

Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2025

We are aiming to be the most appreciated
visionary company in the world.

November 7, 2024



SUN FRONTIER

Securities Code : 8934

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Overview of the Results for FY2025/3 2Q



Sales and profit decreased YoY due to fewer sales settlement of large-scale properties in the first half of the year. Both sales and profit in stock-type businesses such as Real Estate Services Business and Hotel Operation Business increased and hit record highs.

(Unit: million yen)

	Results	Profit margin	Year-on-year	Growth rate	Forecast (disclosed on Feb. 8, 2024)	Achievement rate
Net sales	36,786	—	▲12,212	▲24.9%	100,000	36.8%
Operating profit	6,703	18.2%	▲5,318	▲44.2%	20,870	32.1%
Ordinary profit	6,350	17.3%	▲5,593	▲46.8%	20,000	31.8%
Profit※	4,422	12.0%	▲4,040	▲47.7%	14,000	31.6%

*The profit attributing to owners of parent.

Performance Highlights

- As of the announcement date, the gross profit of property sale (including contracted sales and those to be settled) has progressed more than 50% of the full-year forecast.
- In Replanning Business, number of property sold was unchanged from the same period last year. Many property sales are scheduled in the second half of the year, and the progress is on track with the plan.
- In Real Estate Service Business, all businesses showed steady growth including Property Management Business, where number of entrusted buildings increased. The profit hit record highs.
- In Hotel Operation Business, there was significant growth in both sales and profit as the recovery of domestic travel demand and the expansion of inbound demand.
- In Hotel Development Business, the sale of properties is scheduled on the second half of the year. Steady progress in M&A, land acquisition and construction for hotel development.

Consolidated Income Statement



(Unit: million yen)

	FY2024/3 2Q	FY2025/3 2Q	YoY increase/decrease	YoY change rate
Net sales	48,998	36,786	▲12,212	▲24.9%
Real Estate Revitalization Business	31,984	22,344	▲9,639	▲30.1%
Replanning Business	30,728	20,987	▲9,740	▲31.7%
Rental Buildings Business	1,256	1,357	101	8.0%
Real Estate Service Business	5,172	5,954	782	15.1%
Hotel and Tourism Business	11,329	8,216	▲3,113	▲27.5%
Hotel Development Business	5,270	272	▲4,997	▲94.8%
Hotel Operation, etc	6,059	7,943	1,884	31.1%
Other Business	996	953	▲43	▲4.4%
Adjustments	▲484	▲682	▲197	—
Gross Profit (Loss)	16,357	11,520	▲4,836	▲29.6%
Real Estate Revitalization Business	10,161	6,684	▲3,477	▲34.2%
Replanning Business	9,873	6,501	▲3,372	▲34.2%
Rental Buildings Business	287	182	▲104	▲36.4%
Real Estate Service Business	2,914	2,949	35	1.2%
Hotel and Tourism Business	3,432	2,101	▲1,330	▲38.8%
Hotel Development Business	2,200	107	▲2,092	▲95.1%
Hotel Operation, etc	1,232	1,994	761	61.8%
Other Business	155	259	103	66.5%
Adjustments	▲306	▲474	▲168	—
Selling, General and Administrative Expenses	4,334	4,817	482	11.1%
Operating Profit (Loss)	12,022	6,703	▲5,318	▲44.2%
Ordinary Profit (Loss)	11,944	6,350	▲5,593	▲46.8%
Profit	8,463	4,422	▲4,040	▲47.7%
EPS	174.39 yen	91.07 yen	▲83.32 yen	▲47.8%

Keynotes of Income Statement

<Real Estate Revitalization Business>

The number of property sold was 14 cases, including one small-lot project, the same as the previous year. The progress rate of gross profit against the forecast is over 50% including the properties contracted and will be settled in this year.

<Real Estate Service Business>

The performance of both PM Business and Sales Brokerage improved due to the increase in the number of entrusted buildings and the response to client needs for property sales. The overall performance hit record highs for the first half of the year.

<Hotel and Tourism Business>

Boosted by strong inbound demand, Hotel Operation saw significant growth in both sales and profit. The overall performance of Hotel Development was affected by the rebound from the sale of one hotel in the same period of the previous year.

<Selling, General and Administrative Expenses>

Increased according to the plan compared to the same period last year due to personnel costs from human capital investment and increased depreciation due to investment in operations and systems. Amortization of goodwill due to M&A will be recorded from the second half of the year.

Consolidated Balance Sheet

- Assets -



- <Cash and deposits> Decreased by 6.2 billion yen from the end of the previous fiscal year due to progress in property purchases, tax payments and dividends.
- <Inventories> Increased by 13.1 billion yen from the end of the previous fiscal year due to purchase and construction of land or properties for RP, small-lot real estate and land for hotel development.
- <Non-current assets> Increased by 3.7 billion yen from the end of the previous fiscal year due to land acquisition, construction for hotel development, and M&A.

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of September 2024	Increase/decrease (compared to the End of March 2024)
Current assets	125,886	159,518	166,285	+6,767
Cash and deposits	42,016	47,867	41,624	▲6,243
Inventories	80,182	106,869	120,059	+13,189
Breakdown) RP※	70,327	95,927	103,250	+7,323
Hotel	9,750	9,545	15,414	+5,869
Overseas, etc.	105	1,398	1,394	▲3
Other current assets	3,688	4,780	4,601	▲178
Non-current assets	26,633	29,143	32,938	+3,795
Property, plant and equipment	20,410	22,323	24,385	+2,062
Intangible assets	815	1,193	2,383	+1,190
Investments and other assets	5,406	5,626	6,168	+542
Total assets	152,519	188,661	199,224	+10,562

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

Consolidated Balance Sheet

- Liabilities/Equity -



<Interest-bearing debt> Increased by 4.1 billion yen due to borrowings for property purchases. 10 billion yen was raised through CB issuance in the third quarter of the previous fiscal year, resulting in a total of 83.7 billion yen in interest-bearing debt.

<Equity ratio> Maintained at a high level of 47.2 % while actively investing.

Changes of Equity Ratio		
As of End of March 2023	As of End of March 2024	As of End of September 2024
52.9%	48.0%	47.2%

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of September 2024	Increase/decrease (compared to the End of March 2024)
Current liabilities	16,363	24,767	22,947	▲1,819
Short-term borrowings, etc.	5,492	12,269	8,143	▲4,125
Other current liabilities	10,871	12,497	14,803	+2,306
Non-current liabilities	52,190	69,477	78,404	+8,926
Long-term borrowings	50,170	57,272	65,564	+8,292
Bonds payable	0	9,999	9,999	0
Other non-current liability	2,019	2,205	2,839	+634
Total liabilities	68,553	94,244	101,351	+7,107
Shareholders' equity	80,430	89,889	92,816	+2,926
Other	3,535	4,526	5,056	+529
Total net assets	83,965	94,416	97,872	+3,455
Total liabilities and net assets	152,519	188,661	199,224	+10,562

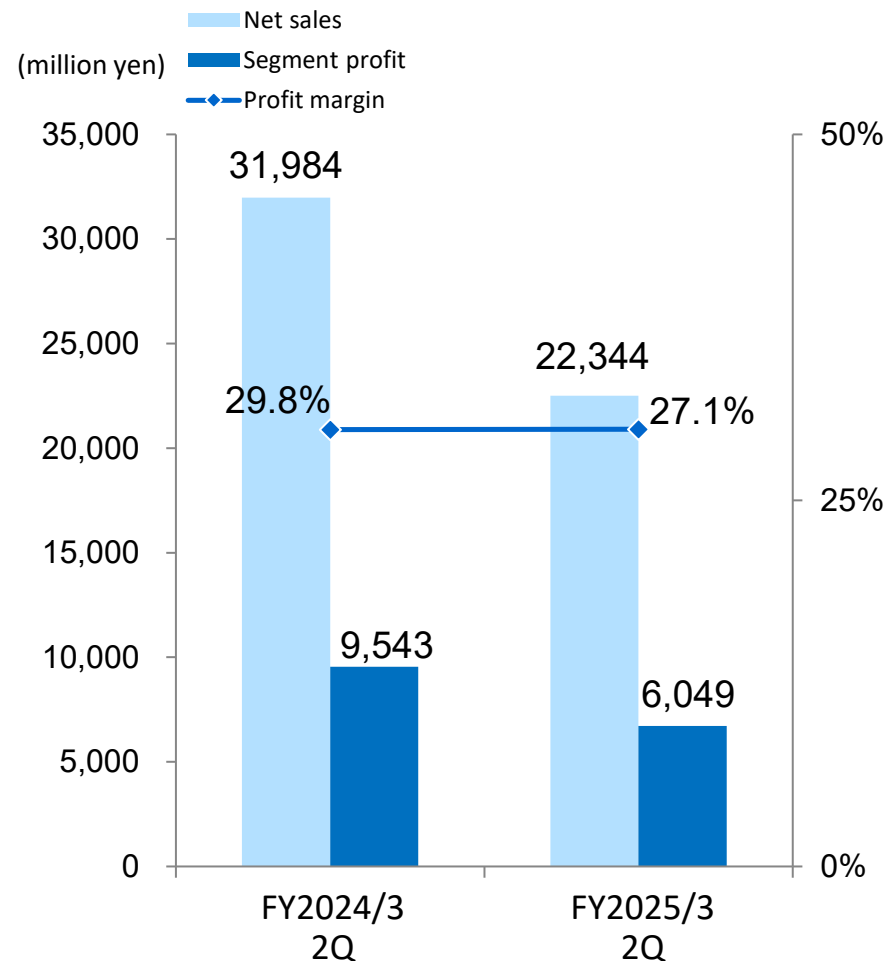
Performance for Each Business Segment

Real Estate Revitalization Business (Replanning and Rental Buildings)

<Replanning Business>

- The number of property sold was 14, the same as the previous year (including one small-lot property). Both sales and profit decreased YoY, but the progress rate of profit is over 50% including properties contracted.
- The average business period was 538 days (-162 days YoY). Many short-term properties were sold during this period, significantly shortening the business period, resulting in a significant shortening of the business period.

(Unit: million yen)	FY2024/3 2Q	FY2025/3 2Q	Increase/ decrease
Net sales	31,984	22,344	▲30.1%
Replanning Business	30,728	20,987	▲31.7%
Rental Building Business	1,256	1,357	+8.0%
Segment profit ※1	9,543	6,049	▲36.6%
Replanning Business	9,256	5,866	▲36.6%
Rental Building Business	287	182	▲36.4%
Profit margin	29.8%	27.1%	▲2.8%pt
Replanning Business	30.1%	28.0%	▲2.2%pt
Rental Building Business	22.9%	13.5%	▲9.4%pt
Number of properties sold	14 cases	14 cases	0 case
Number of stocks	60 cases※2	69 cases※2	+9 cases



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

※2 Land purchase and development projects are included.

Real Estate Revitalization Business

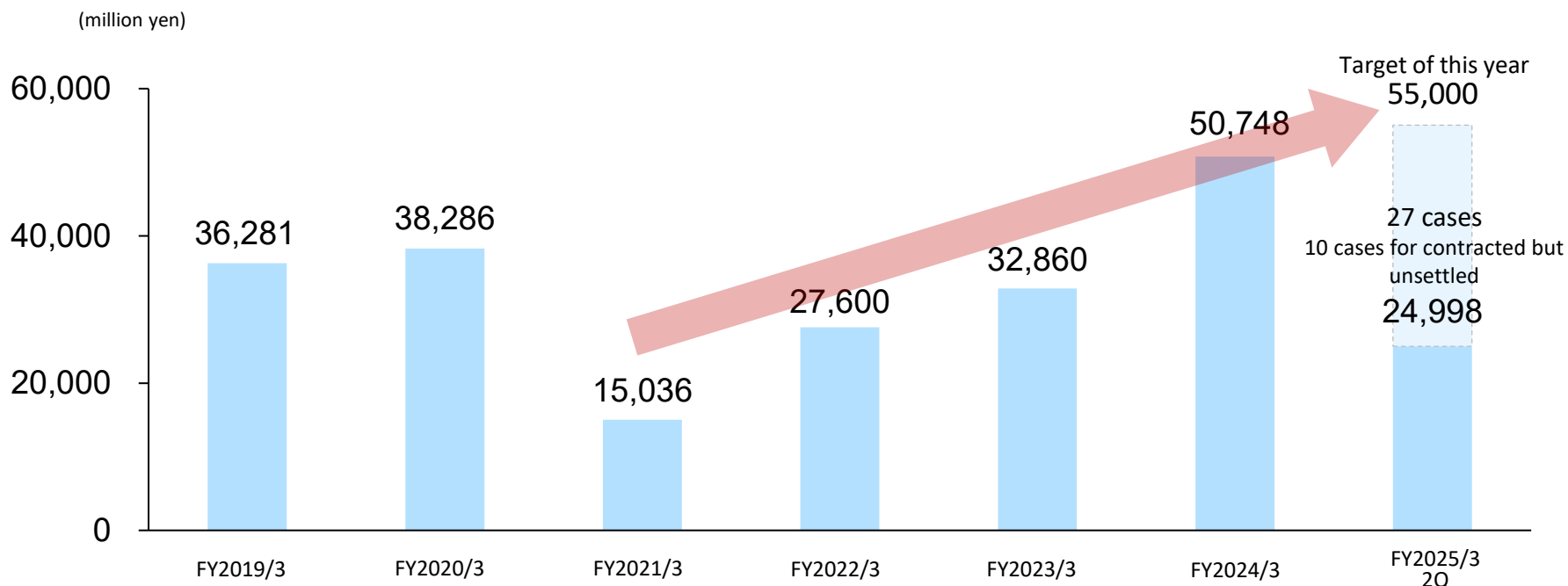
<Property purchases of Replanning Business > ※

The purchase amount, including contracted but unsettled properties, is 25 billion yen.

Steady progress toward the full-year purchase target of 55 billion yen.

Note : Includes properties in non-current assets, small-lot real estate properties and New York properties.

(Unit: million yen)	FY2024/3 2Q	FY2025/3 2Q	Increase/ decrease
Number of property purchases	31 cases	27 cases	-4 cases
(of which, contracted and unsettled)	4 cases	10 cases	6 cases
Purchase amount	30,920	24,998	-5,922
(of which, contracted and unsettled)	6,000	10,130	4,130



Trends in Inventories and Gross Profit of Property Sales

Ahead of the Medium-Term Management Plan Targets, aggressively invest for sustainable growth and plan to build up inventories

	FY2021/3 (Results)	FY2022/3 (Results)	FY2023/3 (Results)	FY2024/3 (Results)	FY2025/3 (Forecast)
Sales of properties	45.1 billion yen	57.0 billion yen	61.7 billion yen	53.7 billion yen	70.0 billion yen
Cost of property sales	33.1 billion yen	40.3 billion yen	44.9 billion yen	36.1 billion yen	49.0 billion yen
Gross profit ※	12 billion yen RP 9.2 billion yen Hotel 2.8 billion yen	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	21.0 billion yen RP 20.0 billion yen Hotel 1.0 billion yen
Gross profit margin	26.6%	29.2%	27.2%	32.8%	30.0%
Purchases during the fiscal year, construction work, etc.	27.4 billion yen	31.6 billion yen	47.7 billion yen	62.8 billion yen	62.2~67.2 billion yen
Ending balance of the inventory	86 billion yen	77.3 billion yen	80.1 billion yen	106.8 billion yen	120.0~125.0 billion yen
Affected by COVID-19, both net sales and purchase decreased, and causing the decrease of the balance of inventories .		Although COVID-19 prolonged, sales were good. Started refocusing on purchases, but the balance of inventories declined.		Increase in the balance by selling as planned and investing aggressively.	

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

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

Ending balance for FY2025/3 (Forecast)	Gross profit margin (Assumed)	Net sales (Assumed)	Unrealized gains on inventories (Assumed)
120.0~125.0 billion yen	25~30%	160.0~178.5 billion yen	40.0~53.5 billion yen

※ Gross profit = ordinary profit — sales commission

Performance for Each Business Segment

Real Estate Services Business

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



<Property Management and Building Maintenance>

- In PM Business, both sales and profit increased due to an increase in the number of buildings under management.
- In BM Business, we increased the number of buildings under management and worked to curb cost increases due to rising prices, resulting in increased sales and profit.

<Brokerage>

- Leasing brokerage was flat compared with the same period of the previous year.
- In Sales brokerage, in addition to winning referral contracts, our business performance has been growing by meeting relatively large-scale trading needs from repeat clients and new ones.

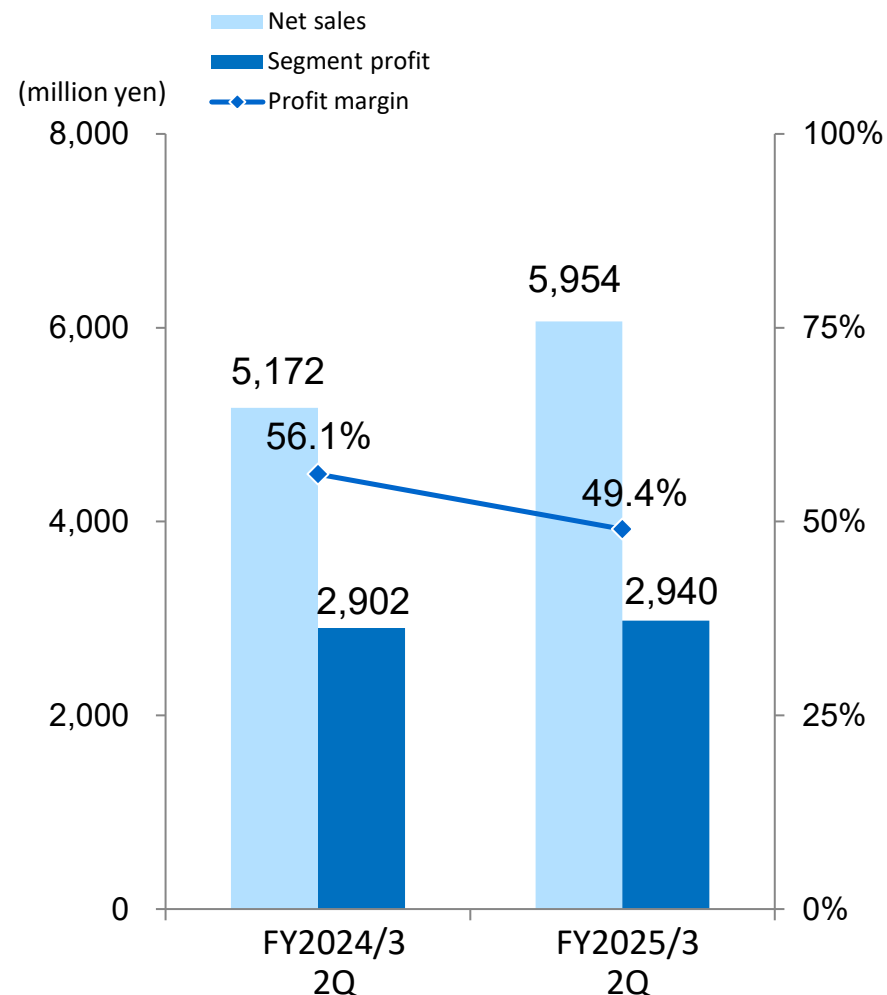
<Rental Conference Room>

- While sales are growing, the opening of new sites is proceeding ahead of schedule, and the cost of preparing for the opening reduced the profit. However, we expect the newly opened sites will contribute to the performance in the near future.

<Rent Guarantee>

- Both sales and profit increased YoY due to an increase in the number of new contracts.

(Unit: million yen)	FY2024/3 2Q	FY2025/3 2Q	Increase/ decrease
Net sales	5,172	5,954	+15.1%
Segment profit ※1	2,902	2,940	+1.3%
Profit margin	56.1%	49.4%	▲6.7%pt



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

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

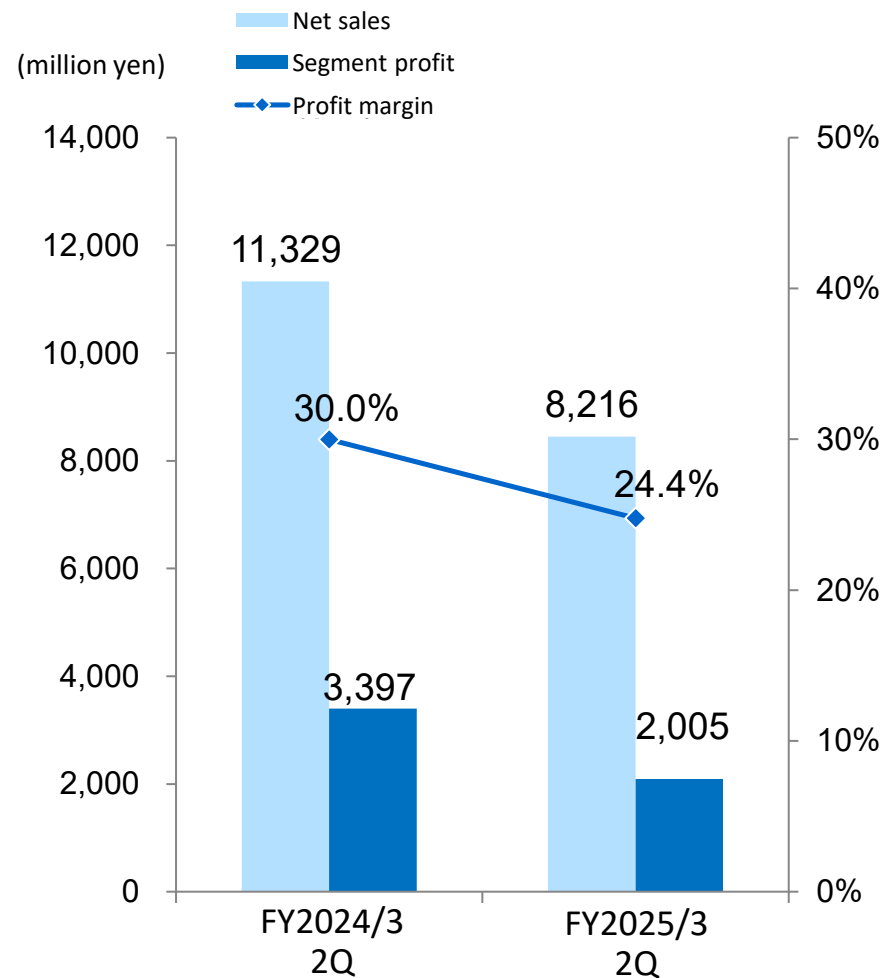
<Hotel Development Business>

- Both sales and profit decreased due to the impact of the sale of one hotel in the same period of the previous year.
- Land was acquired in Kumamoto and Sakata. Many development projects are ongoing, including the commencement of construction in Ishikari and Kakogawa.

<Hotel Operation Business*1>

- Both sales and profit increased significantly due to an increase in occupancy rate and average daily rate as travel demand continued to recover and inbound demand expanded.

(Unit: million yen)	FY2024/3 2Q	FY2025/3 2Q	Increase/ decrease
Net sales	11,329	8,216	▲27.5%
Hotel Development Business	5,270	272	▲94.8%
Hotel Operation Business, etc.	6,059	7,943	+31.1%
Segment profit ※2	3,397	2,005	▲41.0%
Hotel Development Business	2,165	52	▲97.6%
Hotel Operation Business, etc.	1,232	1,952	+58.4%
Profit margin	30.0%	24.4%	▲5.6%pt
Hotel Development Business	41.1%	19.3%	▲21.8%pt
Hotel Operation Business, etc.	20.3%	24.6%	+4.2%pt



※1 There is Profit of Hotel Rental included.

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

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

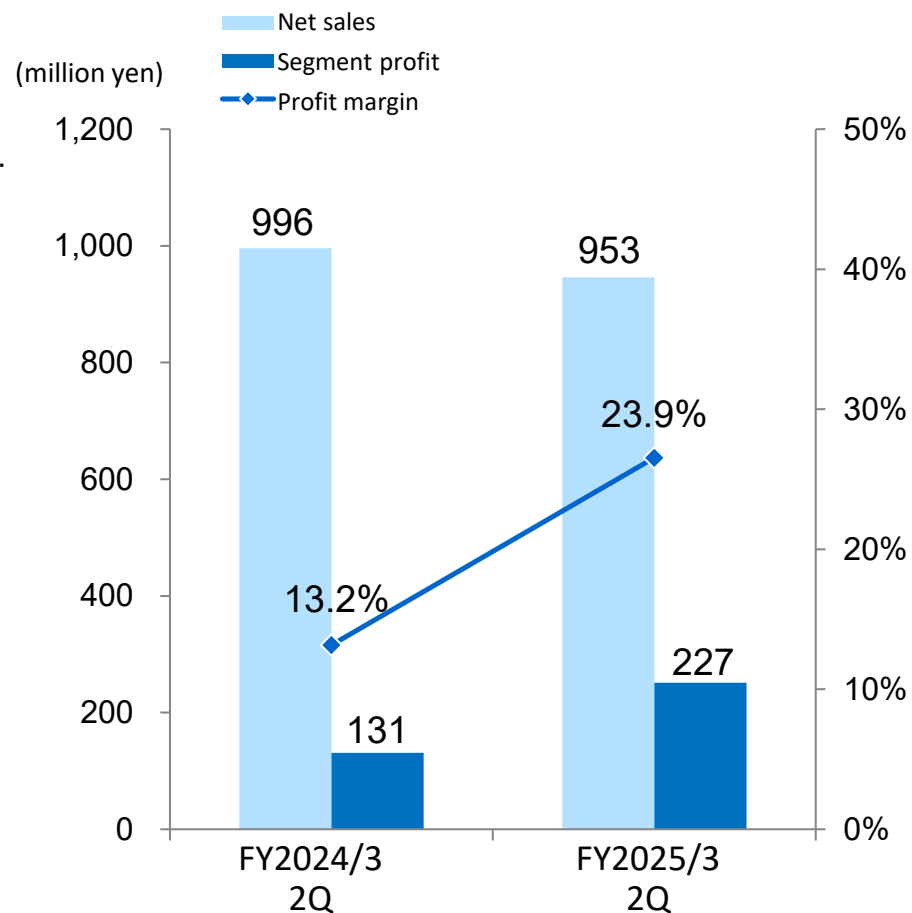
<Construction Business>

- Although sales remained almost flat, profits increased due to improvements in profit margins on large projects and other factors.

<Overseas Development Business>

- The second condominium project in Vietnam (HIYORI Aqua Tower), for which land was acquired, began in August 2024 and is scheduled to be completed in Autumn 2026.

(Unit: million yen)	FY2024/3 2Q	FY2025/3 2Q	Increase/ decrease
Net sales	996	953	▲4.4%
Segment profit ※1	131	227	+72.8%
Profit margin	13.2%	23.9%	+10.7%pt



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



Forecast for FY2025/3 and Business Initiatives



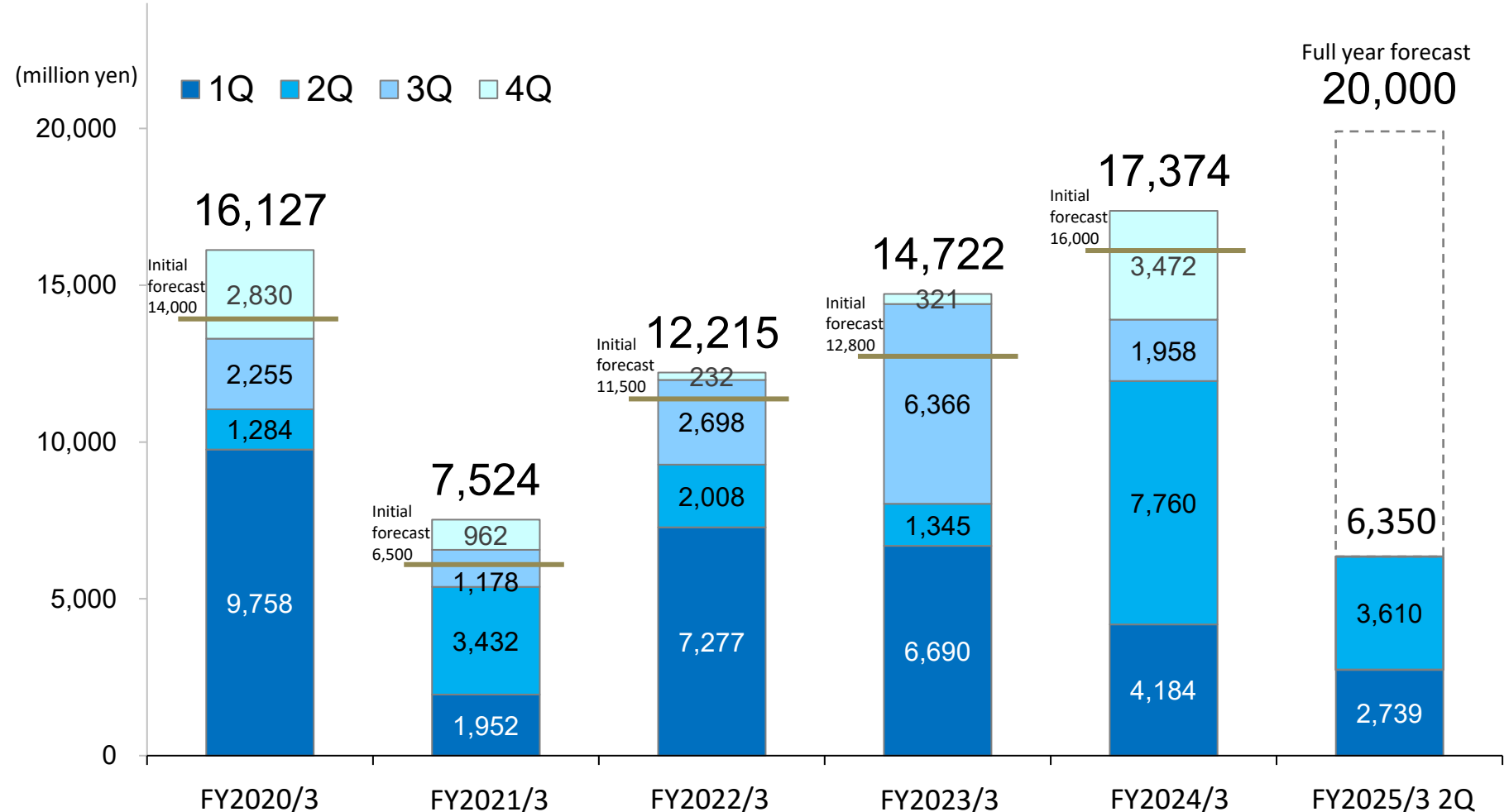
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Progress for FY2025/3 Forecast

(Unit: million yen)	Result for FY2024/3	Forecast for FY2025/3	Result for FY2025/3 2Q	Progress Rate
Net sales	79,868	100,000	36,786	36.8%
Real Estate Revitalization Business	51,027	69,800	22,344	32.0%
Replanning Business	48,395	67,000	20,987	31.3%
Rental Buildings Business	2,632	2,800	1,357	48.5%
Real Estate Service Business	10,497	11,650	5,954	51.1%
Hotel and Tourism Business	16,977	17,430	8,216	47.1%
Hotel Development Business	5,270	3,000	272	9.1%
Hotel Operation, etc	11,707	14,430	7,943	55.1%
Other Business	2,409	2,560	953	37.2%
Adjustments	▲1,043	▲1,440	▲682	—
Gross Profit (Loss)	26,405	31,000	11,520	37.2%
Real Estate Revitalization Business	16,593	21,230	6,684	31.5%
Replanning Business	15,981	20,600	6,501	31.7%
Rental Buildings Business	612	630	182	28.9%
Real Estate Service Business	5,636	6,300	2,949	46.8%
Hotel and Tourism Business	4,440	3,840	2,101	54.7%
Hotel Development Business	2,200	1,100	107	9.7%
Hotel Operation, etc	2,240	2,740	1,994	72.8%
Other Business	352	420	259	61.7%
Adjustments	▲618	▲790	▲474	—
Selling, General and Administrative Expenses	8,804	10,130	4,817	47.6%
Operating Profit (Loss)	17,600	20,870	6,703	32.1%
Ordinary Profit (Loss)	17,374	20,000	6,350	31.8%
Profit	11,917	14,000	4,422	31.6%
EPS	245.50 yen	288.41 yen	91.07 yen	31.6%

Trends in Ordinary Profit for the past 5 fiscal years

Many of the planned property sales are scheduled in the second half of the year.
Progress against the forecast was in line with the plan.

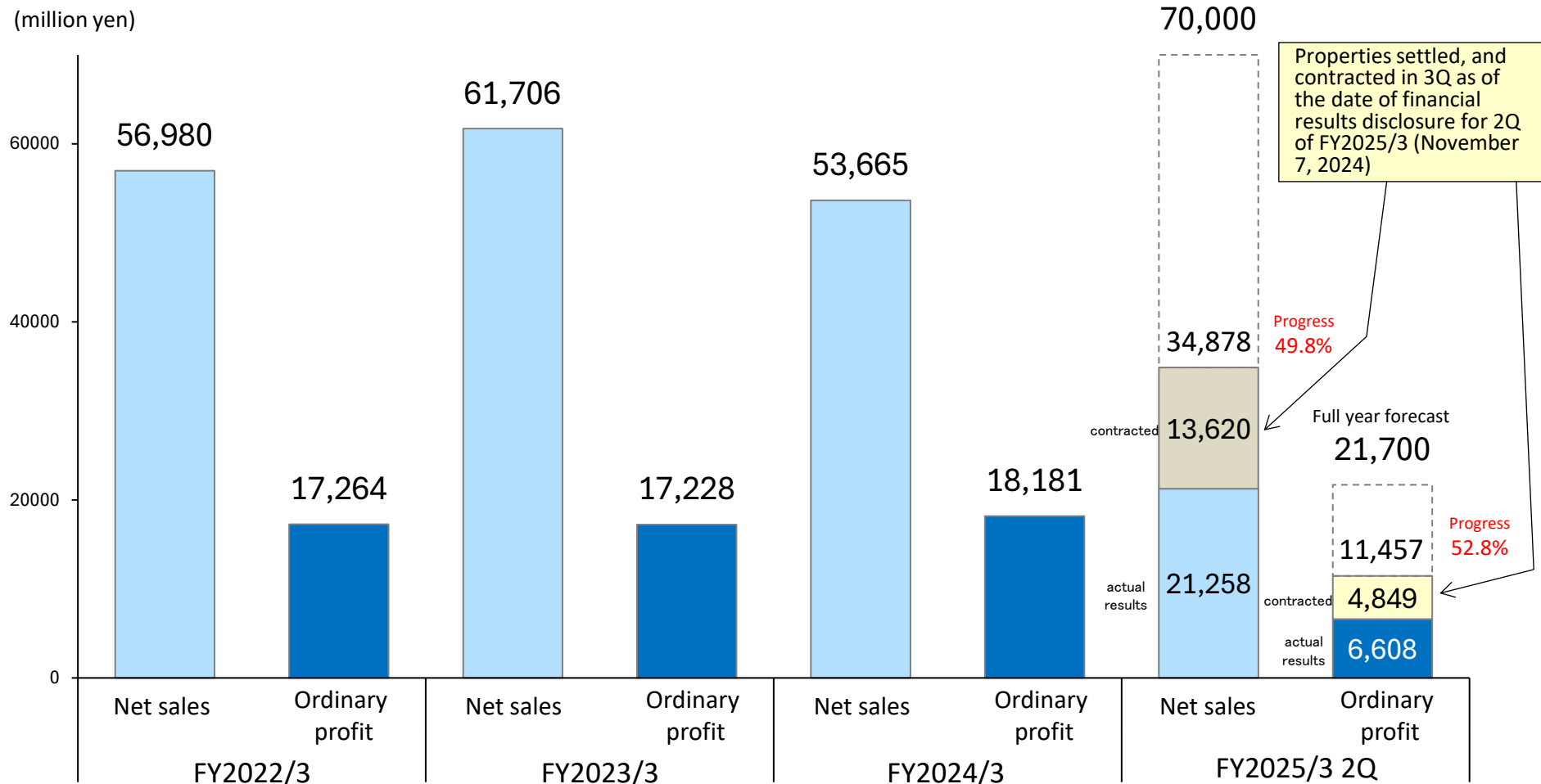


Progress of Flow-Type Businesses

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



Progress is practically more than 50% against the forecast,
including contracted sales.

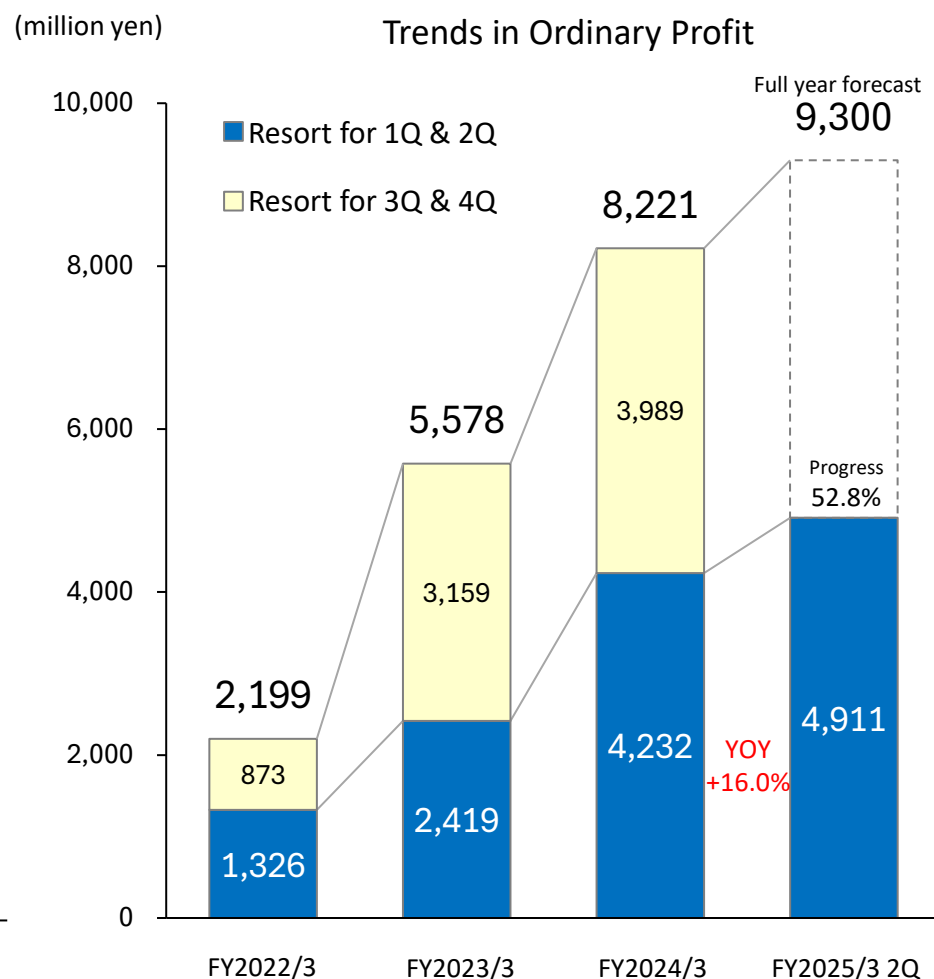
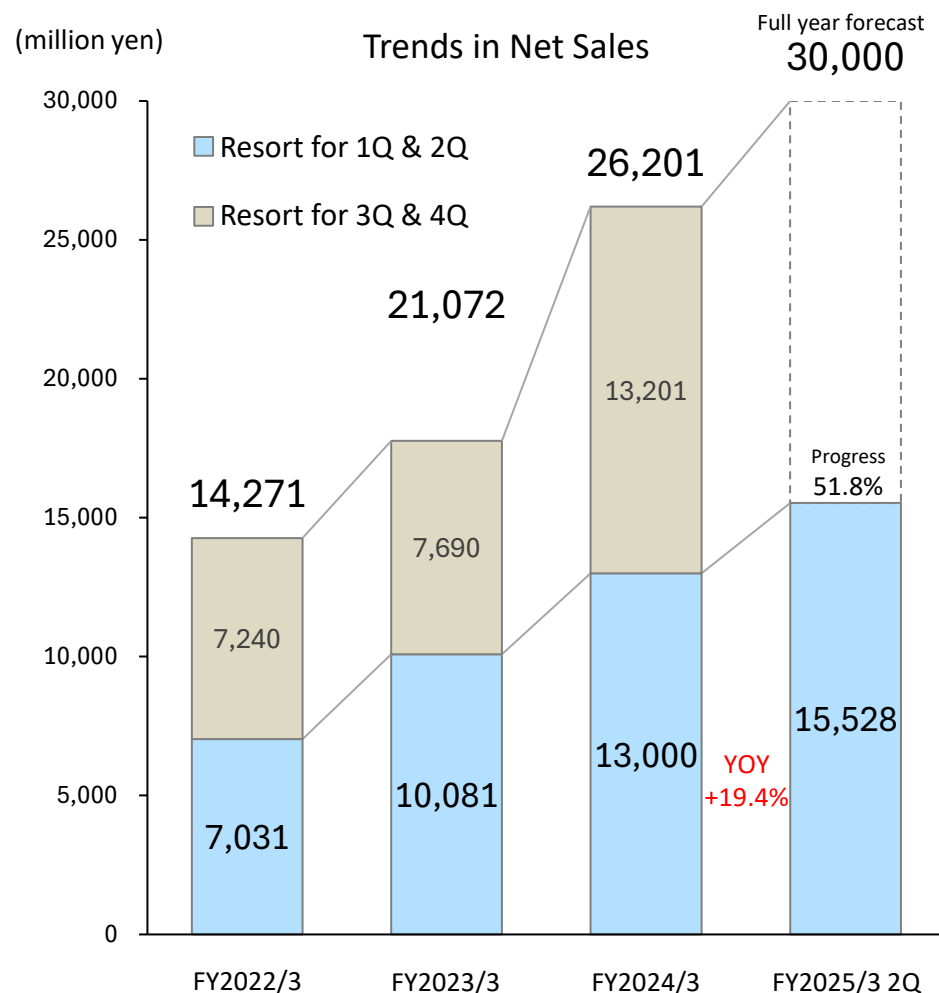


Progress of Stock-Type Businesses

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



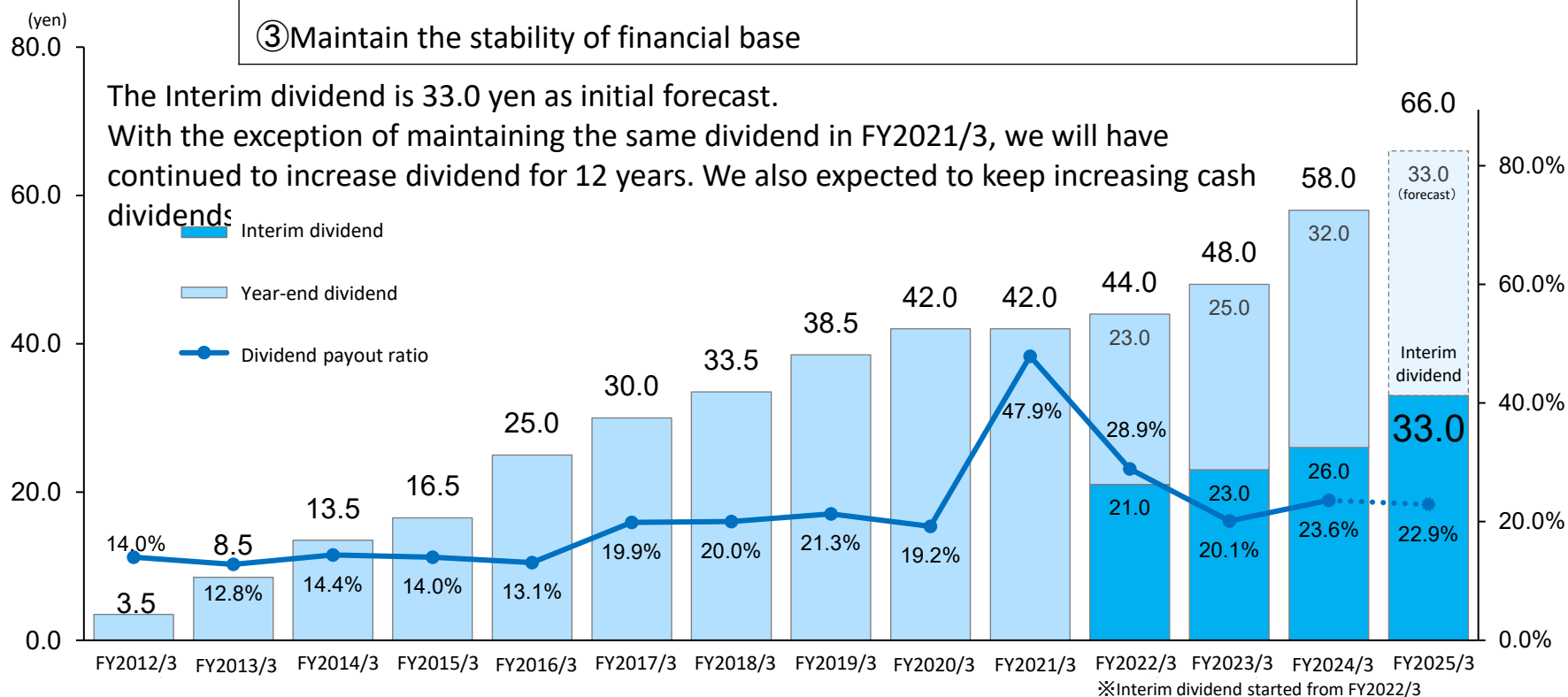
Continued increase in sales and profit.
Both sales and gross profit hit record highs for the first half of the year.



Forecast for Cash Dividend

Basic Policy for Shareholder Return

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



Date of Interim dividend effective : December 3, 2024

Business Environment Awareness

1. The global economy is expected to benefit from interest rate cuts in the United States and Europe, but there are concerns about the slowdown in the Chinese economy and the situation in the Middle East and Ukraine.

The IMF has maintained its forecast for the real growth rate of the world economy at 3.2% for both 2024 and 2025.

In the United States, economic growth is expected to continue due to interest rate cuts, and attention is focused on the policies following the change of administration.

2. The Japanese economy is on a moderate recovery trend, with attention focused on future economic policies, such as the improvement of real wages

◆ Even after the termination of negative interest rates by the Bank of Japan, the increase in the policy interest rate has been gradual and steady.

With prices continuing to rise, a virtuous cycle between wages and prices is forming, and sustained wage increases are expected.

3. In the central Tokyo office building market, rents are continuing to rise and the vacancy rate is improving, and there is a strong appetite for investment.

◆ The new supply of office buildings has decreased, the return to offices has progressed, and the rise in rents and the improvement in vacancy rate have continued.

◆ Despite expectations for higher interest rates, strong investment appetite continues from wealthy individuals and institutional investors, especially from Asian countries.

4. In the hotel and tourism market, inbound demand continues due to the depreciation of yen, and domestic travel demand has been also strong.

◆ Tourist spending by visitors to Japan from January to September 2024 exceeded 5,306.5 billion yen, setting a new annual record.

◆ The number of visitors to Japan was 2.68 million in September alone, and the cumulative total from January to September was 26.88 million, exceeding the cumulative total for 2023 and setting a new record.

Replanning Business, An Example of Initiatives (1)

Chosen by many repeat customers seeking a higher grade setup office, achieving high occupancy.



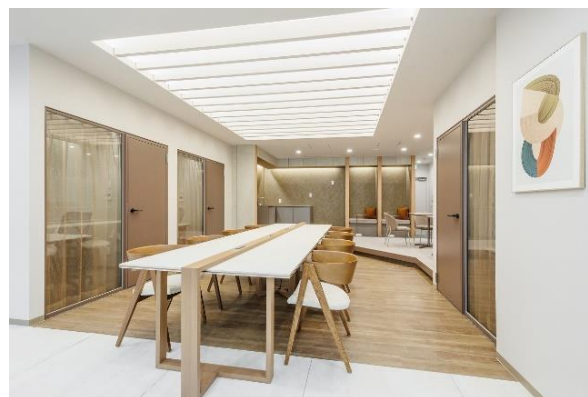
[Building exterior (after Replanning)]
Kandasudacho, Chiyoda-ku, Tokyo
Steel-framed and steel reinforced concrete structure with deck roof, 8-story building with 1 basement



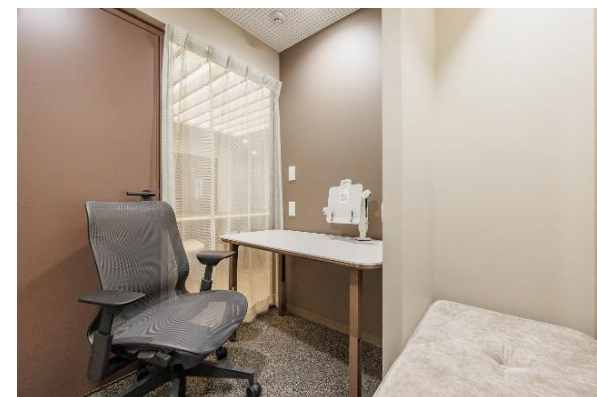
Install office fixtures in even a large area of 100 tsubos to improve tenants to move in.



Establishment of a lounge to promote diverse working styles and employee communication



Instead of small booth, there are three large private rooms could be used for online meetings, etc



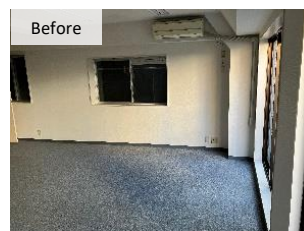
Install private rooms which is unique from usual private rooms and has large space

Replanning Business, An Example of Initiatives (2)

An office with sophisticated floor design and mural art that boosts motivation of workers.

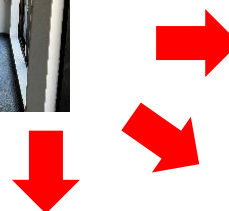


[Building exterior (after Replanning)]
Kandajinbocho, Chiyoda-ku, Tokyo
7-story steel reinforced concrete and reinforced concrete
building with deck roof



Before

Each floor is decorated with mural art to make it looks attractive.



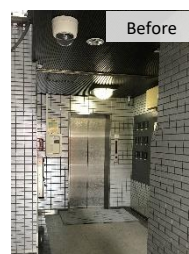
After



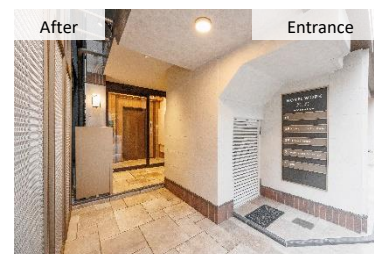
After



After



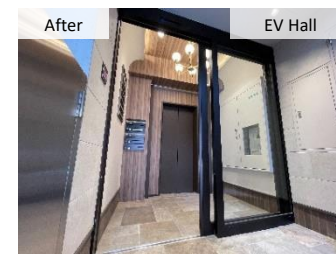
Before



After



Entrance



After

EV Hall

Replanning the windswept entrance and EV hall into a bright space with automatic doors

Promote Sales of Small-lot Real Estate Property

Offering a wide variety of products, including educational and medical facilities, office buildings, land, and facilities for operating companies.



Now on Sale

Compass Toyoyama
DAIKIN maintenance station
Sale in October 2024



Sold out in
September 2024.
Licensed nursery
school (condominium)

Sold out in
March 2023.
Licensed nursery school



Now on Sale

Compass Biz Ginza East
Sale in November 2024



Sold out in
February 2024.
Licensed nursery school



Now on Sale

Compass Sakurashinmachi
International Academy in Sakurashinmachi,
Setagaya, Tokyo
Sale in December 2023



Sold out in
August 2021.
Licensed nursery school



Sold out in
November 2022
Medical and
educational mall



Now on Sale

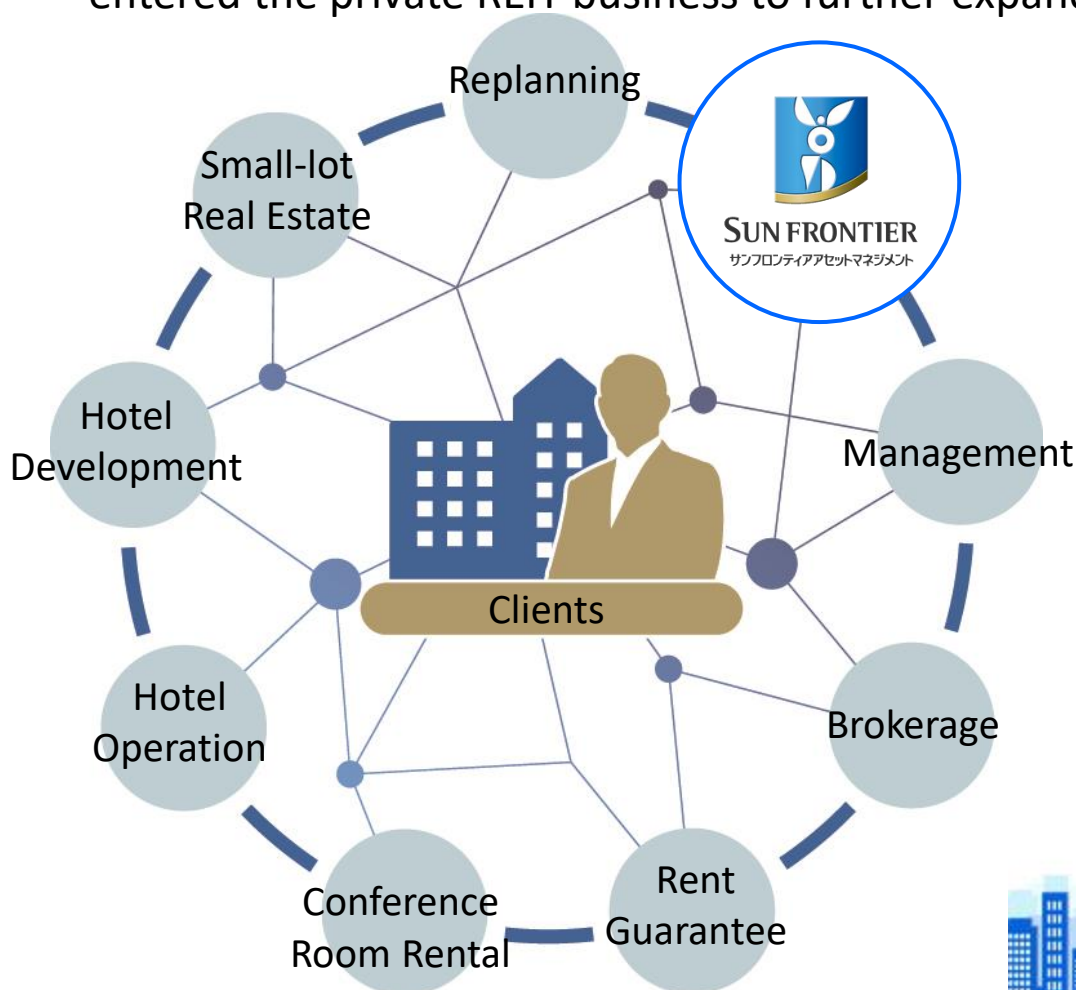
Compass JINUSHI
In front of Keio University Land
Owner Project.
Sale in June 2024



Established Sun Frontier Asset Management Co., Ltd.



As part of our efforts to diversify and cooperate within our core business, we have entered the private REIT business to further expand our business base.



Based on 25 years of experience in real estate revitalization and utilization, Sun Frontier Asset Management Co., Ltd. was established on September 18, 2024, to address regional social issues and contribute to the realization of a sustainable and affluent society through the long-term management of real estate.

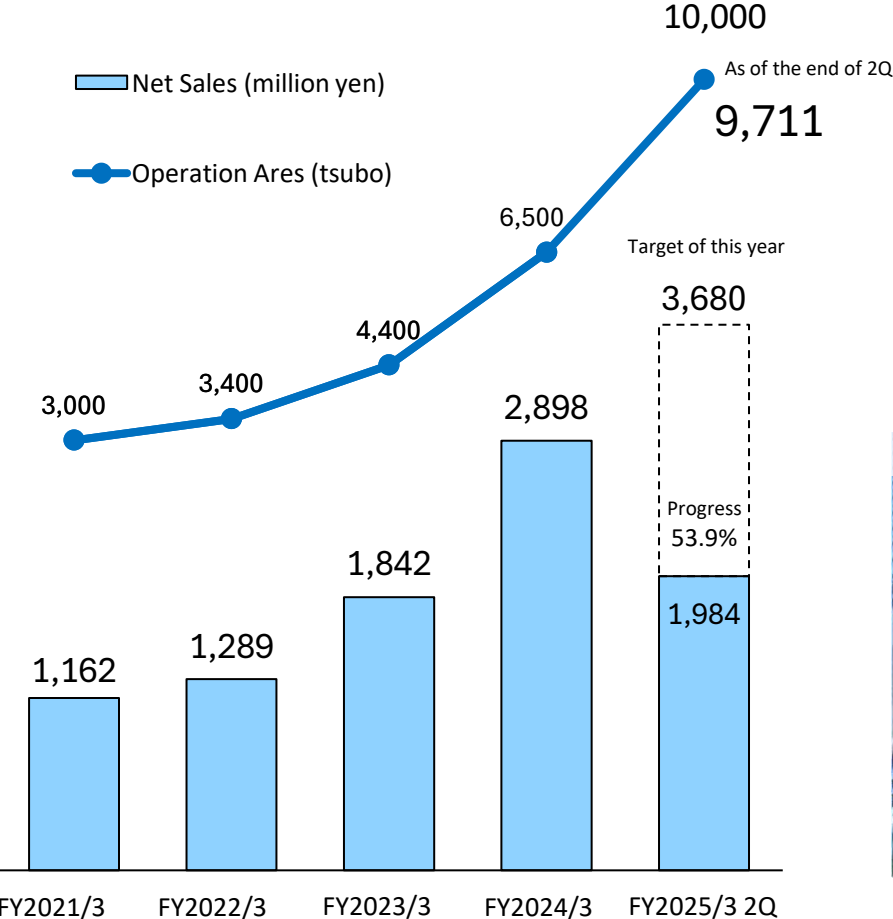
We aim to establish the first private REIT sponsored by Sun Frontier Fudousan Co., Ltd. in the fiscal year ending March 2026..

New site openings are progressing ahead of schedule, and we expect them to contribute to future earnings.



We will continue to focus on increasing the operation of new locations while strengthening the opening of sites around major terminal stations.

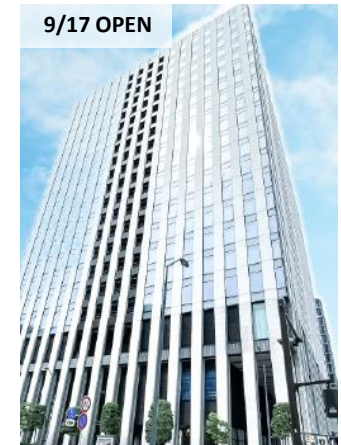
◆ Trends of Net sales for Conference Room and Operating area of Vision Center



Vision Center Grande Tokyo Hamamatsucho
Operation Area :1,456 tsubo



Vision Center Tokyo Toranomon
Operation Area: 697 tsubo



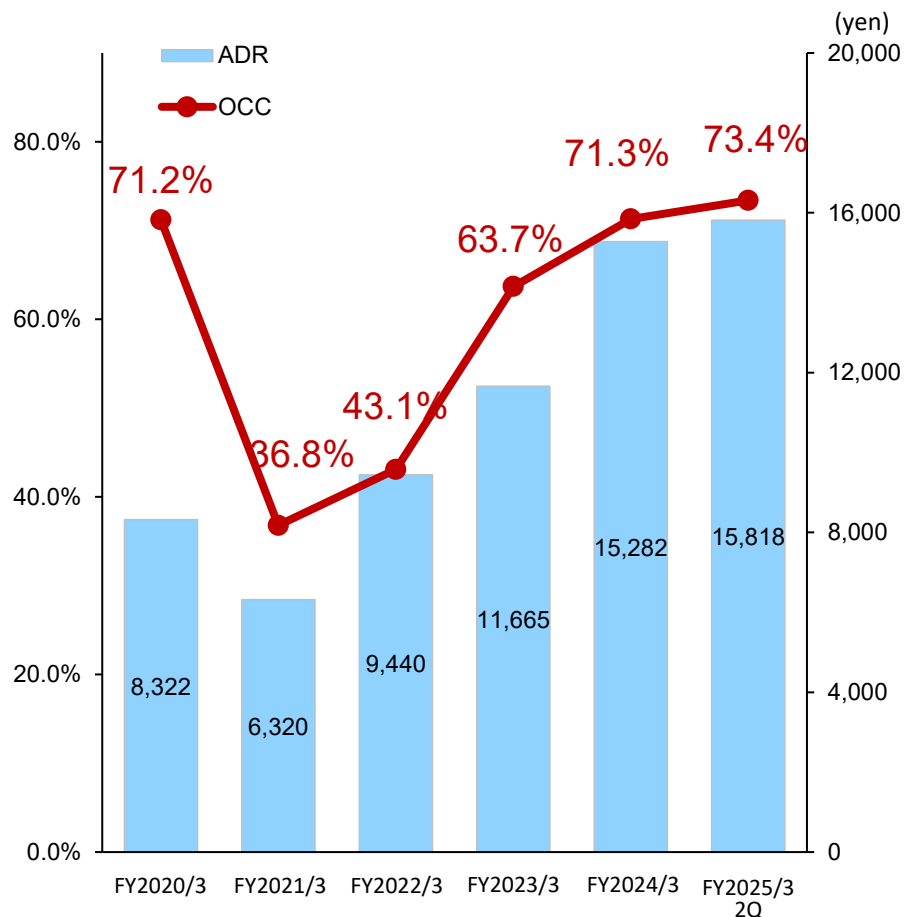
Vision Center Yokohama Minatomirai
Operation Area: 427 tsubo

Occupancy Rates and Average Daily Rates

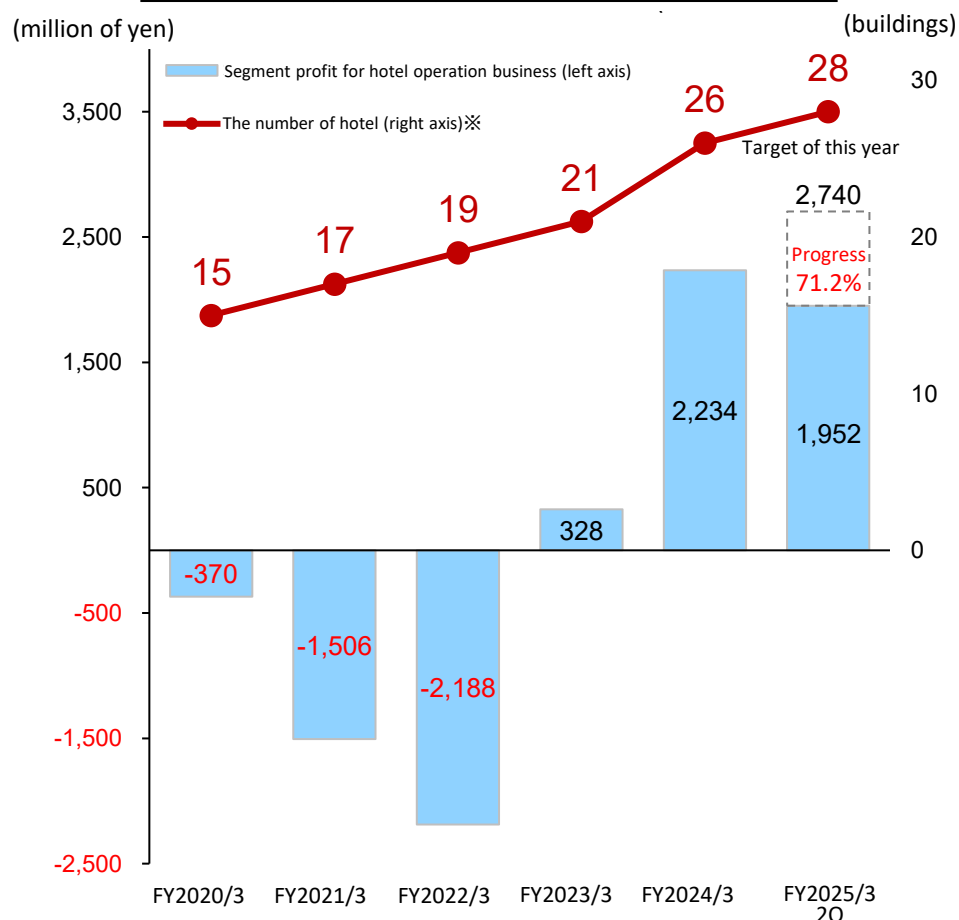


The business has significantly expanded due to an increase in the number of guest rooms and the enhancement of heart-warming service. With strong inbound demand, the performance has been robust.

Trends in occupancy rate and average daily rate



Trends in Segment profit and number of hotel

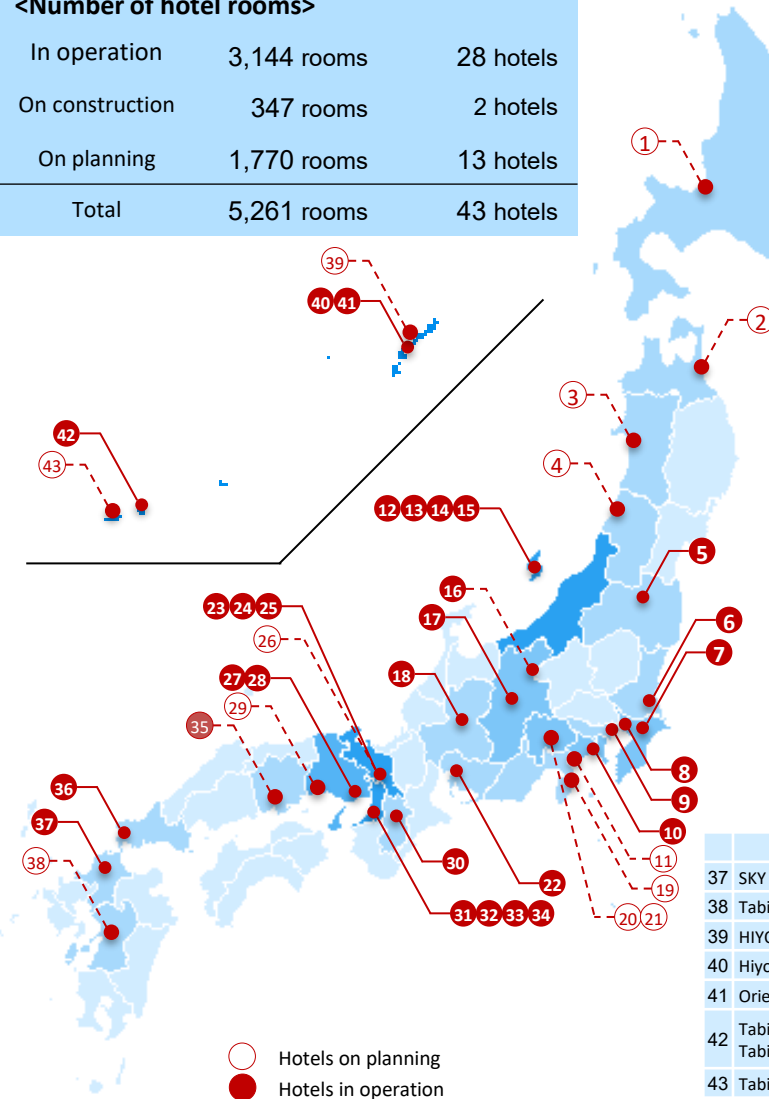


Actively expanding the hotel business through hotel development and M&A



<Number of hotel rooms>

In operation	3,144 rooms	28 hotels
On construction	347 rooms	2 hotels
On planning	1,770 rooms	13 hotels
Total	5,261 rooms	43 hotels



④ Oriental Hills Okinawa M&A on July 23 2024



②⑤ HIYORI Stay Kyoto Kamogawa opened on September 14 2024

(As of November 2024)

	Name of Hotels	Rooms	Progress
1	Tabino Hotel Ishikari	175	※on construction
2	Tabino Hotel Rokkashomura	202	※on planning
3	Tabino Hotel lit Akita Ekimae	230	※on planning
4	Tabino Hotel lit Sakata	173	※on planning
5	Seifutei	11	
6	Tabino Hotel Kashima	194	
7	HIYORI HOTEL MAIHAMA	80	
8	Tabino Hotel EXpress Narita	91	
9	SKY HEART Hotel Keisei Koiwa Mae	102	
10	SKY HEART Hotel Kawasaki	197	
11	Sora Niwa TERRACE Hakone Yumoto	108	※on planning
12	SADO RESORT HOTEL AZUMA	52	
13	SADO NATIONAL PARK HOTEL OOSADO	72	
14	Tabino Hotel Sado・Live Sado	129	
15	DONDEN Highland	12	
16	HIYORI Hotel Karuizawa Spa & Resort	81	※on planning
17	Tabino Hotel lit Matsumoto	176	
18	Tabino Hotel Hida Takayama	80	
19	Atami Hotel Project	150	※on planning
20	Sora Niwa TERRACE kawaguchiko Bettei	30	※on planning
21	HIYORI TERRACE Kawaguchiko (Fuji)	142	※on planning
22	Spring Sunny Hotel Nagoya Tokoname Station	194	
23	Sora Niwa Terrace Kyoto	102	
24	Sora Niwa Terrace Kyoto Bettei	32	
25	HIYORI Stay Kyoto Kamogawa	38	
26	Stitch Hotel Kyoto	16	※on planning
27	Kobe Plaza Hotel	107	
28	Kobe Plaza Hotel West	120	
29	Tabino Hotel Kakogawa	172	※on construction
30	HIYORI HOTEL Kintetsu Nara	177	※on planning
31	HIYORI HOTEL OSAKA NAMBA STATION	224	
32	Joytel Hotel Namba Dotonbori	53	
33	Joytel Hotel Shinsekai Sakaisujidori	103	
34	Osaka Joy Hotel	229	
35	Tabino Hotel Kurashiki Mizushima	155	
36	SKY HEART Hotel Shimonoseki	102	
37	SKY HEART Hotel Hakata	157	
38	Tabino Hotel Kumamoto Ozu	213	※on planning
39	HIYORI HOTEL Nago	128	※on planning
40	Hiyori Ocean Resort Okinawa	203	
41	Oriental Hills Okinawa	14	※M&A
42	Tabino Hotel lit Miyakojima・Tabino Hotel Villa Miyakojima	115	
43	Tabino Hotel lit Ishigakijima	120	※on planning

Regional revitalization initiatives centered on hotels



We will energize the islands through tourism business! When region becomes energized, Japan will be as well.
 Japan offers many attractions, including beautiful nature, rich history and culture, delicious food and hot springs, warm hospitality, local festivals, and outdoor activities.. With the rapid increase in foreign visitors to Japan and growing interest in various regions, we started our business in Sado, where we have strong connections, and have already created more than 210 jobs as of the end of September 2024



Tabino Hotel Sado

UNESCO World Heritage Centre

Aikawa Gold and Silver Mine



SADO NATIONAL PARK HOTEL OOSADO



SADO RESORT HOTEL AZUMA

SADO

Sado Island, Niigata Prefecture





Tabino Hotel Live Sado



Donden Kogen Lodge



Port of Ryotsu



気軽にレンタカー
Kiguruni Rent a Car



Sado Outdoor Base



おけさ観光タクシー
観光客の車として 美しい環境のお手伝いします

UNESCO World Heritage Centre

Nishimikawa Placer Gold Mine



LE BLUE SADO SAWANE

Promoting partnership agreements for regional development

Rokkasho, Aomori





September 2024, a basic agreement on opening a new business office was signed in preparation for the hotel's opening.

Sakata, Yamagata





Tabino Hotel Sakata
Scheduled to open in December 2026



Miyakojima, Okinawa



Tabino Hotel lit Miyakojima
Opened in June 2021



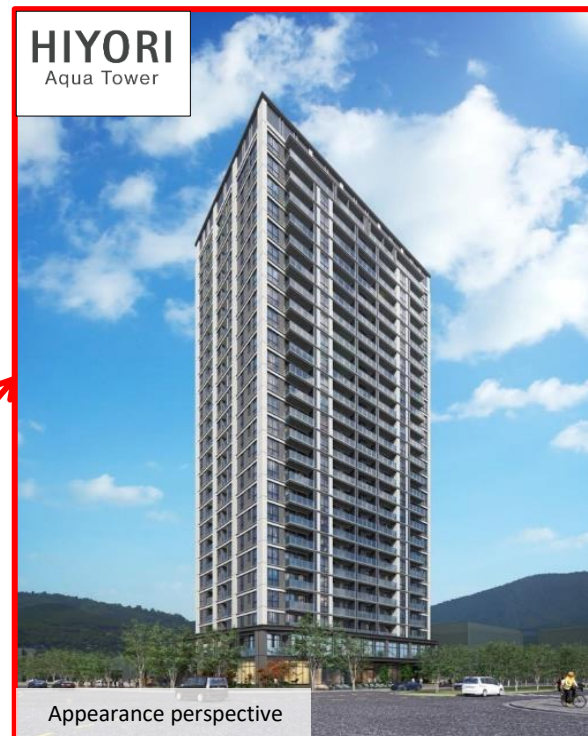
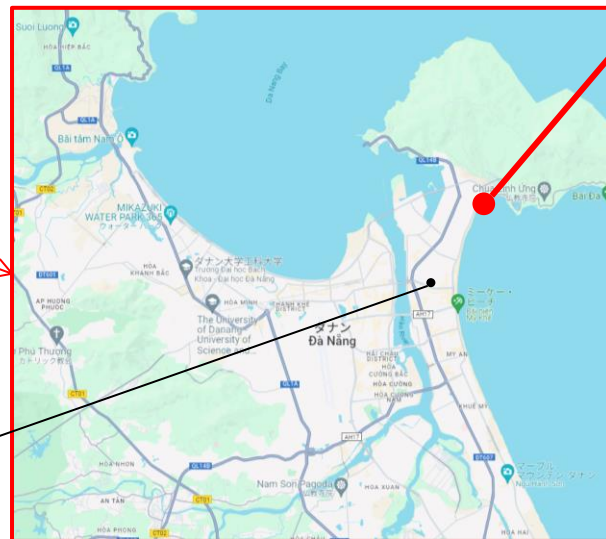
Construction and sales of rental residential

Vietnam HIYORI Aqua Tower PJ Construction Starting

The construction of 2nd condominium project (202 units) started.
It is estimated to be completed in Autumn 2026.

Project Overview

Location	Lot 3-A2-1, Son Tra-Dien Ngoc Complex Center, Tho Quang Ward Son Tra District, Da Nang City, Vietnam			
Area size	Land area 1,850m ²	Building area 1,062m ²	Total floor area	24,498m ²
Building structure	Reinforced concrete construction 25 floors with 2 basement floors			
Facilities	202 residences, stores, kindergarten, swimming pool, fitness gym, community room, car parking lot, motorcycle parking lot			
Schedule	Construction start in August 2024, completion in Autumn 2026			



HIYORI Garden Tower
Completed in December 2019
306 houses sold
2 blocks of stores





Medium-term Management Plan



SUN FRONTIER

Road Map for the next Medium-term Management Plan

Long-term vision
2035

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

Net sales	300 billion yen
-----------	-----------------

Ordinary profit	60 billion yen
-----------------	----------------

Next Medium-term
Management Plan
FY2026/3 to FY2028/3

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

Net sales	135 billion yen
-----------	-----------------

Ordinary profit	27 billion yen
-----------------	----------------

Ordinary profit margin	20%
------------------------	-----

ROE	10% or more
-----	-------------

Equity ratio	Around 45%
--------------	------------

Extant Medium-term
Management Plan
FY2019/3 to FY2025/3

Basic policy
Providing “a place where people gather and communicate with each other, and create social development and happiness for people”

Net sales	100 billion yen
-----------	-----------------

Ordinary profit	20 billion yen
-----------------	----------------

Ordinary profit margin	20%
------------------------	-----

ROE	10% or more
-----	-------------

Equity ratio	Around 50%
--------------	------------

Long-term vision 2035

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

FY2035/3

Net Sales **300** billion yen

Ordinary Profit **60** billion yen



Basic Policy for the next Medium-term Management Plan

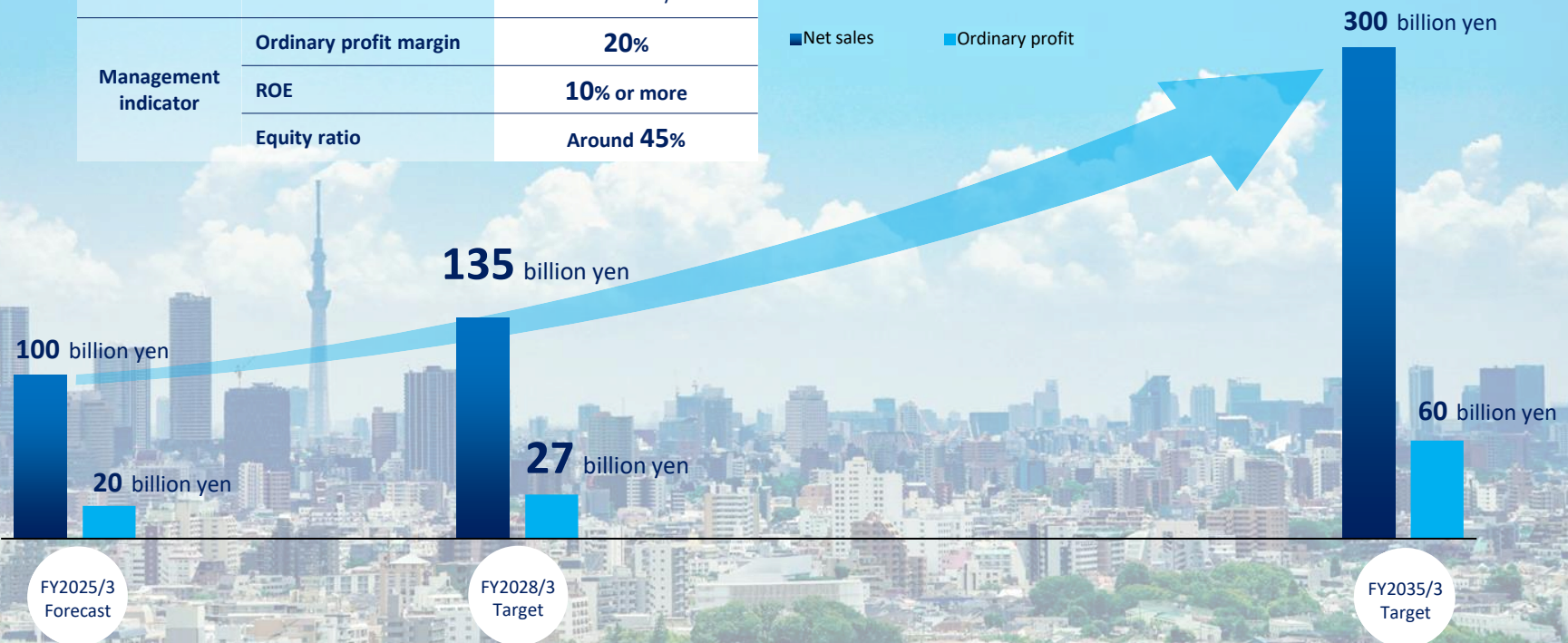
Work for resolving social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heart-warming services.



Quantitative Plan for the next Medium-term Management Plan

Continuing high profitability and growth even after achieving the current medium-term plan.
Invest more actively in business while maintaining financial discipline and develop business with high capital efficiency.

FY2028/3 Plan		
Profit Plan	Net sales	135 billion yen
	Ordinary profit	27 billion yen
Management indicator	Ordinary profit margin	20%
	ROE	10% or more
	Equity ratio	Around 45%



Focus points for the Next Medium-term Management Plan

1

Strengthening human resource base

- Strengthen recruitment and training to enhance human recourse.
- Cultivating human resources as leaders through education and expanding organizations through amoeba division.
- Further evolve into a corporate group that attracts human resource with diversity and our values of altruism regardless of age, sex, or nationality

2

Manufacturing through clients' point of view and heart-warming services

Manufacturing through clients' point of view

- To develop new buildings, hotels, apartments in New York City, and condominiums in Viet Nam through utilizing the creativity cultivated by clients' point of view in Office Replanning and further strengthen.
- Strengthening base of Construction Business through M&A.

Heart-warming services through clients' point of view

- Working closely with building owners to improve long-term problem-solving ability.
- Improving ability of responding to needs of tenants and service users with care and warmth.
- Educate and create an organizational culture to provide heart-warming and enjoyable services that impress hotel guests

3

Cooperation and diversification within core business

Cooperation and diversification within core business (flow-type business)

- Development of New Construction Business that aims to maintain the long-term economic value of buildings through the cooperation with Leasing Management, Property Management, and Construction department.
- Promotion of small-lot real estate property (properties in Osaka and Nagoya in addition to the central Tokyo area)
- Development of apartment replanning in New York and condominium in Vietnam.

Cooperation and diversification within core business (stock-type business)

- Provide further variegate service for real estate to solve clients' problems.
- Increase branches in Tokyo, focus on sub-leases entrusted, and increase entrusted buildings for Property Management.
- Increase operating area in Rental Conference Room Business
- Increase rooms of hotel operation (including M&A).

Growth Strategies in the Next Medium-Term Management Plan

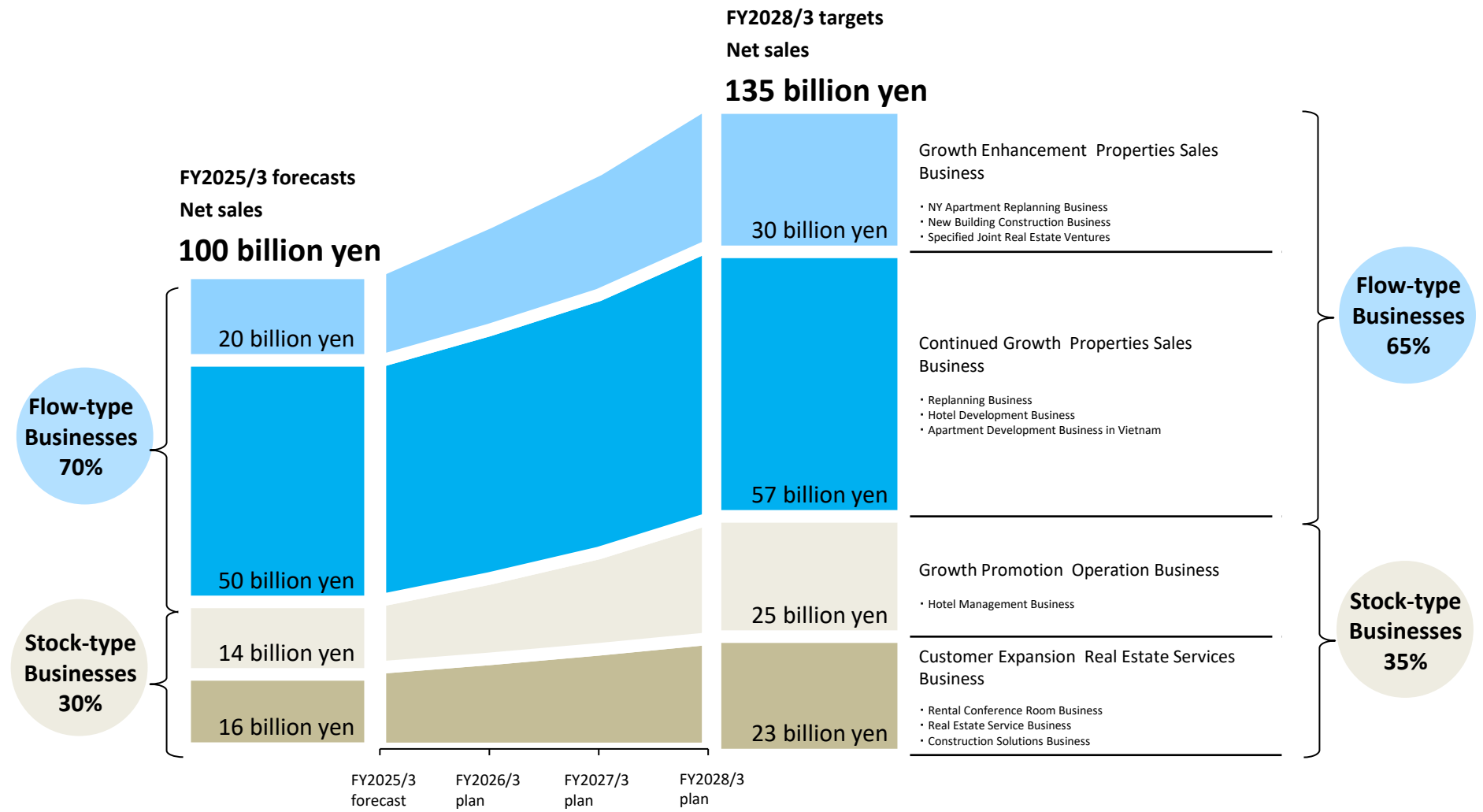
Diversify the use of real estate by combining development and services, and expand business domains and areas and accelerate growth

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

Diversification of Flow-type Business and Expansion of Stock-type Business



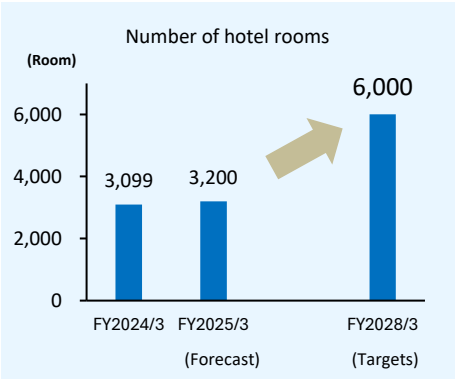
As we expand our business areas, we will diversify our flow-type businesses and increase the sales ratio of our stock-type businesses.



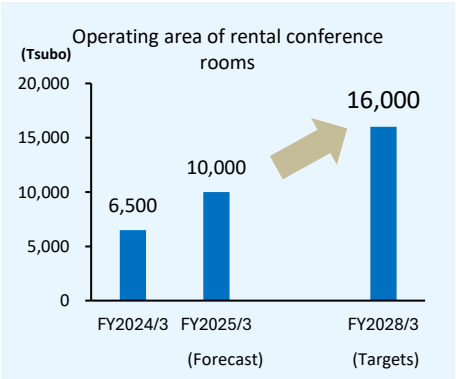
Expanding the Business Base and Customer Base of Stock-Type Business



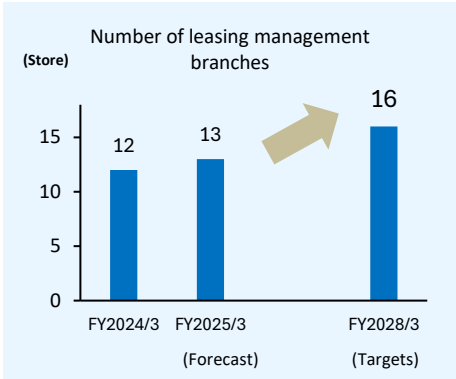
Accelerate growth of stock-type businesses and strengthen the stable earnings base of the Group as a whole



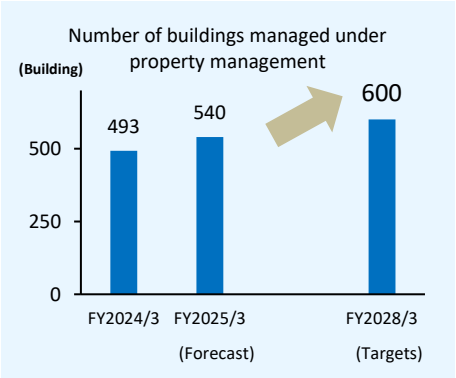
Promote development and M&A,
aiming for 10,000 rooms



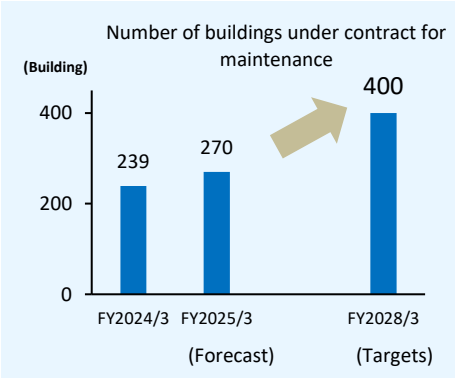
In addition to promoting business in the Tokyo area, planning to expand business in the Kansai area



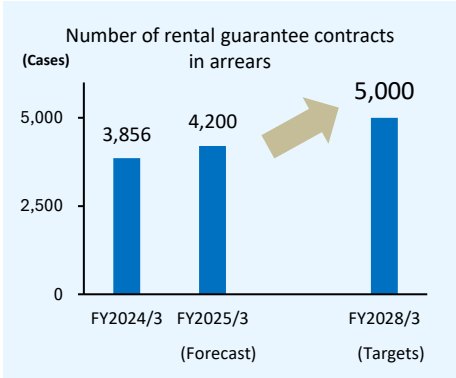
Strengthening community-based branch network in central Tokyo
Further improve our ability to solve customer problems



Increase the number of entrusted buildings in central Tokyo with the aim of increasing the number of entrusted buildings to 1,000 by 2035



Aiming to “Make Tokyo the Most Beautiful City in the World,” increase the number of entrusted buildings for cleaning, sanitation and safety



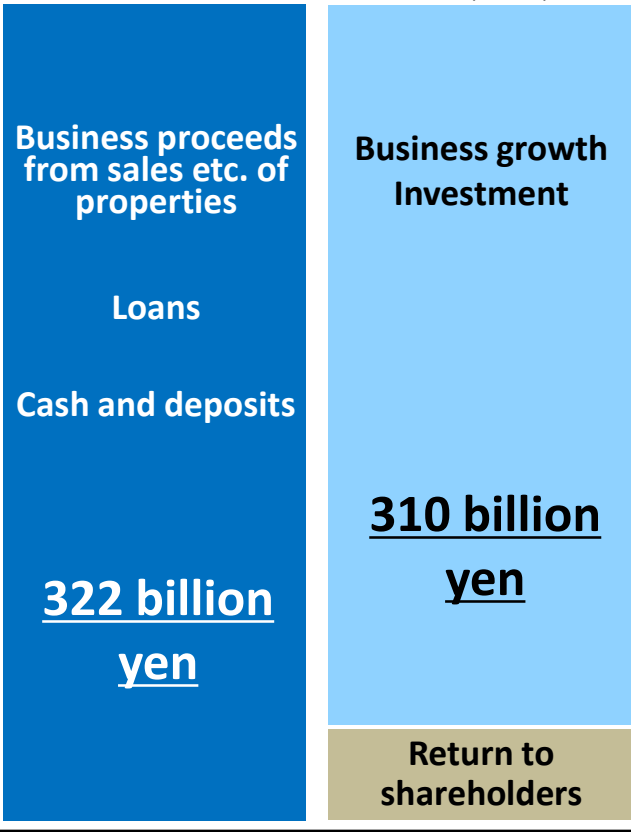
Specializing in Rent Guarantee Business for commercial buildings
Focusing on new acquisitions and contract growth

Aggressive Investment for Future Business Growth



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

【Cumulative capital income】 【Cumulative capital expenditure】



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	Invest in buildings that can be developed on a relatively large scale
New construction development	30 billion yen	Expanding investment in New Construction Business with our cultivated technologies
NY Apartments Replanning	20 billion yen	Increase investment to expand business in high-growth markets
Small-lot real estate properties	21 billion yen	Promotion of commercialization in Kansai and other regions in addition to Tokyo
Hotel development	70 billion yen	Aggressively invest to increase the number of operating rooms to 10,000
Vietnam Apartment development	9 billion yen	Investment in Da Nang, where high growth potential and housing demand are expected
Other M&A	10 billion yen	Actively use to accelerate business growth and create synergies
Dividend	12 billion yen	Increase dividends in line with profit growth and return to shareholders

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



Philosophy and Business Initiatives



SUN FRONTIER



The Value and the Course of Action shared by all employees, the Core of our Corporate Culture










Sustainability Management

Sustainability Vision

We will contribute to the realization of a sustainable society through our business activities, respecting the heart of altruism that is our company policy.

Sustainability website
https://www.sunfrt.co.jp/sustainability/library/sustainability_report/

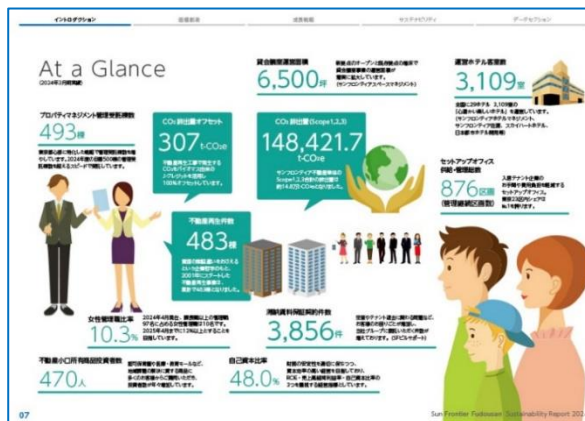


Important Challenges	Social issues to be solved	Main Measures	Targets (KPIs)	Related SDGs
Environmental Protection	Small and medium-sized buildings that can still be used if their value increases are being demolished = Waste of resources	<ul style="list-style-type: none"> Extension of healthspan of real estate "Energy conservation" and "Reduction of environmental impact" through real estate revitalization 	<ul style="list-style-type: none"> Economic lifespan extended by 30% or more Occupancy rate of buildings over 30 years old: 90% or more Continuation of management after the sale of replanning properties: 90% or more Reduce CO2 emissions by an average of 12% or more compared to building reconstruction work Carbon offset 100% Reduce greenhouse gas emissions by 22% from fiscal 2022 levels by 2030 and achieve carbon neutrality by 2050 	  
	Revitalization of the regional economy	<ul style="list-style-type: none"> Create buildings, offices, and spaces that are motivating and creative and contribute to economic growth 	<ul style="list-style-type: none"> Establish "Sun Frontier Wellness Score (SWO)," an in-house standard for the revitalization of real estate that takes well-being into consideration and increase the ratio of newly supplied replanning properties that exceed SWO to at least 30% in fiscal 2023, 50% in fiscal 2025 and 70% in fiscal 2030. Conduct tenant satisfaction survey (Company-owned properties) 	 
Regional Revitalization	Response to devastating natural disasters	<ul style="list-style-type: none"> Disaster prevention and mitigation through regional cooperation 	<ul style="list-style-type: none"> Provide set-up offices with emergency supplies or installation space At least five lots by fiscal 2023, and at least 20 lots by fiscal 2024 Providing information for tenants to prevent disaster. Posting disaster prevention information on the website: 100% (Company-owned properties) 	
	Decrease in the working-age population (decrease in the real labor force) due to the declining birthrate and aging population, and elimination of the gender gap	<ul style="list-style-type: none"> Respect for and utilization of diversity Create a workplace with "Job satisfaction," "creativity" and "growth opportunities" 	<ul style="list-style-type: none"> Increase the ratio of female managers to at least 12% by April 2025 Ratio of training hours to designated working hours: 12% or more Increase the amount of ordinary profit per hour compared to the previous year 	  
Human Resource Development				

Sun Frontier Sustainability Report 2024 Issued



Front cover



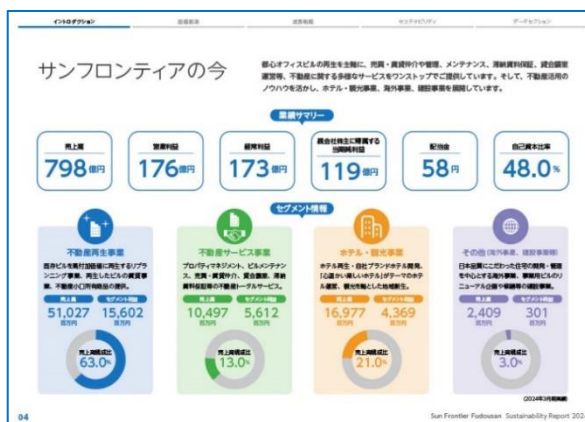
Financial and non-financial highlights



Sustainability management and materials



Top message



Business overview

[Main contents]

- Sun Frontier Philosophy
- History of Sun Frontier
- Top message
- Growth strategies
- Examples of sustainability activities
- ESG data Etc.

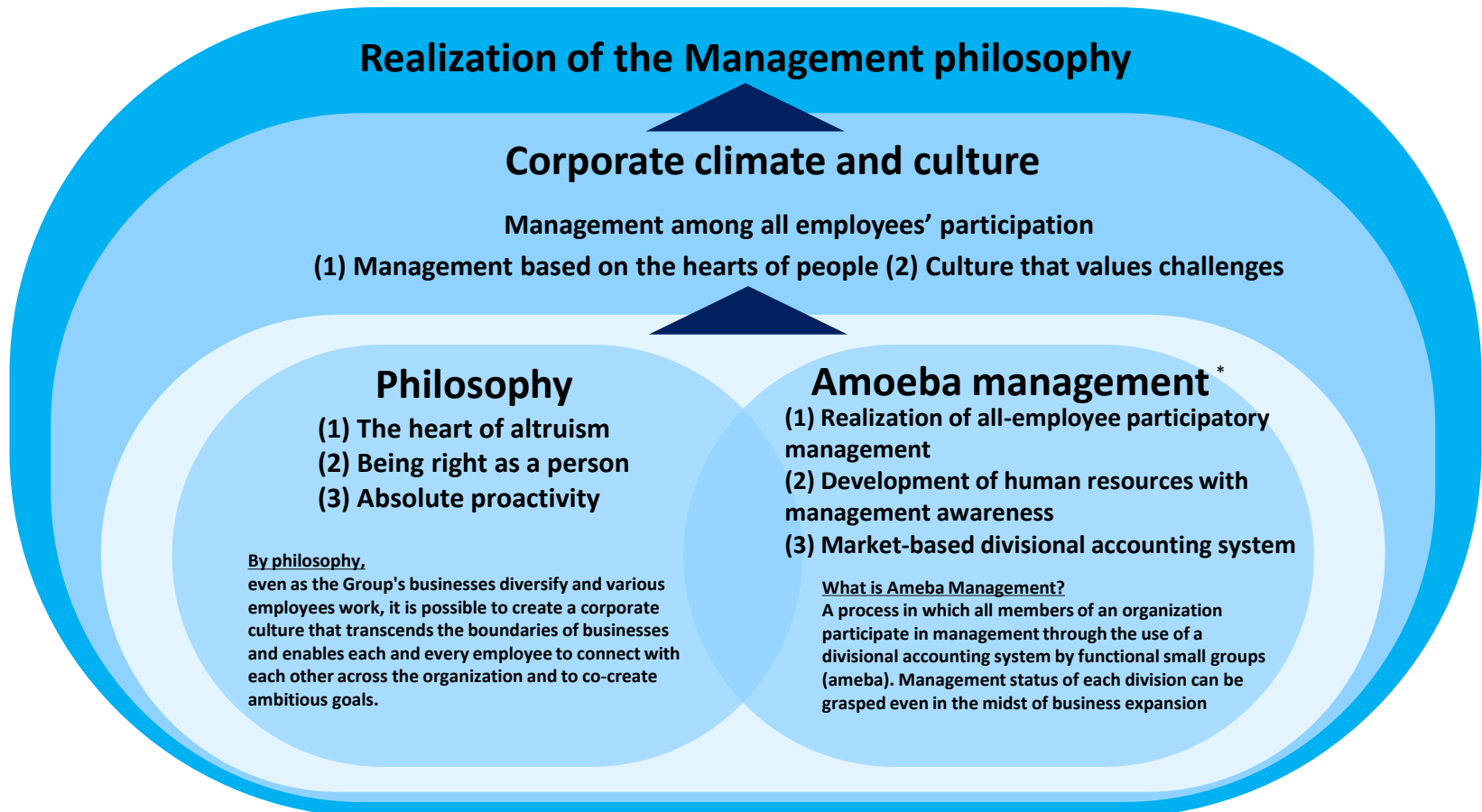
Sustainability website

https://www.sunfrt.co.jp/sustainability/library/sustainability_report/



Sun Frontier's Strength

Create a good corporate climate and culture based on the two wheels of Philosophy and Amoeba Management to realize our Management philosophy.



* Amoeba management is the registered trademark of KYOCERA Corporation.

Human Resource Development



Desired image of human resources

Human resources with both "the heart of altruism" and "frontier spirit"

Human Resources Development Policy

Develop human resources who can develop new fields with a frontier spirit toward the realization of a sustainable and affluent society together with colleagues who share values of altruism.

We aim to realize a society that can be passed down to future generations by fostering human resources who have the kindness to care for others around them and the strength to maintain personal integrity, and boldly take on challenges in areas where they have no experience. To this end, the pillars of our human assets are exploration, curiosity, self-motivation, autonomy, and respect for and utilization of diversity.

Environmental Improvement Policy

Create a work environment that provides "job satisfaction," "creativity," and "growth opportunities." Create a "co-creation" organization in which all employees set their own goals, work toward those goals with enthusiasm, and continue to create new value based on mutual trust.

- | | | |
|---------------------------|---|---|
| Job satisfaction | — | A corporate culture that encourages challenge and growth |
| Creativity | — | A corporate culture that envisions the future and aims to create new value |
| Growth opportunity | — | A corporate culture that stimulates the desire to learn and works toward high goals |

Human Resources Development Policy

Respect for and utilization of diversity

Environmental Improvement Policy

Creating a workplace with motivation, creativity, and growth opportunities

Measures

- Creation of a work environment suited to each employee's life stage and provision of flexible training opportunities
- Cultivating Ameba leaders for business diversification and organizational expansion
- Establish training programs for the next generation leaders, improve support systems for external training, and increase the ratio of training hours to designated working hours to 12% or more.
- Use of DX, improvement of business processes and individual capabilities, and year-on-year increase in ordinary profit per hour

Key Points

Strengthening the human resource base

Manufacturing from the perspective of customers and heart-warming services

Promotion of core business tie-ups and diversification

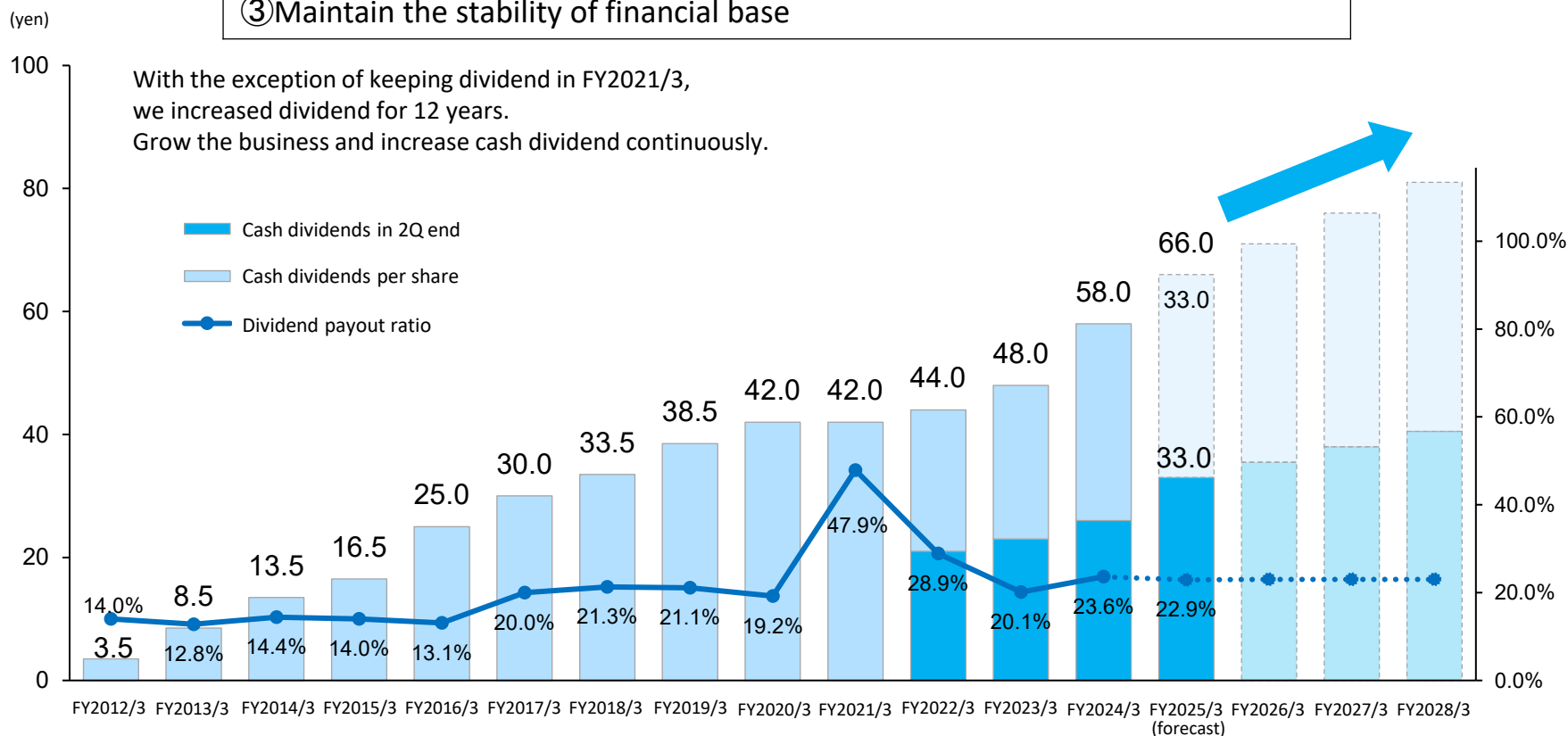
Basic Policies of the next Medium-Term Management Plan

Working to resolve social issues by promoting core business tie-ups and diversification through customer-oriented manufacturing and heart-warming services

Shareholders Return

Basic Policy for Shareholder Return

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



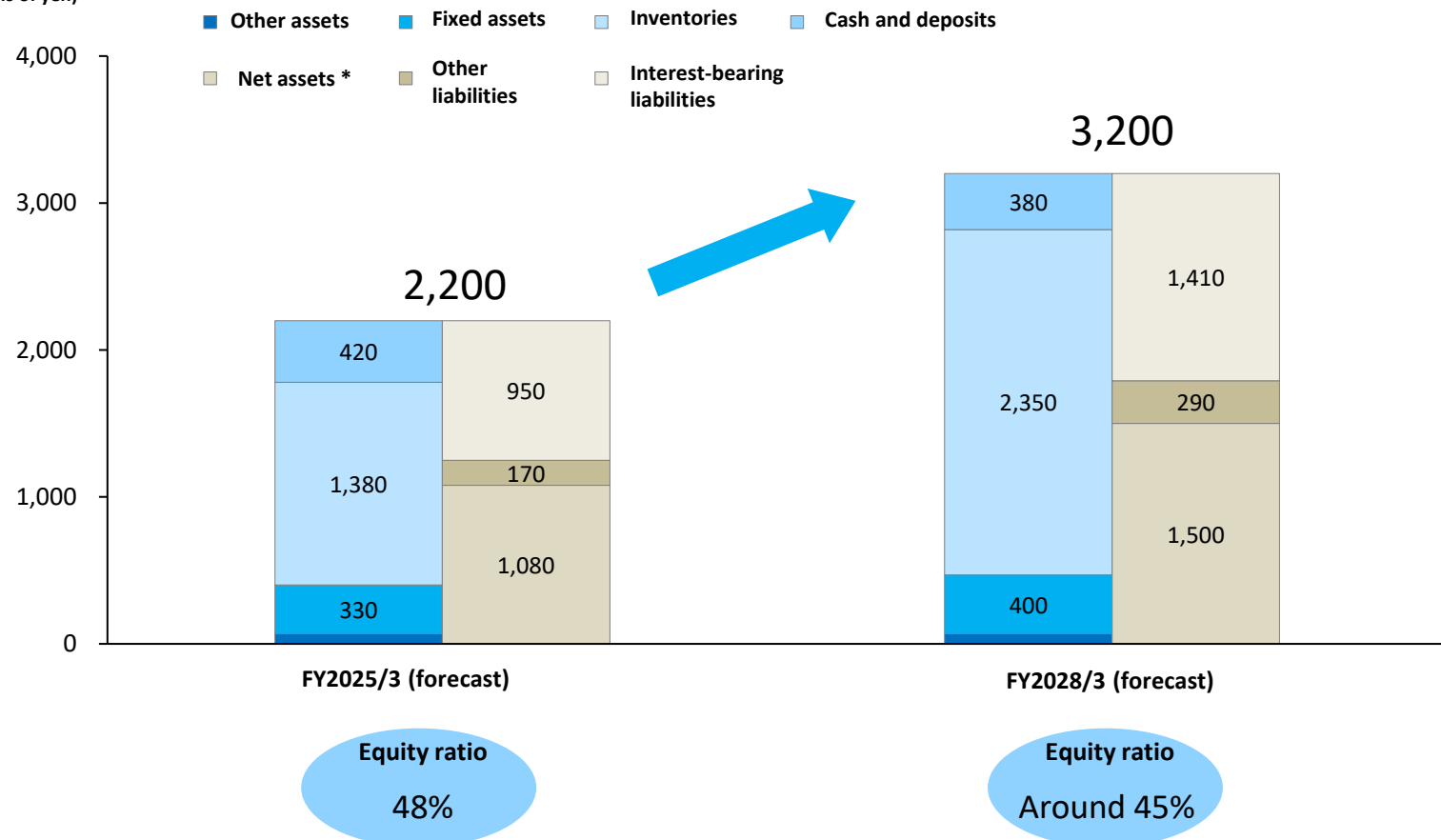
※1 Interim dividend started from FY2022/3

※2 Dividends are anticipated in expectation of the progress of conversion of CB to stocks at the end of each period from FY25/3 to the end of FY27/3.

Simulation of Balance Sheet

Expand total assets by investing more aggressively for future business growth while maintaining financial discipline

(100 millions of yen)

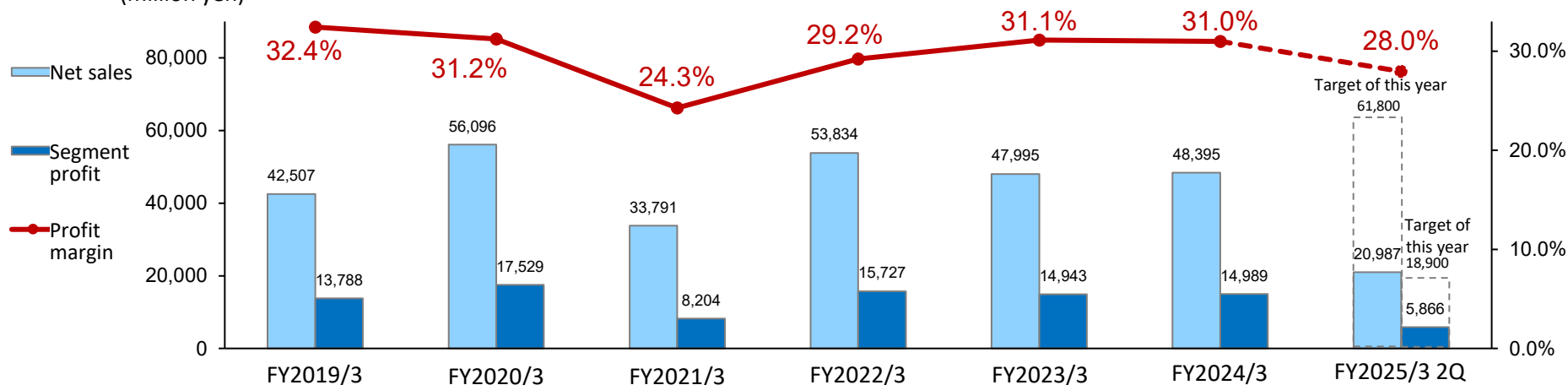


* From FY2025/3 to end-FY2027/3, conversion of convertible bonds into shares is expected to progress at the end of each fiscal year.

Trends in the Performance of Replanning Business and Property Acquisitions

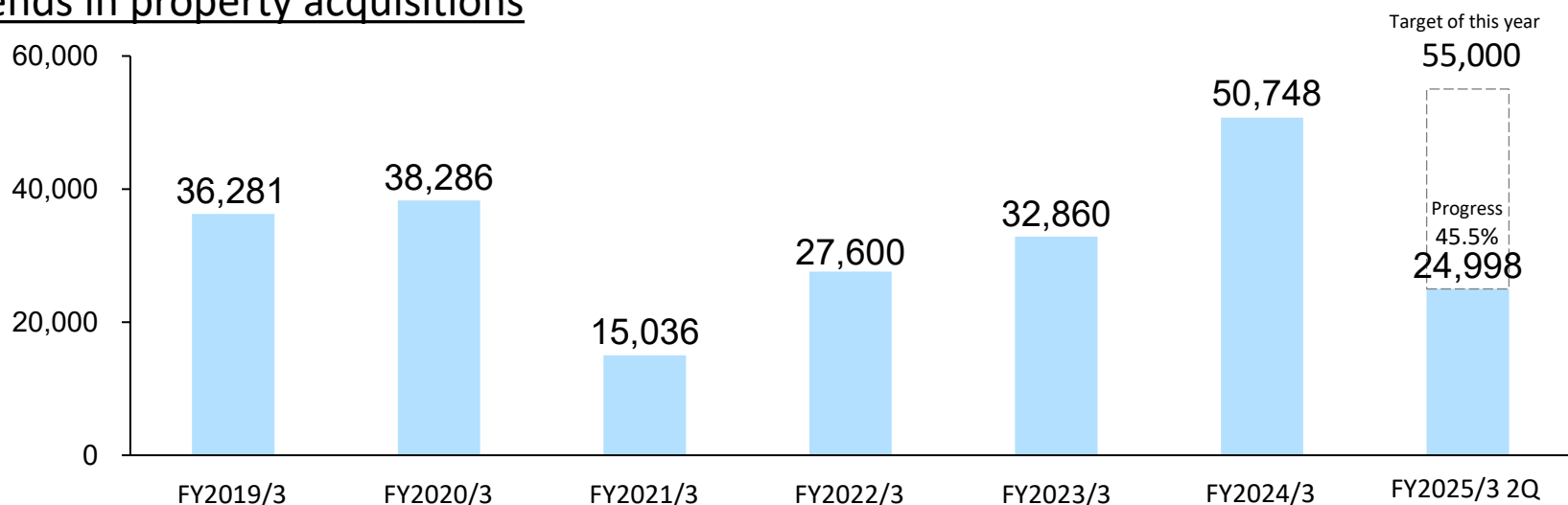
● Trends in net sales, Segment profit and Segment margin

(million yen)



● Trends in property acquisitions

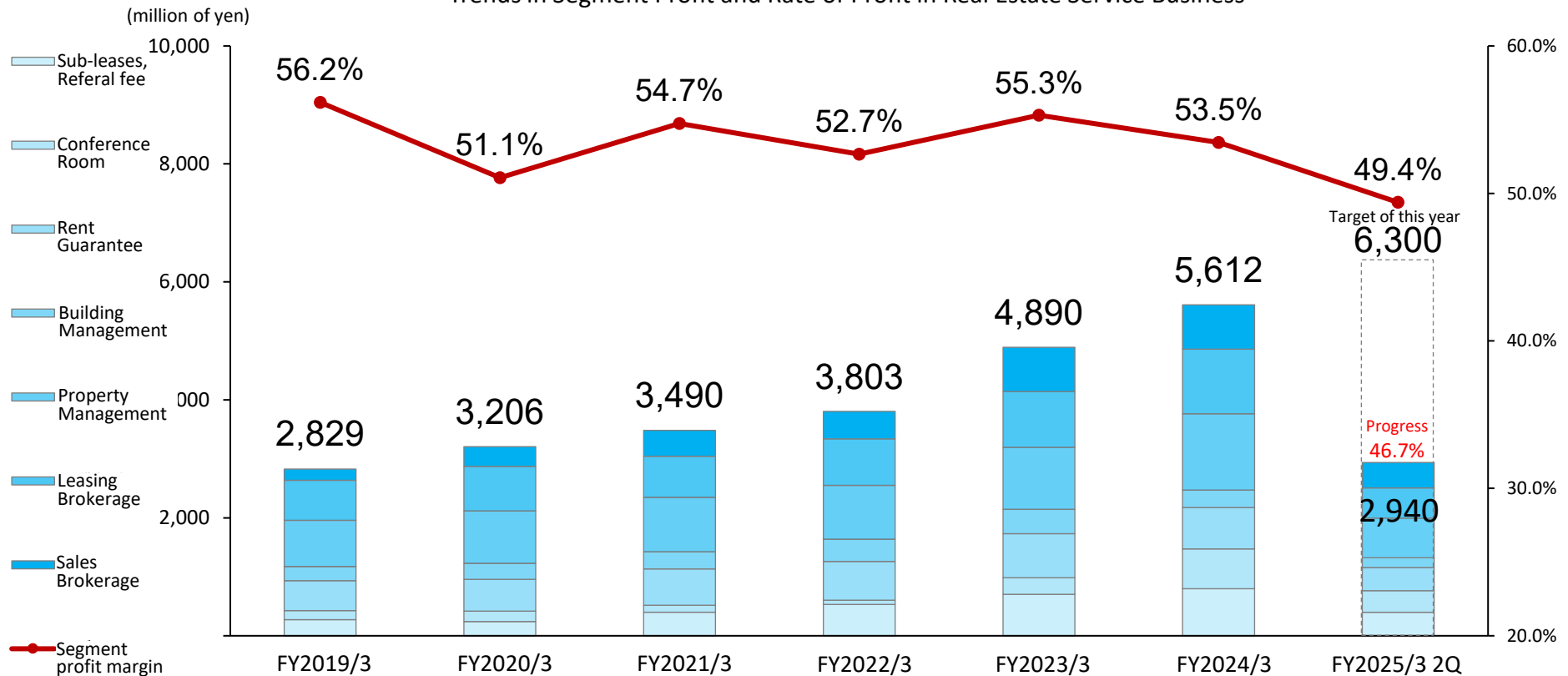
(million yen)



Steady Growth in Real Estate Service Business

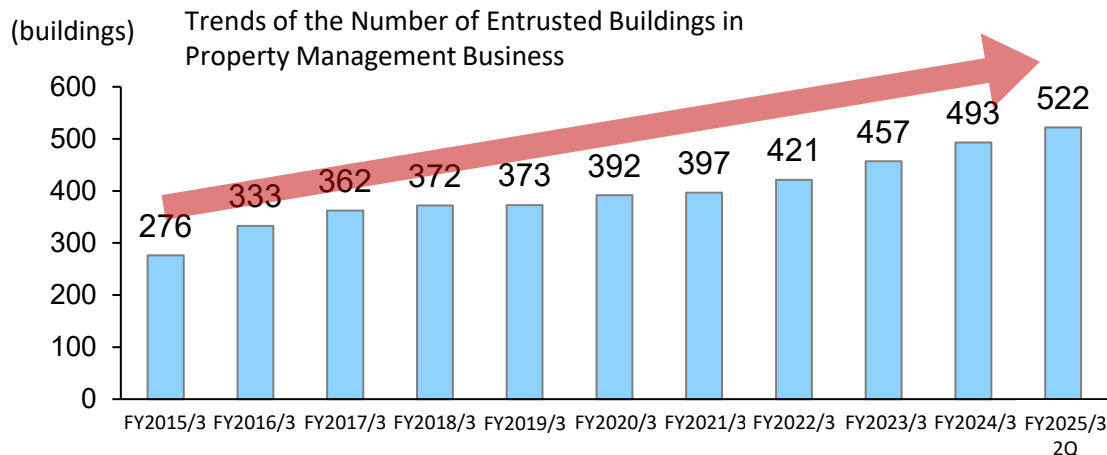
Stock Business continues to grow steadily as stable business. The profit in FY2025/3 is expected to record a new high.

Trends in Segment Profit and Rate of Profit in Real Estate Service Business

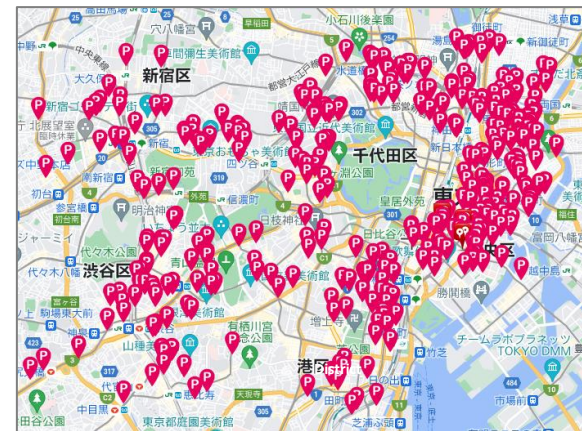


Real Estate Service Business Continues to Expand Its Customer Base

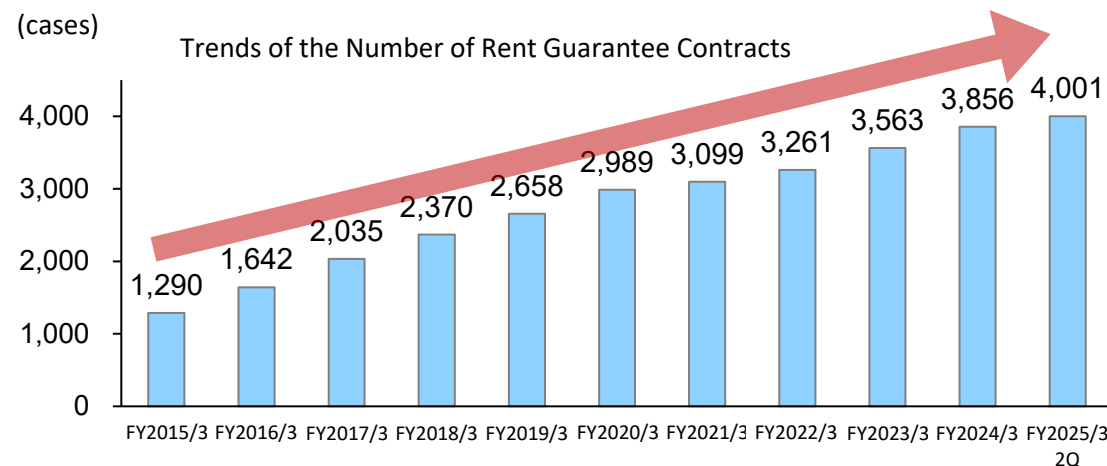
Expanding as a platform for business growth



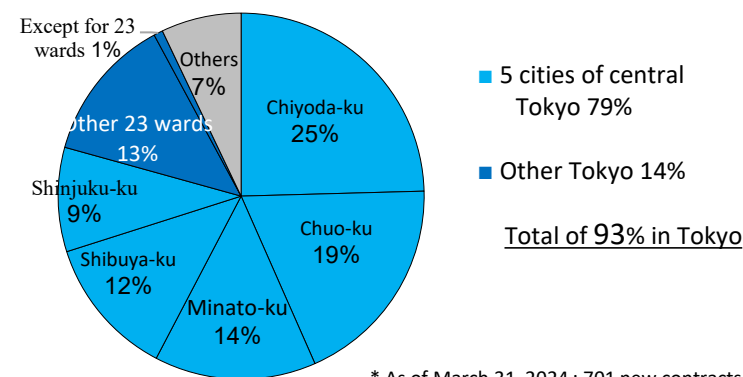
【Property Management entrusted property distribution】



Entrusted properties of the Company



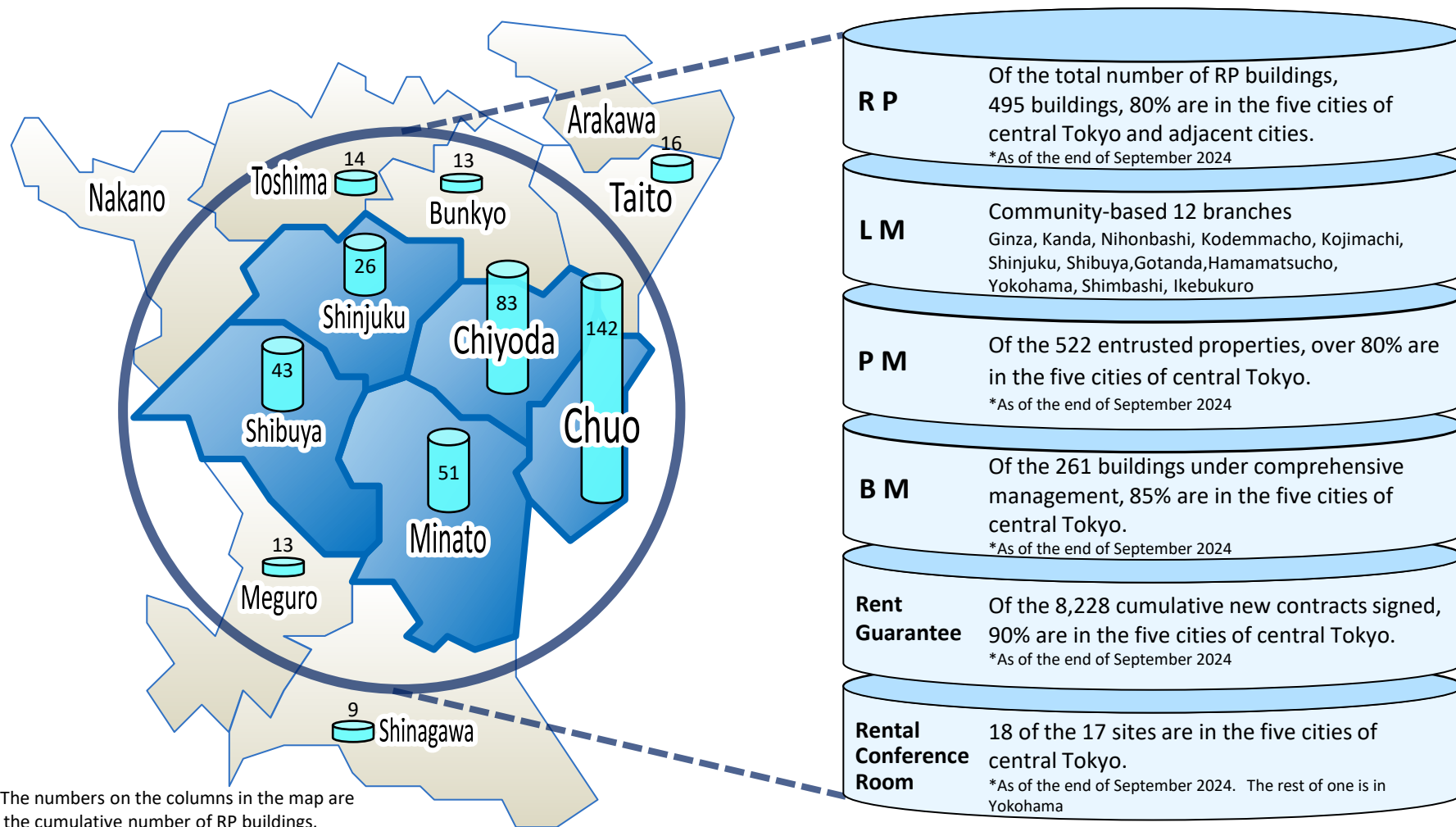
【Percentage of new contracts of Rent Guarantee by area】



* As of March 31, 2024 : 701 new contracts

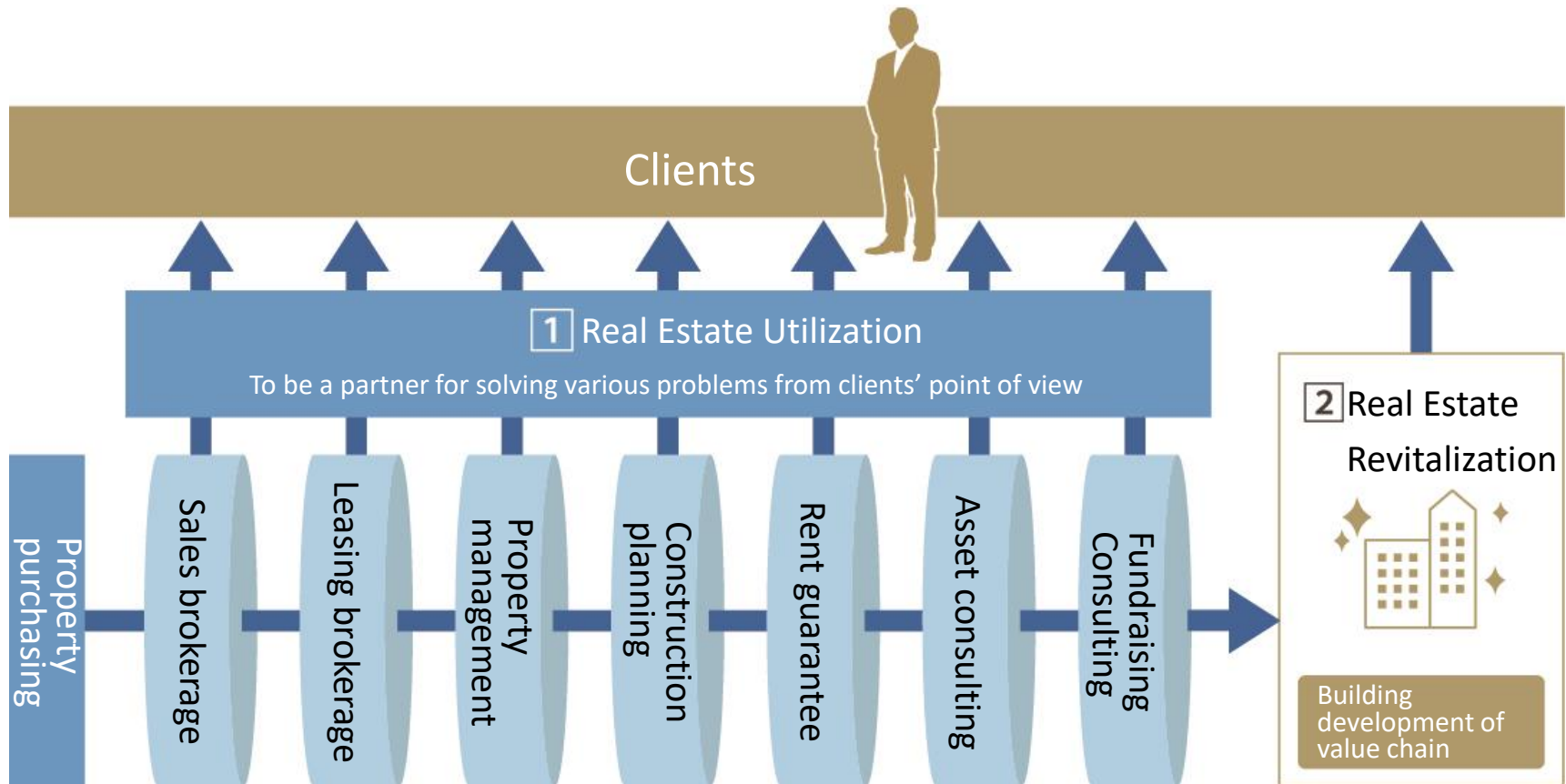
Strategy in Office Business

Solving client's various problems, mainly in the five cities of central Tokyo.



Strengths in Office Business

With in-house manufacturing from purchase, development, leasing to sales and consulting, we solve various problems by getting client's needs correctly.

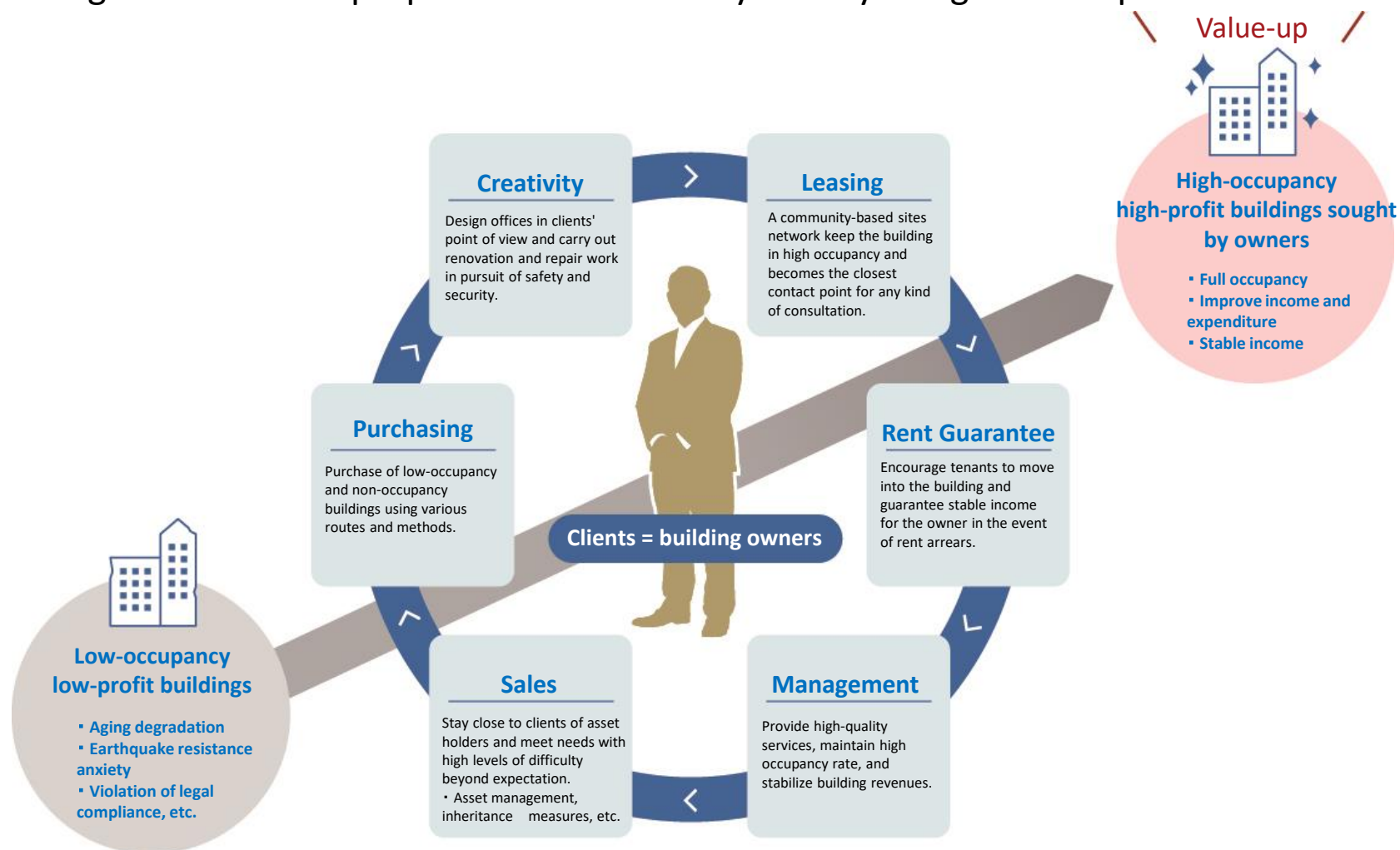


1 Real estate utilization: Get close to our clients and solve various problems. Capture the source of added value from clients' voices.

2 Real estate revitalization: Utilize the needs we earned and the know-how for improving the valuation to conduct sales activities.

Business Model for Replanning Business

Renovating the office buildings with low occupancy and in need of large-scale repairs into high-value-added properties demanded by society using “clients’ point of view.”



Set-up Office Share

"Set-up Office" is a kind of office replanned by our Company. Unlike regular office interiors, there are reception and reception room, etc., in the office with highly designed interior. We also provide some equipment for rent or fixtures pre-installed.

◆ Four benefits for tenant companies

Merit 1) Reduced burden on management

No need for unfamiliar tasks such as designing office interiors and selecting interior decorators, significantly reducing management's effort.

Merit 2) Immediately available after moving

Increase the net estimated internal useful life due to no work other than wire-related work and moving, a significant reduction in the relocation period and a shorter construction period for interior finishing and restoration.

Merit 3) Reduced financial burden

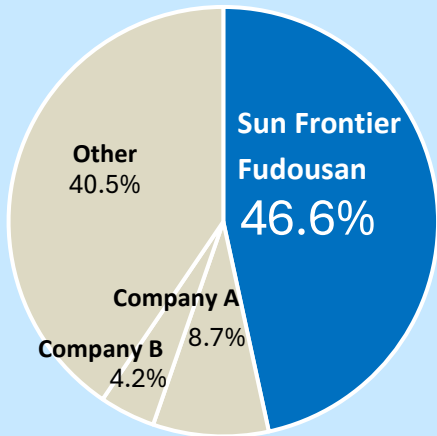
Significant cost reduction for office interiors, etc., and no interior assets recorded by tenants.

Merit 4) Employment, motivation and productivity improvement

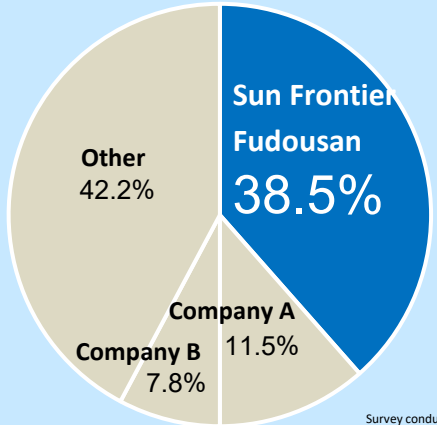
Improve employment of human resources, employee motivation, and office productivity by the office interior that pursues a high level of design, focusing on design, functionality, and various usage scenes.

The share of Set-up Office in 23 wards of Tokyo

Based on the number of rental rooms



Based on rental area



Survey conducted in February 2024
Survey planning: Sun Frontier Fudousan Co., Ltd.
Survey conducted: H. M. Marketing Research

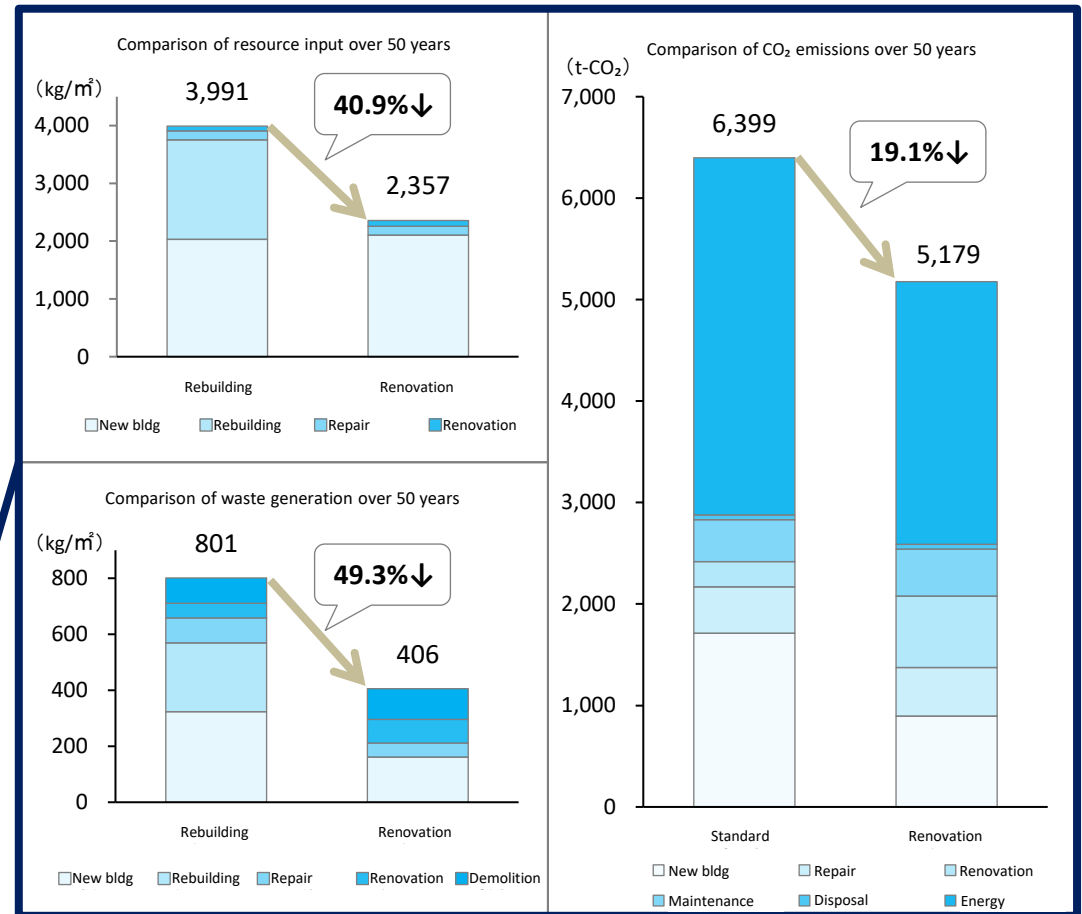
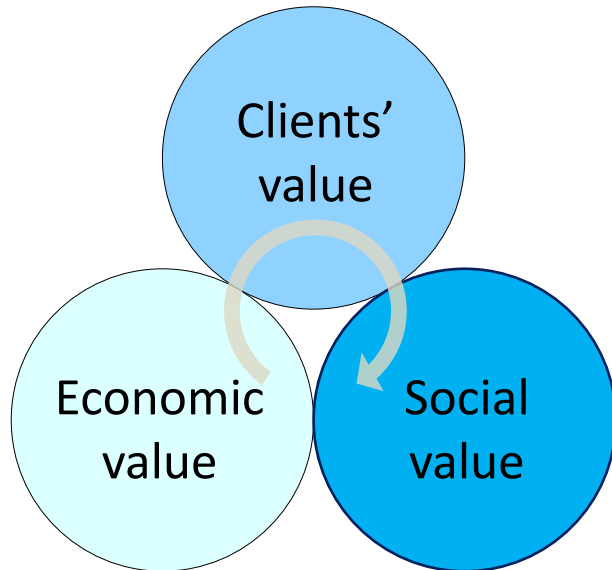
Create both Customer Value and Social Value

Solving social issues through supporting our clients' business.

Supporting the business growth for building owners and tenants through our Replanning Business.

II

Utilizing the limited, keeping challenging to create new value, and aiming to become the most appreciated visionary company in the world.



<Assumptions and rationale> Assuming a 30-year-old office building of approximately 3,000 square meters, the environmental contribution over a 50-year period (the service life of SRC office buildings) was estimated based on the Architectural Institute of Japan's LCA Tool (*).
 • Rebuilding: "In the case of rebuilding every 35 years" • Renovation: "Regeneration without destroying old buildings (long-life buildings)" • Standard: "Assuming a 30-year-old unrenovated building"
 *Architectural I "LCA Tool for Buildings Ver5.0 - Evaluation Tool for Global Warming, Resource Consumption and Waste Management", estimated with the cooperation of Engineering Research Institute of Japan.

Business Model of NY Apartment Replanning Business

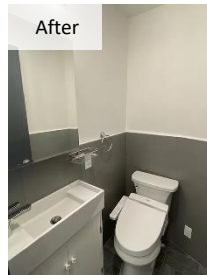
Use high-quality technology to add value to apartments that are over 100 years old in the United States, where growth is high



The United States has a high growth rate and its population continues to grow. Manhattan in New York has many jobs and high housing demand.

A 100-year-old brick apartment in Manhattan, New York

▪ Example of construction



Separate bathrooms and toilets
Installation of washlet toilets



Installation of a built-in kitchen



Replanning to a comfortable living space (Interior and furniture are a sample image)

Point 1

Long-term stable assets can be held in New York, the world's largest city

Point 2

High-quality building renovated and repaired by Sun Frontier

Point 3

Sun Frontier's buildings can be purchased after consideration.

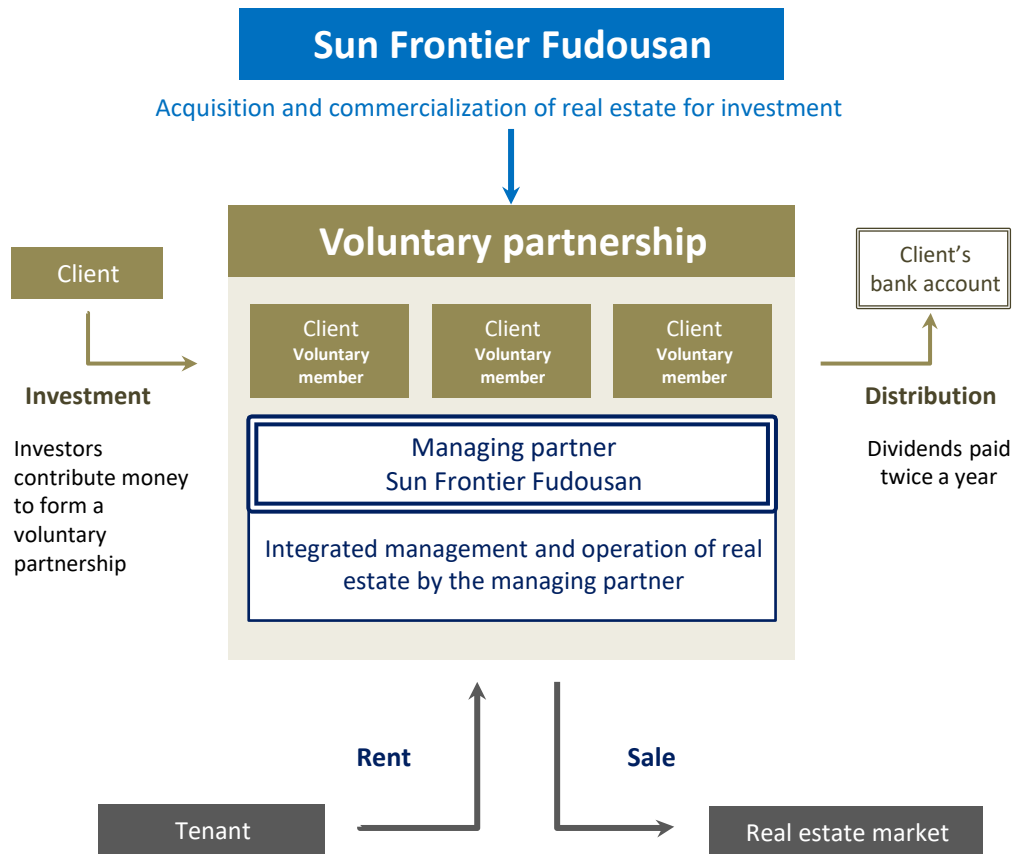
Point 4

Sun Frontier will conduct both building management and lease operation after purchase.

Specified Joint Real Estate Ventures (Sale of Small-lot Real Estate Properties)

Realizing a form of real estate ownership that makes it easy to divide the estate to the successor and makes asset management easy.

Scheme of the Compass series



Features of the Compass Series

Point 1

Easy acquisition of prime real estate that can be expected to operate stably

Point 2

Easy and secure management and operation by Sun Frontier Fudousan

Point 3

Can be used as a measure against asset division

Examples of Compass Series



New licensed nursery school in Setagaya, Tokyo



New licensed nursery school in Ueno



New Medical and Educational Mall in Ota-ku, Tokyo

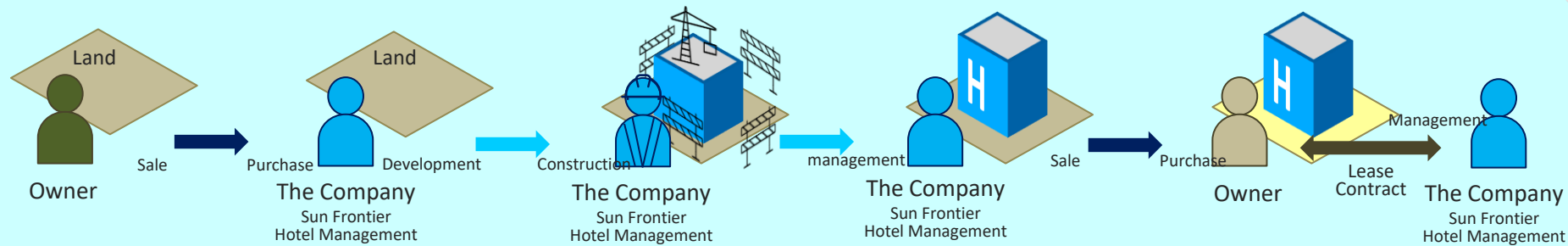


New licensed nursery school in Takanodai, Nerima

Hotel Development Business and Hotel Management Business

Selling the hotel we developed after operation

After the sale, the property is leased and managed, contributing to asset formation as a profit-making property



* In addition to the method of acquisition and development of the land, the optimal development method is selected according to the case, such as renting and leasing the land and the building.

Examples of hotels under development and management



Hiyori Hotel Maihama
Opened in July 2017, sold and currently in operation



Hiyori Hotel Nanba Ekimae
Opened in May 2019, currently in operation



Tabino Hotel Kurashiki Mizushima
Opened in February 2020, currently in operation



Tabino Hotel Kashima
Opened in April 2020, currently in operation



HIYORI Ocean Resort Okinawa
Opened in February 2021, sold and currently in operation



Tabino Hotel Iit Miyakojima
Opened in June 2021, currently in operation



Tabino Hotel Iit Matsumoto
Opened in July 2021, currently in operation



Sora Niwa Terrace Kyoto
Sora Niwa Terrace Kyoto Bettei
Opened in June 2022, currently in operation

Trends for Each Indicator and Initiatives for ROE Improvement

Ordinary Profit Margin

Enhance added value in clients' point of view and evolve and grow highly profitable businesses.

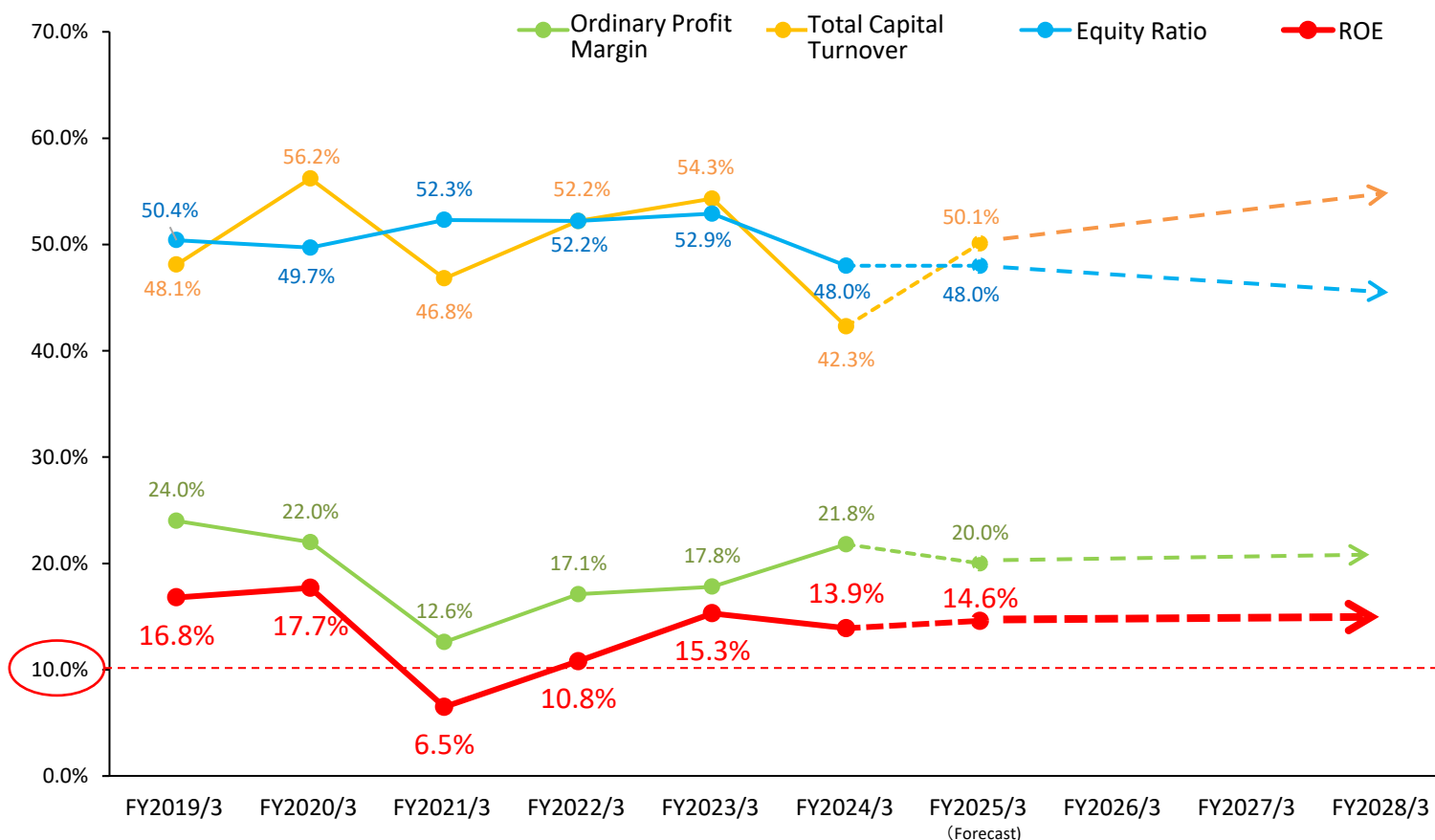
Total Capital Turnover

× Increase efficiency by shortening business period and increasing stock business sales.

Equity Ratio

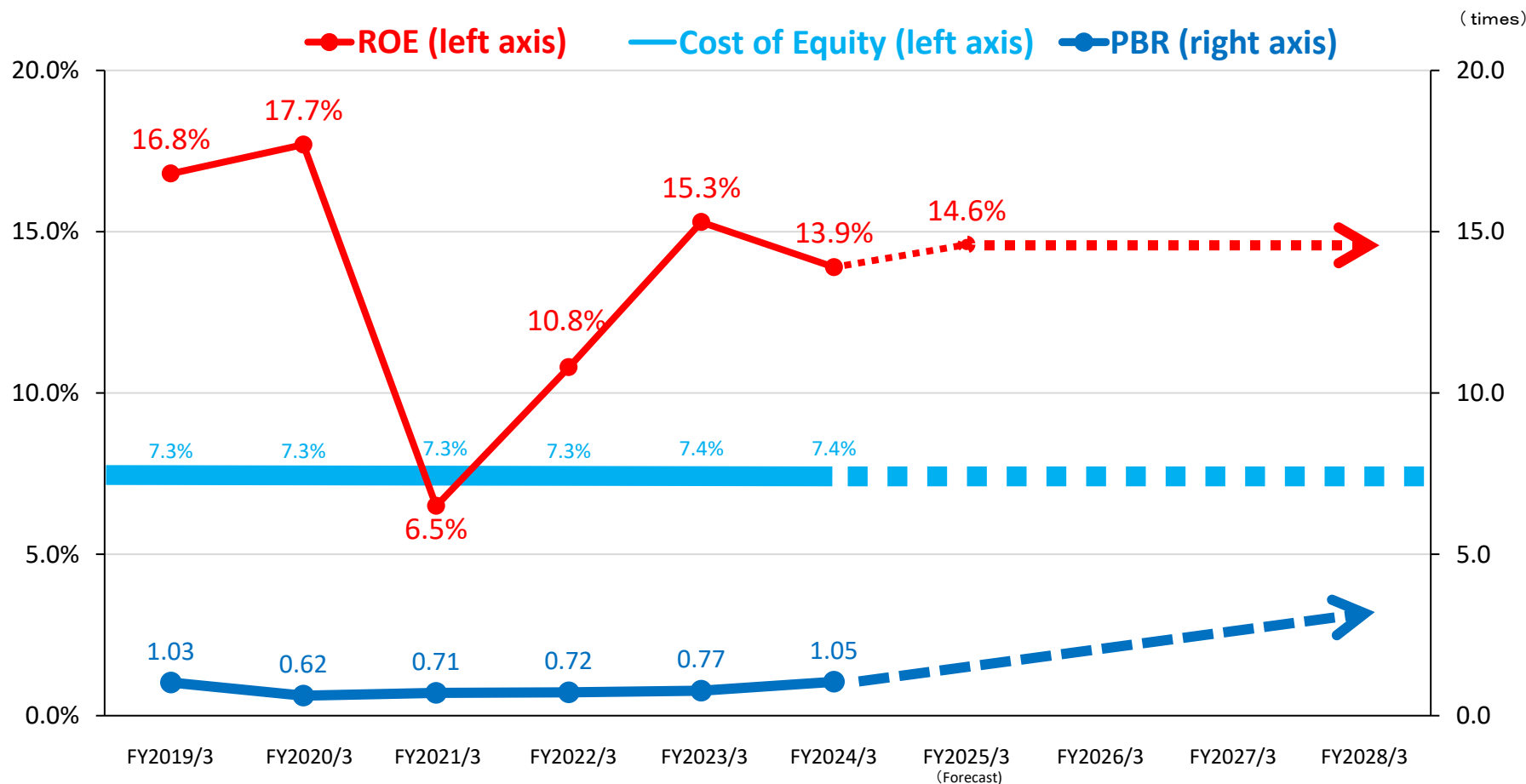
× Maintain financial soundness while promoting investment and accelerating business.

= Improving ROE



Improve PBR by the initiatives for ROE Improvement

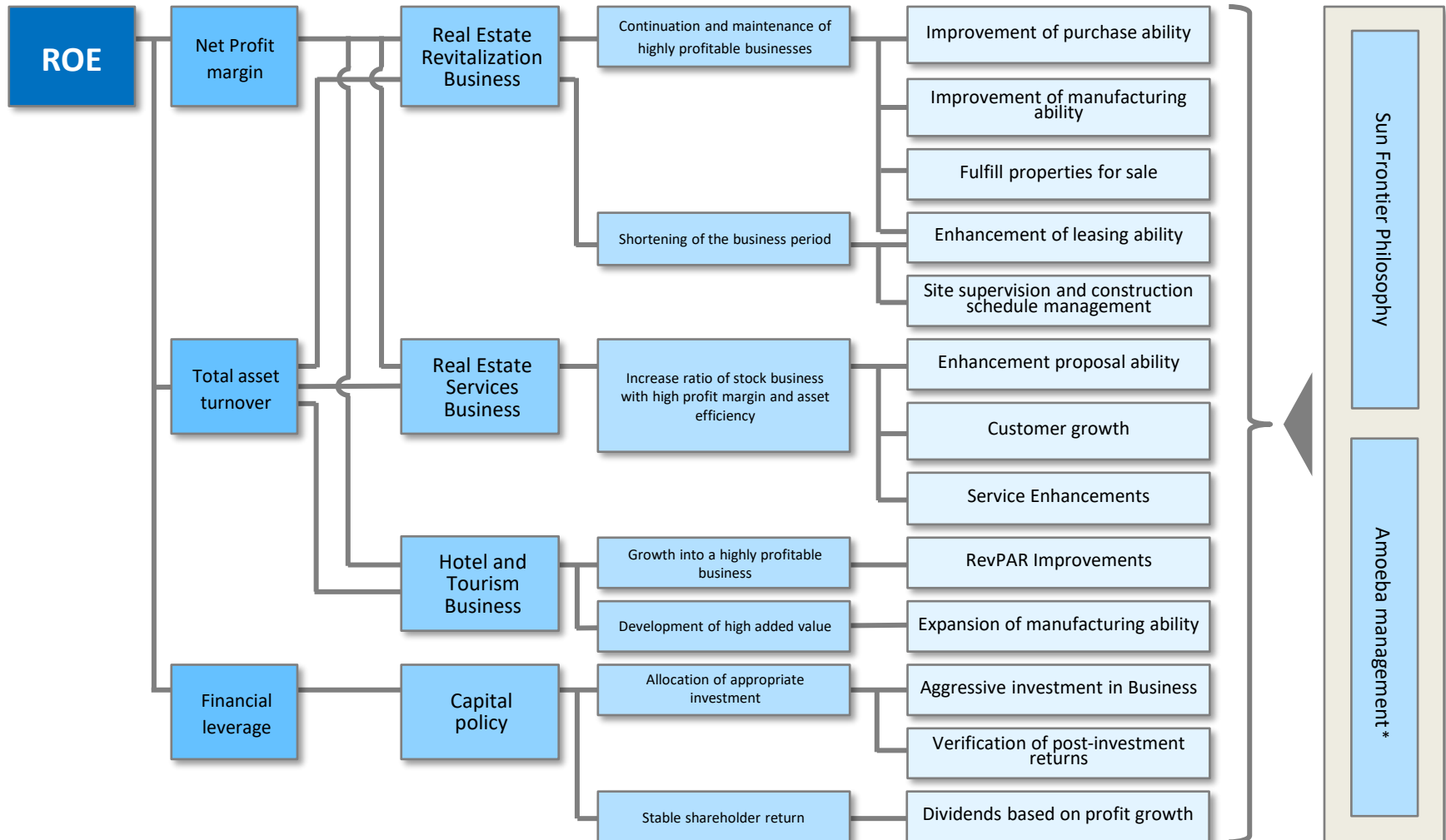
Increase PBR by maintaining an ROE that exceeds the cost of shareholders' equity.



※Cost of Equity is calculated by Capital Asset Model. Cost of Equity will be around 7 to 8%.

Driver to improve ROE

Keep employees in high engagement through Sun Frontier Philosophy and Ameoba Management. Promoting Business by the style of “All join to Management”.



* Ameoba management is the registered trademark of KYOCERA Corporation.

Strengthening IR Activities





We have revamped our IR website by adding a real-time stock price display and a chart generator!

Sun Frontier IR website

https://www.sunfrt.co.jp/ir_info/



Actual result of main activities of IR		FY2023/3	FY2024/3	FY2025/3
Presentation of financial results	Held every quarter by President Representative Director, Seiichi Saito.	Held 4 times	Held 4 times	Held 4 times (forecast)
Individual IR meetings	Conducted individually as needed. (mainly handled by President Representative Director and IR staff).	61 times	68 times	48 times (until 2Q)
Property visit (RP properties)	Invite to RP properties ✕for analysts and institutional investors	-	9 times	4 times (until 2Q)
Property visit (sites of Vision Center)	Invite to sites of Vision Center ✕for analysts and institutional investors	-	1 time	1 time

Disclosed materials		Shareholder benefit program	
Financial Results	Disclose Japanese and English version simultaneously. Disclose Chinese version within a week after Japanese.	Outline	Discount coupons for hotels operated by our group companies based on the number and period of shares held.
IR Presentation	Disclose Japanese, English version and Chinese version simultaneously.	Period	From July 1st of the issuance year to June 30th of the following year.
Annual Securities Report	Disclose Japanese and English version.	Details	For the details, please review to the website of Shareholder benefit program. https://www.sunfrt.co.jp/ir_info/stockholder_benefit_plan/
Notice of General Meeting of Shareholders	Disclose Japanese and English version.		
Analyst Report	<div> FISCO 【Japanese】  </div> <div> Shared Research 【Japanese】  </div> <div> 【English】  </div>		



References Materials



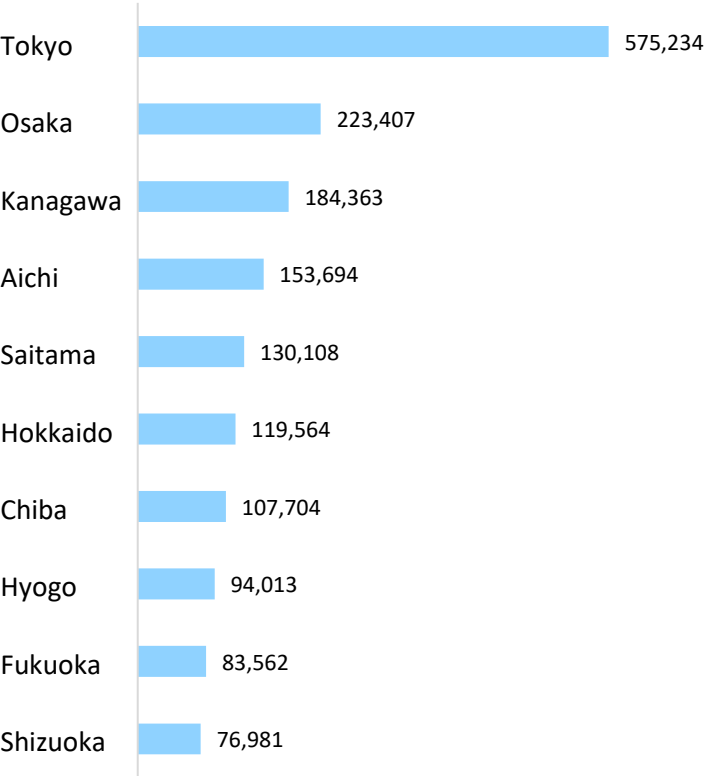
SUN FRONTIER

Number of Corporations by Prefecture and Number of Office Buildings in Tokyo's 23 wards



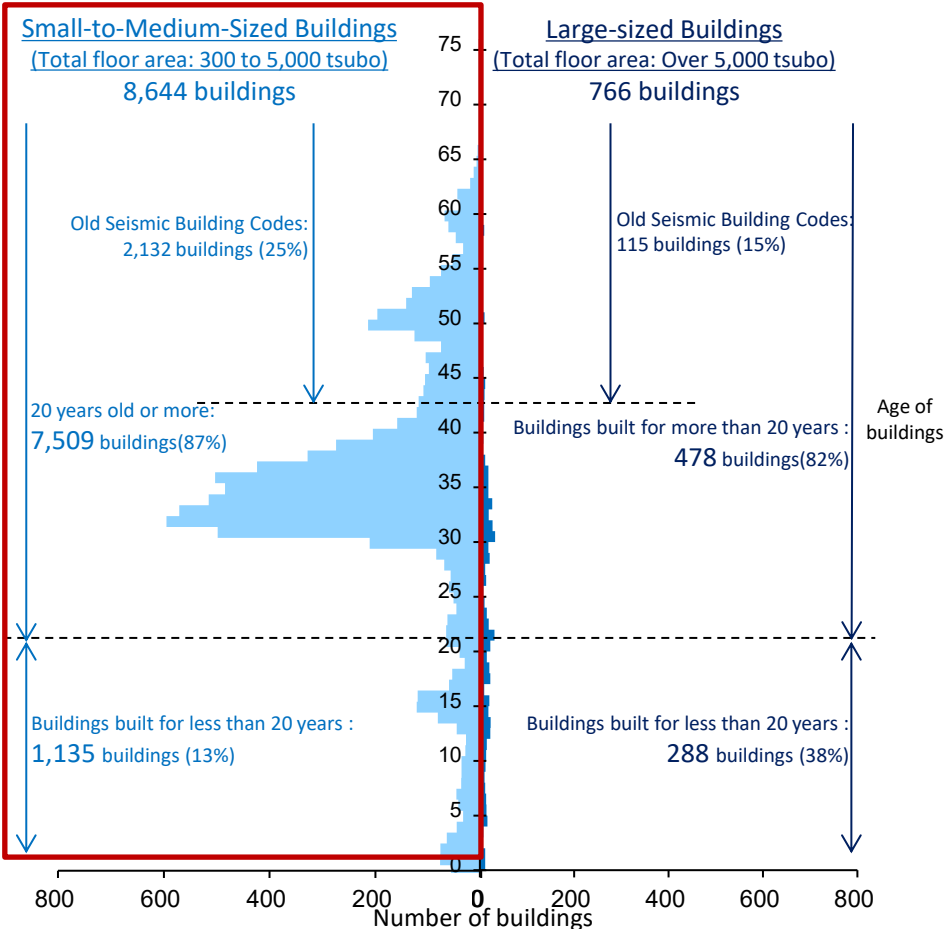
In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Top 10 Prefectures in Number of Corporations



Source: Compiled by the Company based on the National Tax Agency's "Number of Corporations by Prefecture".

Tokyo 23 cities with 9,410 buildings

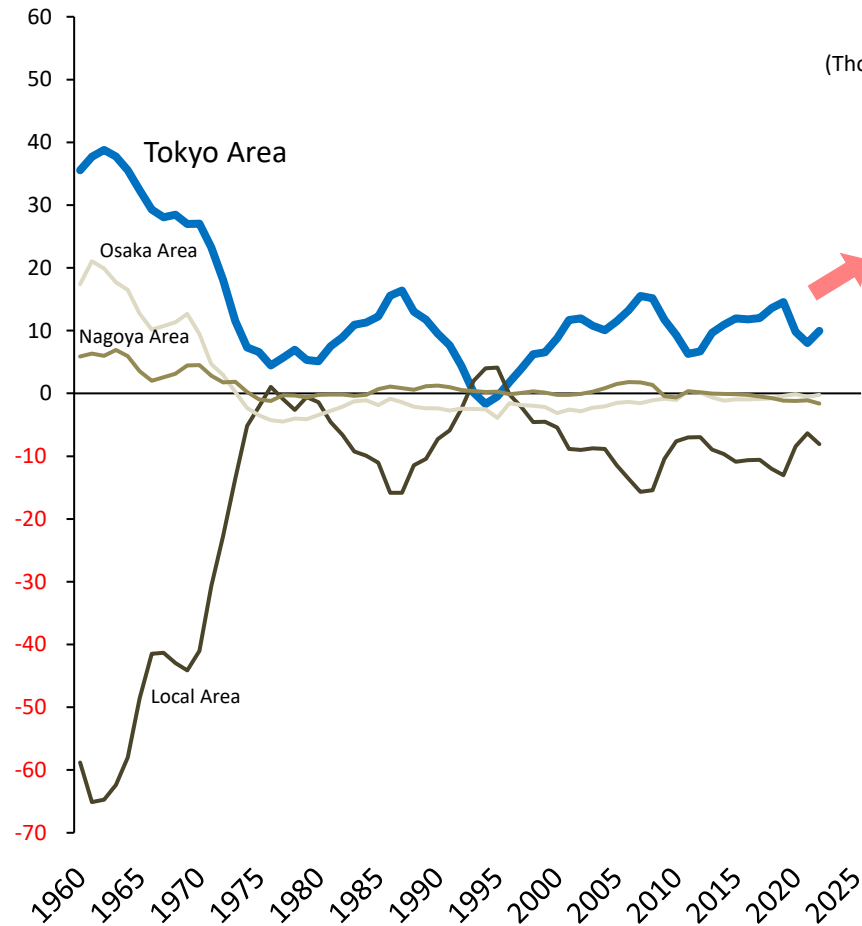


Source : Created by us based on "Tokyo 23 cities Office Pyramid 2023 (based on the number of buildings)" (Xymax Real Estate Institute)

Transfer of Tokyo Area and Japanese Population

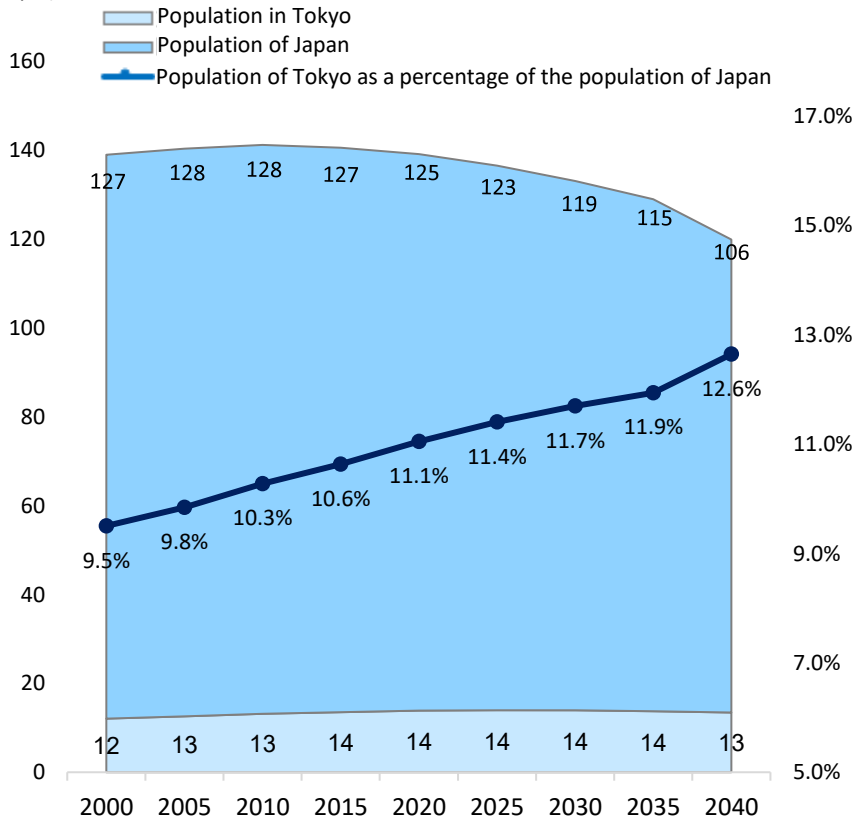
While the population of Japan is decreasing, the population of Tokyo is increasing as more people are moving into the Tokyo area.

(Thousand people)



Source: Prepared by the Company based on Statistics Bureau, Ministry of Internal Affairs and Communications, "Number of New Residents by Address Before and After"

Ratio of Tokyo population to Japanese population (estimate)

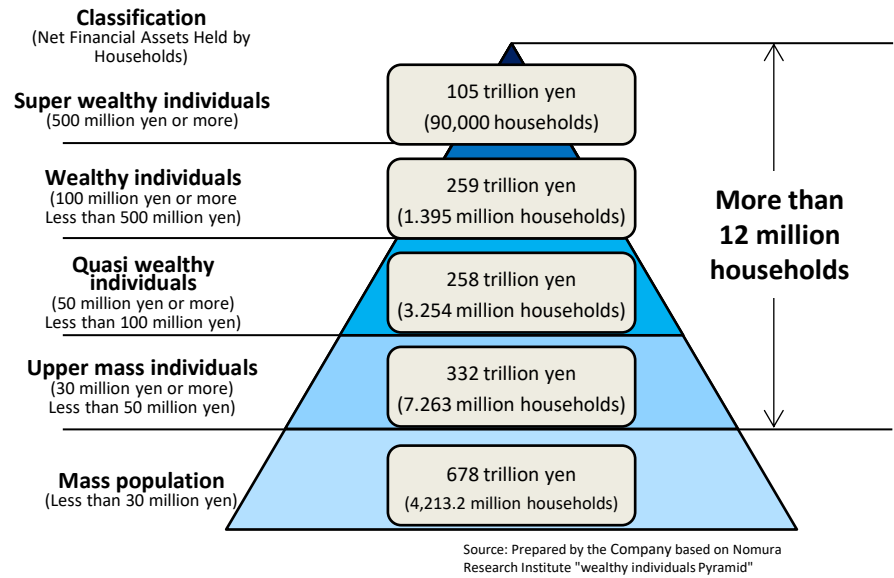


Source: Compiled by the Company based on Tokyo Metropolitan Government statistics - "Population of Tokyo (Estimate)."

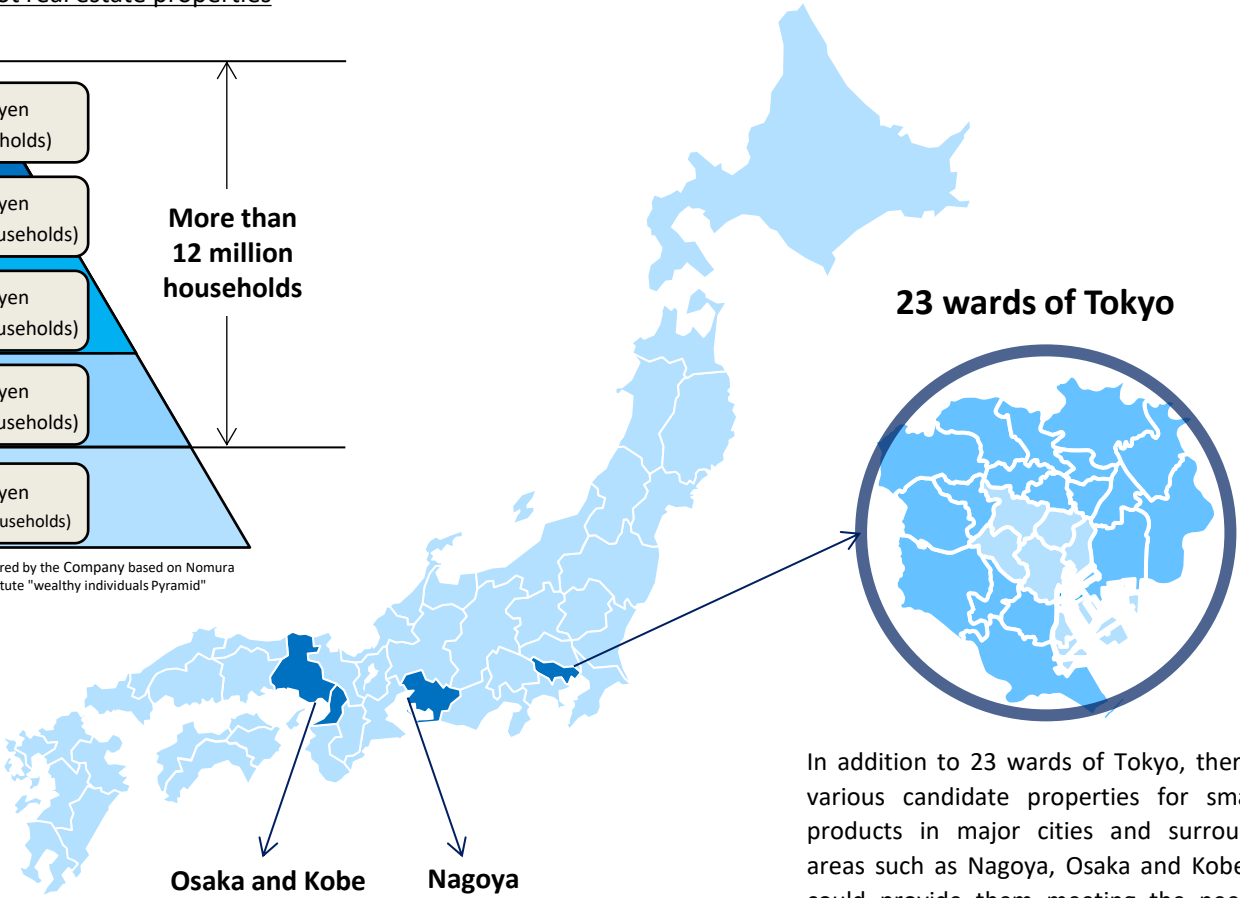
Marketability in small-lot real estate property

Promote commercialization of small-lot real estate properties in major cities. Make proposals meeting needs of investors throughout Japan.

There are more than 12 million households nationwide of potential customers in small-lot real estate properties



- Small-lot real estate properties
- Nursery school
 - Educational and medical malls
 - Commercial buildings
 - Office buildings
 - Land, etc.
- Provide wide varieties of properties

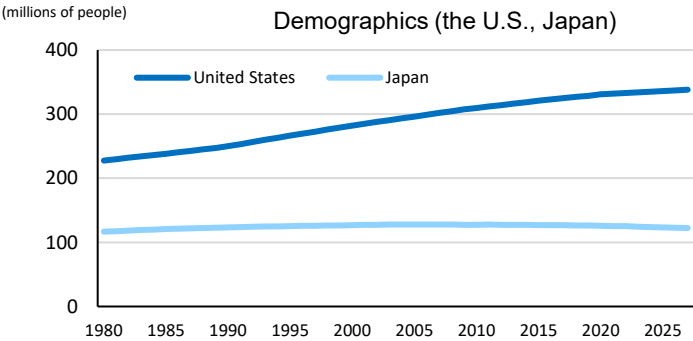


In addition to 23 wards of Tokyo, there are various candidate properties for small-lot products in major cities and surrounding areas such as Nagoya, Osaka and Kobe. We could provide them meeting the needs of investors nationwide

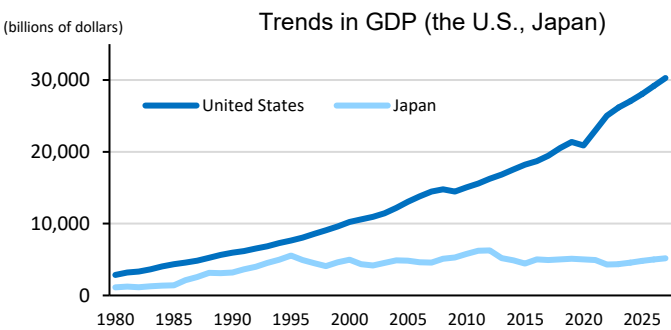
Overseas Markets (the U.S., Vietnam)

Supplying Japan's high-quality residential real estate in the United States (New York) and Vietnam (Danang), where population growth and high growth rates continue

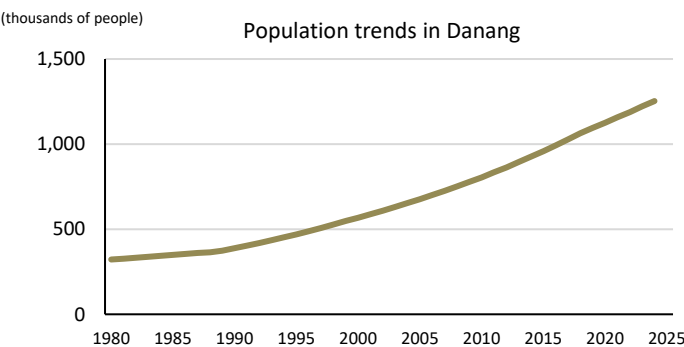
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



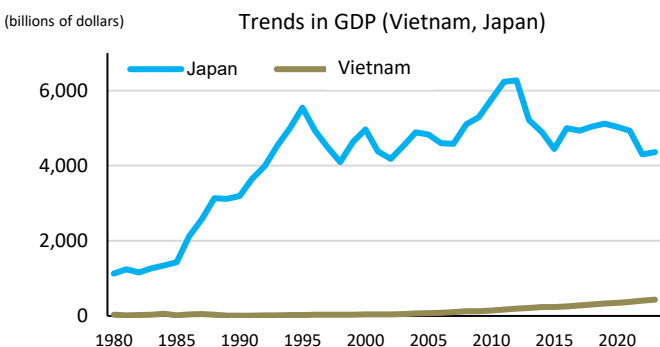
In contrast to Japan, where the growth rate is flat, the U.S. has a very high growth rate, has many jobs, and is expected to continue to have a high demand for real estate.



Da Nang is the third largest city in Vietnam. The population exceeded 1 million in 2017 and has continued to increase since then, and high housing demand is expected in the future.



Although the GDP of Vietnam is lower than that of Japan, the growth rate is higher than that of Japan, and Vietnam is considered to have a high potential for future.



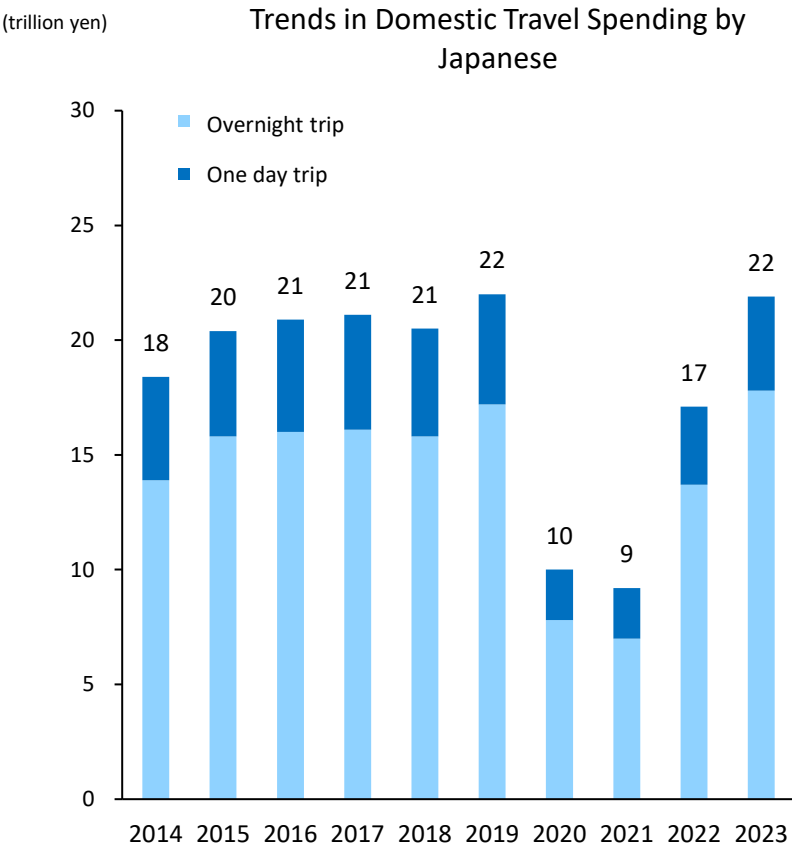
Source: IMF World Economic Outlook database (prepared by the Company)

Recognition of the business environment

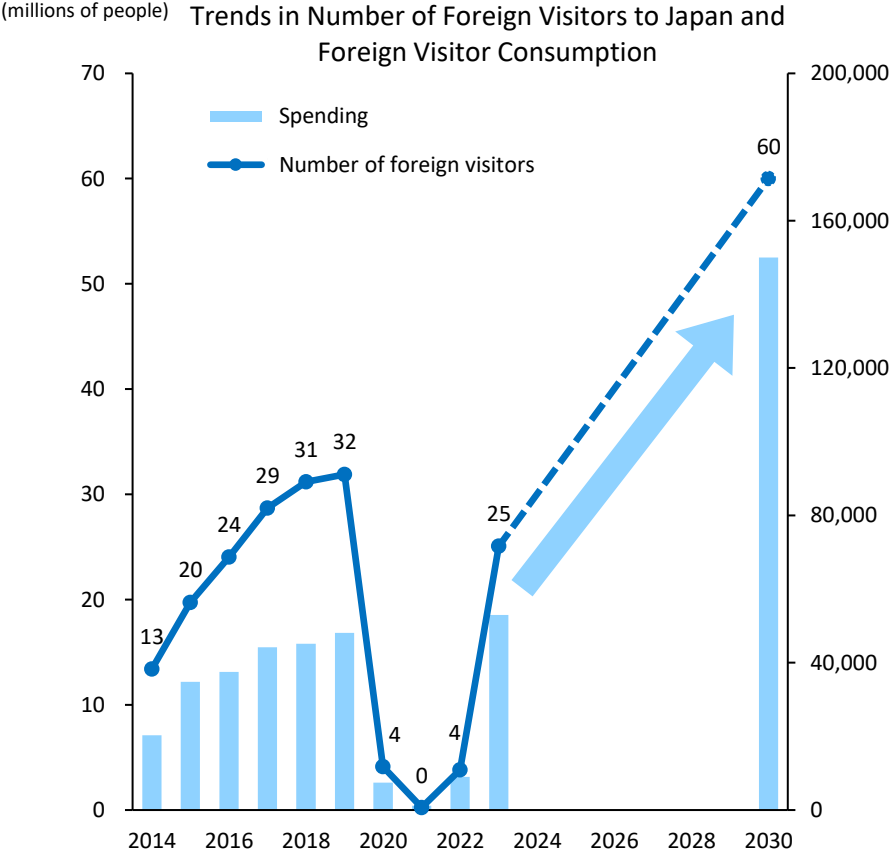
Demand recovery and growth potential in the hotel market



The recovery in travel demand has been remarkable, and both the number of foreign visitors to Japan and their spending are expected to further expand in the future.



Source: Compiled by the Company based on the Japan Tourism Agency's Travel and Tourism Consumption Trend Survey "Domestic Travel Spending of Japanese"



Source: Compiled by the Company based on the JNTO Statistics on the Number of Foreign Visitors to Japan and the government's targets for the number of foreign visitors to Japan and the amount of consumption

Environment

As of September 30, 2024

Actual number of RP buildings



Total **495** buildings



Acquired BELS for **14** properties

Carbon Offset
Cumulative total **3,163t**



RE100/Mori no Denki
Total 19 buildings 2,241t

RP construction
47 buildings
922t

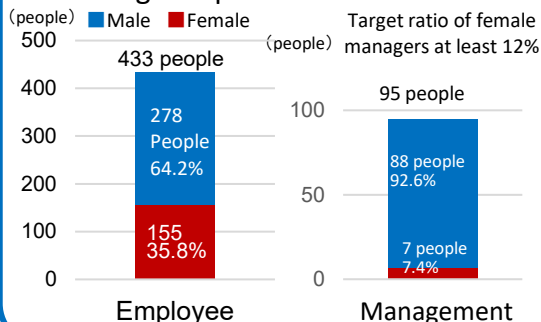
Sustainability website
https://www.sunfrt.co.jp/sustainability/library/sustainability_report/



Social

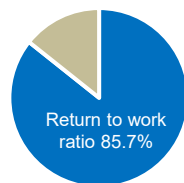
As of September 30, 2024

Ratio of male and female employees in managerial positions



Childcare leave

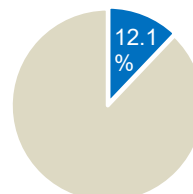
Utilization rate 100%



From childcare leave, 85.7% return to work

Human resource development

Aim to over 12%



※As of March 31, 2024

- RE100 • • • Carbon offset using J-credit derived from renewable energy. Initiatives to become the first in Japan to introduce this system on each floor. Achieve zero Co2 emissions per tenant company.
- "Mori no Denki" • • • Carbon offset using J-credit derived from forests. We can feel that we are supporting forests side-by-side and moving into the building will contribute to the environment.

Governance

As of September 30, 2024

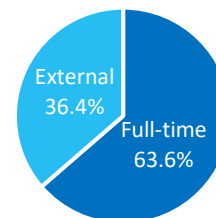
Transition to a company with Audit & Supervisory Committee

As of June 30, 2022

Board of Directors

Audit & Supervisory Committee

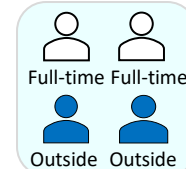
Ratio of Outside Officers 1/3 or more



Female Directors
1 out of 11



Nomination and Compensation Committee (optional)
2 out of 4 outside officers

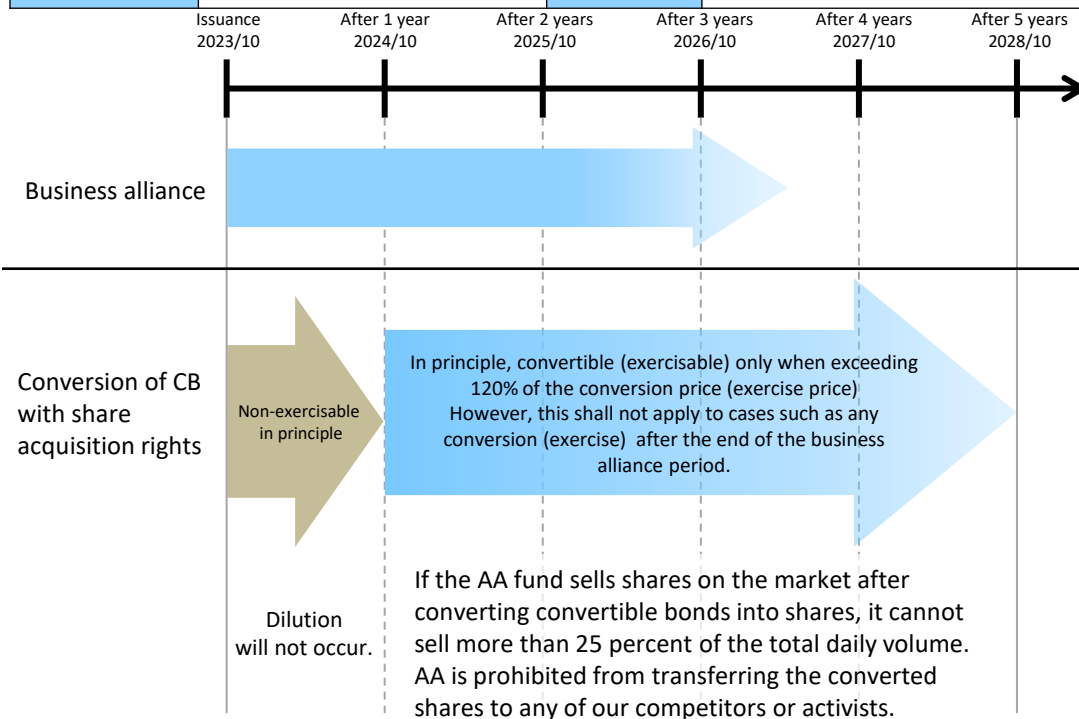


Ensuring transparency and soundness

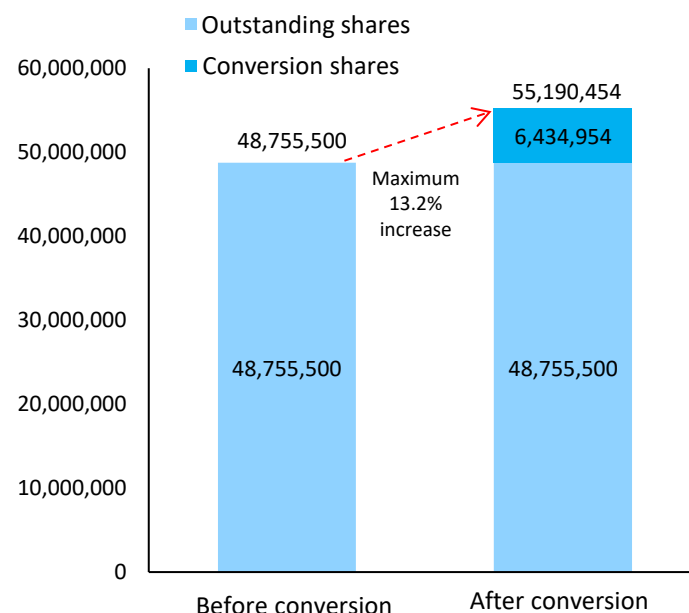
Conversion conditions of CB

Type	Convertible bonds with share acquisition rights	Maturity	5 years
Issuance date	October 6, 2023	Convertible period	5 years after the payment due date However, In principle, non-convertible for 1 year after the payment due date
Amount of funds acquired	Approximately 10 billion yen	Conversion price	1,554 yen per share In principle, convertible (exercisable) only when exceeding 120% (1,865 yen) of the conversion price (exercise price) However, this shall not apply to cases such as any conversion (exercise) after the end of the business alliance period.
Bond interest rate	0%		

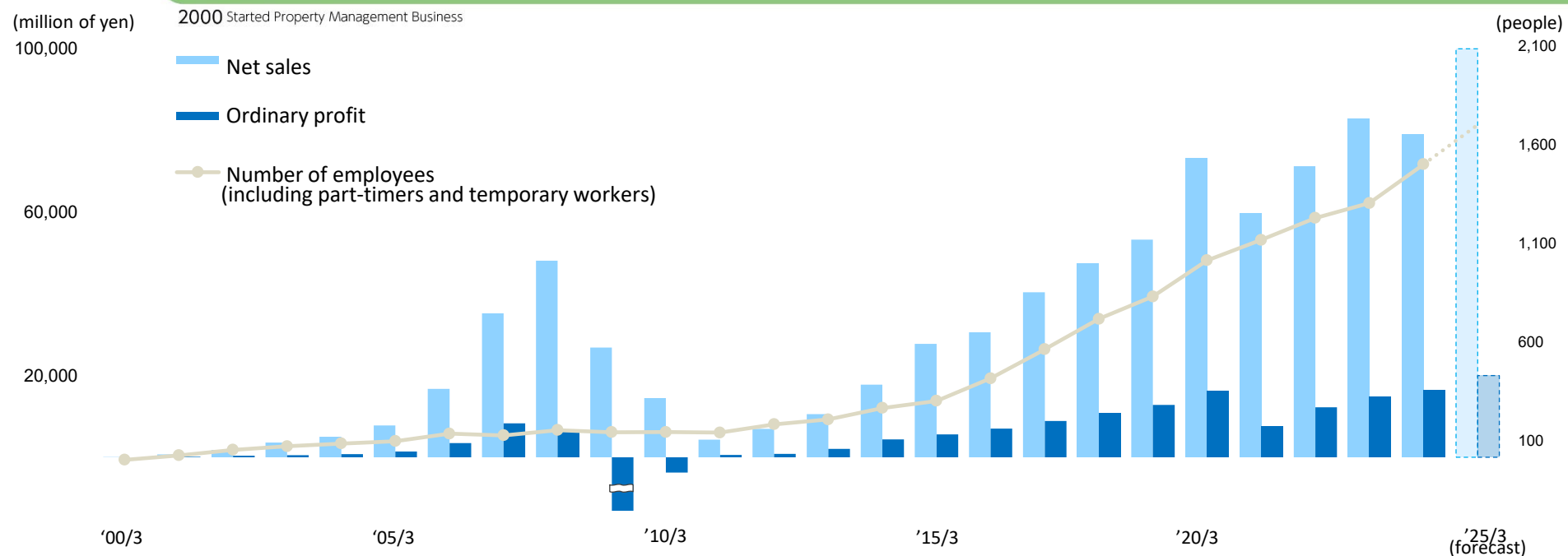
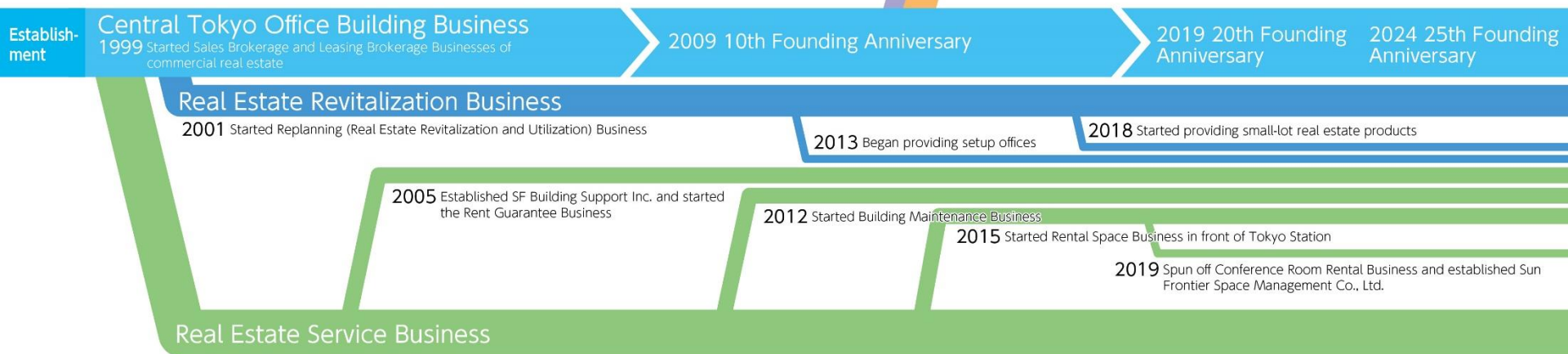
Specific use of funds	Amount
Acquisition of land in conjunction with new hotel development and construction work investment	Approx. 8 billion yen
M&A funds primarily for the hotel development business and construction business	Approx. 2 billion yen



Possibility of Share Increasing due to the Conversion



History of Sun Frontier Group



Company Profile

Company Name	Sun Frontier Fudosan Co., Ltd.
Location of Head Quarters	1-2-2, Yurakucho, Chiyoda-ku, Tokyo
Date of Foundation	April 8, 1999
Date of Listing	February 26, 2007 (First Section of Tokyo Stock Exchange)
Capital Stock *	11,965 millions yen
Representative	Tomoaki Horiguchi, Chairman Representative Director Seiichi Saito, President Representative Director
Number of Consolidated Employees *	876 employees (1,719 including part-timers and temporary workers)
Average Age of Employees*	36.0 years old
Business Profile	Real Estate Revitalization Real Estate Service (Properties Management, Brokerage, Construction Planning, Rent Guarantee, Rental Conference Room, Building Operations, Asset Consultation) Hotel Development and Operation Others
Accounting Month	March
Listed Market	Tokyo Stock Exchange Prime (Code number: 8934)

* As of the end of September 2024

Thank you for your continued support.

- ◆ The purpose of this document is to provide information that can be used as a reference, not for soliciting or promoting you to purchase a specific product. Please make your decision by your own discretion and responsibility when you make an investment. If you want to purchase shares of our Company, please contact securities companies.
- ◆ The information provided in this document is not necessarily in compliance with the Financial Instruments and Exchange Act, the Building Lots and Buildings Transaction Business Act, the Listing Rules for the Tokyo Stock Exchange and other related laws and regulations.
- ◆ Forward-looking statements included in this document do not guarantee future performance.
- ◆ Although we have made every effort to ensure the contents of this document, we can not guarantee their accuracy or certainty. Please note that they are subject to change or removal without notice.

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SUN FRONTIER