt		
Hotel Development Business	0.0%	-	-	-		
Hotel Operation Business, etc.	24.9%	22.2%	-	▲2.6%pt		

■ Hotel Development Business (New development)

Newly opened during this period: Matsuyama (245 rooms), Kumamoto (213 rooms), Sado (49 rooms), Takayama (10 rooms), Utsunomiya (201 rooms) and Rokkasho-mura (210 rooms)

Three hotels in Toyokawa, Sakata, and Akita are scheduled to open this fiscal year.

■ Hotel Operation Business (Operations)

Net sales and profits increased compared to the same period of the previous fiscal year mainly due to the contribution of profits from the hotels opened in the previous fiscal year, while the overall performance of the operating hotels remained strong, despite some variation by area, including the impact of reactionary decline from Expo 2025 Osaka, Kansai, Japan.

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In the Hotel and Tourism Business, we identify and carefully select locations that fit our business model.

In the Hotel Operation Business, we promise guests a heartwarming and enjoyable stay delivered by our staff. Together with local residents, we make use of local resources to bring vitality to each community.

Performance for Each Business Segment

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

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Net sales and profits increased mainly due to M&As implemented in the previous fiscal year.

(unit: million yen)	FY2026/3 2Q	FY2027/3 2Q	YoY increase/decrease	YoY change rate	forecast for FY2027/3 forecast	forecast for FY2027/3 achievement rate
Net Sales	1,600	3,726	+2,126	+132.9%	7,480	49.8%
Gross Profit (Loss)	439	995	+556	+126.6%	1,989	50.1%
Segment Profit (※)	408	774	+365	+89.6%		
Segment Profit Margin	25.5%	20.8%	-	▲4.7%pt		

■ Construction Business Net sales and profits increased due to the contribution of the performance of the Otake Kenso Group, which was consolidated in October last year.

■ Overseas Development Business (Vietnam)

The second condominium project HIYORI Aqua Tower, which commenced construction in August 2024, started the sales activity in February 2026 and more than 80% of its total units have been contracted (as of the end of September 2026). The structural frame was completed in September 2026, and construction is progressing toward the completion in the first half of FY2028/3.

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Finally, in the Construction Business, one year has passed since the Otake Kenso Group joined our Group last October.

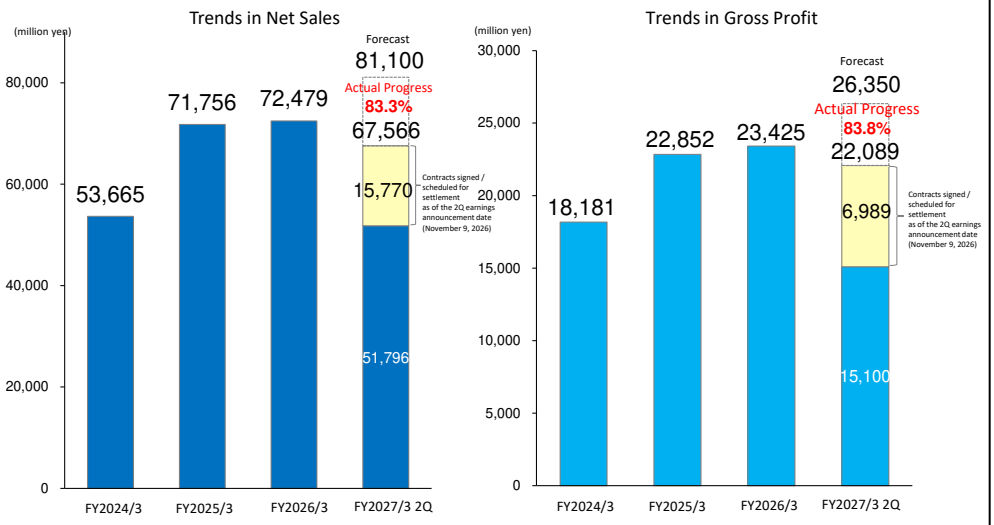
We will continue to pursue synergies in both human resources and operations, with our corporate philosophy as the foundation.

In the Overseas Development Business, more than 80% of the units in our second condominium development project in Vietnam have been contracted for sale, and we are targeting completion in the first half of the next fiscal year.

Progress of Flow-Type Businesses

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

Exceeding 80% of the full-year gross profit forecast, including the sales of contracted properties.



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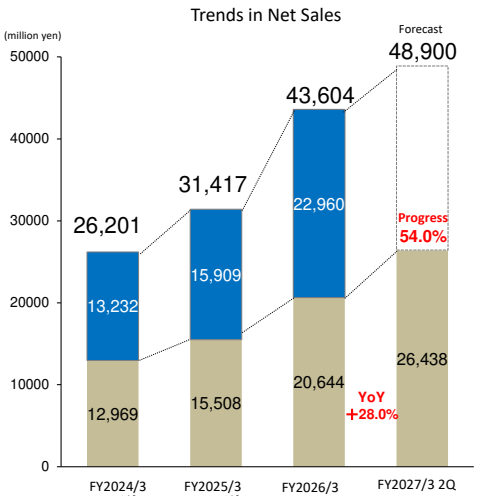
Please view this slide together with the following two slides as a single sequence.

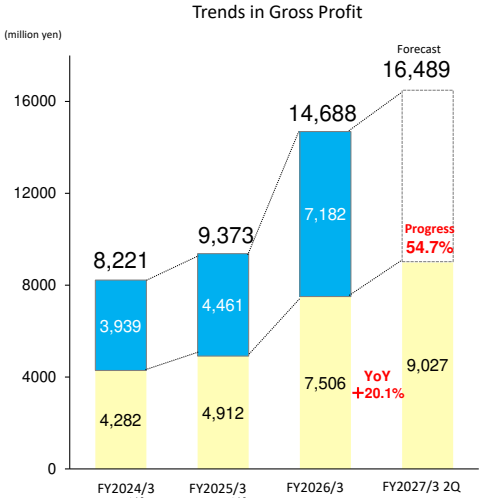
First, this slide demonstrates the high profitability and stability of our flow-type businesses.

Progress of Stock-Type Businesses

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

Net sales and profits continued their upward trend, and both sales and gross profit hit record highs in this period as well.





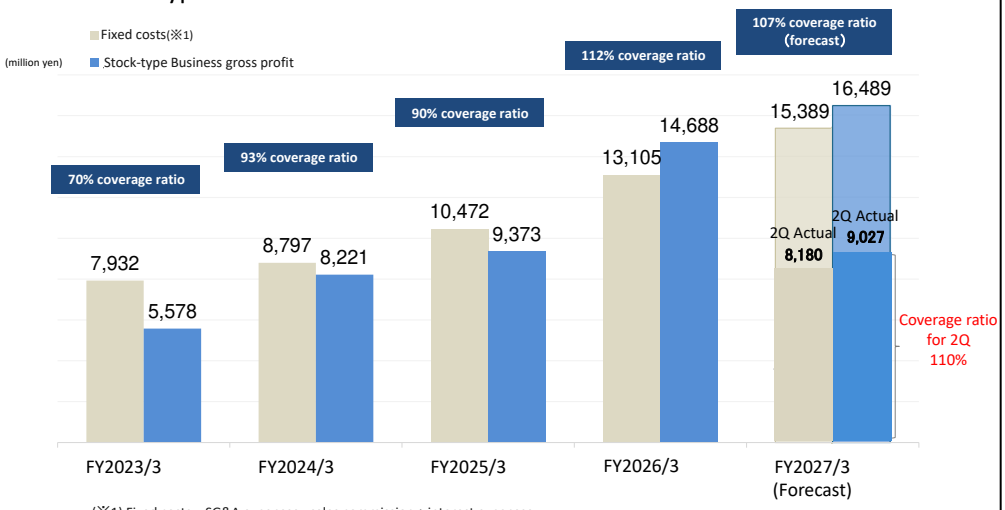
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Next, this slide demonstrates both the rapid growth and sustained high profitability of our stock-type businesses.

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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As a result of the trends shown on the previous two slides, gross profit from stock-type businesses is expected to exceed fixed costs, including SG&A expenses, for the second consecutive fiscal year.

As we continue to grow, the stability of our business portfolio is increasing.

We will further strengthen our growth capacity by creating a mutually reinforcing relationship between our businesses and our people.



Growth Strategies

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I am Seiichi Saito, President and CEO

I will now explain our growth strategy and the progress of initiatives in each of our businesses.

Business Environment Awareness

SUN FRONTIER

1. In the global economy, AI-related investment is supporting growth, but there are concerns about downside risks caused by the Middle East situation and continued high interest rates.
◆ While AI-related investment is expanding and stock prices of related shares continue to rise, attention must be paid to sharp stock price swings due to changes in growth expectations.
◆ There are concerns that energy prices will remain high due to the prolonged conflict in the Middle East and that high interest rates will increase the burden of interest payments by companies.
2. The Japanese economy has been supported by capital investments, etc., but attention should be paid to the impact of interest rates and inflation on corporate profits and consumption.
◆ The policy interest rate rose to 1.25%, the highest level in 31 years. Keep monitoring the impact on corporate borrowing burden and real estate investment demand.
◆ As personnel expenses and construction costs continue to rise, it is necessary to maintain and improve earnings power through added value creation and profitability improvement.
3. In the office market of Tokyo's five central wards, vacancy rates continue to fall and rents continue to rise, but property selection intensifies in the real estate investment market.
◆ Supply and demand for office space remained tight with the average vacancy rate of 1.85% and average rent of 23,985 yen per tsubo as of September 2026.
◆ While rising rents support the improvement in profitability of properties, attention should be paid to the impact of rising interest rates on investment demands and transaction prices.
4. In the hotel and tourism market, although the number of visitors to Japan decreased compared to the same period of the previous fiscal year, spending increased.
◆ The number of visitors to Japan from July to September 2026 was 9.64 million (down 4.8% compared to the same period of the previous fiscal year). Affected by a decrease in the number of Chinese visitors to Japan.
◆ Spending from July to September 2026 was 2,207.6 billion yen (up 3.2% compared to the same period of the previous fiscal year). Spending per capita increased.

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First, this slide summarizes our current view of the business environment.

The global economy is supported by investment in AI-related fields.

At the same time, developments in the Middle East and the impact of rising interest rates create downside risks that warrant caution.

More recently, following the U.S. midterm elections, volatility in global equity markets has increased. We must closely monitor the potential impact on credit markets.

The Japanese economy remains firm at present, but uncertainty about the outlook is increasing.

There is an even greater need to create added value and improve productivity in order to offset the rising costs of labor, construction, and interest.

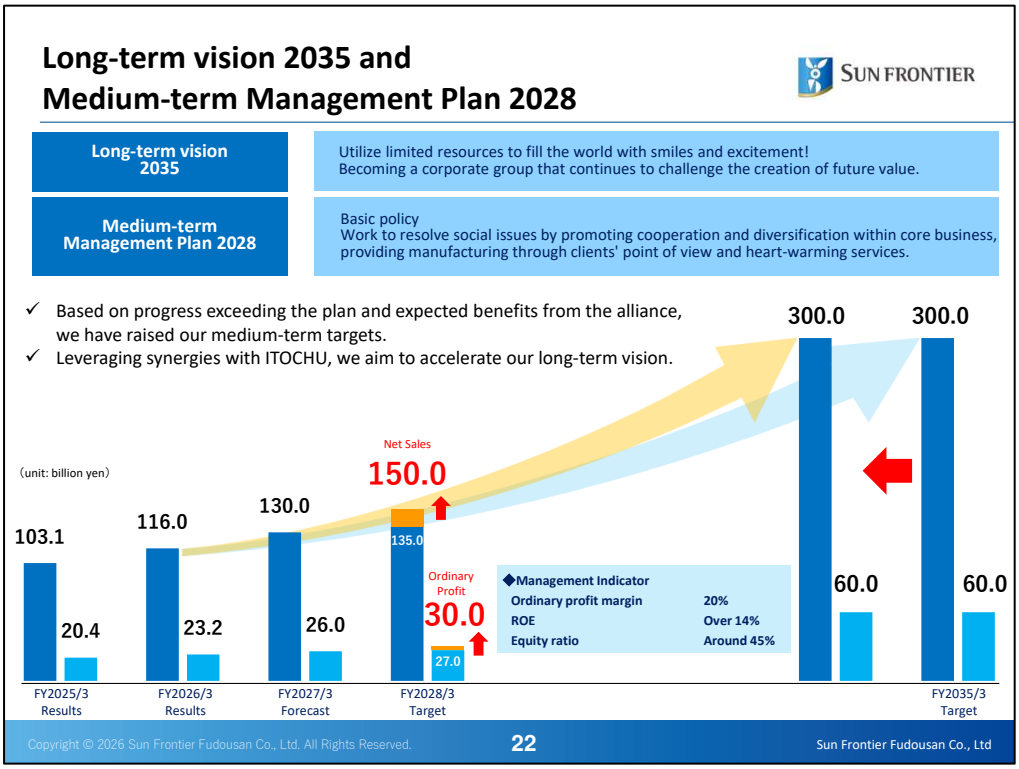
Against this backdrop, Tokyo's five central wards continue to see lower office vacancy rates and higher rents, and the leasing market remains strong.

Meanwhile, in the real estate investment market, rising interest rates and other factors are leading investors to become more selective depending on location and asset type.

In the hotel and tourism market, the number of inbound visitors is down year on year, partly due to China-related factors.

However, spending per visitor has increased, and we expect the market overall to remain resilient and firm.

We will continue to prepare carefully for uncertainty in the global economy and sudden changes in financial conditions, while steadily advancing our businesses in line with our plans.



Next, this slide provides an overview of our Long-Term Vision 2035 and Medium-Term Management Plan 2028.

Under the medium-term plan, our basic policy is to promote business-linked diversification through client-focused manufacturing and heartwarming services, thereby helping to resolve social issues.

Based on this policy, we are implementing a range of strategies and initiatives.

In the final year of the plan, the fiscal year ending March 2028, we will achieve net sales of ¥150.0 billion and ordinary profit of ¥30.0 billion.

We also aim to accelerate growth and bring forward the achievement of our long-term targets by leveraging our alliance with ITOCHU Corporation and other initiatives.

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		Create Group synergies
Office	Development	Renovation	Tokyo	Osaka	• Increase in the number of projects • Expansion in the scale of properties handled • Further expansion of regional presence • Expansion of asset types • Expansion of cross-selling opportunities
		New construction			
		Sale of small-lot (Act on Specified Joint Real Estate Ventures)			
	Services	Real Estate Services			
	Operation	Rental conference rooms			
Hotel	Development	New construction	Nationwide		
		Renovation			
	Operation	Hotel operation			
Residential	Development	New construction	Vietnam	Tokyo	
		Renovation	New York		
	Services	Real Estate Services	Vietnam New York		

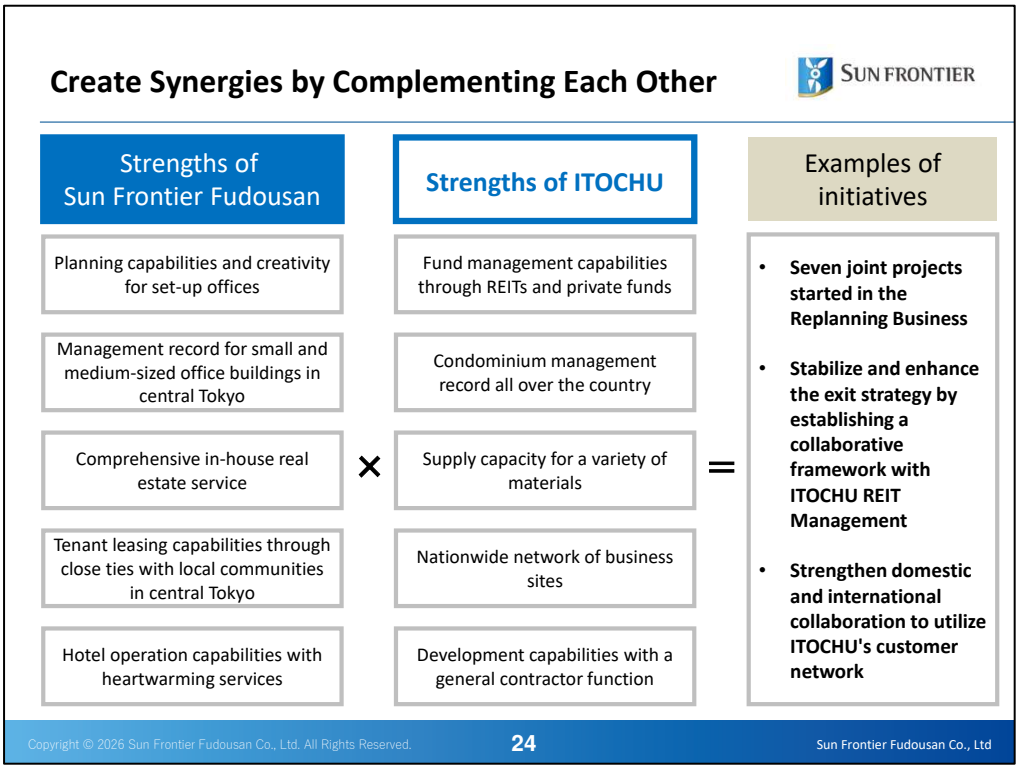
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This slide provides an overview of the growth strategy under our current medium-term management plan.

In our three priority markets of office buildings, hotels, and residential properties, we combine our manufacturing capabilities in architecture and construction with our service capabilities in real estate services and hotel operations.

Through this business model, we will advance diversification and expand growth.

We will also maximize business synergies with ITOCHU Corporation and other Group companies to increase the number and scale of projects, diversify asset types, and expand our geographic reach.



This slide presents specific examples of initiatives under our alliance with ITOCHU Corporation.

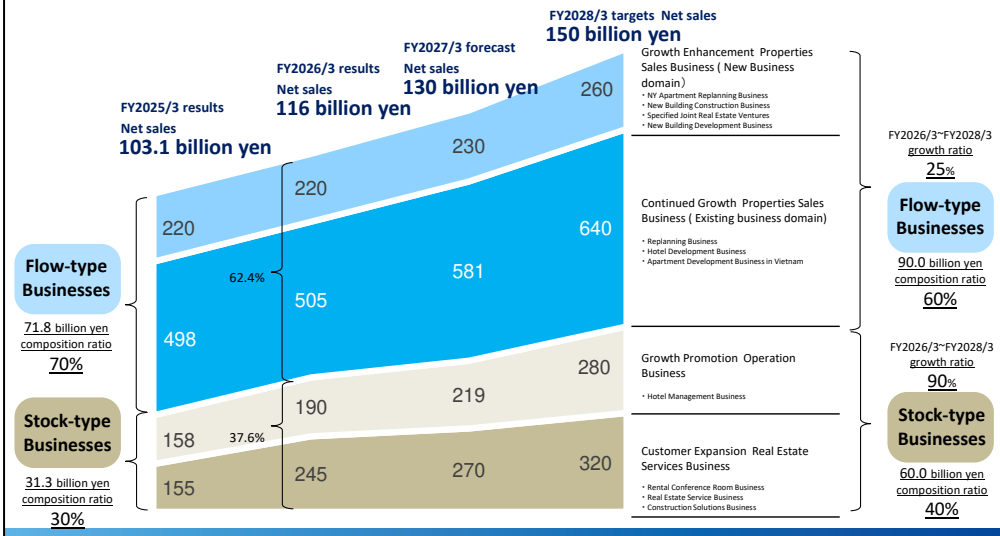
We are currently undertaking seven joint investment projects in the office building revitalization business.

We have also strengthened collaboration in the sales strategies for Replanning properties by utilizing the networks of ITOCHU REIT Management and other ITOCHU Group companies.

Strengthening business growth and sales structure

SUN FRONTIER

1. Diversify asset for sale in 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



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Next, I will explain how we are strengthening our earnings structure under the medium-term management plan.

In our flow-type businesses, which are centered on property sales, we are diversifying asset types.

In stock-type businesses such as real estate services and hotel operations, we are diversifying into related fields.

While steadily increasing overall revenue, we will raise the proportion of revenue generated by stock-type businesses, which are more resilient to market fluctuations.

Over the three years of the current medium-term plan, we project 25% revenue growth in flow-type businesses and 90% growth in stock-type businesses.

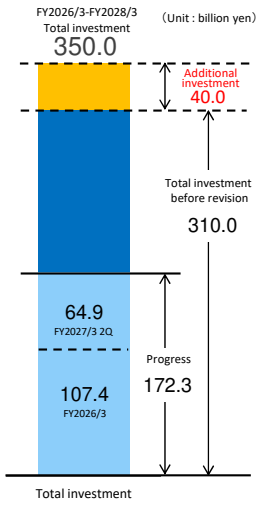
As a result, we plan to increase the stock-type business share of revenue by 10 percentage points to 40% in the final year of the plan.

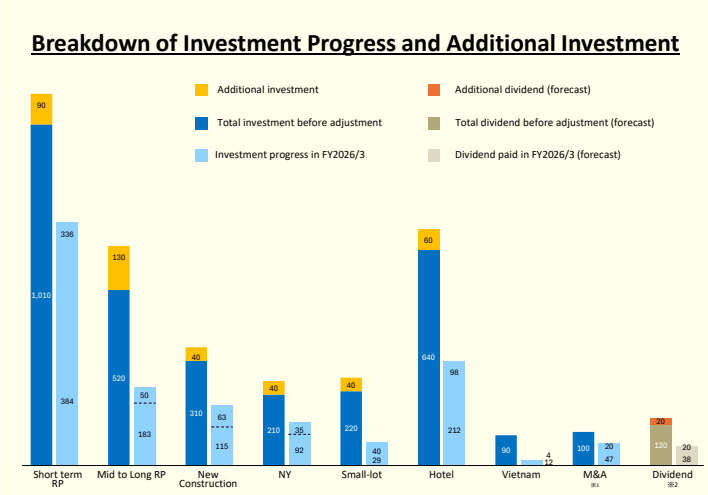
In the previous fiscal year, the stock-type business share of revenue had already risen to 37.6%.

Allocation of Funds

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 Medium-term Management Plan 2028 (FY2026/3-FY2028/3) has been revised upward to 350 billion yen





※1 Except for M&A of property acquisition
※2 Conversion of convertible bonds into shares is expected to progress by the end of FY2028/3, resulting in increased number of shares.

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Next is our investment funding plan.

We recently revised upward the total business investment planned for the three years of the current medium-term plan to ¥350.0 billion.

Cumulative investment through the first half of the current fiscal year was ¥172.3 billion. Including contracted investments, progress has exceeded ¥190.0 billion.

When executing these investments, we will continue to emphasize capital-cost considerations, including profit margins and investment recovery periods in each business, while investing proactively for future growth.



Business Initiatives

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I will now explain recent initiatives in each of our businesses.

I will discuss both our flow businesses and stock-type businesses, using several specific examples.

Flow type / Office

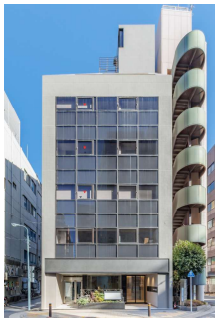
Replanning Business

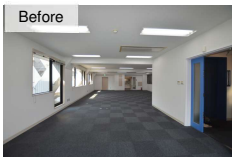
Taking on the Challenge of Creating New Value Through Real Estate Revitalization in Central Tokyo

SUN FRONTIER

Drawing out the potential of existing buildings to create comfortable office spaces while improving environmental performance and profitability.

[Replanning Business]





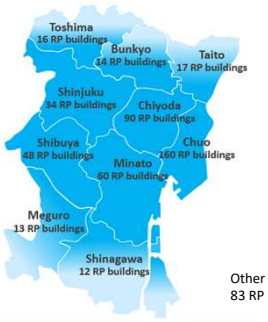


[Income-yielding property in Nihonbashikodenmacho, Chuo-ku]

Reinforced concrete structure with flat roof, 7 stories with 1 basement floor

- A bright and open interior by making the most of the light coming from the front of the building.
- The basement retail space was converted into an office, improving the property's profitability.
- Acquired a 5-star BELS certification through air conditioning upgrades and a conversion to LED lighting in the entire building.

[Track Record in Five Central Tokyo Wards and Adjacent Areas]



Other area :
83 RP buildings

Property sales

559 buildings

Of which 547 RP buildings (including 8 newly built buildings and 2 additional buildings currently being prepared for sale in Osaka) and 12 small-lot buildings.

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First is the flow-type Replanning Business.

As a recent example, I would like to introduce the building shown on the left side of the slide.

This is a seven-story office building in Chuo Ward.

The basement floor had been used as a restaurant, but because that use was not well suited to the property, we converted it into an office and created a setup office.

We also upgraded the building's air-conditioning systems and converted the lighting to LEDs, improving its environmental performance.

As a result, the building received the highest rating of five stars under BELS certification.

Tenant leasing progressed smoothly, rental income increased, and we were able to sell the property as a highly occupied, highly profitable building with strong environmental performance.

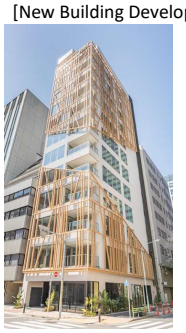
Flow type / Office New Building Development Business

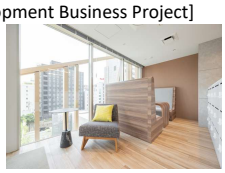
Applying Expertise Gained Through Real Estate Revitalization to New Building Development

SUN FRONTIER

Leveraging our expertise in set-up offices from the design stage to create office spaces that remain attractive to clients for years to come.

[New Building Development Business Project]







[Income-yielding property in Nihonbashi, Chuo-ku]

Steel structure with flat roof, 13 stories

- Floor-to-ceiling glass windows create an open office space.
- Created places for refreshment and socializing, such as through construction of a rooftop terrace.
- Acquired environmental certification (ZEB Ready) by maximizing the energy efficiency of the building.

[Expansion of the New Building Development Business]



In Progress : 9 properties

Sold : 8 properties (including 1 property sold in the current fiscal year)

[Creating Offices Unique to New Buildings]

Applying the expertise in office creation gained through our RP Business from the building design stage.

Taking advantage of the flexibility of new construction to create open office spaces, rooftop terraces, and facilities with high energy efficiency.

Creating comfortable offices that will continue to be chosen by tenants for years to come.

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Next is our new office building development business.

We develop new office buildings in Tokyo's five central wards by applying the value-creation expertise cultivated through real estate revitalization.

In particular, we incorporate our expertise in setup offices from the design stage to create buildings with distinct Sun Frontier value.

The photograph on the left shows a newly built property in Nihonbashi.

It was completed in March and sold in June of this year.

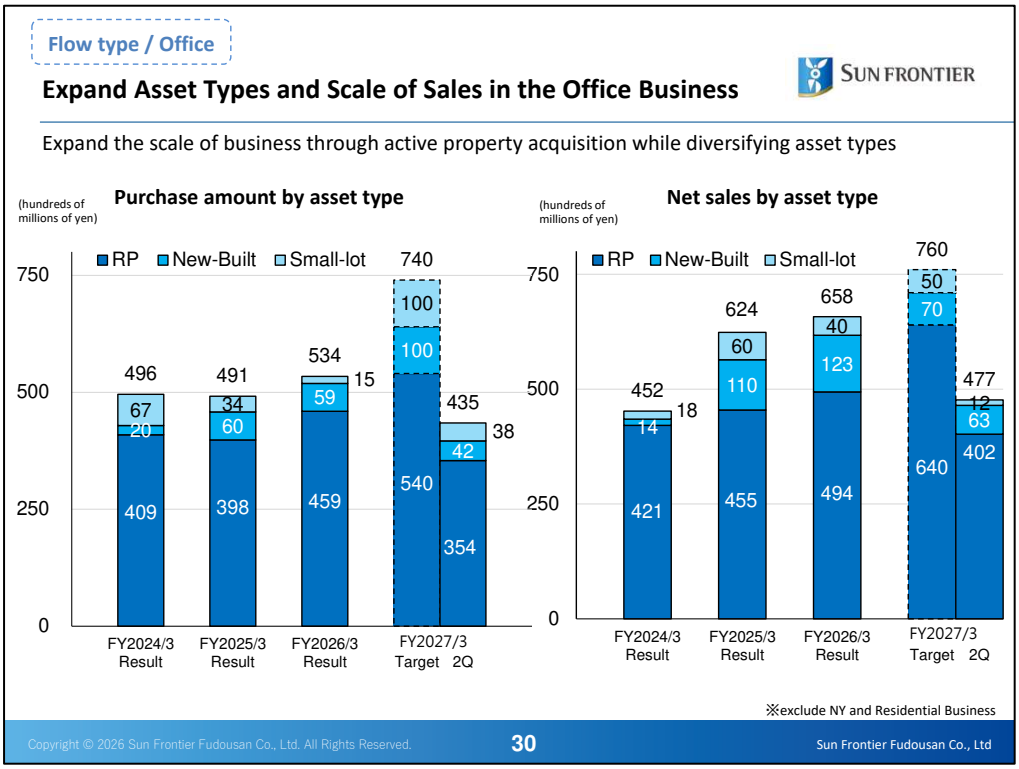
In addition to its iconic exterior and strong functionality, the building offers high added value in terms of environmental performance.

We created setup offices at the time of completion so that incoming companies could begin using their offices promptly.

Tenant leasing progressed smoothly and we were able to hand over the building with the purchaser fully satisfied.

The map on the right shows the locations of completed and current projects in our new building development business.

To date, we have completed and sold eight new buildings, including one sold this fiscal year, and nine projects are currently under way.



Next, these charts show trends in property acquisitions and net sales in the office building business.

For each fiscal year, the bars are color-coded to show the breakdown among Replanning projects, new building projects, and small-lot ownership projects.

While the revitalization of existing buildings will remain the core of the business, we will diversify asset types and expand the overall scale of the business.

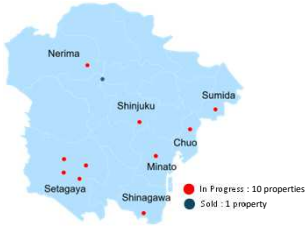
Flow type / Residential

Expanding the Residential Business by Developing Rental Apartments in Urban Areas

SUN FRONTIER

Develop a residential business tailored to the characteristics of each country and region with continuing population growth

[Tokyo Residential Business]
Meeting the diverse needs of clients by combining the development of new soundproof condominiums with the revitalization of existing residences.

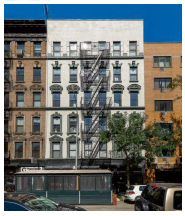




First project: Nishiochiai soundproof condominium
Sold in July
4 stories reinforced concrete with wall-type structure
1K: 11 Units, 2DK: 1 Unit, 2LDK: 1 Unit

[New York Apartment Replanning Business]
Replanning of interior equipment, etc. of an apartment building over 100 years old and sale to investors





Brick Structure, 6 stories
3LDK : 1Unit, 4LDK : 10Units

[Vietnam Condominium Development Business]
Meeting the growing demand for housing in the region by providing good quality housing that meets Japanese specifications on high quality and planning.





Reinforced concrete structure, 25 stories with 2 basement floors **Structural frame completed in September 2026**
1LDK: 22 units, 2LDK: 176 units, 3LDK: 4 units

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Next is the Residential Business.

We are developing residential businesses tailored to the characteristics of countries and regions where populations continue to grow, including Tokyo, New York, and Vietnam.

Our initiatives include 11 newly built and revitalized rental apartment buildings in Tokyo and 16 revitalized apartment buildings in New York.

In Vietnam, we are currently developing our second condominium project.

In Tokyo, we sold one newly built soundproof apartment building in July.

In Vietnam, structural work on the condominium was completed in September, and construction is progressing smoothly toward completion in May next year.

Approximately 90% of the units have already been sold.

Stock type / Office

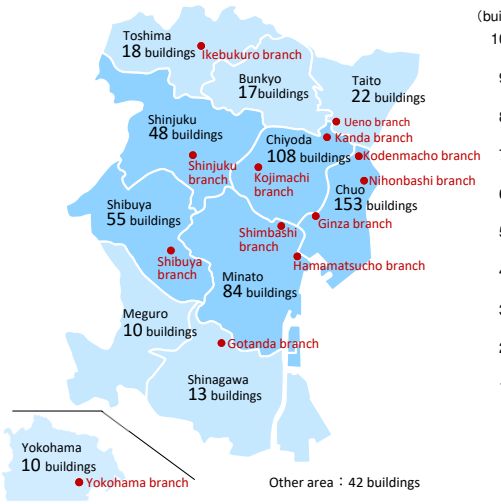
Leasing Brokerage / Property Management

Strengthening Cooperation Among Business Divisions to Expand the Client Base

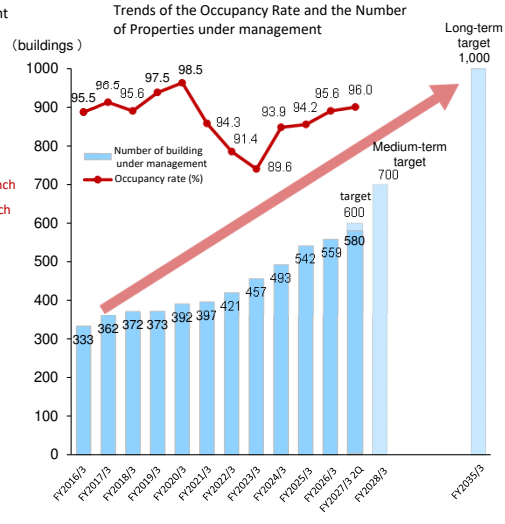
SUN FRONTIER

Expand services through our branch office network with close ties to local communities to increase the properties under management

Distribution of Branches and Number of properties under management



Trends of the Occupancy Rate and the Number of Properties under management



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I will now discuss the current status of our stock-type businesses.

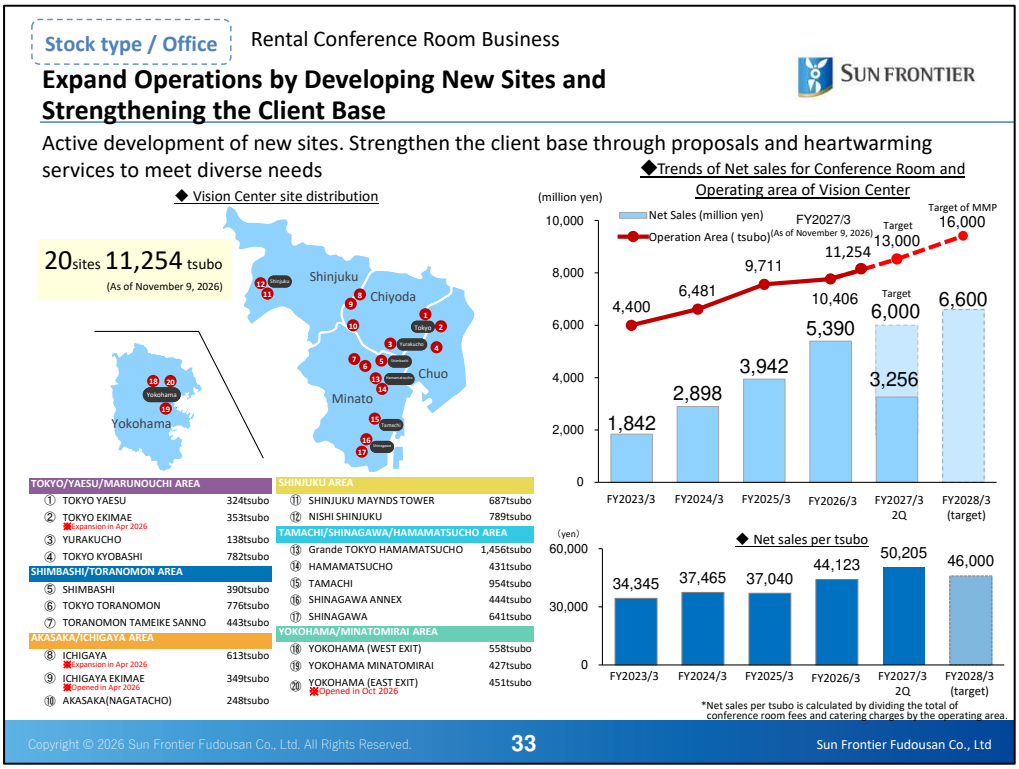
First, let me explain leasing and property management.

Our leasing division operates a community-based branch network concentrated in central Tokyo.

We currently have thirteen offices, mainly in Tokyo's five central wards.

Our property management division combines a variety of services while making effective use of this leasing capability to expand the number of buildings under management.

We currently manage 580 buildings. We plan to increase this to 600 by the end of the current fiscal year and to 1,000 under our long-term vision.

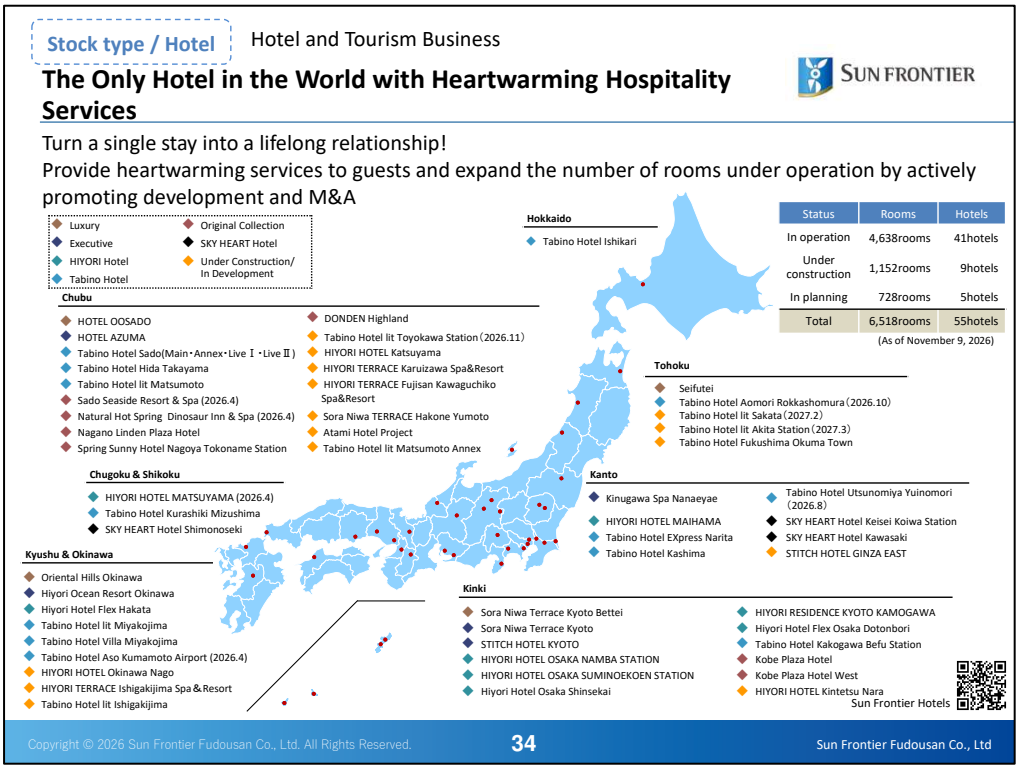


Next is the Rental Conference Room Business.

We have continued to expand the number of locations each year, and the business is growing.

Most recently, our second location in the Yokohama area opened in October. We now operate twenty facilities with a total area of 11,254 tsubo.

Our target for the current fiscal year is 13,000 tsubo, and under the medium-term plan we intend to expand further to 16,000 tsubo.



Next is the Hotel Business.

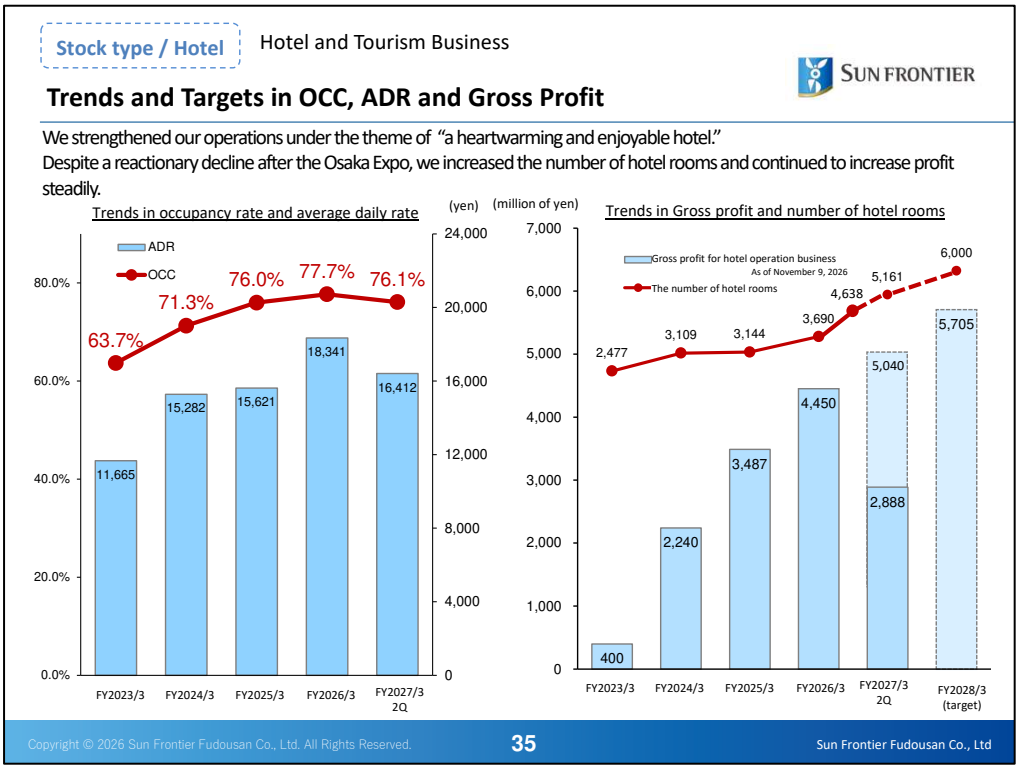
We have expanded the number of hotels under operation through new development, renovation and revitalization, and proactive use of M&A.

We currently operate 41 hotels with a total of 4,638 rooms.

Tabino Hotel lit Toyokawa Station, a 112-room hotel, is scheduled to open on November 15.

Including the Toyokawa property, three more hotels with a total of 523 rooms are scheduled to open during the current fiscal year. By next March, we expect to operate 44 hotels with 5,161 rooms.

Looking further ahead, including properties currently in the planning stage, we expect to expand to a total of 55 hotels with 6,518 rooms.



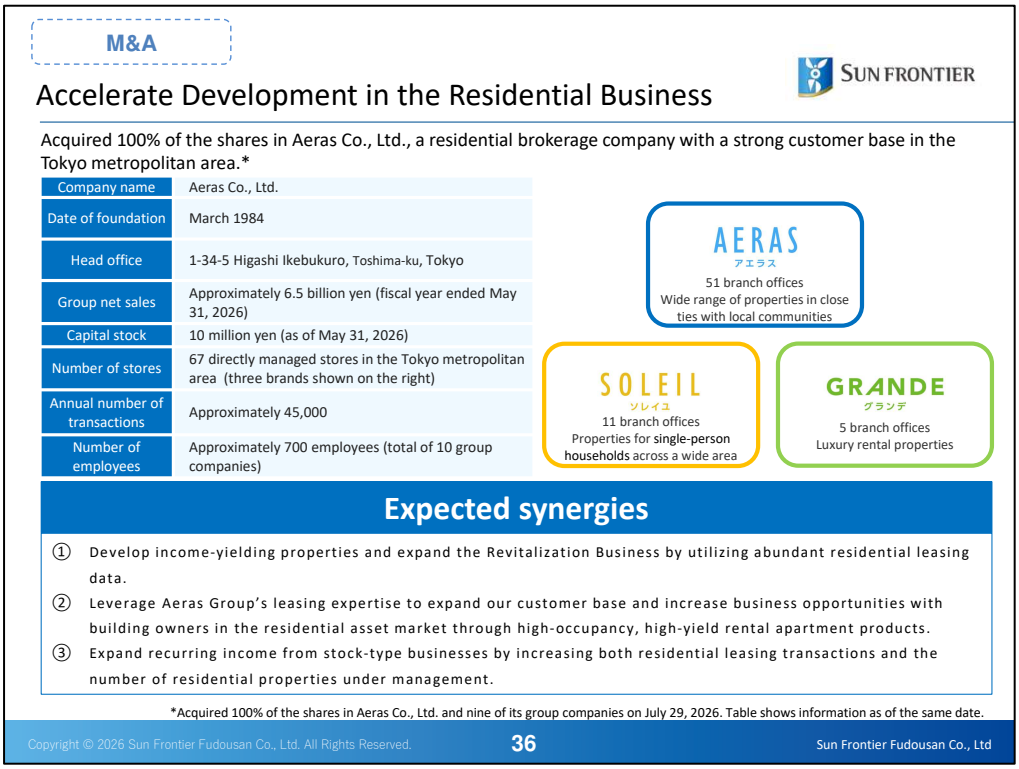
The chart on the left shows trends in occupancy rate and average daily rate across our hotel portfolio, while the chart on the right shows trends in gross profit and the total number of rooms.

Occupancy and average daily rate reached record highs in the previous fiscal year, but we expect them to decline slightly year on year in the current fiscal year.

This reflects the reactionary decline following the Osaka Expo effect last year and the opening of approximately ten new hotels this fiscal year, which is expected to lower the overall occupancy rate.

Gross profit, however, is expected to grow steadily, supported by the increase in the number of hotels under operation and strong performance at existing hotels.

Thanks to these factors, the second-quarter performance is progressing smoothly and in line with our plan.



Next is M&A.

In July, we acquired 100% of the shares of Aeras, a residential leasing brokerage company operating in the Tokyo metropolitan area.

The Aeras Group operates 67 offices across Tokyo and three surrounding prefectures and handles approximately 45,000 rental brokerage transactions annually.

By combining Aeras's customer base, transaction data, and leasing capabilities with our expertise in real estate revitalization, development, sales, and management, we will accelerate the expansion of our Residential Business.

We will create further Group synergies and translate them into increased earnings for the Group as a whole.

M&A

Recent M&A Initiatives of the Group

SUN FRONTIER

Actively utilize M&A to expand business domains and strengthen existing businesses

Year	Target Company	Office	Construction	Hotel	Residential
2012	(Current) SF Building Maintenance	✓ Building cleaning			
2019	(Current) SF Engineering		✓ Interior finishing		
2021	Nihon System Service (Absorbed by (current) SF Building Maintenance)	✓ Building cleaning			
2021	(Current) SF Communication		✓ Telecommunications		
2021	Hotel Oosado			✓ HOTEL OOSADO	
2023	SANWA Development (Absorbed by Sun Frontier Hotel Management)			✓ Seifutei	
2023	Nihon Toshi Hotel Kaihatsu (Joytel Hotel Group) (Absorbed by Sun Frontier Hotel Management)			✓ Joytel Hotel	
2024	Oriental Resort Associates			✓ Oriental Hills Okinawa	
2025	Nagano Linden Plaza Hotel			✓ Nagano Linden Plaza Hotel	
2025	Otake Kenso Holdings (Absorbed by Otake Kenso)		✓ Design and installation of sashes		
2026	Aeras Group				✓ **Leasing and operation**

*Main initiatives are listed. Not all M&As are included.

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This slide summarizes the Group's major M&A initiatives to date in chronological order.

We have pursued M&A in the office, construction, and hotel businesses.

The acquisition of Aeras was our first M&A transaction in the Residential Business.

We will continue to use M&A proactively to strengthen existing businesses, expand related businesses, and achieve further growth.

This concludes my presentation.