

Financial Results of Fiscal Year Ended March 31, 2025

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

May 9, 2025



SUN FRONTIER

1. Overview of the Results for FY2025/3 P. 2

2. Forecast for FY2026/3 P. 15

3. Growth Strategies P. 21

4. Philosophy and Business Initiatives P. 40

5. References Materials P. 53



Overview of the Results for FY2025/3



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Overview of the Results for FY2025/3



Both sales and profit hit record highs and achieved Medium-term Management Plan targets. Ordinary profit hit a record high for the second consecutive year, and profit for the third consecutive year.

(Unit: million yen)

	Results	Profit margin	Year-on-year	Growth rate
Net sales	103,174	—	+23,306	29.2%
Operating profit	21,279	20.6%	+3,678	20.9%
Ordinary profit	20,446	19.8%	+3,072	17.7%
Profit*	14,163	13.7%	+2,246	18.8%

Forecast (disclosed on May 10, 2024)	Achievement rate
100,000	103.2%
20,870	102.0%
20,000	102.2%
14,000	101.2%

*The profit attributing to owners of parent.

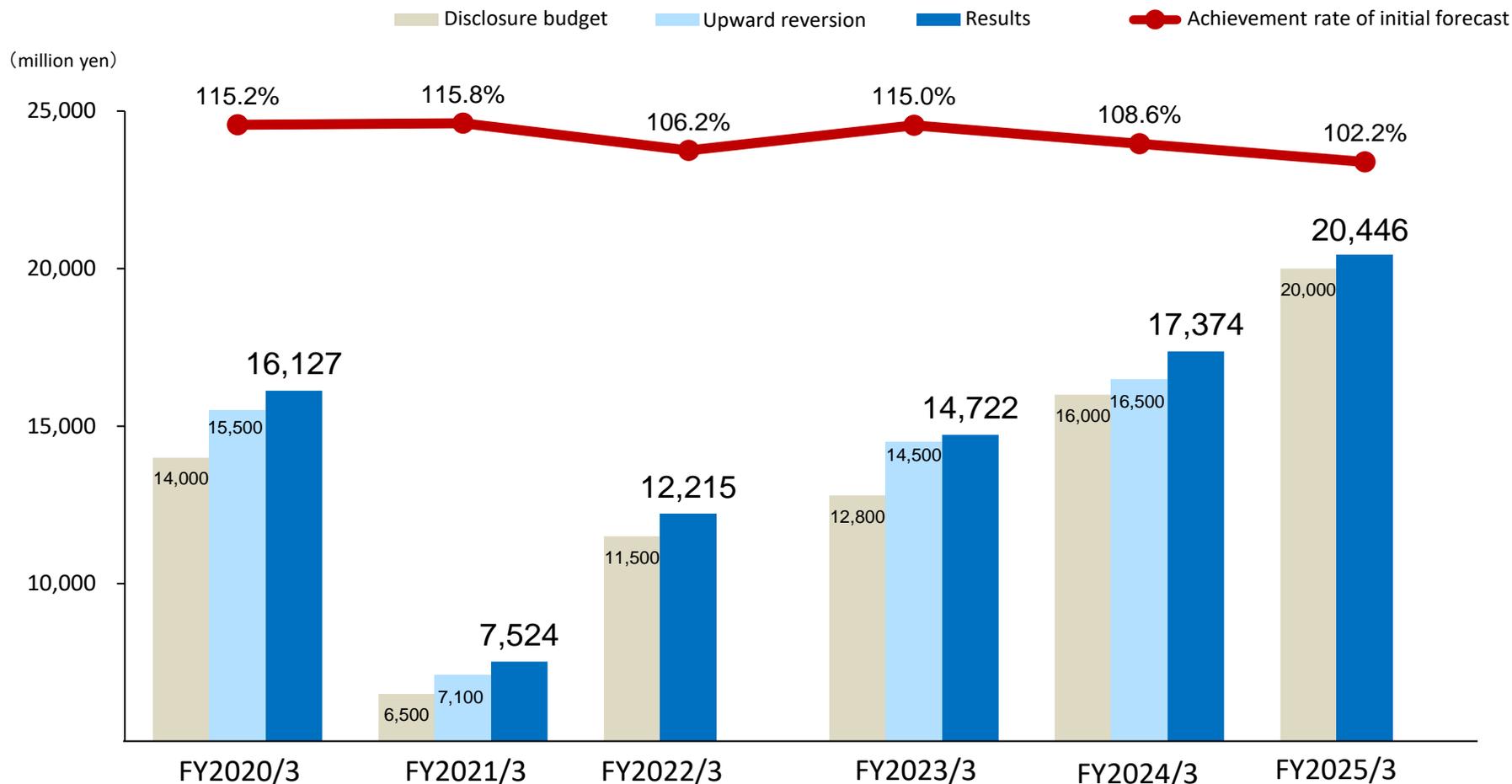
	Full-year (forecast)	Results for last year	Year-on-year	Growth rate
Dividends	66.0 yen	58.0 yen	+ 8.0 yen	13.8%

- In the Real Estate Revitalization Business, a total of 38 properties (including 2 New York properties and 3 small-lot properties) were sold, driving the Group's performance, due to office creation that meets the diversifying needs of working styles, careful and prompt commercialization through cooperation with each division, and the ability to propose solutions from clients' point of view.
- The Real Estate Service Business expanded its customer base and continued to achieve steady earnings growth by expanding operating area for rental conference rooms, increasing the number of entrusted buildings under PM, and expanding the entrusted area for sub-leases.
- The Hotel and Tourism Business contributed significantly to the Group's performance by improving occupancy rate and average daily rate through its heart-warming services, while continuing to benefit from strong travel demand and favorable inbound demand.

Trends in Achievement Rate of Forecast



Continued to exceed initial forecasts, overcome environmental changes, and achieve Medium-term Management Plan targets.

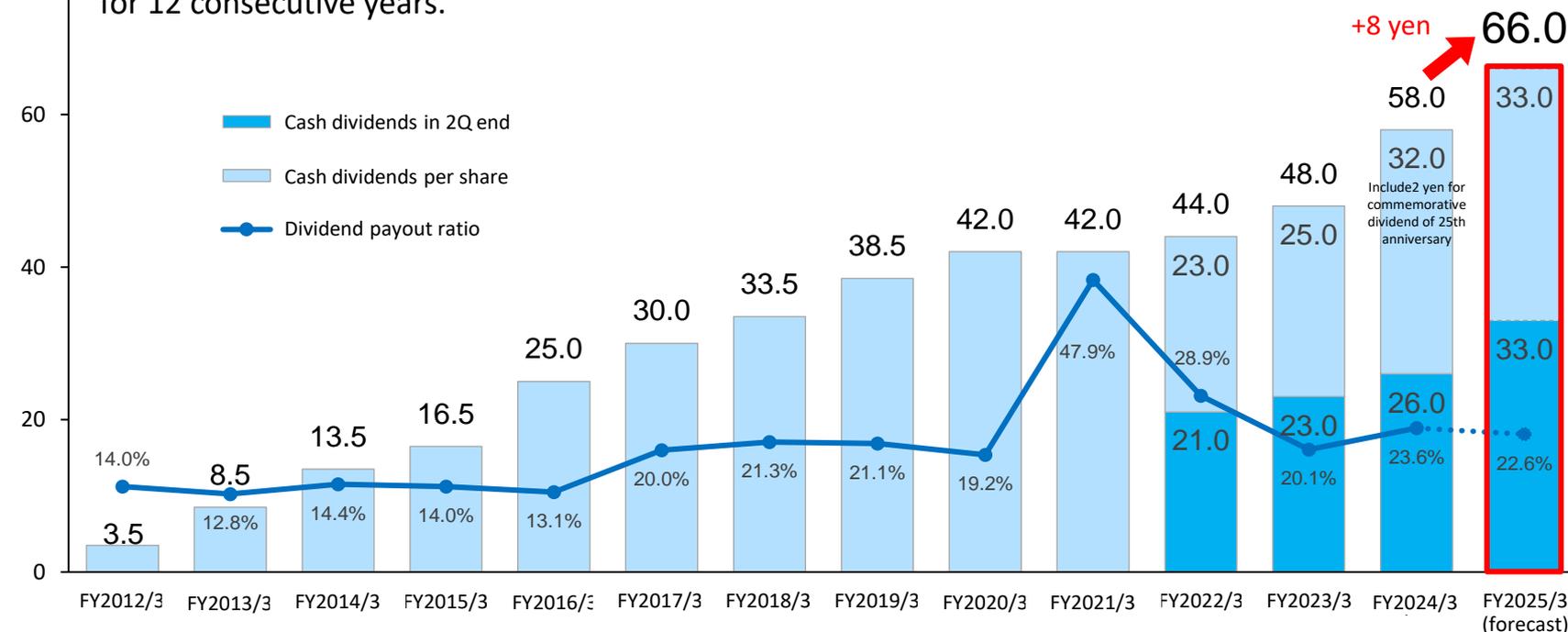


Shareholder Return

Year end cash dividends are the same as initial forecast.

(yen) Full year cash dividend has increased by 8.0 yen YoY from 58.0 yen to 66.0 yen as forecast.

With the exception of maintaining the same dividend in FY2021/3, we have increased our dividend for 12 consecutive years.



※Interim dividend started from FY2022/3

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

Consolidated Income Statement

(Unit: million yen)

	FY2024/3	FY2025/3	YoY increase/decrease	YoY change rate
Net sales	79,868	103,174	+23,306	29.2%
Real Estate Revitalization Business	51,027	71,339	+20,312	39.8%
Replanning Business	48,395	68,684	+20,289	41.9%
Rental Buildings Business	2,632	2,654	+22	0.9%
Real Estate Service Business	10,497	12,488	+1,991	19.0%
Hotel and Tourism Business	16,977	18,831	+1,854	10.9%
Hotel Development Business	5,270	3,071	-2,198	-41.7%
Hotel Operation, etc	11,707	15,760	+4,052	34.6%
Other Business	2,409	1,992	-417	-17.3%
Adjustments	-1,043	-1,477	-433	-
Gross Profit (Loss)	26,405	32,225	+5,819	22.0%
Real Estate Revitalization Business	16,593	22,114	+5,520	33.3%
Replanning Business	15,981	21,860	+5,878	36.8%
Rental Buildings Business	612	253	-358	-58.5%
Real Estate Service Business	5,636	6,124	+487	8.7%
Hotel and Tourism Business	4,440	4,479	+38	0.9%
Hotel Development Business	2,200	991	-1,208	-54.9%
Hotel Operation, etc	2,240	3,487	+1,246	55.6%
Other Business	352	498	+145	41.3%
Adjustments	-618	-990	-372	-
Selling, General and Administrative Expenses	8,804	10,945	+2,140	24.3%
Operating Profit (Loss)	17,600	21,279	+3,678	20.9%
Ordinary Profit (Loss)	17,374	20,446	+3,072	17.7%
Profit	11,917	14,163	+2,246	18.8%
EPS	245.50 yen	291.58 yen	+46.08 yen	18.8%

Keynotes of Income Statement

<Real Estate Revitalization Business>

The number of properties sold was 38, an increase of 13 compared to the previous year (including 2 New York properties and 3 small-lot properties). Of these, 16 properties were concentrated in the fourth quarter, and the sales plan was completed with high profitability throughout the year.

<Real Estate Service Business>

Revenue and profit increased due to the expansion of operating area for rental conference rooms, an increase in the number of buildings under PM and sub-leases, and an increase in the number of brokerage transactions.

<Hotel and Tourism Business>

In the Hotel Operation, where the number of rooms increased through M&A, both sales and profit increased by capturing the robust demand for domestic travel and the expansion of inbound demand, and working to improve services.

<Selling, General and Administrative Expenses>

In addition to human capital investment and system investment, start-up expenses accompanying the expansion of operation scale and business investment such as M&A expenses progressed, resulting in a year-on-year increase.

Consolidated Balance Sheet

- Assets -



- <Cash and deposits> Decreased by 2.9 billion yen from the end of the previous fiscal year due to property purchases and construction progress aimed at business growth.
- <Inventories> Increased by 26.8 billion yen from the end of the previous fiscal year due to the purchases and construction of RP properties, small-lot products, hotel development, and overseas development.
- <Non-current assets> Increased by 5.3 billion yen from the end of the previous fiscal year due to land acquisition and construction progress for hotel development, as well as M&A.

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of March 2025	Increase/decrease (compared to the End of March 2024)
Current assets	125,886	159,518	183,706	+24,188
Cash and deposits	42,016	47,867	44,920	-2,947
Inventories	80,182	106,869	133,713	+26,843
Breakdown) RP※	70,327	95,926	115,549	+19,622
Hotel	9,750	9,545	15,326	+5,781
Overseas, etc.	105	1,397	2,837	+1,439
Other current assets	3,688	4,780	5,072	+292
Non-current assets	26,633	29,143	34,484	+5,340
Property, plant and equipment	20,410	22,323	24,290	+1,967
Intangible assets	815	1,193	2,288	+1,094
Investments and other assets	5,406	5,626	7,904	+2,278
Total assets	152,519	188,661	218,190	+29,529

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

Consolidated Balance Sheet - Liabilities/Equity -



<Interest-bearing debt> Increased by 12.9 billion yen due to borrowings for property purchases. A total of interest-bearing debt is 92.4 billion yen.

<Equity ratio> Maintained the target level while actively investing.

Changes of Equity Ratio		
As of End of March 2023	As of End of March 2024	As of End of March 2025
52.9%	48.0%	46.8%

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of March 2025	Increase/decrease (compared to the End of March 2024)
Current liabilities	16,363	24,767	26,663	+1,896
Short-term borrowings, etc.	5,492	12,269	10,240	-2,029
Other current liabilities	10,871	12,497	16,423	+3,926
Non-current liabilities	52,190	69,477	85,634	+16,156
Long-term borrowings	50,170	57,272	72,219	+14,946
Bonds payable	0	9,999	9,999	0
Other non-current liability	2,019	2,205	3,415	+1,209
Total liabilities	68,553	94,244	112,298	+18,053
Shareholders' equity	80,430	89,889	100,949	+11,059
Other	3,535	4,526	4,942	+416
Total net assets	83,965	94,416	105,892	+11,475
Total liabilities and net assets	152,519	188,661	218,190	+29,529

Performance for Each Business Segment

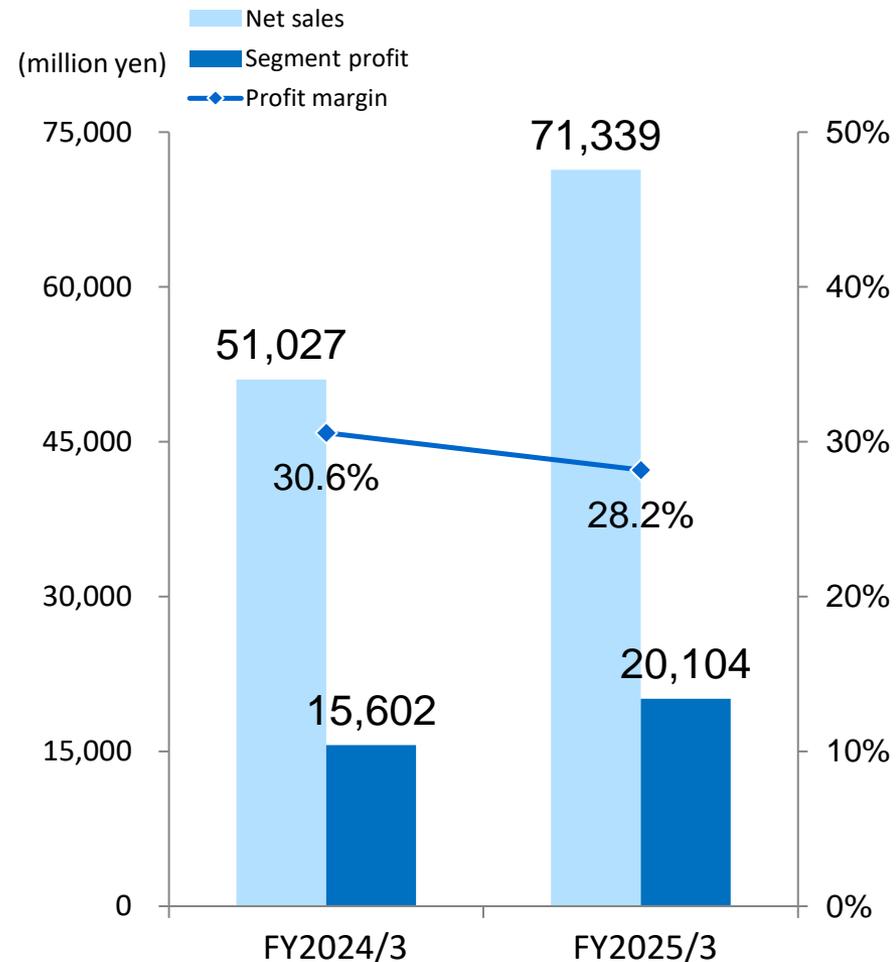


Real Estate Revitalization Business (Replanning and Rental Buildings)

<Replanning Business>

- The total number of properties sold this term is 38 (including 2 New York properties and 3 small-lot properties). Both sales and profit significantly increased, maintaining a high level in profitability.
- The average business period was 783 days (+96 days YoY). Excluding 3 new construction properties (1,797 days) and 2 long-term properties (2,703 days), the average was 538 days.

(Unit: million yen)	FY2024/3	FY2025/3	Increase/Decrease
Net sales	51,027	71,339	+39.8%
Replanning Business	48,395	68,684	+41.9%
Rental Building Business	2,632	2,654	+0.9%
Segment profit ※1	15,602	20,104	+28.9%
Replanning Business	14,989	19,850	+32.4%
Rental Building Business	612	253	-58.5%
Profit margin	30.6%	28.2%	-2.4%pt
Replanning Business	31.0%	28.9%	-2.1%pt
Rental Building Business	23.3%	9.6%	-13.7%pt
Number of properties sold	25 cases	38 cases	+13 cases
Number of stocks	67 cases※2	72 cases※2	+5 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.

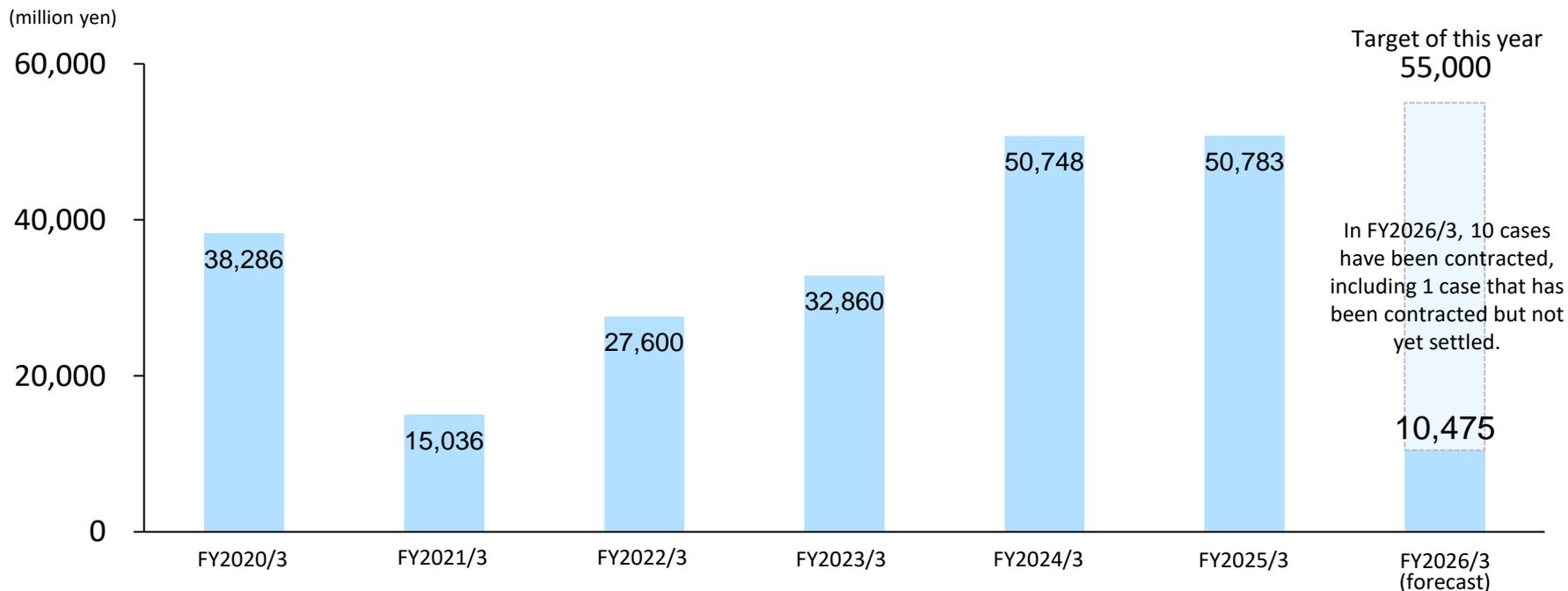
Real Estate Revitalization Business

<Property purchases of Replanning Business > ※

As in the previous fiscal year, purchase hit a record high of over 50 billion yen. Aim for further growth this term.

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

(Unit: million yen)	FY2024/3	FY2025/3	Increase/decrease
Number of property purchases	43 cases	45 cases	+2 cases
Purchase amount	50,748	50,783	+35



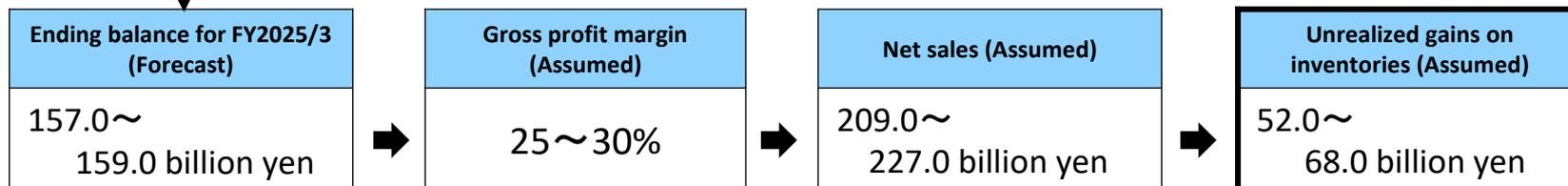
Trends in Inventories and Gross Profit of Property Sales

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

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

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

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



※ Gross profit = ordinary profit - sales commission

Performance for Each Business Segment

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



Real Estate Services Business

<Property Management and Building Maintenance>

- In the PM Business, both sales and profit increased due to a steady increase of 49 buildings under management throughout the year..
- In the BM Business, both sales and profit increased due to price revisions and an increase of 28 managed buildings through strengthened intergroup cooperation, while controlling cost increases.

<Brokerage>

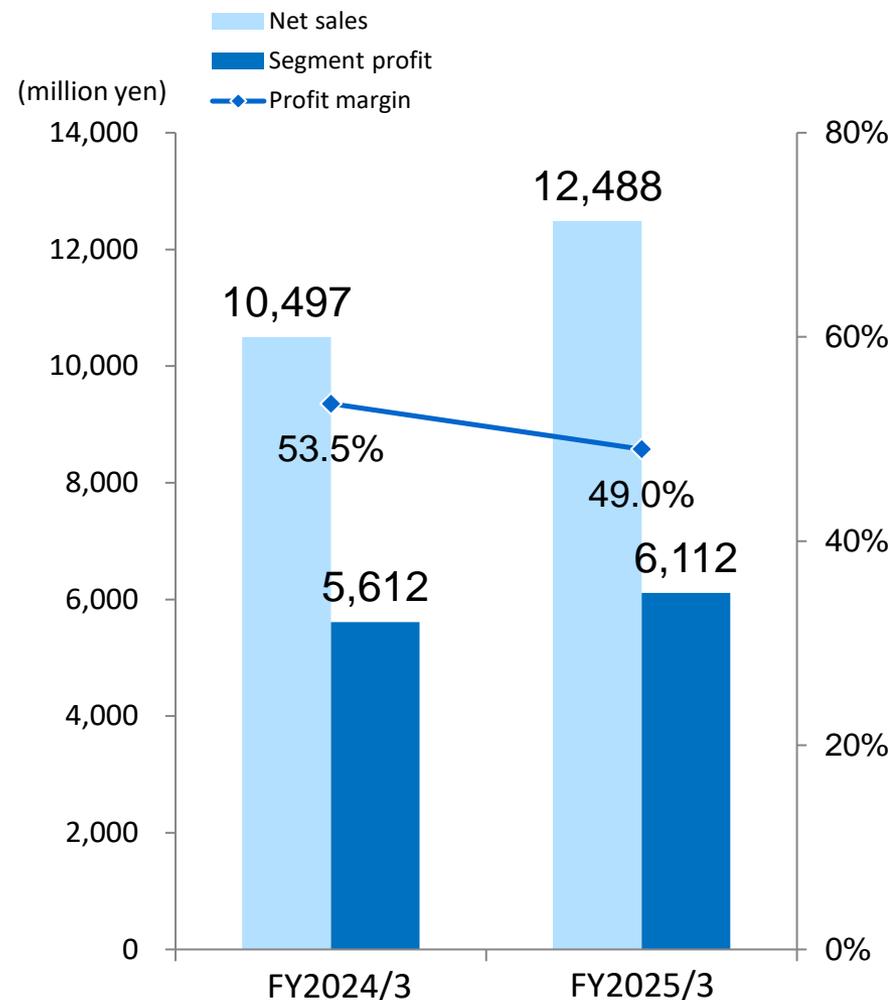
- Leasing brokerage was flat compared with the same period of the previous year.
- In Sales Brokerage, in addition to winning referral contracts, many brokerage transactions for Taiwanese clients by Sun Frontier Fudousan Taiwan, a group company, produced results and led to increased sales and profit.

<Rental Conference Room>

- Despite an increase in sales due to the expansion of operations from increased floor area and new openings, profit decreased due to increased start-up preparation expenses.

<Rent Guarantee>

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



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

(Unit: million yen)	FY2024/3	FY2025/3	Increase/ decrease
Net sales	10,497	12,488	+19.0%
Segment profit ※1	5,612	6,112	+8.9%
Profit margin	53.5%	49.0%	-4.5pt

Performance for Each Business Segment



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

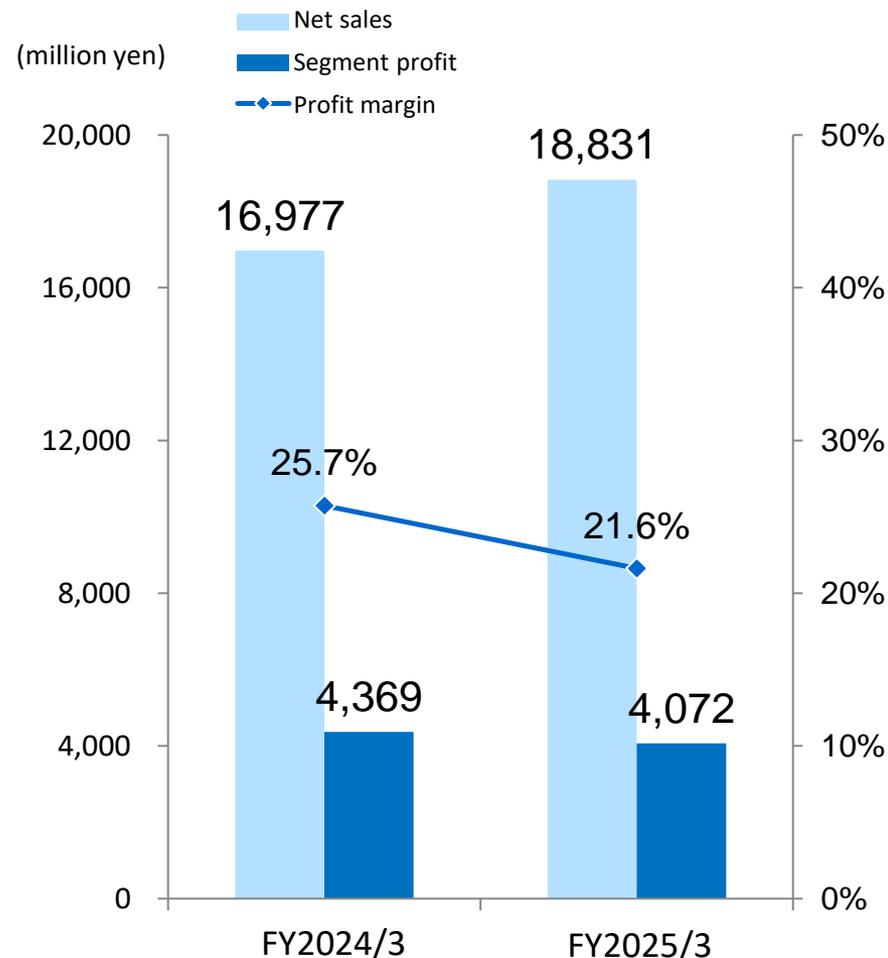
<Hotel Development Business>

- Sold one hotel building in the fourth quarter as planned (operation continues).
- Construction in Ishikari, Kakogawa, and Kumamoto has progressed smoothly. Construction commenced in Sakata and Aomori Rokkasho, and many development projects are in progress.

<Hotel Operation Business*1>

- The number of hotels operated increased due to M&A. Both sales and profit increased due to the recovery of travel demand and continued strong inbound demand, as well as increases in occupancy rates and average daily rates..

(Unit: million yen)	FY2024/3	FY2025/3	Increase/Decrease
Net sales	16,977	18,831	+10.9%
Hotel Development Business	5,270	3,071	-41.7%
Hotel Operation Business, etc.	11,707	15,760	+34.6%
Segment profit ※2	4,369	4,072	-6.8%
Hotel Development Business	2,134	779	-63.5%
Hotel Operation Business, etc.	2,234	3,293	+47.4%
Profit margin	25.7%	21.6%	-4.1%pt
Hotel Development Business	40.5%	25.4%	-15.1%pt
Hotel Operation Business, etc.	19.1%	20.9%	+1.8%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.)

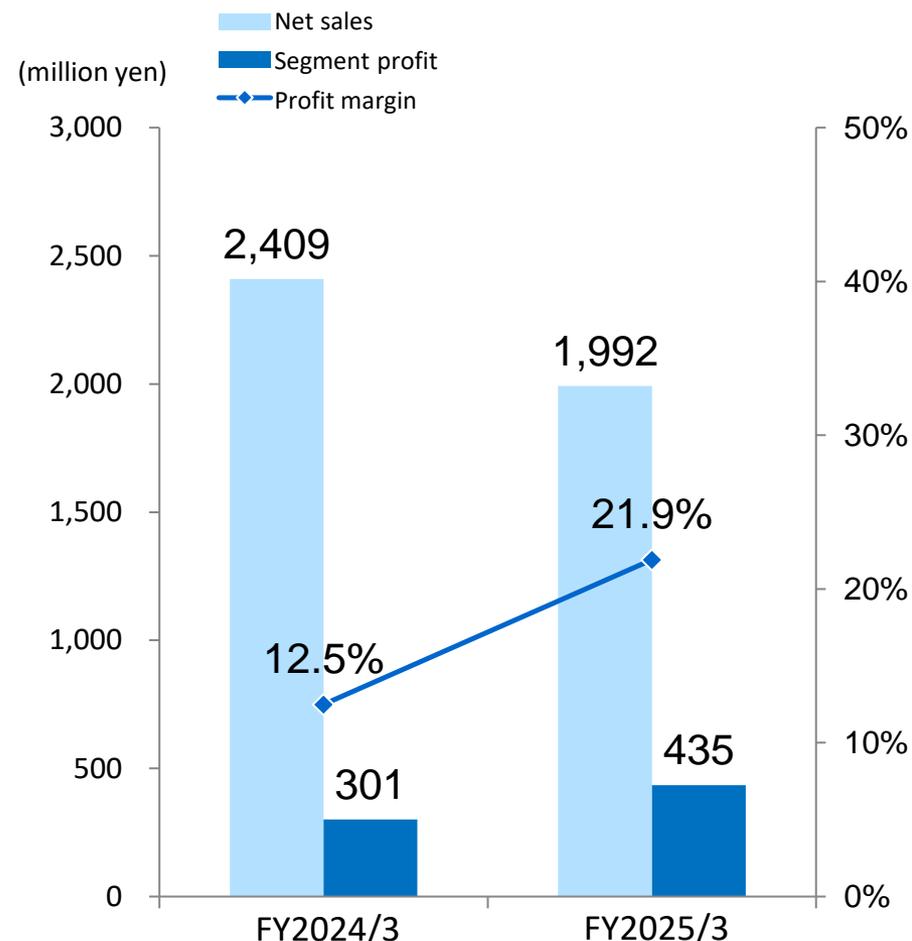
<Construction Business>

- Despite a decrease in revenue due to the reactionary decline from the previous fiscal year's construction progress, profit increased due to an improvement in profit margin for large-scale projects and an increase in orders for telecommunications work accompanying the recovery in office demand..

<Overseas Development Business>

- The second condominium project in Vietnam (HIYORI Aqua Tower), which started constructing in August 2024, is in progress for completion in Autumn 2026.

(Unit: million yen)	FY2024/3	FY2025/3	Increase/ decrease
Net sales	2,409	1,992	-17.3%
Segment profit ※1	301	435	+44.6%
Profit margin	12.5%	21.9%	+9.4%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 FY2026/3



Review of Medium-term Management Plan (FY2022/3~FY2025/3)

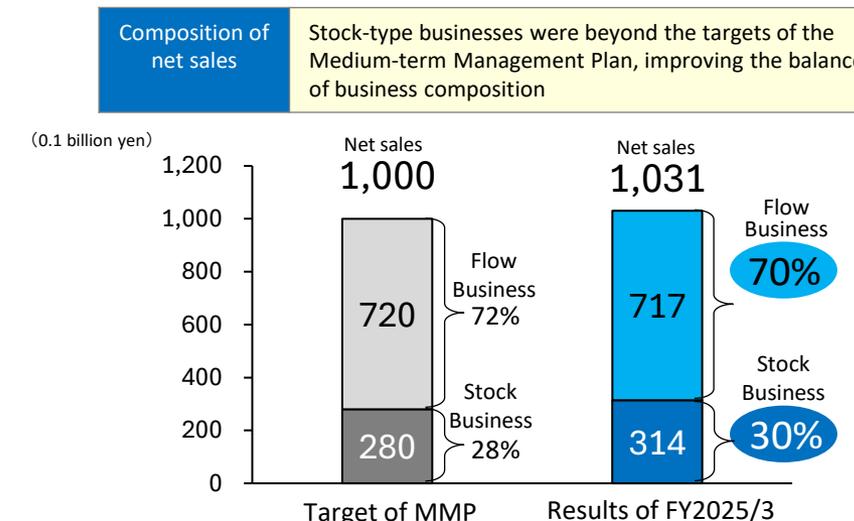
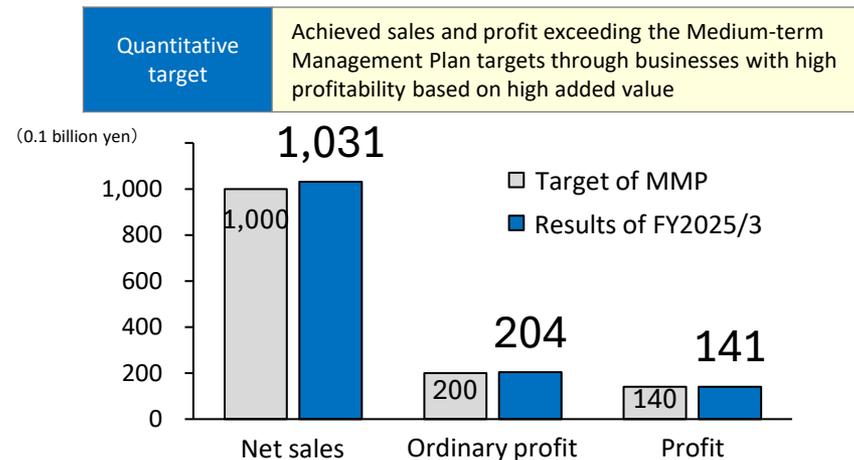


Achieve Medium-term Management Plan targets and strengthen the foundation for business, human resources, and finance for sustainable growth.

Quantitative target	MMP (disclosure in May 2021)	Results of FY2025/3
Net sales	100 billion yen	103.1 billion yen
Ordinary profit	20 billion yen	20.4 billion yen
Profit	14 billion yen	14.1 billion yen
Ordinary profit rate	20.0%	19.8%
Equity ratio	Around 50%	46.8%
ROE	Over 10%	14.7%

Business expand	Results of FY2021/3	Results of FY2025/3
Properties purchase amount	15 billion yen	50.7 billion yen
Buildings under management	397 buildings	542 buildings
Hotels under operation	17 hotels 2,369 rooms	28 hotels 3,144 rooms

Other initiatives (FY2022/3 - FY2025/3)	
Increased revenue & profit in stock-type businesses	The gross profit from the stock-type business has grown to a level that almost covers SG&A expenses.
Growth through M&A	Three hotels became consolidated subsidiaries and the number of operating rooms increased by 637 rooms.
Diversification of funding sources	Issued zero coupon private placement CB and conducted a business tie-up with AA.
Diversity of human resources	Promoting the active participation of women and the elderly. Strengthening recruitment of foreign workers.
Accelerate decision making	Shifted to a company with Audit and Supervisory Committee and established a full-time Board of Directors.
Value-creation-minded management enhancement	Expanding the allocation of restricted stock to the amoeba leader level.



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



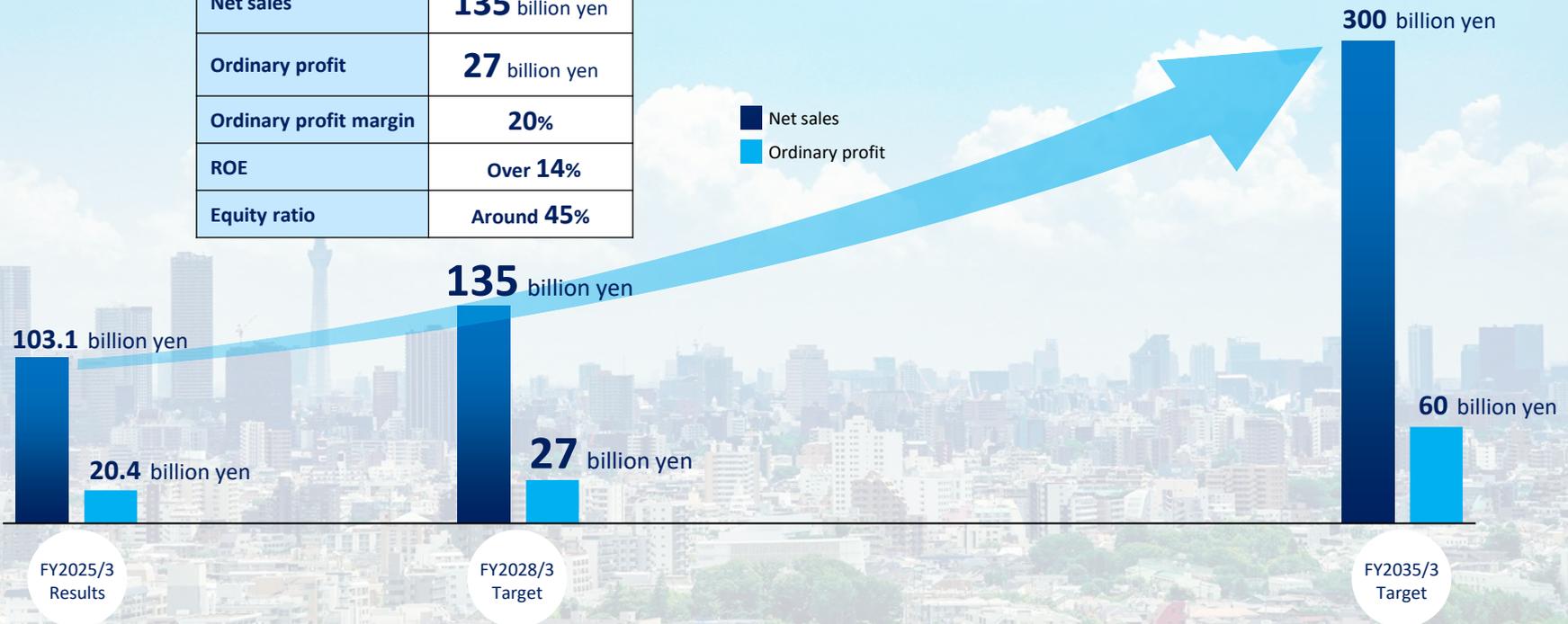
Long-term vision
2035

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

Medium-term
Management Plan 2028

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

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



Progress for FY2026/3 Forecast

(Unit: million yen)

	FY2025/3	FY2026/3	YoY increase/decrease	YoY change rate
Net sales	103,174	117,000	+13,825	13.4%
Real Estate Revitalization Business	71,339	81,340	+10,000	14.0%
Replanning Business	68,684	78,440	+9,755	14.2%
Rental Buildings Business	2,654	2,900	+245	9.2%
Real Estate Service Business	12,488	14,000	+1,511	12.1%
Hotel and Tourism Business	18,831	21,490	+2,658	14.1%
Hotel Development Business	3,071	3,000	-71	-2.3%
Hotel Operation, etc.	15,760	18,490	+2,729	17.3%
Other Business	1,992	2,230	+237	11.9%
Adjustments	-1,477	-2,060	-	-
Gross Profit (Loss)	32,225	36,420	+4,194	13.0%
Real Estate Revitalization Business	22,114	25,560	+3,446	15.6%
Replanning Business	21,860	25,160	+3,299	15.1%
Rental Buildings Business	253	400	+147	58.1%
Real Estate Service Business	6,124	6,940	+816	13.3%
Hotel and Tourism Business	4,479	4,340	-139	-3.1%
Hotel Development Business	991	520	-471	-47.5%
Hotel Operation, etc.	3,487	3,820	+333	9.5%
Other Business	498	530	+32	6.4%
Adjustments	-990	-950	-	-
Selling, General and Administrative Expenses	10,945	12,580	+1,635	14.9%
Operating Profit (Loss)	21,279	23,840	+2,561	12.0%
Ordinary Profit (Loss)	20,446	22,500	+2,054	10.0%
Profit	14,163	15,500	+1,337	9.4%
EPS	291.58 yen	319.11 yen	+27.53 yen	9.4%

Keynotes of Income Statement

The first year of Medium-term Management Plan 2028 toward Long-term Vision 2035. Continue to invest aggressively in our businesses and human resources, aiming for sustainable growth through diversification and improved productivity.

<Real Estate Revitalization Business>

Maintained high profitability with gross profit margin of over 30%. In addition to existing Replanning Business, properties for New Construction Business, New York Replanning Business, and Specified Joint Real Estate Ventures are scheduled to be sold.

<Real Estate Service Business>

In addition to planning to increase new sites for rental conference rooms and the number of entrusted buildings under PM, all businesses are expected to grow steadily while promoting the introduction of CRM systems in sales activities and client services.

<Hotel and Tourism Business>

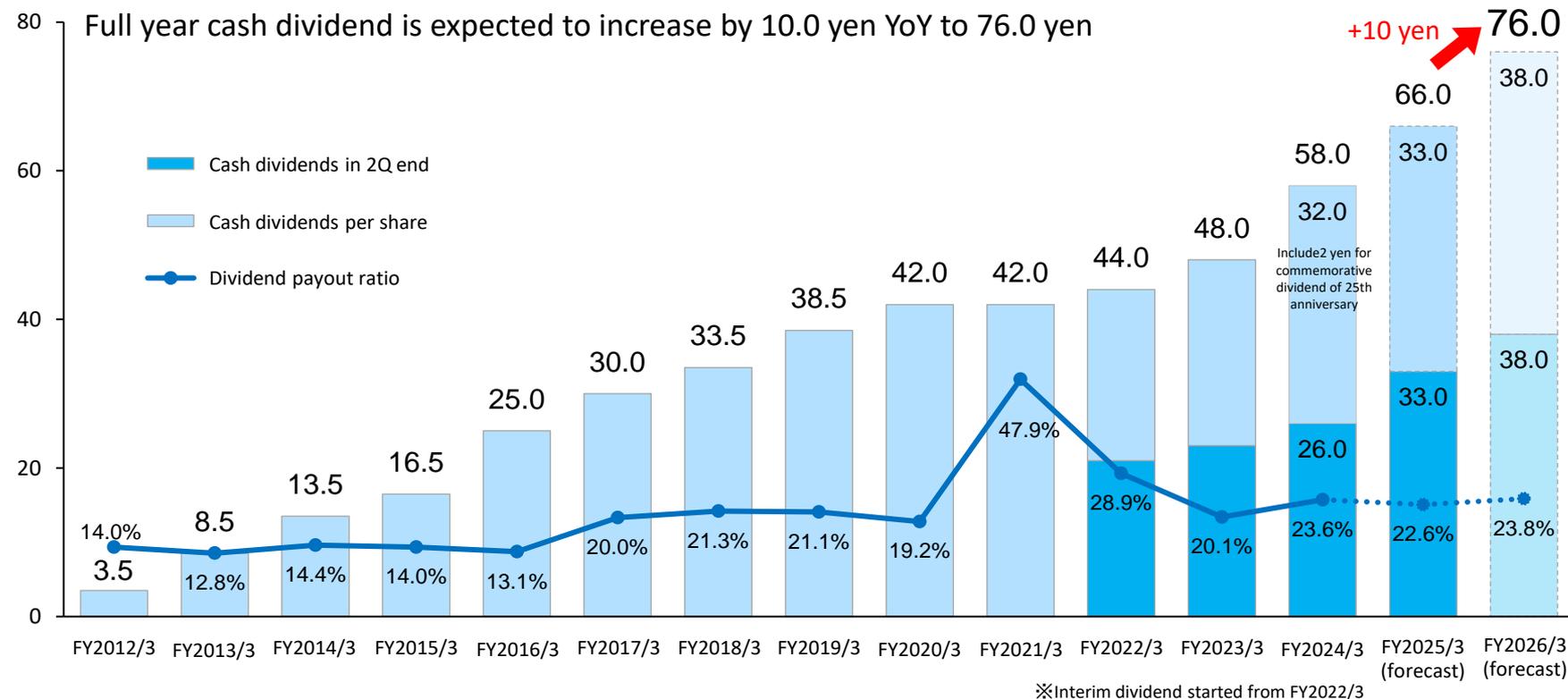
In addition to improving occupancy rate and average daily rate, Hotel Operation plans to construct and open 3 hotels, aiming to make an early contribution to its earnings. In addition, it plan to sell hotel properties on the premise of continuing operations.

<Selling, General and Administrative Expenses>

Improve productivity through system investment and promote human resource development by investing in human resources.

Forecast for Cash Dividend

With the exception of maintaining the same dividend in FY2021/3, we expect to increase dividends for 13 consecutive years.



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

Business Environment Awareness

1. The global economy faces uncertainty due to the U.S. tariff policy, the slowdown of the Chinese economy, and geopolitical risks.

◆ IMF expects the real growth rate of the world economy to be 2.8% in 2025. All regions are revised downward due to the impact of the U.S. administration's tariff policy.

◆ In the U.S. financial market, stock prices and bonds have fallen and the dollar has weakened due to the policies of the Trump administration.

2. The Japanese economy is expected to grow due to the virtuous cycle of wages and inflation, but caution is needed regarding the global economic slowdown.

◆ The Bank of Japan kept its interest rate unchanged at its Monetary Policy Meeting in April, taking a wait-and-see stance under the influence of the U.S. administration's policies.

◆ With continued price increases, fears of an economic growth slowdown have heightened, raising concerns about whether the virtuous cycle between wages and inflation can be maintained.

3. In the central Tokyo office building market, a high investment appetite continues as rents continue to rise and the vacancy rate continues to improve.

◆ Although the number of new and completed office buildings is expected to increase from the previous year, the increase in rents and the improvement in vacancy rate are expected to continue.

◆ Wealthy individuals and institutional investors, particularly in Asian countries, keep a high investment appetite, but attention must be paid to interest rate trends.

4. In the hotel and tourism market, both visitors and their spending remain at a high level, but the global economic slowdown is a concern.

◆ The number of visitors to Japan from January to March 2025 exceeded 10 million for the first time in a quarter, driven by the recovery of Chinese visitors.

◆ Spending from January to March 2025 was 2,272 billion yen, slightly decreasing from the previous quarter, but remaining at a high level.



Growth Strategies



Growth Strategies

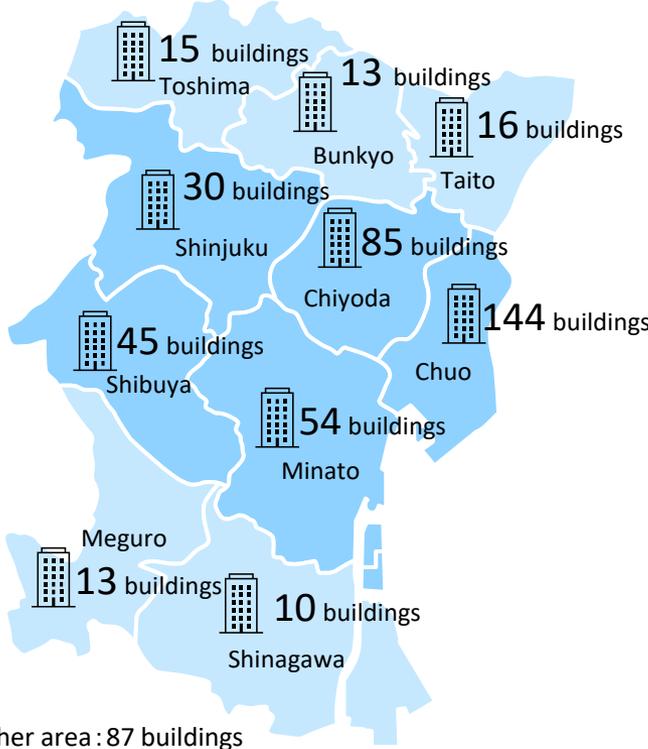
Accelerate growth by expanding business domains through effective circulation and utilization of funds, while diversifying core business tie-ups based on a business model that combines manufacturing and service capabilities.

Three markets to focus	Business model	Business domain	Area		Our goal
Office	Development	Renovation	Tokyo	Osaka	Contribute to the realization of a sustainable society by utilizing real estate in resource recycling methods.
		<small>Business domain expansion</small> New construction			
		Sale of small-lot <small>(Act on Specified Joint Real Estate Ventures)</small>			
	Services	Real Estate Services			
Operation	Rental conference rooms				
Hotel	Development	New construction	Nationwide		Expand heart-warming and fun hotels nationwide to grow with local communities.
		Renovation			
	Operation	Hotel operation			
Residential	Development	<small>Business domain expansion</small> New construction	<small>Area expansion</small> 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		

Ongoing Challenge to Create Added Value for Small And Medium-sized Buildings in Central Tokyo



We will continue to drive our performance as a business that pursues real estate revitalization technology and creates smiles for people through urban development.



Cumulative Replanning Achievements in Tokyo's 5 Central Wards and Adjacent Wards **512 buildings**



[Higashishimbashi, Minato-ku, Tokyo, Income-yielding property]
 Steel-framed structure with deck roof, 9 story building, 39 years old
 Corner lot along Daiichi Keihin Route and has excellent visibility from the outside. Creates bright rooms with two-sided lighting.
 Eliminated illegal expansion of spaces under the stairs and improved mobility.
 Each floor has a different color scheme and tenants can choose a floor with their favorite colors.

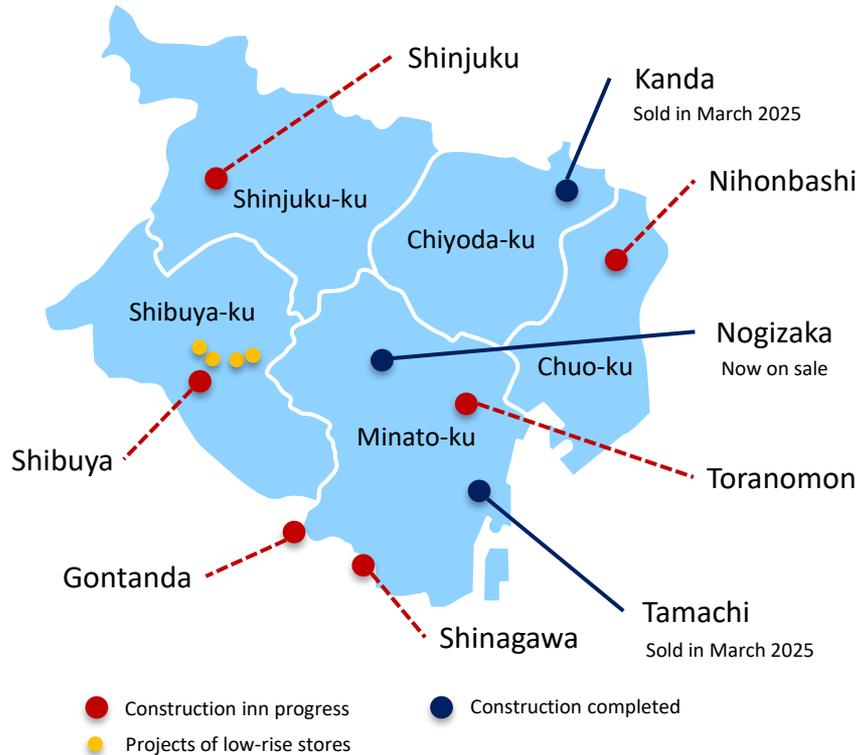


[Shinkawa, Chuo-ku, Tokyo, Income-yielding property]
 Steel-framed concrete structure with deck roof, 5 story building with 1 basement floor, 31 years old
 Renovated to a stately exterior making use of the wide frontage and granite lining.
 Built bicycle parking lots and storage units to eliminate overcapacity.
 Used a curved design based on earth colors.



Use setup office know-how to develop new buildings

Many new construction projects for small and medium-sized buildings are under way in Tokyo's five central wards.



New Construction Building in Tamachi
sold in March 2025



Roof top terrace



Lounge



Meeting room



Office

Create a long-term and stable sales plan by combining new construction properties such as low-rise stores, office buildings, in addition to Replanning properties and small-lot properties which have high asset turnover



Entrance



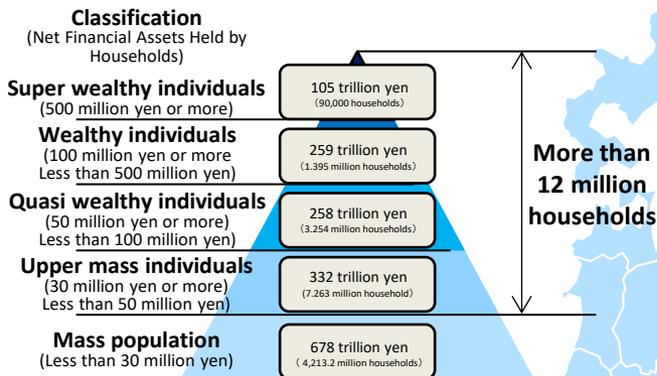
Elevator

Promoting Development and Proposals of Diverse Small-lot Real Estate Products



Develop products in major cities and promote proposals that meet the investment needs of many clients nationwide.

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



Source: Prepared by the Company based on Nomura Research Institute "wealthy individuals Pyramid"

Sold out in February 2024.
Licensed nursery school

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

Now on Sale

Compass Toyota
DAIKIN maintenance station
Sold out in March 2025



Now on Sale

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

Sold out in August 2021.
Licensed nursery school

Sold out in December 2024.
International Academy

Sold out in November 2022
Medical and educational mall

Kansai Area

Developing products in the suburbs of Osaka to meet the diverse investment needs of clients nationwide.

- Minoh Medical mall on construction
- Nishinomiya Medical mall on construction

Replanning Business started in Osaka



Revitalization Business started for office, commercial, and multipurpose buildings in Osaka using accumulated know-how.

Purpose of Business Development

- ① The Osaka metropolitan area's GDP exceeds 87 trillion yen, equivalent to the economic scale of countries and regions ranked around 20th in the world. Contributing to regional revitalization through real estate utilization in Osaka City, the core of the Osaka metropolitan area..
- ② Supporting business growth by developing offices for the growing number of start-ups.
- ③ Aim to optimize rents and improve liquidity by renovating buildings that comply with laws and regulations.

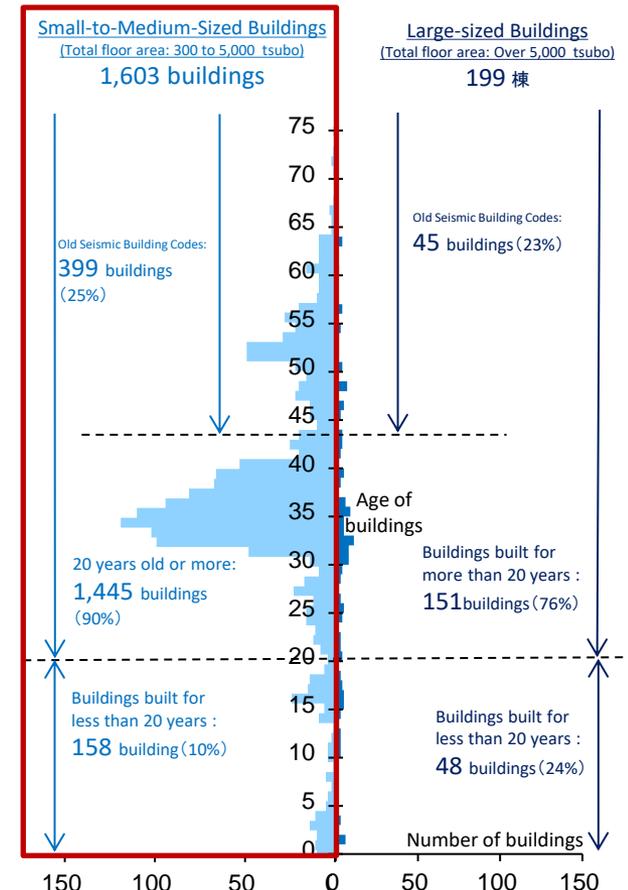


Office Image after Renovation



※Reference Data

1,802 buildings in Oosaka



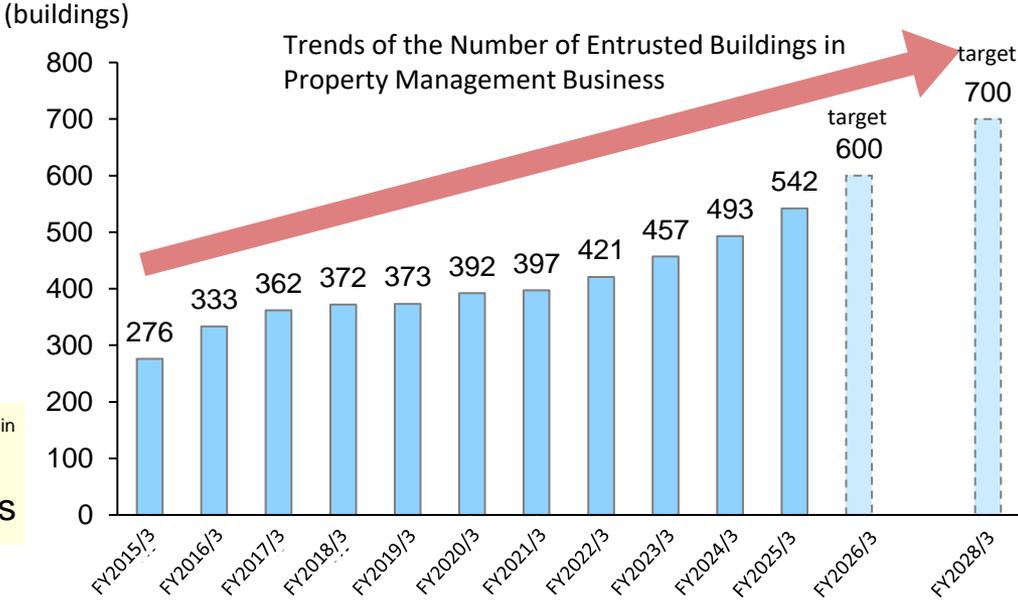
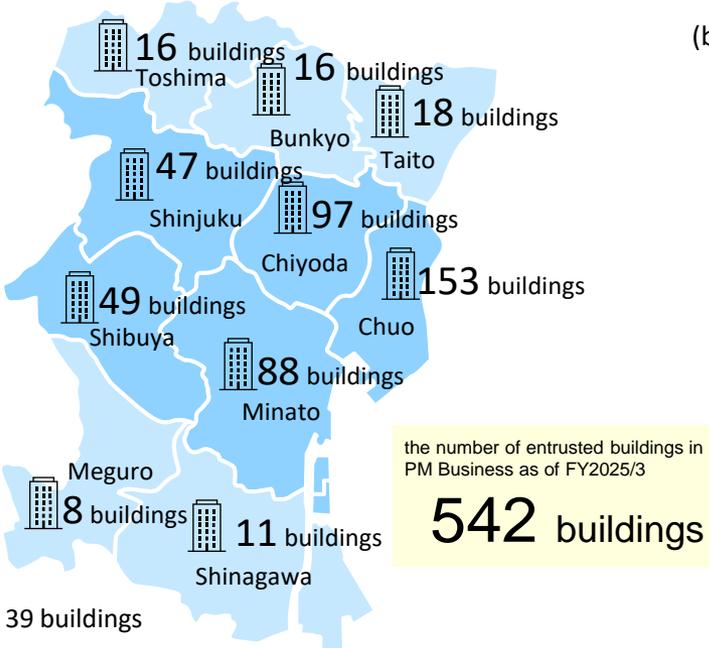
Source : Created by us based on "Tokyo 23 cities Office Pyramid 2023 (based on the number of buildings)" (Xymax Real Estate Institute)

Primarily the Chūō Ward (Yodoyabashi, Honmachi, Shinsaibashi, Namba) and the Kita Ward (Umeda)

More Number of Buildings Under Management and Better Services



Expanding measures to improve owner and tenant satisfaction as a platform for business growth.



【 Owner's Club 】

This service is designed to build closer relationships with members' families and deepen friendship between owners. We hold exchange events such as seminars, social gatherings, and stays at Company-owned hotels. It is well-received by the members as a precious place for interaction among building owners.

*As of March 31, 2025, the number of members is 103.



[Tenant My Page]

This is a service aimed at improving customer experience and revitalizing tenant companies. For tenants of PM properties, disaster prevention and management notices are given, and seminars inviting outside lecturers are held. Many tenants have commented that it was a good opportunity to store disaster prevention supplies.

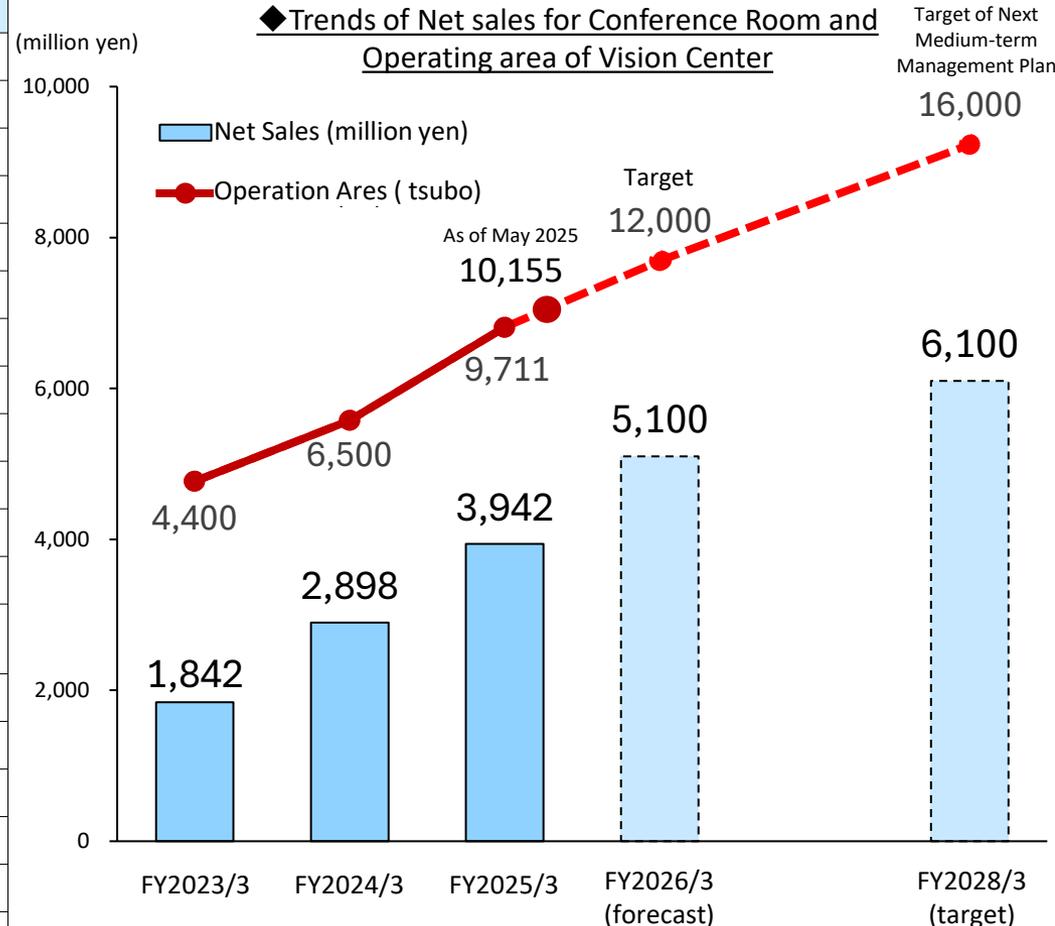
As of March 31, 2025, out of 3,441 tenants, the registration rate is 91.9%



Aggressively expand business by stabilizing newly opened locations and promoting the development of new ones

To be chosen by our customers, we provide warm-hearted service as a partner in ensuring the success of events. While continuing to strengthen our presence around major terminal stations, we also aim to enhance our customer base.

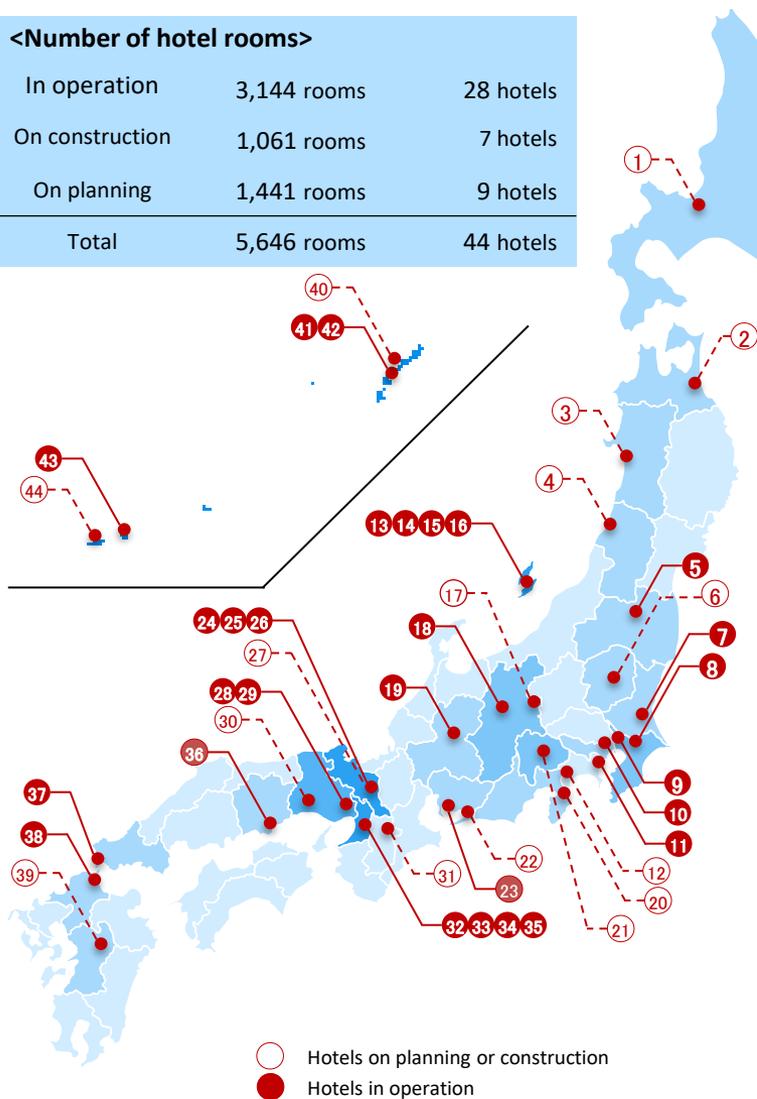
	Area	Name	Operation Area
1	Tokyo Yaesu Marunouchi	Vision Center Tokyo Ekimae	209 tsubo
2		Vision Center Tokyo Nihonbashi	343 tsubo
3		Vision Center Tokyo Yaesu	324 tsubo
4		Vision Center Tokyo Kyobashi	782 tsubo
5		Vision Center Nihonbashi (Mitsukoshimae)	467 tsubo
6		Vision Center Yurakuchō	138 tsubo
7	Shinbashi Toranomon	Vision Center Shinbashi	390 tsubo
8		Vision Center Tokyo Toranomon	501 tsubo
9	Shinagawa Tamachi Hamamatsucho	Vision Center Tokyo Hamamatsucho	1,456 tsubo
10		Vision Center Hamamatsucho	431 tsubo
11		Vision Center Tamachi	954 tsubo
12		Vision Center Shinagawa	641 tsubo
13		Vision Center Shinagawa ANNEX <i>Open in April 2025</i>	444 tsubo
14	Shinjuku	Vision Center Shinjuku Minds Tower	687 tsubo
15		Vision Center Hishishinjuku	789 tsubo
16	Akasaka Ichigaya	Vision Center Ichigaya	366 tsubo
17		Vision Center Akasaka (Nagatacho)	248 tsubo
18	Yokohama Minatomirai	Vision Center Yokohama (Nishiguchi)	558 tsubo
19		Vision Center Yokohama Minatomirai	427 tsubo



Aggressively expand the business by advancing both development and new openings.



<Number of hotel rooms>		
In operation	3,144 rooms	28 hotels
On construction	1,061 rooms	7 hotels
On planning	1,441 rooms	9 hotels
Total	5,646 rooms	44 hotels



Grand Opened on April 1, 2025
 35 HIYORI HOTEL OSAKA SUMINOEKOEN STATION

Finished construction in FY2026/3
 1 Tabino Hotel Ishikari

Building Exterior

Image of Building Exterior

Finished construction in FY2026/3
 30 Tabino Hotel Kakogawa

Finished construction in FY2026/3
 27 STITCH HOTEL Kyoto

Image of Building Exterior

Image of Building Exterior

Name of Hotels	Rooms	Progress
38 SKY HEART Hotel Hakata	157	
39 Tabino Hotel Kumamoto Ozu	213	※on construction
40 HIYORI HOTEL Nago	164	※on planning
41 Hiyori Ocean Resort Okinawa	203	
42 Oriental Hills Okinawa	14	※M&A
43 Tabino Hotel lit Miyakojima - Tabino Hotel Villa Miyakojima	115	
44 Tabino Hotel lit Ishigakijima	230	※on planning

			(As of May 2025)	
	Name of Hotels	Rooms	Progress	
1	Tabino Hotel Ishikari	175	※on construction	
2	Tabino Hotel Rokkashomura	202	※on construction	
3	Tabino Hotel lit Akita Ekimae	230	※on planning	
4	Tabino Hotel lit Sakata	173	※on construction	
5	Seifutei	11	※M&A	
6	Tabino Hotel Utsunomiya Yuinomori	202	※on planning	
7	Tabino Hotel Kashima	194		
8	Tabino Hotel EXpress Narita	91		
9	HIYORI HOTEL MAIHAMA	80		
10	SKY HEART Hotel Koiwa	102		
11	SKY HEART Hotel Kawasaki	197		
12	Sora Niwa TERRACE Hakone Yumoto	108	※on planning	
13	HOTEL AZUMA	52		
14	HOTEL OOSADO	72		
15	Tabino Hotel Sado - Live Sado	129		
16	DONDEN Highland	12		
17	HIYORI Hotel Karuizawa Spa & Resort	81	※on planning	
18	Tabino Hotel lit Matsumoto	176		
19	Tabino Hotel Hida Takayama	80		
20	Atami Hotel Project	150	※on planning	
21	HIYORI TERRACE Kawaguchiko (Fuji)	142	※on planning	
22	Tabino Hotel lit Toyokawa	110	※on construction	
23	Spring Sunny Hotel Nagoya Tokoname Station	194		
24	Sora Niwa Terrace Kyoto	102		
25	Sora Niwa Terrace Kyoto Bettei	32		
26	HIYORI Stay Kyoto Kamogawa	38		
27	STITCH HOTEL Kyoto	16	※on construction	
28	Kobe Plaza Hotel	107	※M&A	
29	Kobe Plaza Hotel West	120	※M&A	
30	Tabino Hotel Kakogawa	172	※on construction	
31	HIYORI HOTEL Kintetsu Nara	177	※on planning	
32	HIYORI HOTEL OSAKA NAMBA STATION	224		
33	Joytel Hotel Namba Dotonbori	53	※M&A	
34	Joytel Hotel Shinsekai Sakaisujidori	103	※M&A	
35	HIYORI HOTEL OSAKA SUMINOEKOEN STATION	229	※M&A	
36	Tabino Hotel Kurashiki Mizushima	155		
37	SKY HEART Hotel Shimonoseki	102		

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

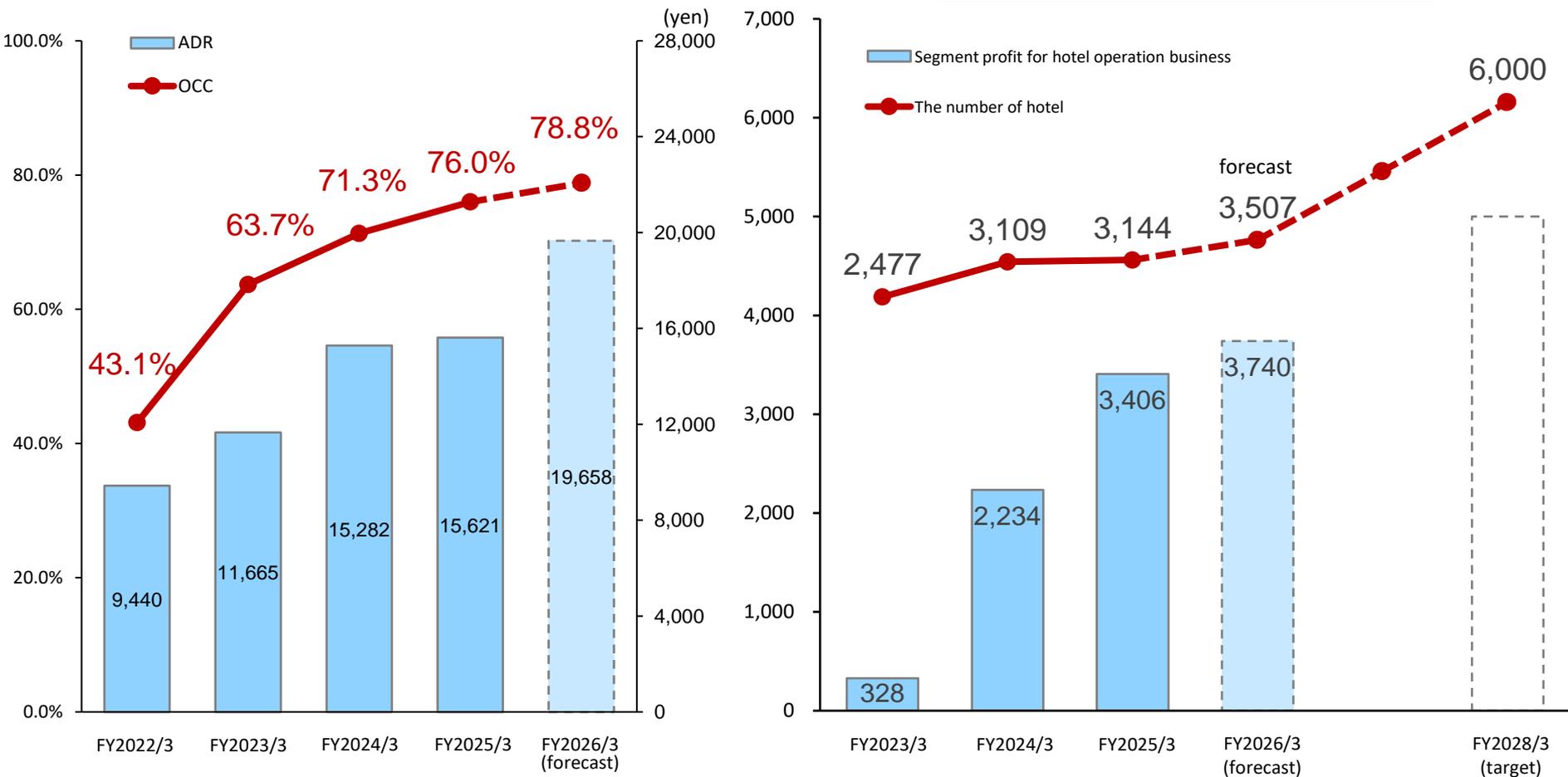


High occupancy rate will continue due to the effect of inbound tourism, and average daily rate is expected to rise mainly in luxury hotels. The newly opened hotels aim to be the hotel of choice for clients with its heart-warming services.

Trends in occupancy rate and average daily rate

(million of yen)

Trends in Segment profit and number of hotel



Develop rental apartment projects in suburban areas near urban centers



Develop high-value-added condominiums in central Tokyo and surrounding area, and sell as stable income-generating assets.

Purpose of Business Development

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

[Major Business Areas]

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



[Current status] Purchase contracted	[Plan] Sale scheduled for FY2028/3
Purchase decision in May 2025	
Location	Nihonbashi-Kayabacho, Chuo-ku
Structure	Reinforced concrete structure, 12-story building
Room layout / number of units	2LDK+S: 11 units
Feature	High demand is expected for a room with a large floor space of over 60m ² , which is a small supply in the neighborhood.

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

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

Promoting the Apartment Replanning Business in New York



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

On sale	
Location	Hell's Kitchen Area
Structure	Brick and wooden, five-story building with one basement floor
Room layout / number of units	Office: 1 unit, 1LDK: 10 units
Feature	10-minute walk from Times Square and the entire building has been fully renovated.

【Map of Manhattan, New York】



Sold in FY2025/3	
Location	Hell's Kitchen Area
Structure	Brick, five-story building with one basement floor
Room layout / number of units	1LDK: 9 units, 2LDK: 1 unit
Feature	The boiler was removed and the entire building was renovated to be all-electric. The layout that is suitable for sharing rooms is popular.

On sale	
Location	Chelsea Area
Structure	Brick, five-story building with one basement floor
Room layout / number of units	1LDK: 2 units, 2LDK: 1 unit, 3LDK: 2 units
Feature	Located in the center of Manhattan. It has various room layouts and is popular among a wide range of clients.

Sold in FY2025/3	
Location	Nomad Area
Structure	Brick, five-story building with one basement floor
Room layout / number of units	Store: 1 unit, 1LDK: 4 units
Feature	In renovation work, skylights were installed on the top floor to let in more sunlight.

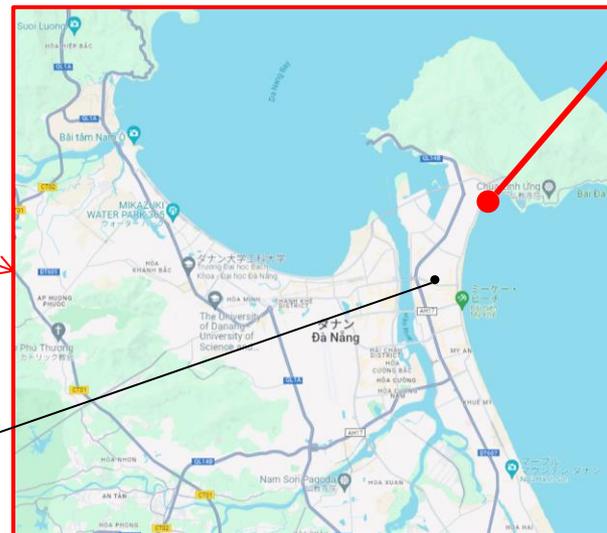
Construction of the HIYORI Aqua Tower PJ in Vietnam Progressing Smoothly



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 Area, 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		



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

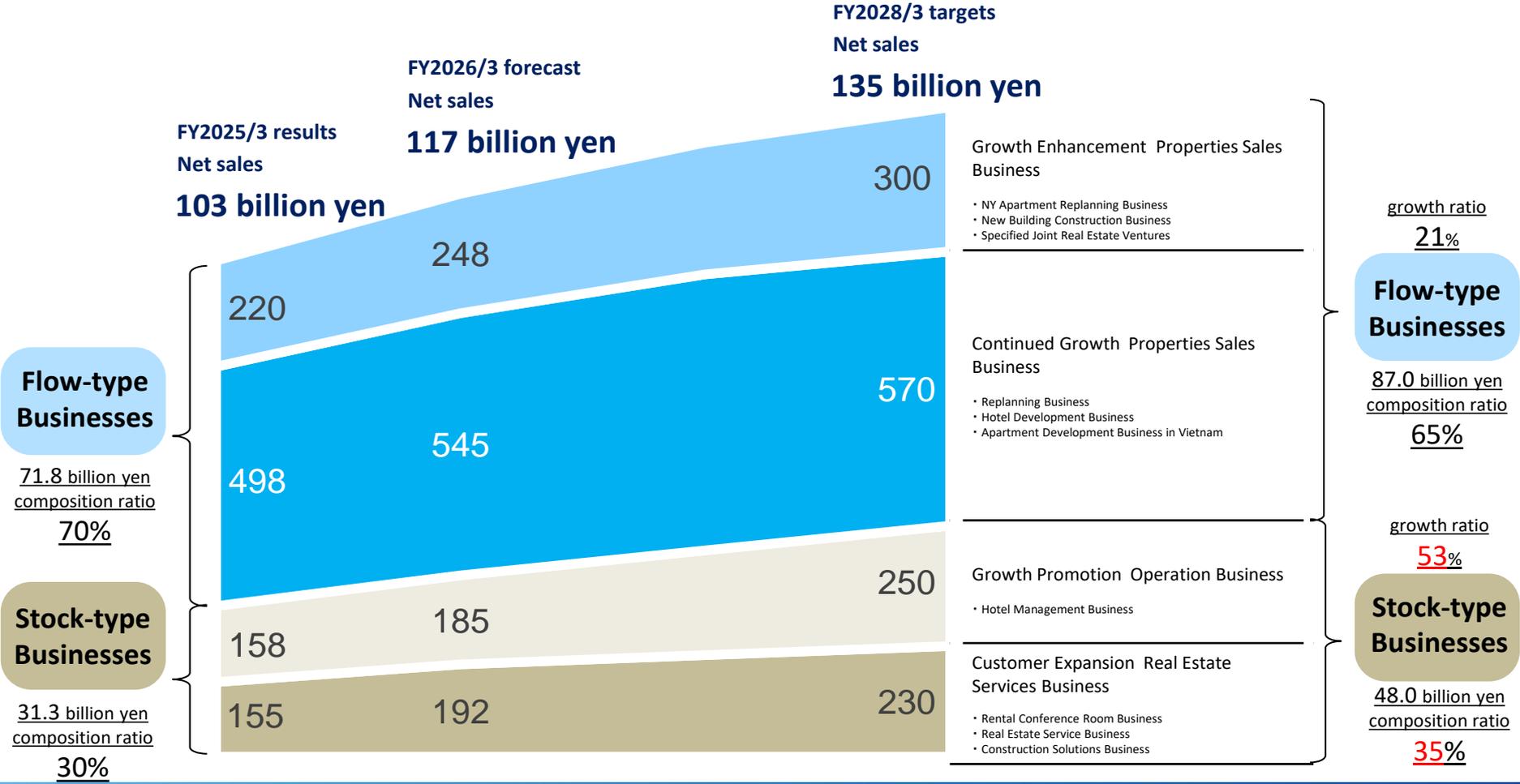


Interior perspective

Strengthening business growth and revenue structure



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



Aggressive Investment for Future Business Growth



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

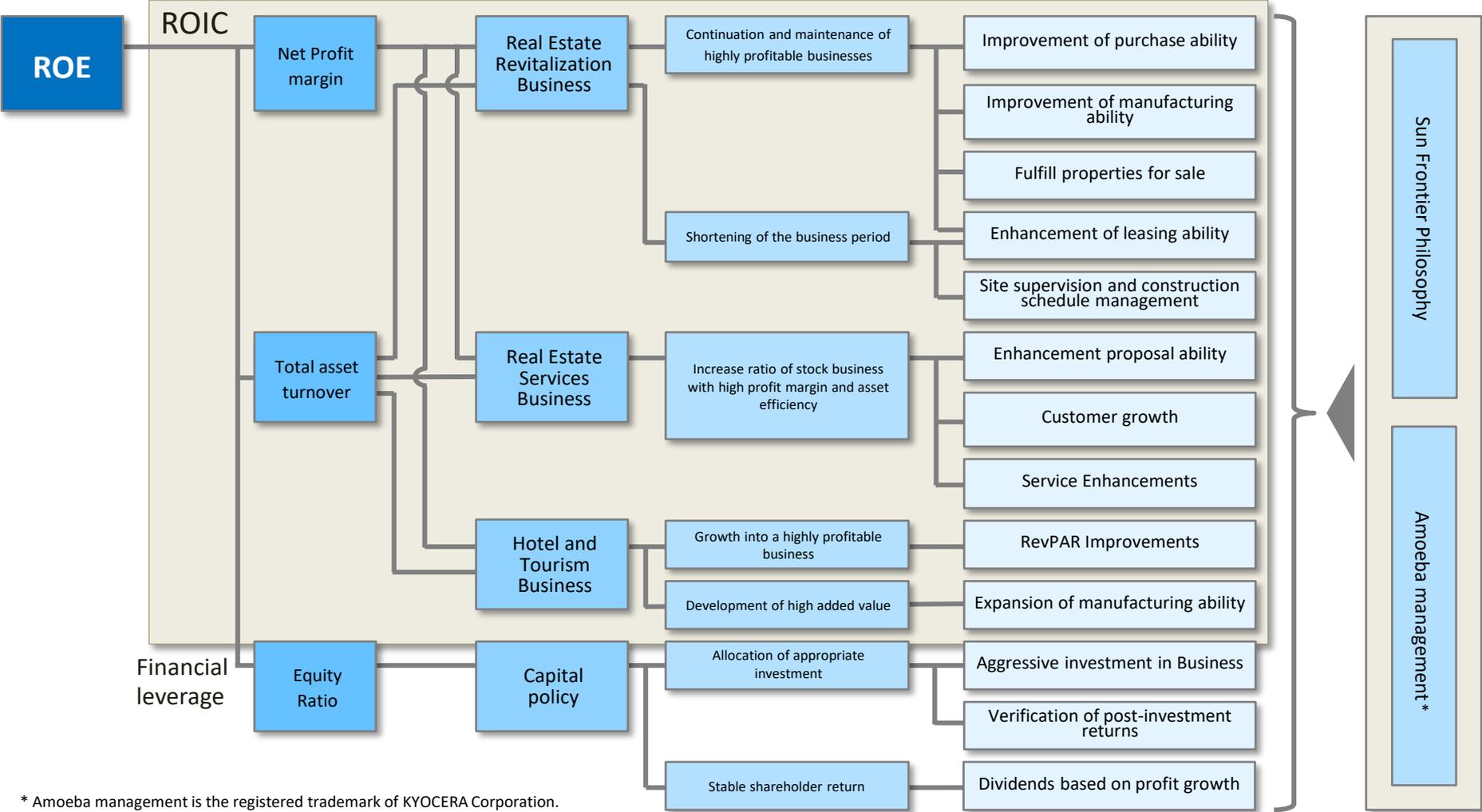
【Cumulative capital income】 【Cumulative capital expenditure】

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

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

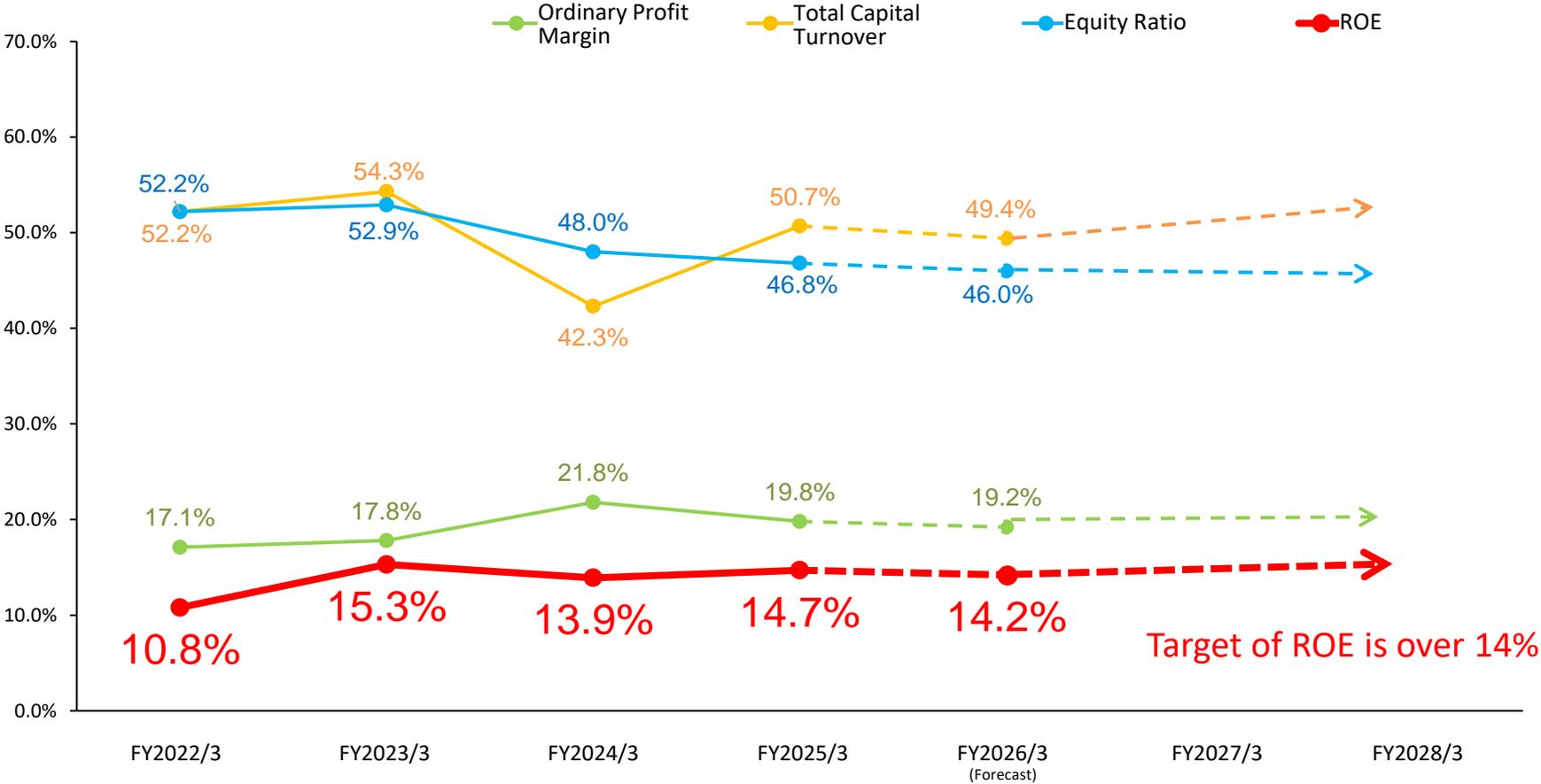
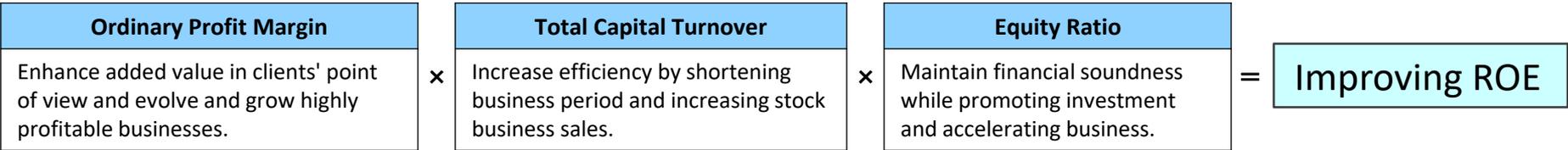
Drivers to improve ROE

Permeation of philosophy and amoeba management enhances employee engagement and promotes businesses through fully participatory management approach. Improve ROE by enhancing ROIC while maintaining financial discipline.



* Amoeba management is the registered trademark of KYOCERA Corporation.

Trends of ROE and each indicator

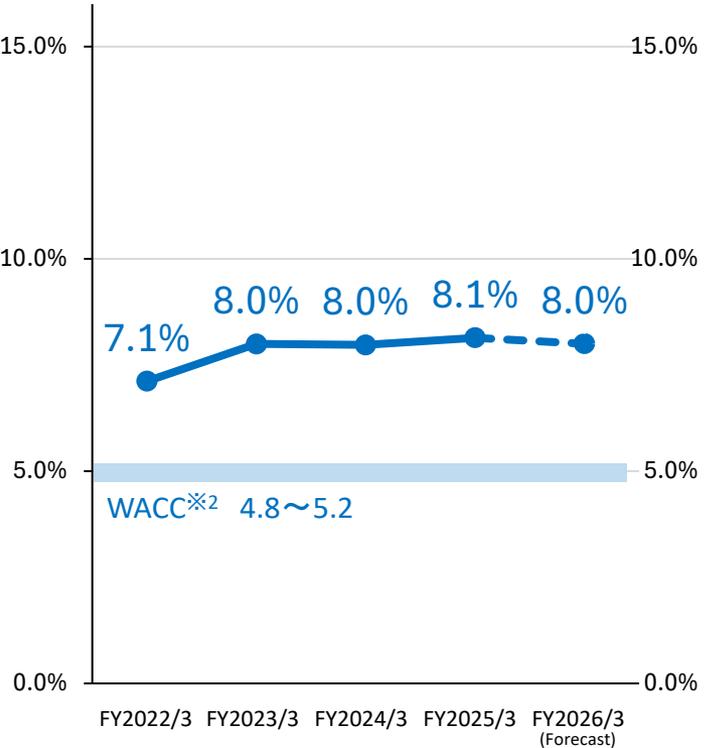


Profitability Continues to Exceed the Capital Cost

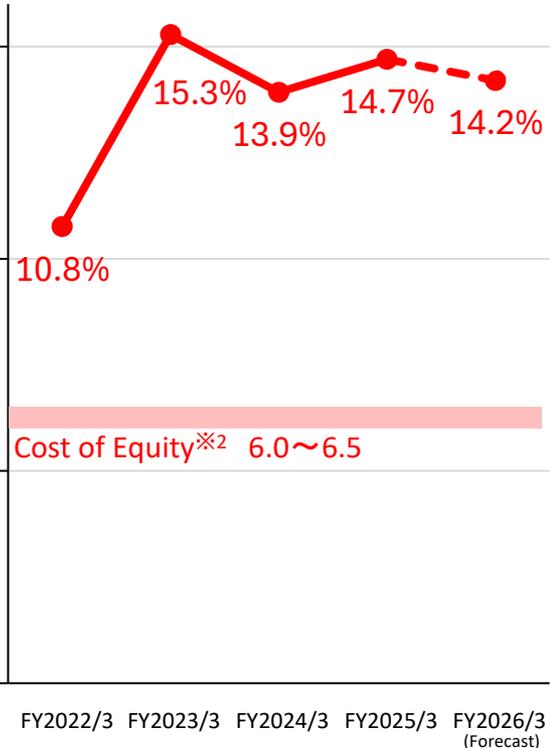


If ROIC continues to exceed WACC, ROE will continue to exceed the cost of shareholders' equity, and PBR will improve.

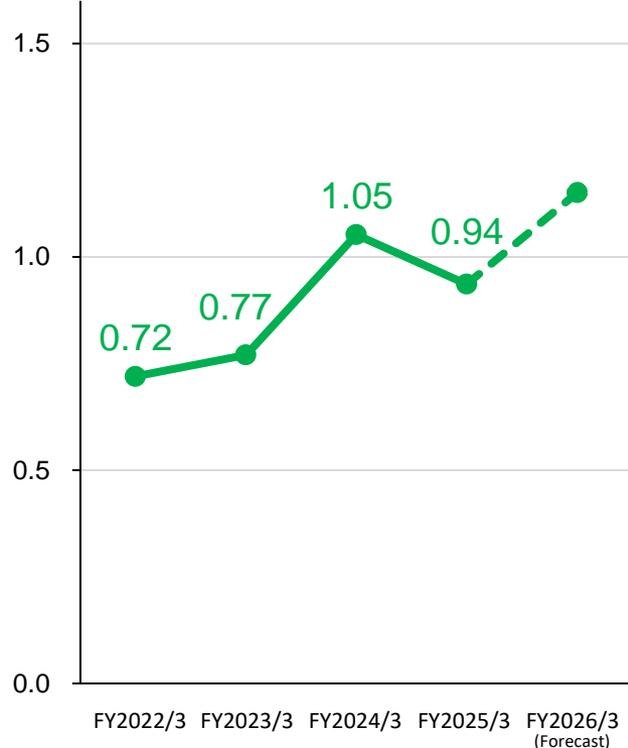
ROIC



ROE



PBR^{※1}



※1 PBR is the figure at each period-end.
 ※2 The cost of equity is calculated using the Capital Asset Pricing Model (CAPM).
 It is assumed that the cost of equity will remain in the range of 6.0% to 6.5%, consistent with the median of the past four fiscal years. Similarly, the Weighted Average Cost of Capital (WACC) is expected to remain in the range of 4.8% to 5.2%, based on the median of the past four fiscal years.

Strengthening IR Activities



Engage in proactive dialogue with the capital markets

Sun Frontier IR website
https://www.sunfrt.co.jp/en/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)
IR meetings	Conducted individually as needed. (mainly handled by President Representative Director and IR staff).	61 times	68 times	82 times
Individual investor briefing	For the fiscal year ending March 2025, it will be conducted through an online briefing hosted by Daiwa IR	1 time	1 time	1 time
Property visit (RP properties)	Invite to RP properties ✕for analysts and institutional investors	-	9 times	5 times
Property visit (sites of Vision Center)	Invite to sites of Vision Center ✕for analysts and institutional investors	-	1 time	1 time

Disclosed materials	
Financial Results	Disclose Japanese and English version simultaneously. Disclose Chinese version within a week after Japanese.
IR Presentation	Disclose Japanese, English version and Chinese version simultaneously.
Annual Securities Report	Disclose Japanese and English version.
Notice of General Meeting of Shareholders	Disclose Japanese and English version.
Analyst Report	FISCO 【Japanese】  Shared Research 【Japanese】  【English】 

Shareholder benefit program	
Outline	Discount coupons for hotels operated by our group companies based on the number and period of shares held.
Period	From July 1st of the issuance year to June 30th of the following year.
Details	For the details, please review to the website of Shareholder benefit program. https://www.sunfrt.co.jp/ir_info/stockholder_benefit_plan/ 



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.

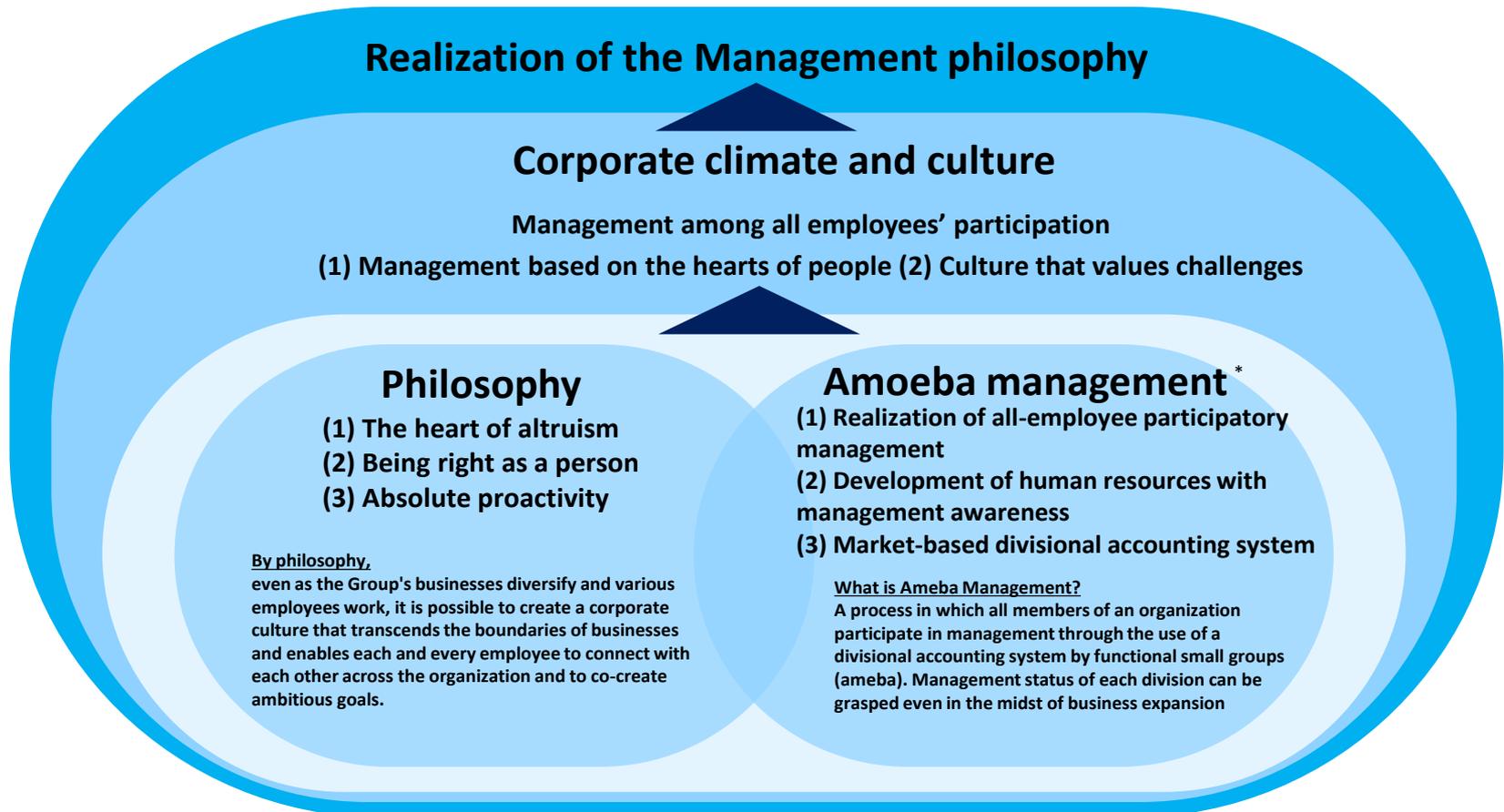
Sustainability Report Site Address

https://www.sunfrt.co.jp/sustainability/disc/sustainability_report_2024_en.pdf



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 	  
Regional Revitalization	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) 	 
	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 Providing information for tenants to prevent disaster. Posting disaster prevention information on the website: 100% (Company-owned properties) 	
Human Resource Development	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"> Target ratio of female managers in FY2036/3: at least 15% Ratio of training hours to designated working hours: 12% or more Increase the amount of ordinary profit per hour compared to the previous year 	  

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

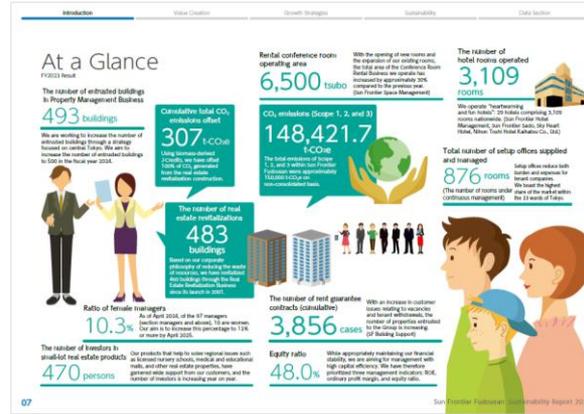
Basic Policies of the Medium-Term Management Plan

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

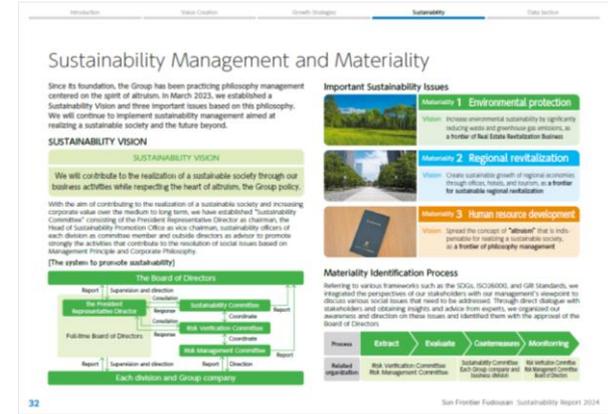
Sun Frontier Sustainability Report 2024



Front cover



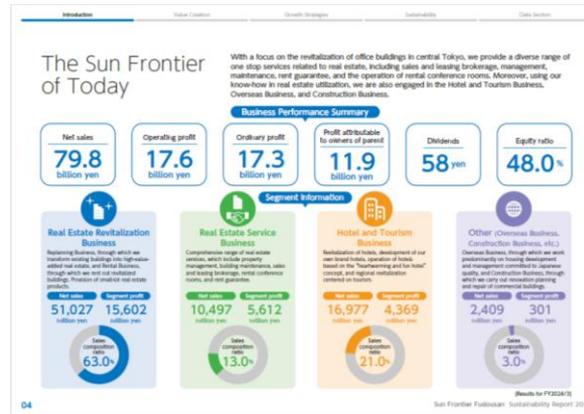
Financial and non-financial highlights



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.

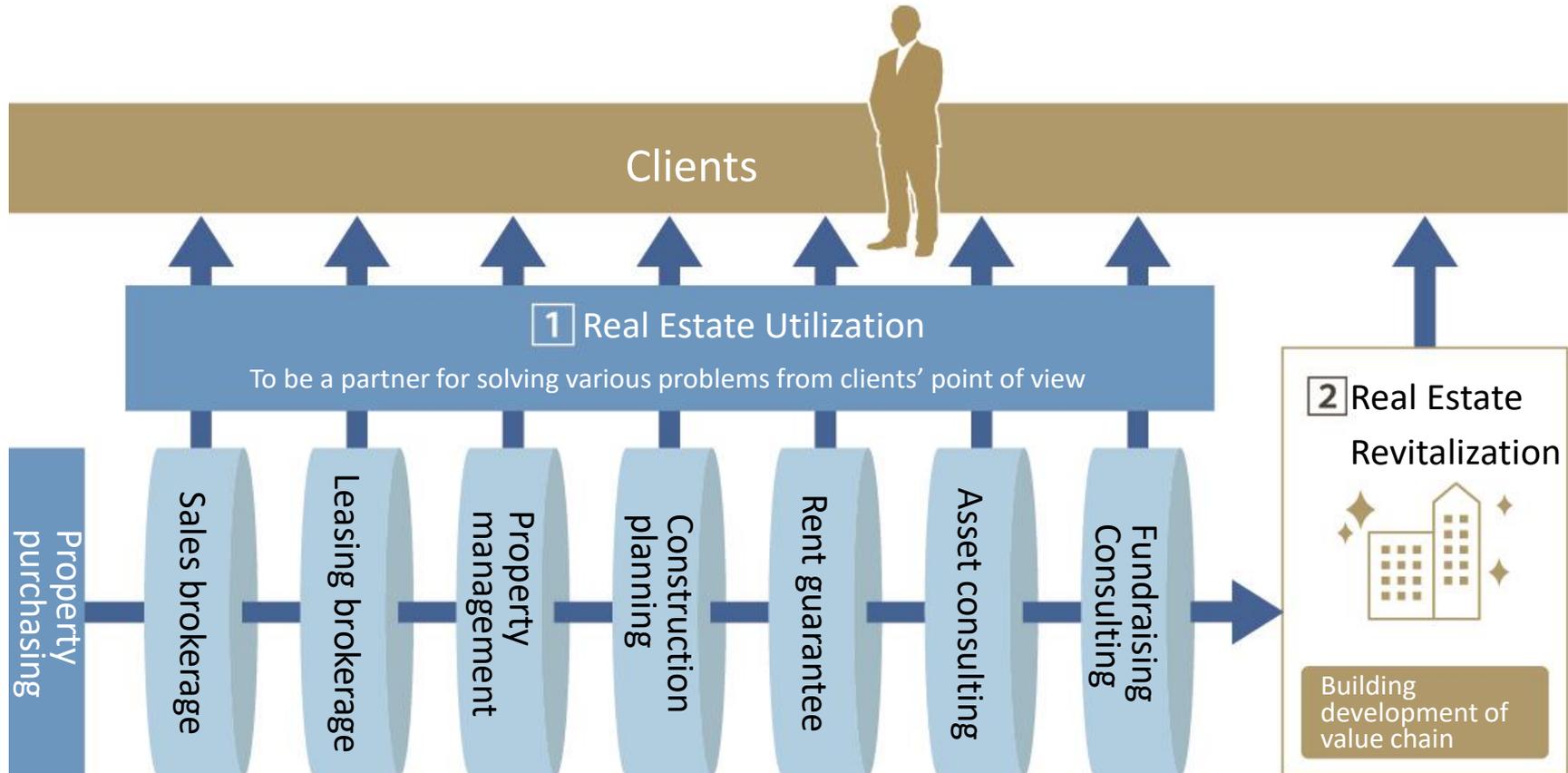
Sustainability website

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



Strengths in Office Business

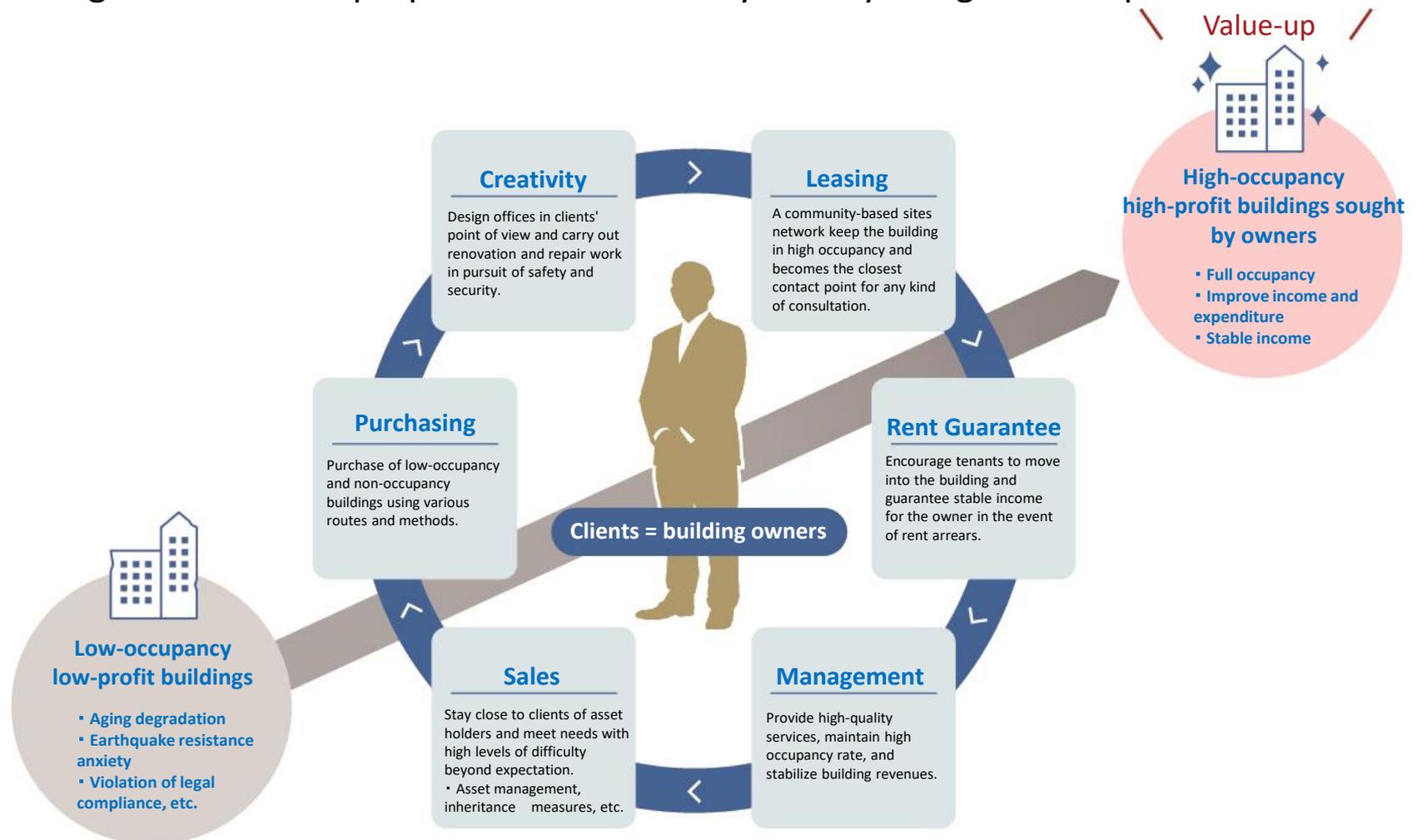
With in-house processes from procurement to development, occupancy, sales, and support, we solve various problems by getting client's needs correctly.



- 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 SUN FRONTIER

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.

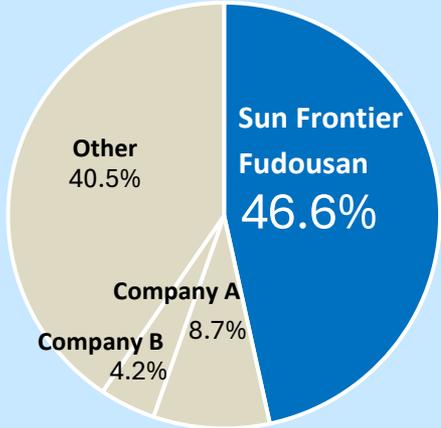
Merit 3) Reduced financial burden
Significant cost reduction for office interiors, etc., and no interior assets recorded by tenants.

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.

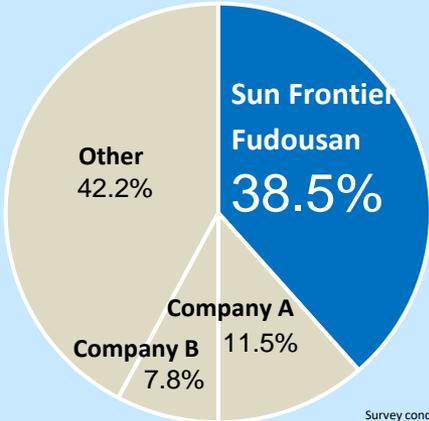
Merit 4) Employment, motivation and productivity improvement
Improve employment of human resources, employee motivation, and office productivity by the office interior that pursues a high level of design, focusing on design, functionality, and various usage scenes.

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

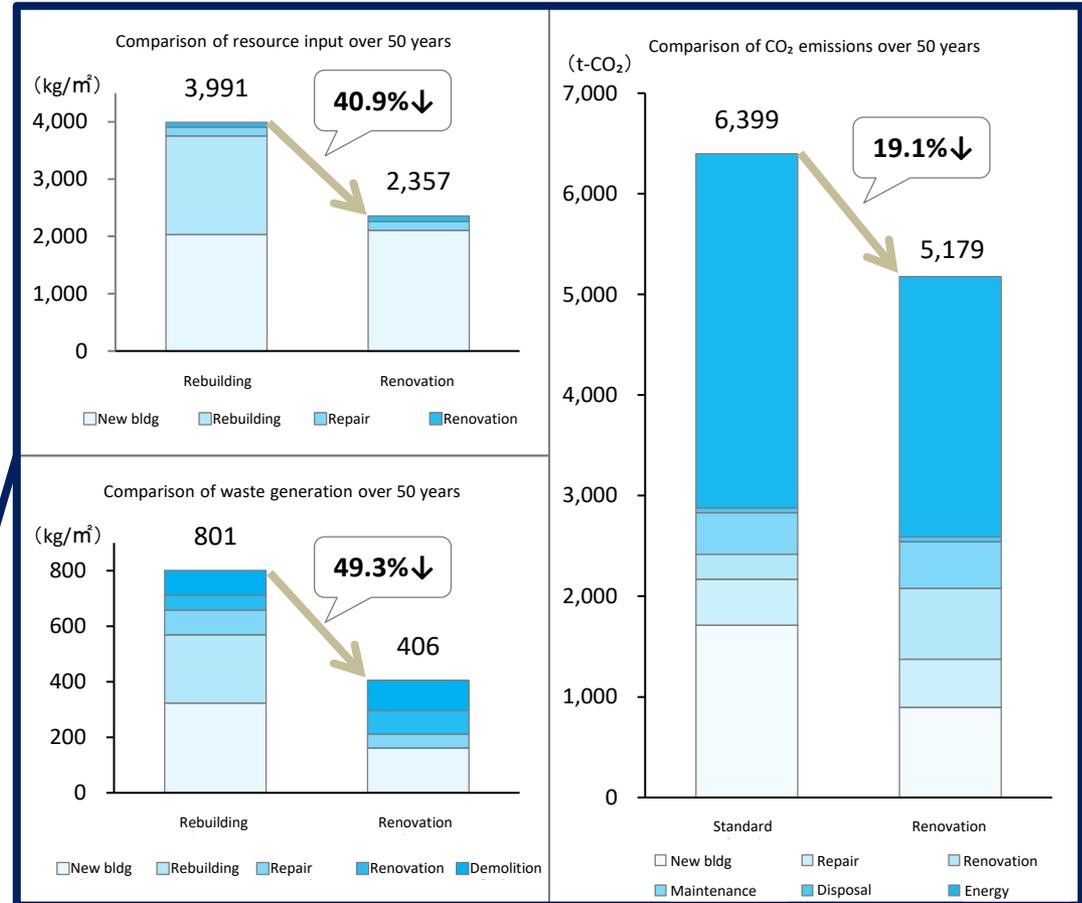
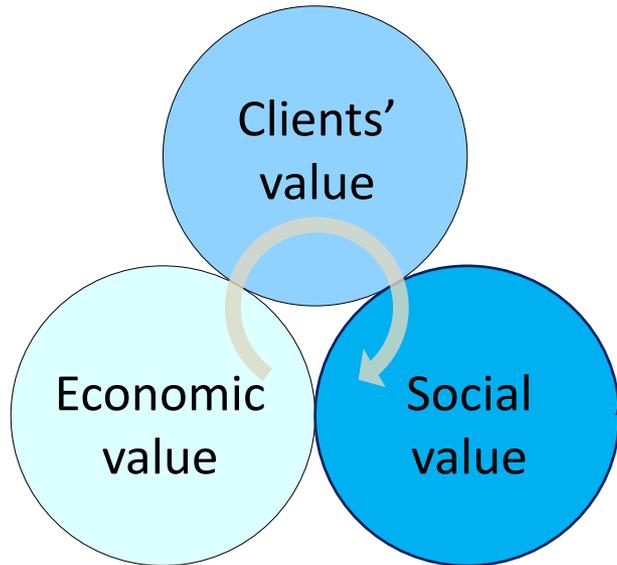


Solving social issues through supporting our clients' business.

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.

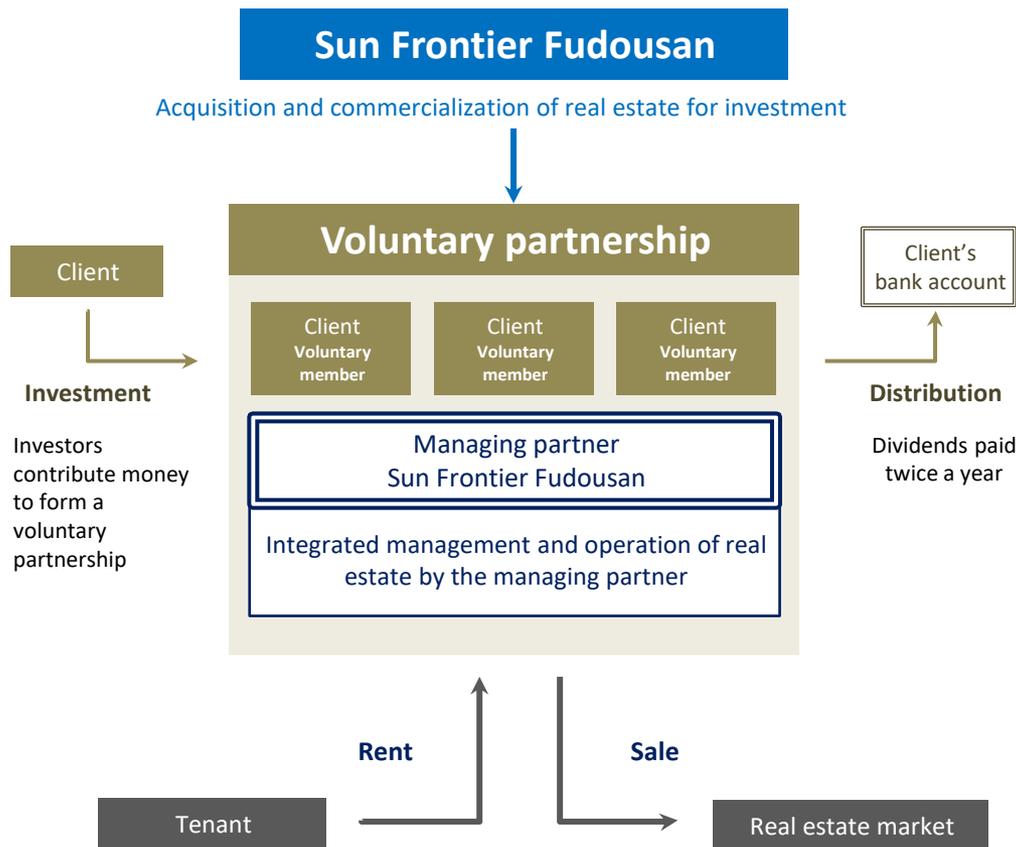


<Assumptions and rationale> Assuming a 30-year-old office building of approximately 3,000 square meters, the environmental contribution over a 50-year period (the service life of SRC office buildings) was estimated based on the Architectural Institute of Japan's LCA Tool (*).
 • Rebuilding: "In the case 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.

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



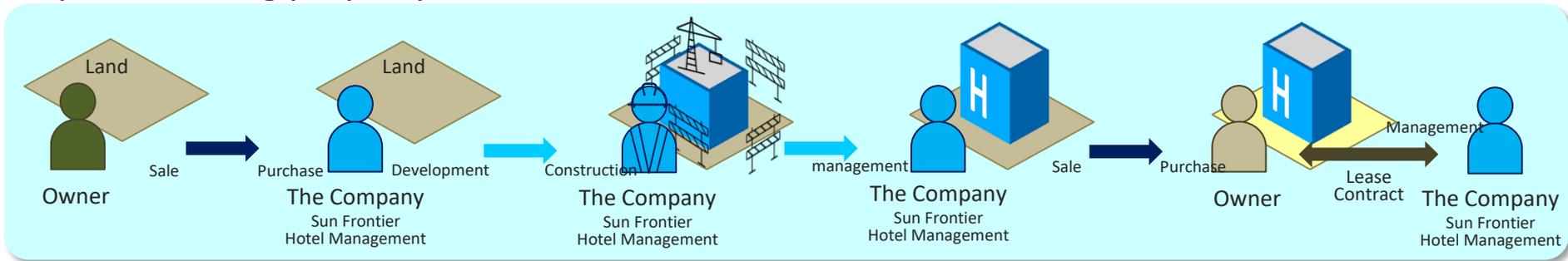
New Medical and Educational Mall in Ota-ku, Tokyo



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 OSAKA NAMBA STATION
 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 Bettei
 Opened in June 2022, currently in operation

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 about 200 jobs.

SADO
Sado Island, Niigata Prefecture

- Tabino Hotel Live Sado** (Photo of modern building)
- Tabino Hotel Sado** (Photo of modern building)
- Donden Kogen Lodge** (Photo of traditional building)
- Port of Ryotsu** (Photo of boat)
- UNESCO World Heritage Centre Aikawa Gold and Silver Mine** (Text box)
- HOTEL OOSADO** (Photo of hotel at night)
- HOTEL AZUMA** (Photo of hotel building)
- LE BLUE SADO SAWANE** (Photo of traditional building)
- UNESCO World Heritage Centre Nishimikawa Placer Gold Mine** (Text box)
- Sado Outdoor Base** (Photo of store interior)
- 気軽にレンタカー Kigaran Rent a Car** (Photo of red car)
- おけさ観光タクシー OK** (Photo of white van)

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. (Photo of two men shaking hands)
- Sakata, Yamagata**
 - Tabino Hotel Sakata Scheduled to open in December 2026 (Photo of three people)
- Miyakojima, Okinawa**
 - Tabino Hotel lit Miyakojima Opened in June 2021 (Photo of hotel building)
 - Construction and sales of rental residential (Photo of building)



References Materials

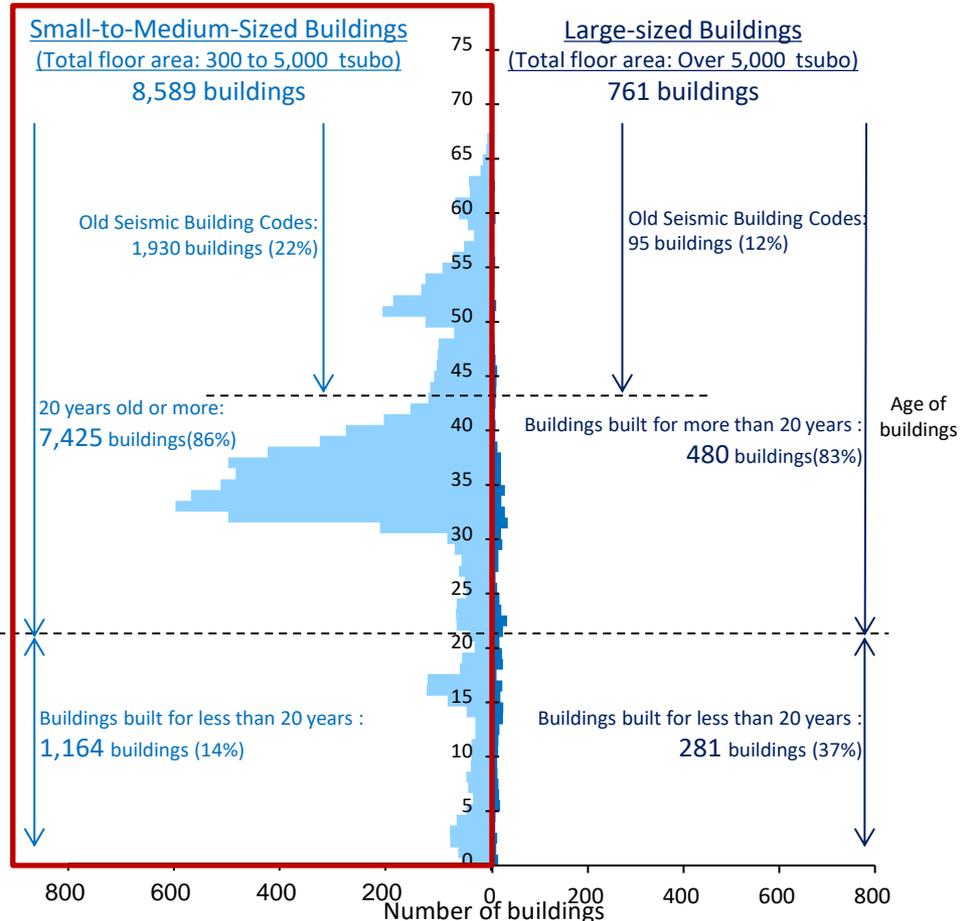
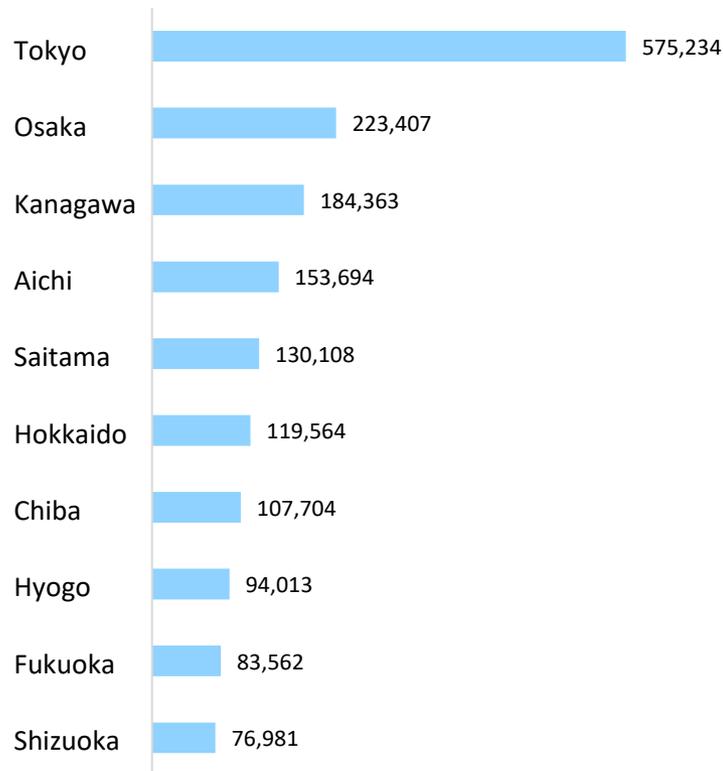


The Number of Corporations by Prefecture and Number of Office Buildings in Tokyo's 23 wards

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.

Tokyo 23 cities with 9,350 buildings

Top 10 Prefectures in Number of Corporations



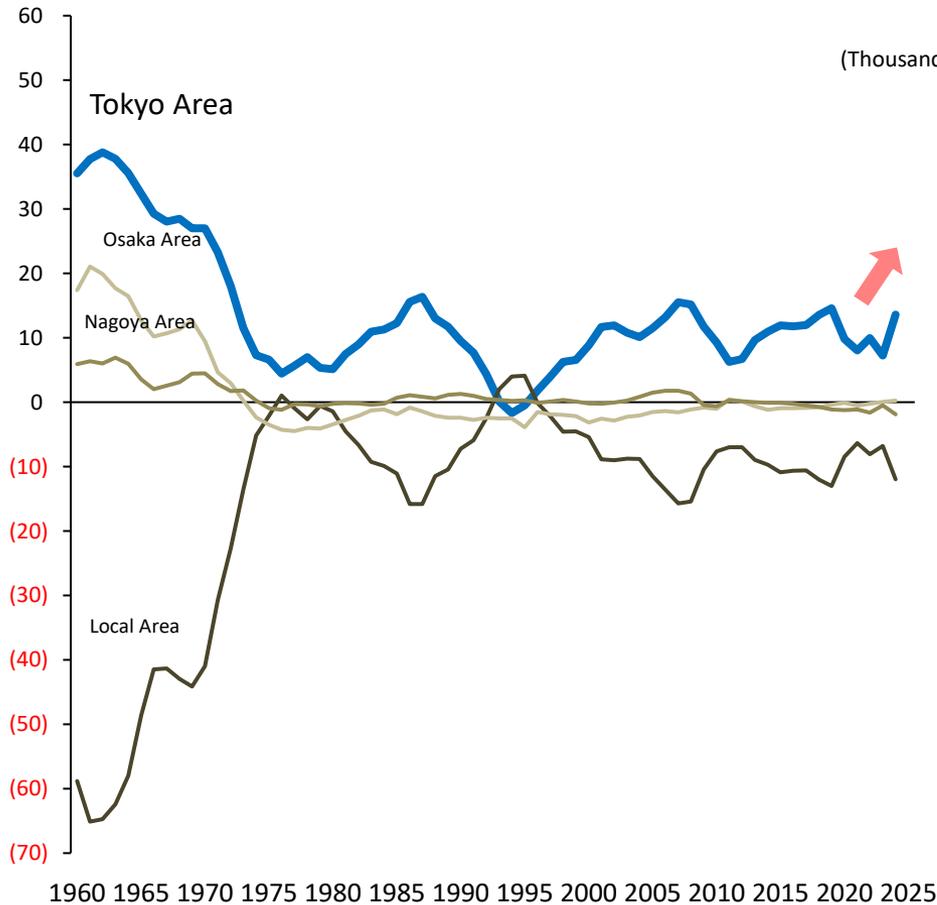
Source: Compiled by the Company based on the National Tax Agency's "Number of Corporations by Prefecture".

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

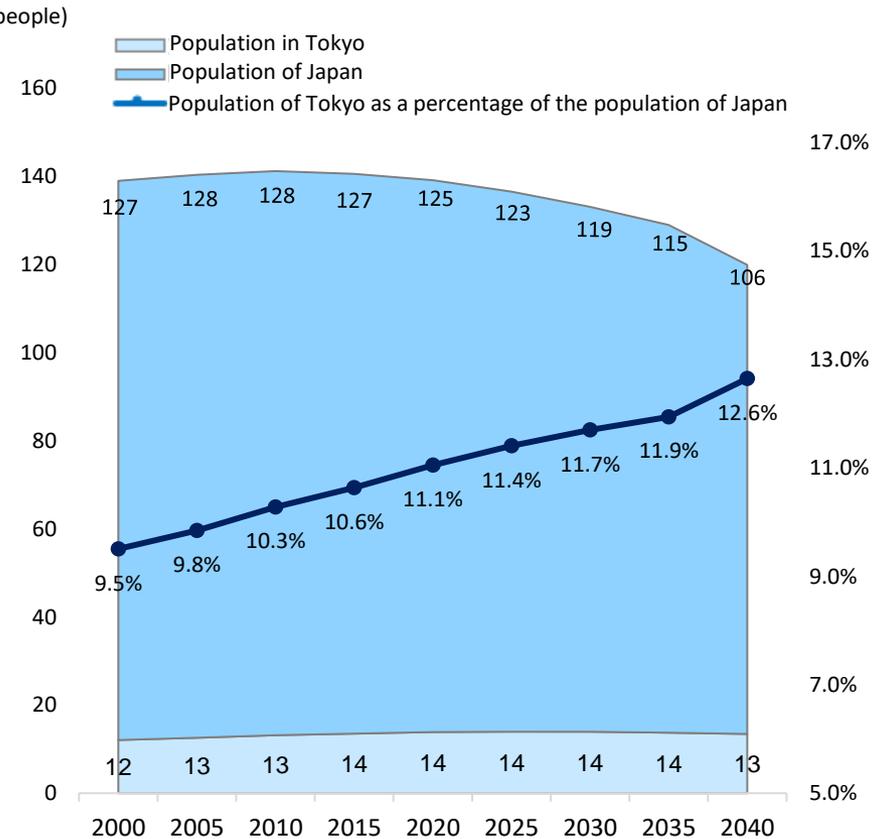
Insight for Business Environment

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

(Thousand people)



Ratio of Tokyo population to Japanese population (estimate)



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

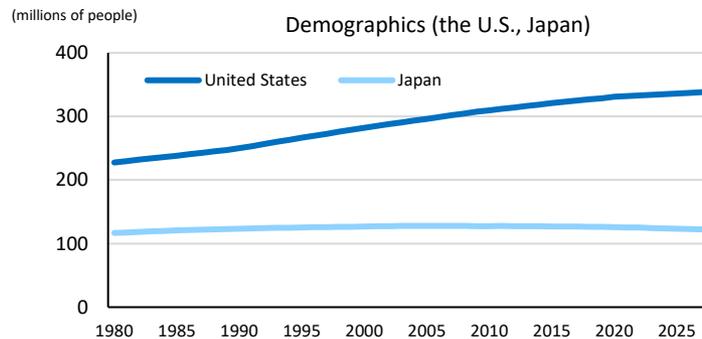
Source: Compiled by the Company based on Tokyo Metropolitan Government statistics - "Population of Tokyo (Estimate)."

Overseas Markets (the U.S., Vietnam)

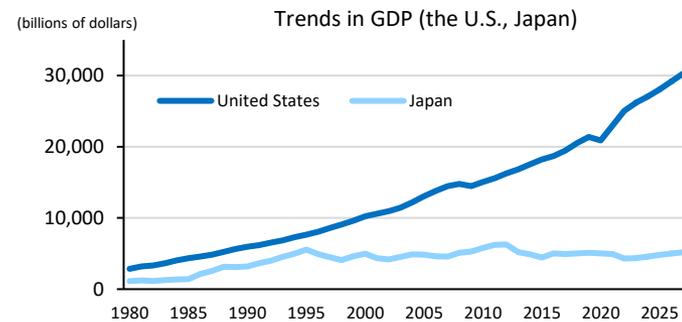


Supplying Japan's high-quality residential real estate in the United States (New York) and Vietnam (Danang), where population growth and high growth rates continue

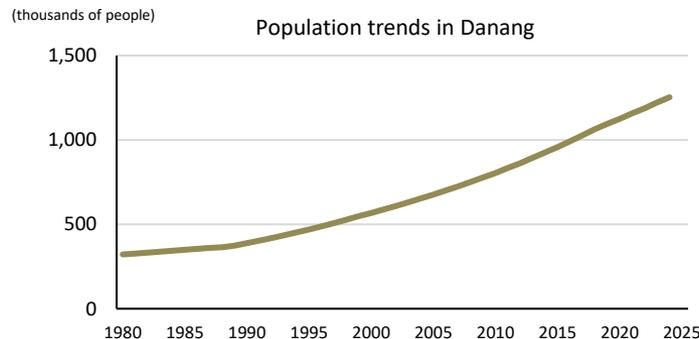
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



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.

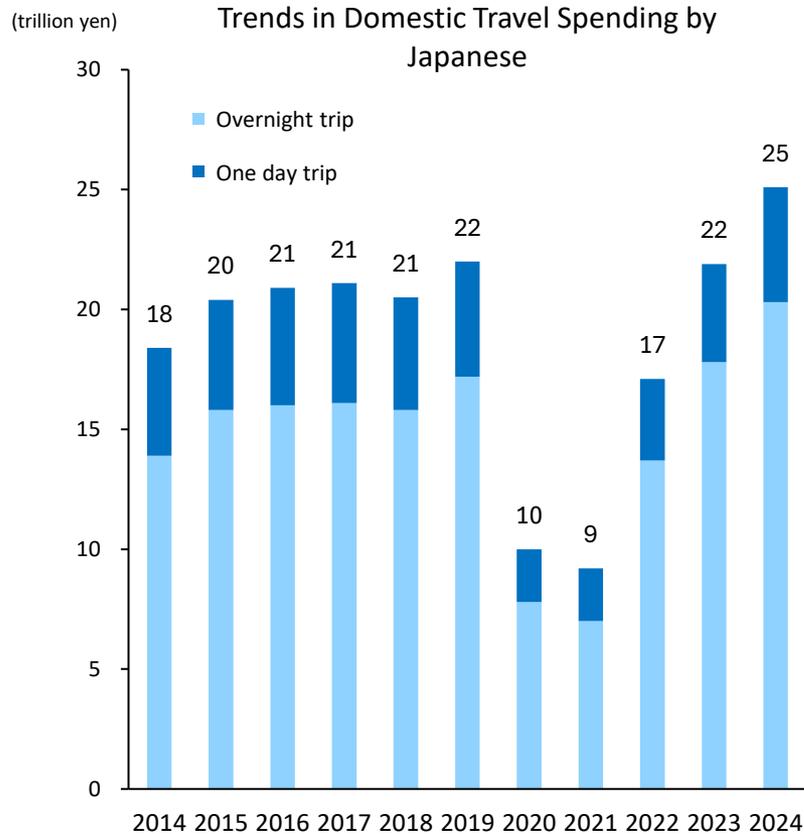


Source: IMF World Economic Outlook database (prepared by the Company)

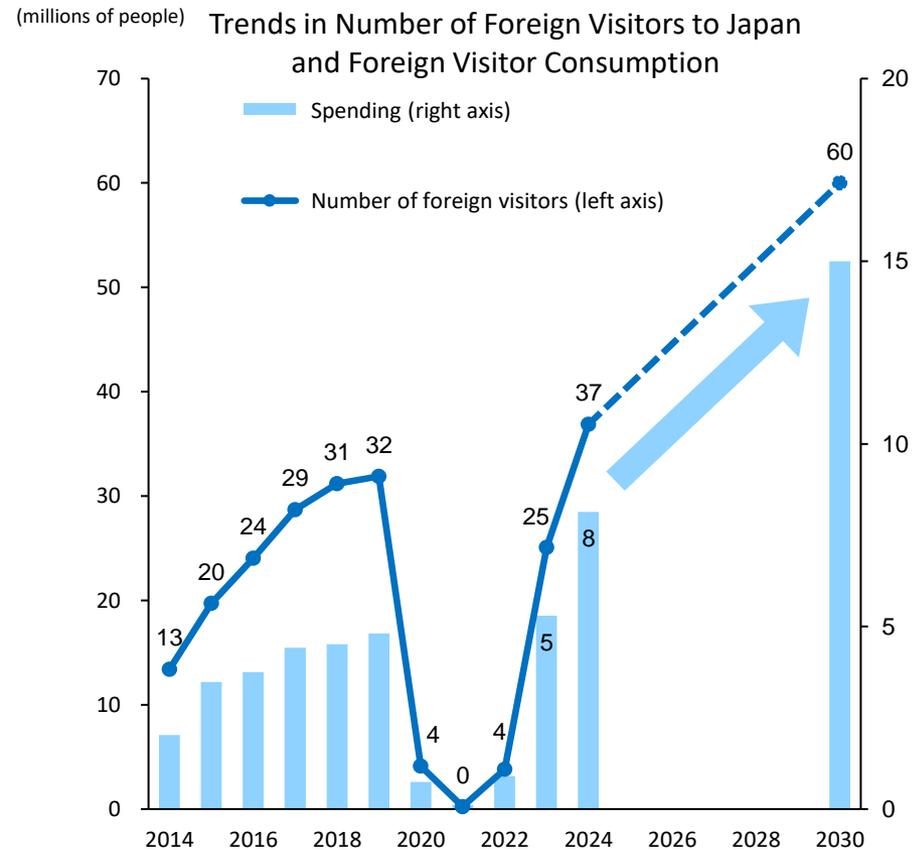
Demand recovery and growth potential in the hotel market



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 March 31, 2025

Actual number of RP buildings



Total **512** buildings

Carbon Offset
Cumulative total **3,493t**



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

RP construction
65 buildings
1,252t

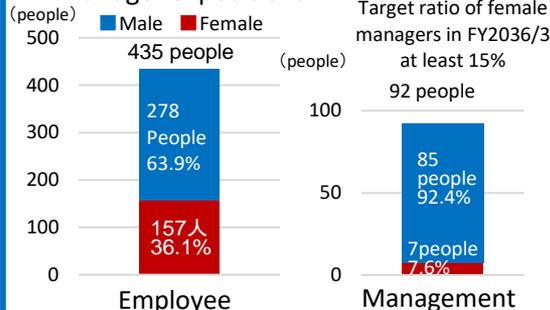


Acquired BELS for
16 properties

Social

As of March 31, 2025

Ratio of male and female employees in managerial positions



Childcare leave

acquisition rate for male: 21.4% (YoY +11.4pt)
Including our own childcare leave system: 71.4%
Return to work for female: 89.3%

Human resource development

Target: Support programs, etc., account for more than 12% of prescribed working hours
Result: 12.0% (as of the end of March 2025)



Governance

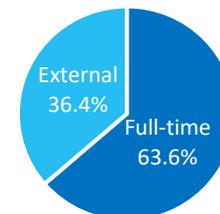
As of March 31, 2025

Transition to a company with Audit & Supervisory Committee

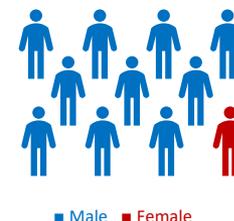
As of June 30, 2022



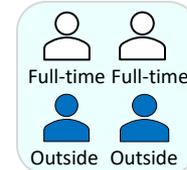
Ratio of Outside Officers 1/3 or more



Female Directors
1 out of 11



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



Ensuring transparency and soundness

Sustainability website

<https://www.sunfrt.co.jp/sustainability/en/>

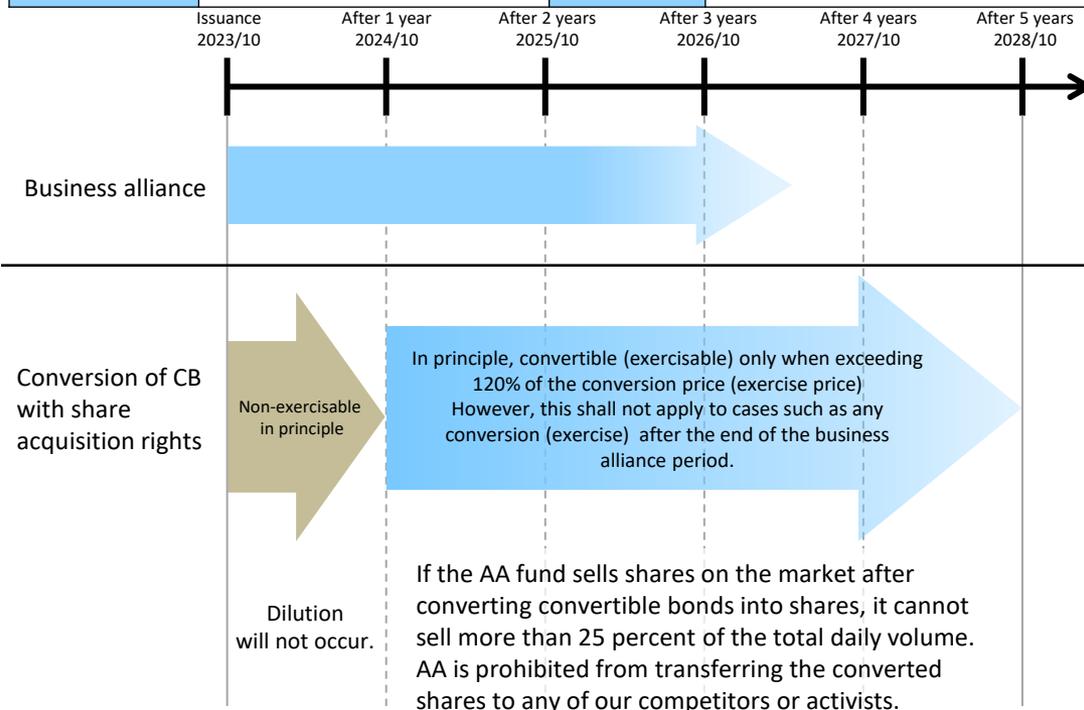


- RE100 • • • • Carbon offset using J-credit derived from renewable energy. Initiatives to become the first in Japan to introduce this system on each floor. Achieve zero Co2 emissions per tenant company.
- "Mori no Denki" • • • • Carbon offset using J-credit derived from forests. We can feel that we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

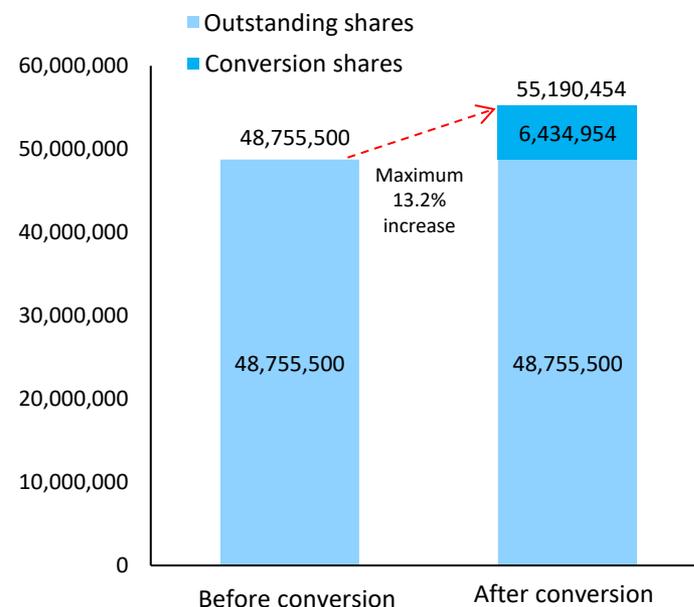
Conversion conditions of CB

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

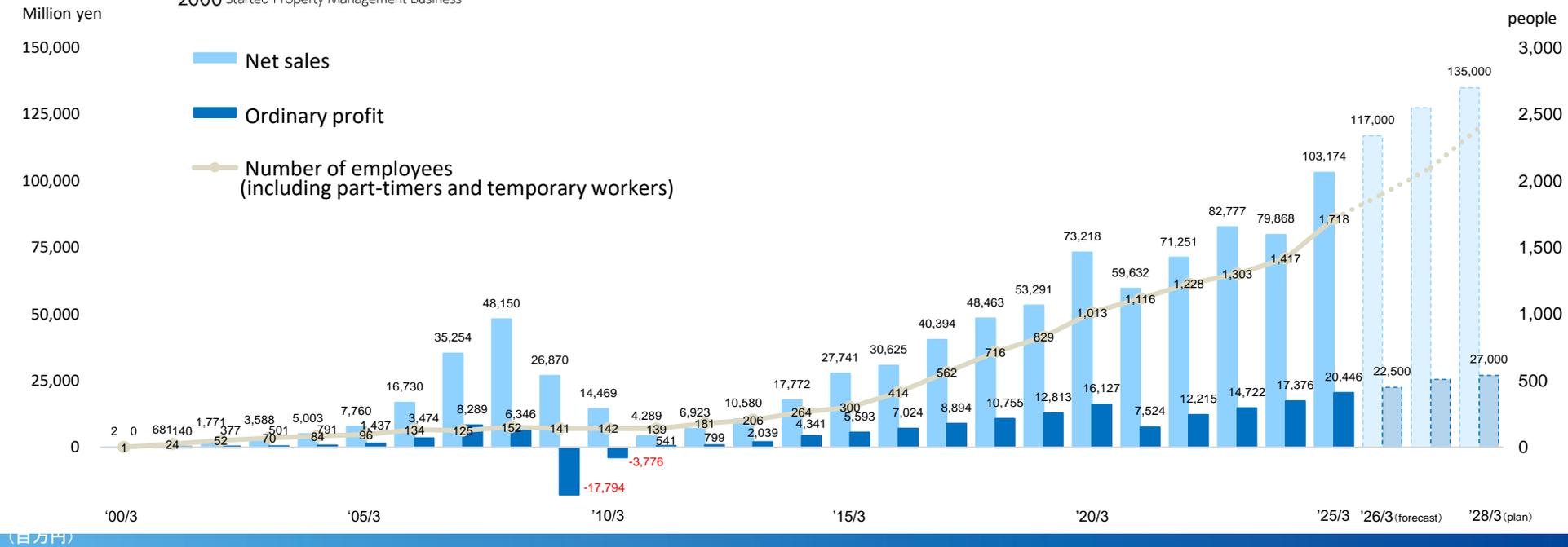
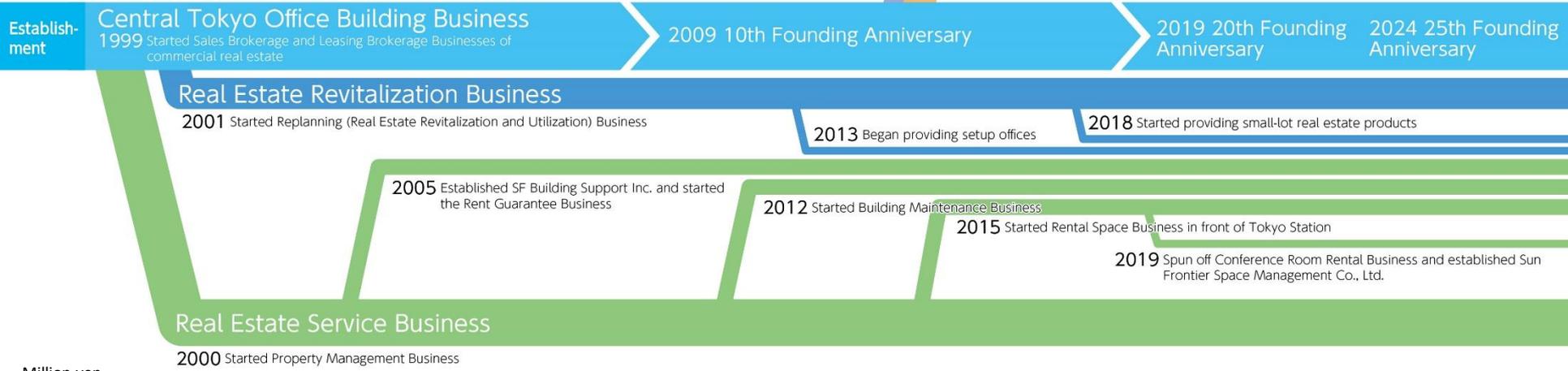
Overseas Business

2015 Established SUN FRONTIER VIETNAM CO., LTD. in Vietnam

2017 Established Sun Frontier Sado Co., Ltd. and started to work on Regional Revitalization Business

Hotel and Tourism Business

2015 Established Sun Frontier Hotel Management Inc. and started Hotel Operation Business



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 *	868 employees (1,718 including part-timers and temporary workers)
Average Age of Employees*	36.0 years old
Business Profile	<p>Real Estate Revitalization</p> <p>Real Estate Service (Properties Management, Brokerage, Construction Planning, Rent Guarantee, Rental Conference Room, Building Operations, Asset Consultation)</p> <p>Hotel Development and Operation</p> <p>Others</p>
Accounting Month	March
Listed Market	Tokyo Stock Exchange Prime (Code number: 8934)

* As of the end of March 2025

Thank you for your continued support.

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- ◆ 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.
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