Sun Frontier Fudousan Co., Ltd

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

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

August 7, 2025

SUN FRONTIER

Tokyo Stock Exchange Prime Market 8934

Contents

Overview of the Results for FY2026/3 1Q

SUN FRONTIER

Overview of the Results for FY2026/3 1Q

SUN FRONTIER

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

(Unit: million yen)

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

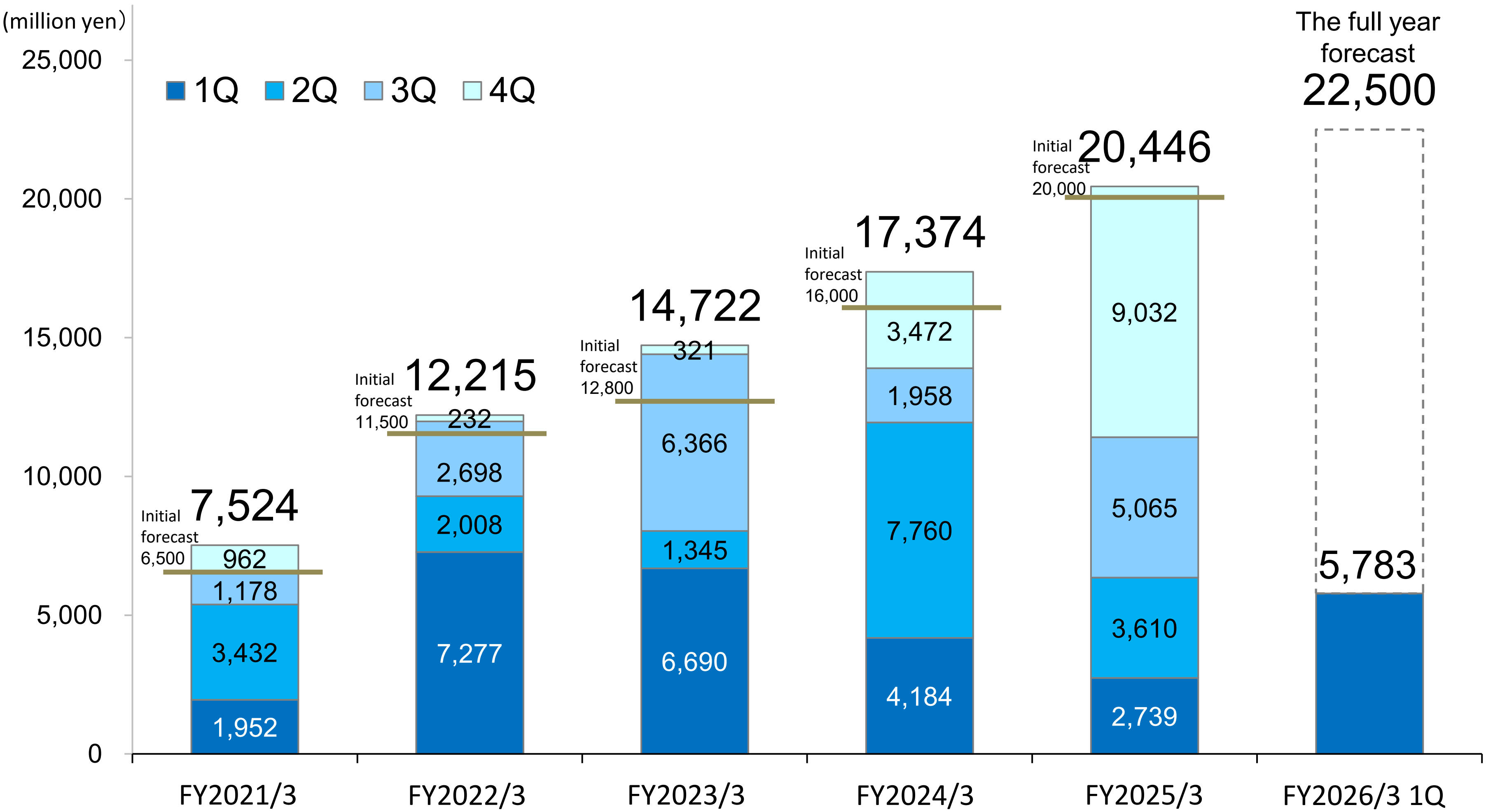
*The profit attributing to owners of parent.

Performance Highlight

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

Trends in Ordinary Profit for recently 5 fiscal years

Solid start in line with the full-year forecast.



Consolidated Income Statement

(Unit: million yen)

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

Keynotes of Income Statement

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

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

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

＜Selling, General and Administrative Expenses＞
In addition to investments in human capital and systems, hotel opening expenses increased due to the expansion of operations.

Consolidated Balance Sheet
- Assets -

SUN FRONTIER

<Cash and deposits>	Decreased by 4.1 billion yen from the end of the previous fiscal year due to property acquisitions, construction progress, tax payments and dividends distributions
<Inventories>	Although there was a decrease due to the sale of large-scale properties in the RP business, the total increased by 1.8 billion yen compared to the end of the previous fiscal year, driven by property acquisitions and construction progress across segments
<Property, plant and equipment>	Increased by 1.4 billion yen from the end of the previous fiscal year due to the progress of construction for hotel development.

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

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

Consolidated Balance Sheet
- Liabilities/Equity -

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

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

Equity Ratio Trends

As of End of March 2024	As of End of March 2025	As of End of June 2025
48.0%	46.8%	47.7%

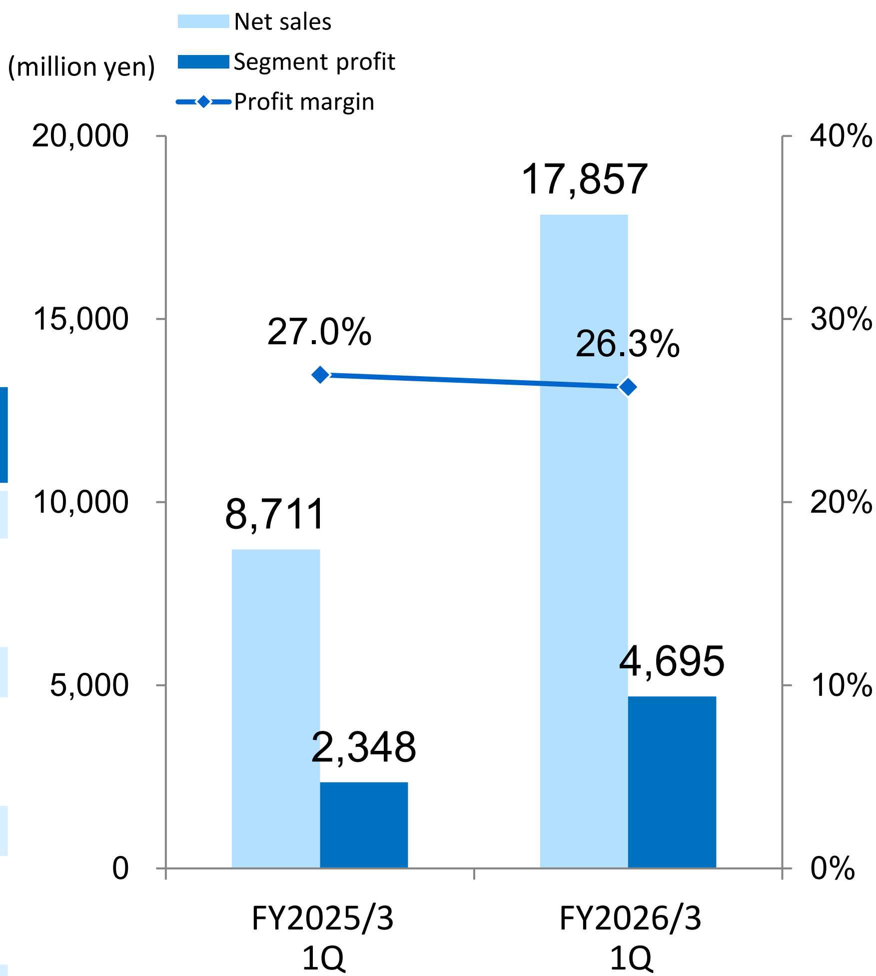
(Unit: million yen)	As of End of March 2024	As of End of March 2025	As of End of June 2025	Increase/decrease (compared to the End of March 2025)
Current liabilities	24,767	26,663	24,769	- 1,894
Short-term borrowings, etc.	12,269	10,240	12,154	+1,913
Other current liabilities	12,497	16,423	12,615	- 3,808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

Real Estate Revitalization Business (Replanning and Rental Buildings)

<Replanning Business>

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

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



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

Real Estate Revitalization Business

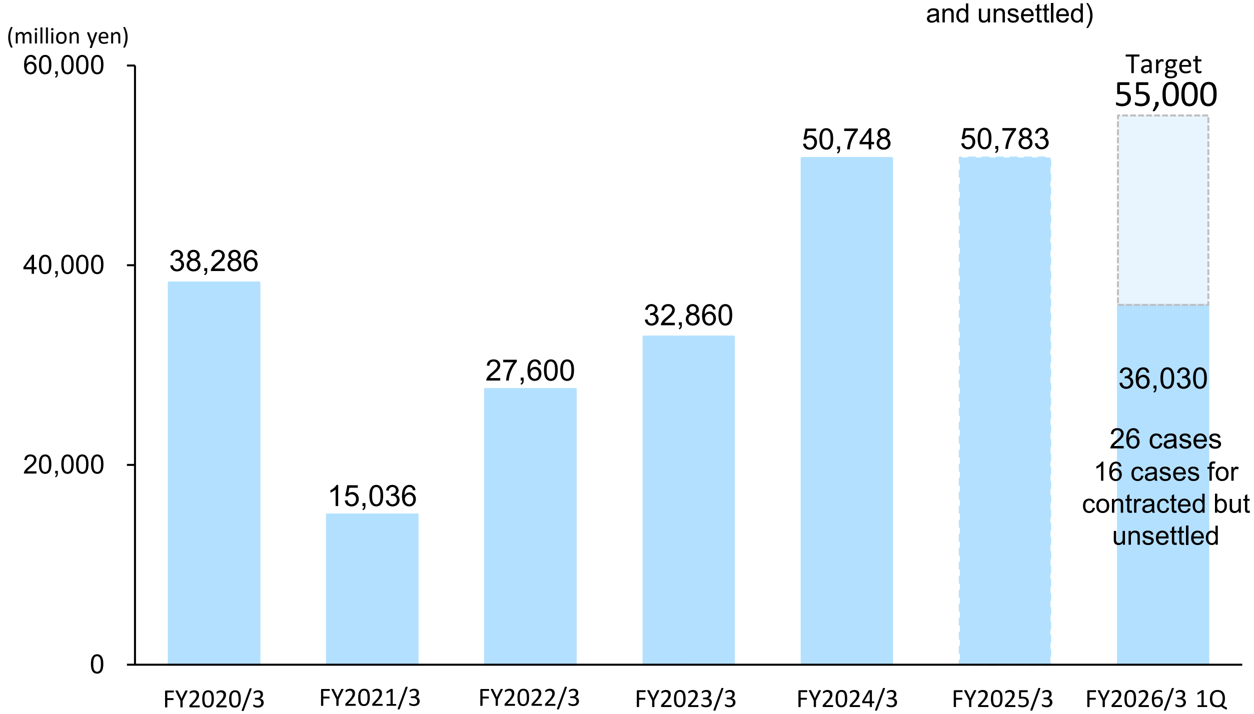
<u><Property purchase of Replanning Business*></u>

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

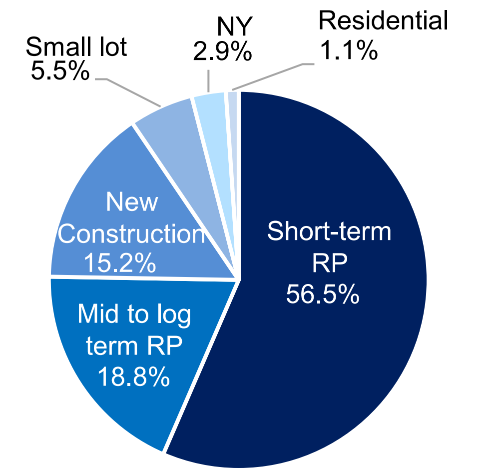
Progress has exceeded 60% toward the full-year purchase target of 55 billion yen.

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

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



Breakdown of Inventories for Replanning Properties



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

Trends in Inventories and Gross Profit of Property Sales

SUN FRONTIER

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	Sale in the following fiscal year	61.7 billion yen	Sale during the year / Sale in the following fiscal year	53.7 billion yen	Sale during the year / Sale in the following fiscal year	71.7 billion yen	Sale during the year / Sale in the following fiscal year	81.4 billion yen
Cost of property sales	40.3 billion yen		44.9 billion yen		36.1billion yen		50.3billion yen		57.5 billion yen
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	Carry-over	62.8 billion yen	Carry-over	77.2 billion yen	Carry-over	80.8 ~ 82.8 billion yen
Ending balance of the inventory	77.3 billion yen	Keep holding	80.1 billion yen	Keep holding	106.8 billion yen	Keep holding	133.7 billion yen	Keep holding	157.0 ~ 159.0 billion yen
	Although COVID-19 pandemic prolonged, sales remained strong. Refocused on purchased, but the inventory balance declined.		Sales remained strong. The results of strengthening purchase emerged, leading to the increase of the balance of inventories .		The balance increased by selling as planned and investing aggressively.		Aggressively invest for the next fiscal year and beyond while selling at high margins and achieving the Medium-Term Management Plan		Continued growth under the new Medium-term Management Plan, promoting the development of new buildings, NY Replanning, sales under the Act on Specified Joint Real Estate Ventures.

Ending balance for FY2025/3 (Forecast)		Gross profit margin (Assumed)		Net sales (Assumed)		Unrealized gains on inventories (Assumed)
157.0～ 159.0 billion yen	➡	25～30%	➡	209.0～ 227.0 billion yen	➡	52.0～ 68.0 billion yen

※ Gross profit ＝ ordinary profit － sales commission

Real Estate Services Business

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

<Property Management and Building Maintenance>

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

<Brokerage>

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

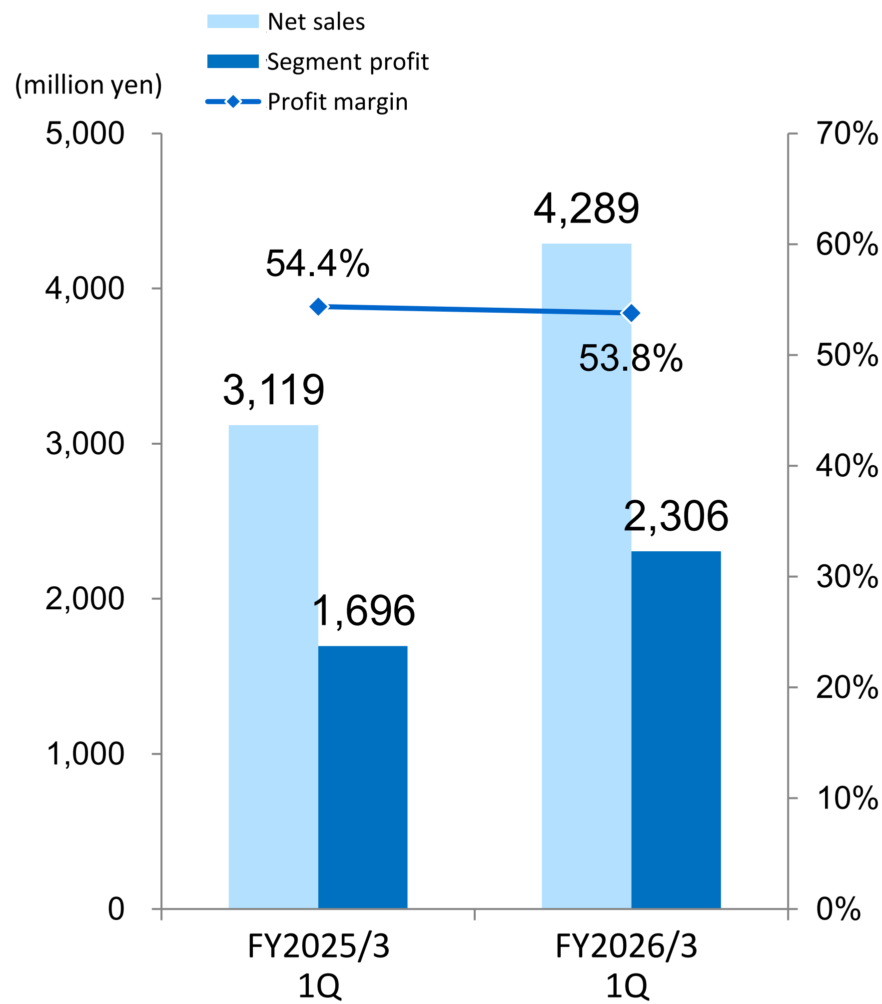
<Rental Conference Room>

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

<Rent Guarantee>

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

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



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

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

<Hotel Development Business>

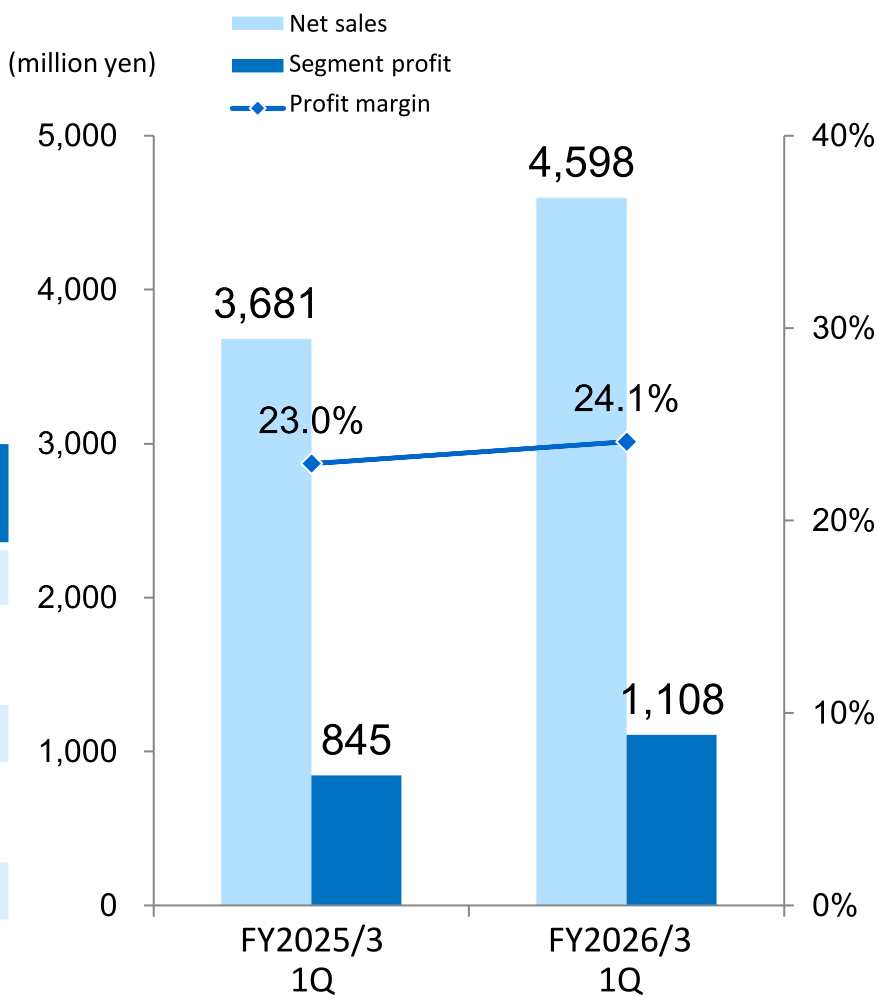
- Hotel sales are scheduled for the second half of the fiscal year. Kakogawa (scheduled for September 2025) and Ishikari (October 2025) are scheduled to open within the current fiscal year. Hotel construction projects in Kumamoto, and Rokkasho are progressing smoothly.

<Hotel Operation Business*1>

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

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

※1 There is Profit of Hotel Rental included.



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

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

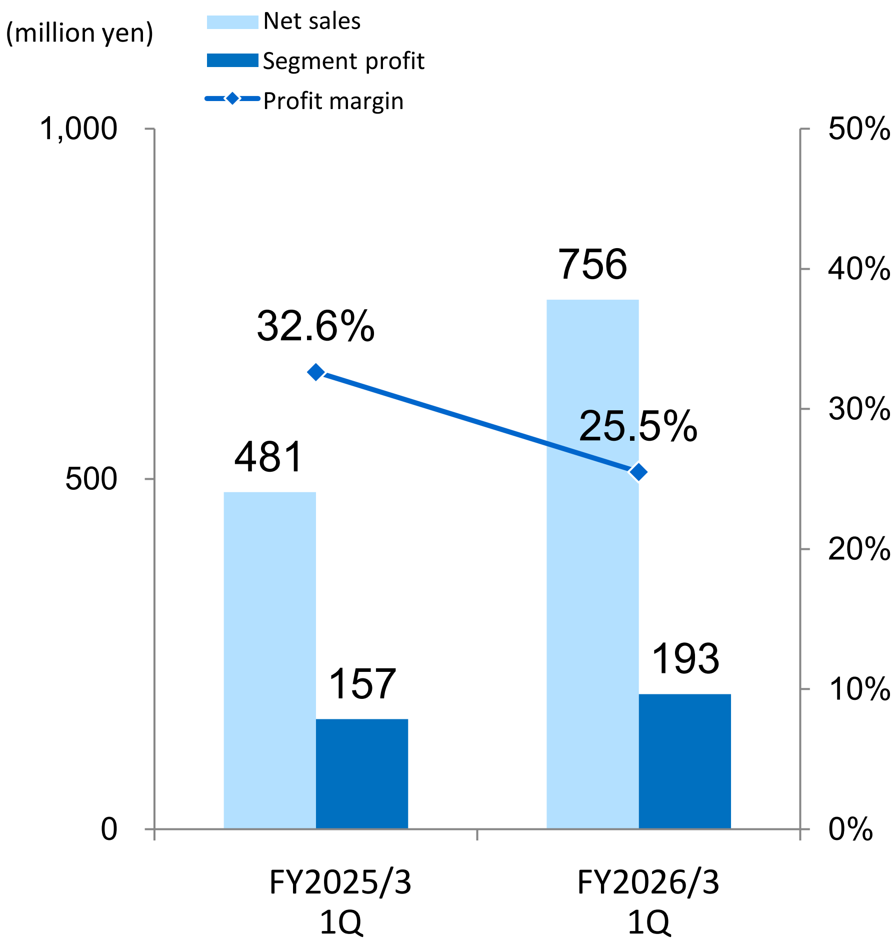
<Construction Business>

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

<Overseas Development Business>

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

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

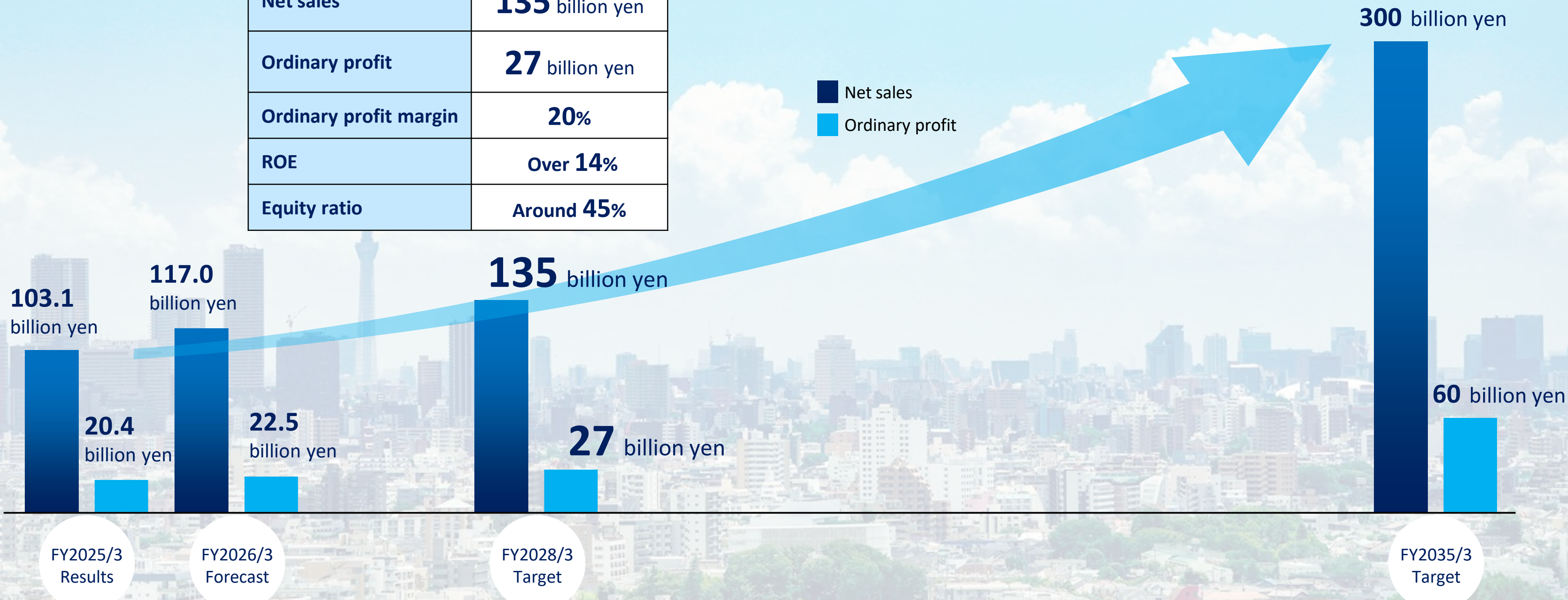
SUN FRONTIER

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

SUN FRONTIER

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%**



Business Environment Awareness

SUN FRONTIER

1. The global economy faces an uncertain outlook due to a sluggish Chinese economy and geopolitical risks, despite progress in tariff negotiations between the U.S. and other countries.

- ◆The IMF has revised its global economic growth forecast upward to 3.0%, citing reduced risks of economic slowdown from U.S. tariff policies.
- ◆In the U.S., while tariff negotiations with other countries are making progress, the Federal Reserve Board has kept its policy interest rate unchanged amid signs of stagnation in the labor market.

2. In Japan, although interest rate increases have stabilized, concerns remain about a potential slowdown in growth due to U.S. trade policies and geopolitical risks.

- ◆While the Japan-U.S. tariff negotiations have reached an agreement, lowering some future risks, uncertainty remains high.
- ◆Despite continued inflation, the Bank of Japan has decided to maintain its policy interest rate to assess the impact of U.S. tariffs.

3. In the central Tokyo office building market, investment appetite remains strong as rents rise and vacancy rates continue to improve.

- ◆Although the number of newly built and completed office buildings is expected to increase from the previous year, demand driven by the need to improve productivity and secure talent remains solid.
- ◆Despite the gradual rise in interest rates, investment appetite among wealthy individuals and institutional investors—particularly in Asia—remains strong.

4. In the hotel and tourism market, although the depreciation of the yen appears to have stabilized, both the number of visitors to Japan and total travel spending reached record highs.

- ◆The number of visitors to Japan from January to June 2025 exceeded 20 million earlier than ever before, driven by a significant increase in Chinese tourists.
- ◆Spending from January to June 2025 totaled 4,805.3 billion yen, marking a record high, although per capita spending remained flat.

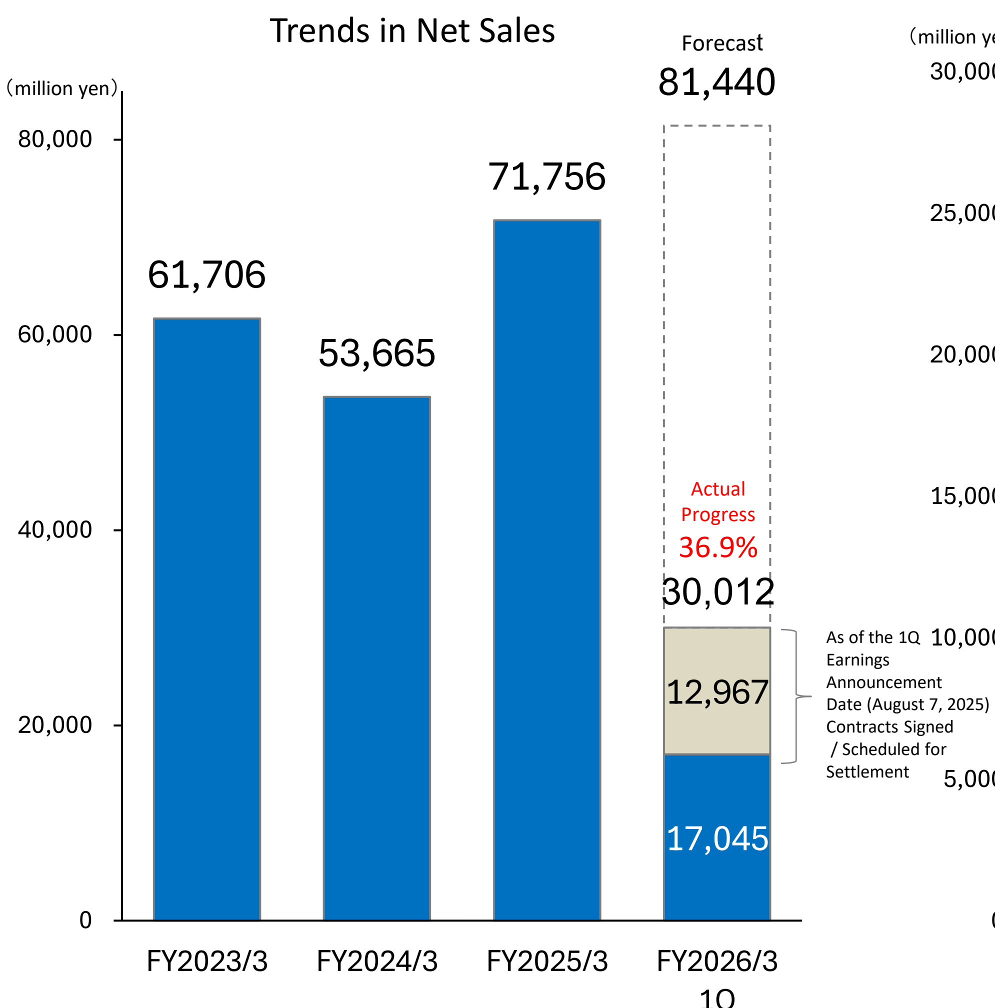
Progress for FY2026/3 Forecast

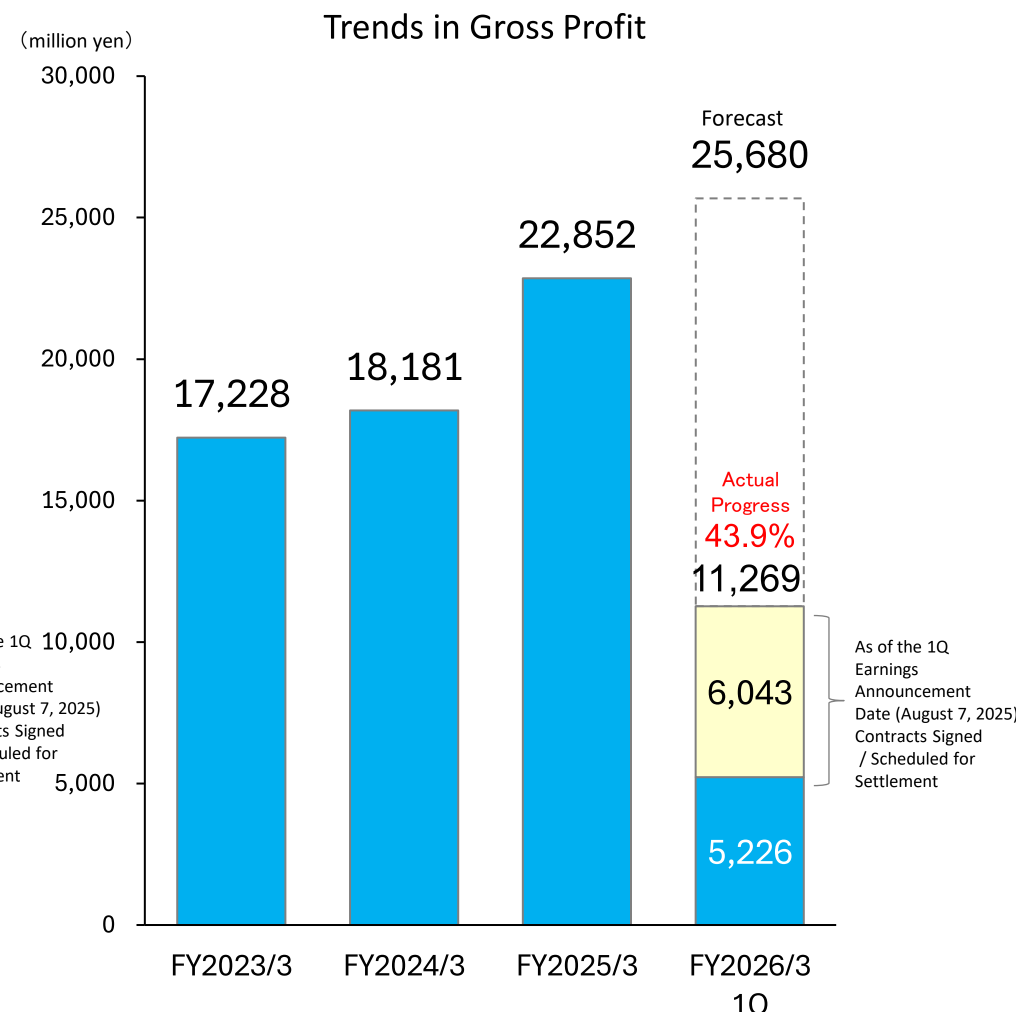
(Unit: million yen)	Result for FY2025/3	Forecast for FY2026/3	Result for FY2026/3 1Q	Progress Rate
Net sales	103,174	117,000	27,319	23.4%
Real Estate Revitalization Business	71,339	81,340	17,857	22.0%
Replanning Business	68,684	78,440	17,045	21.7%
Rental Buildings Business	2,654	2,900	812	28.0%
Real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

Progress of Flow-Type Businesses

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

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



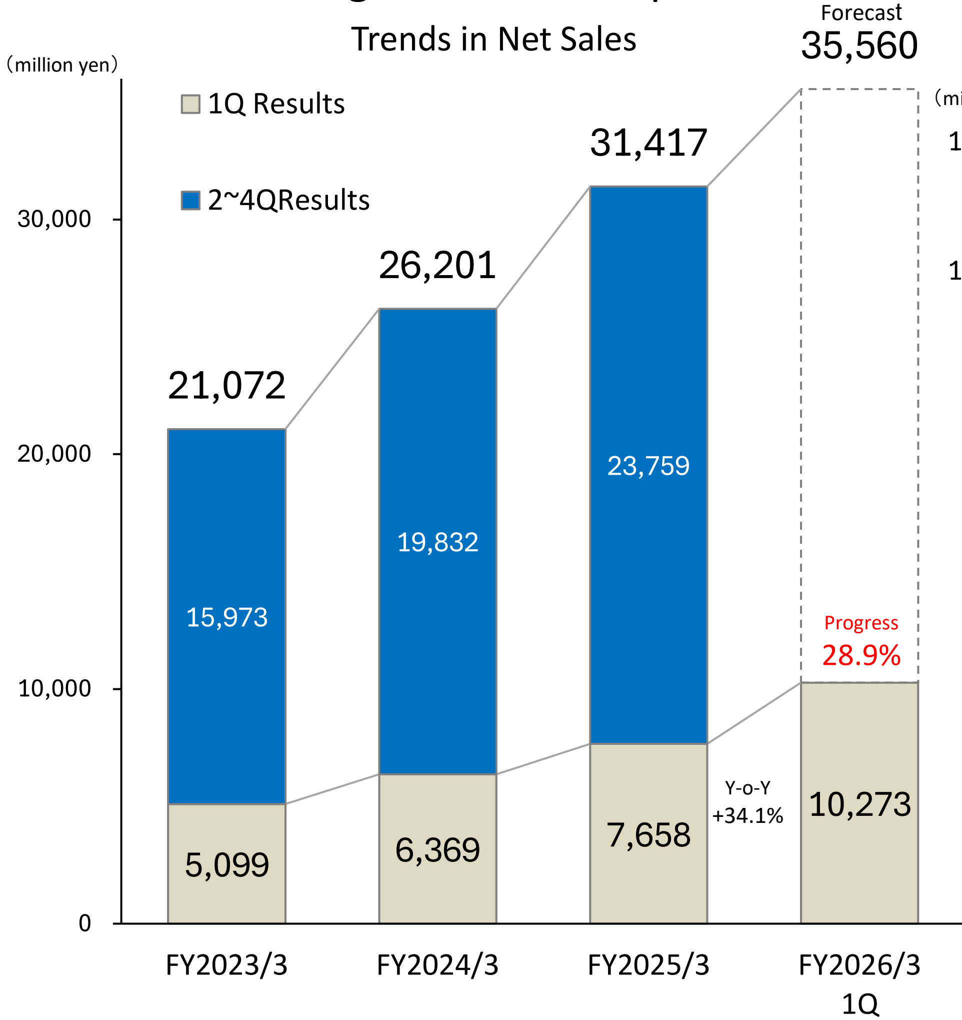


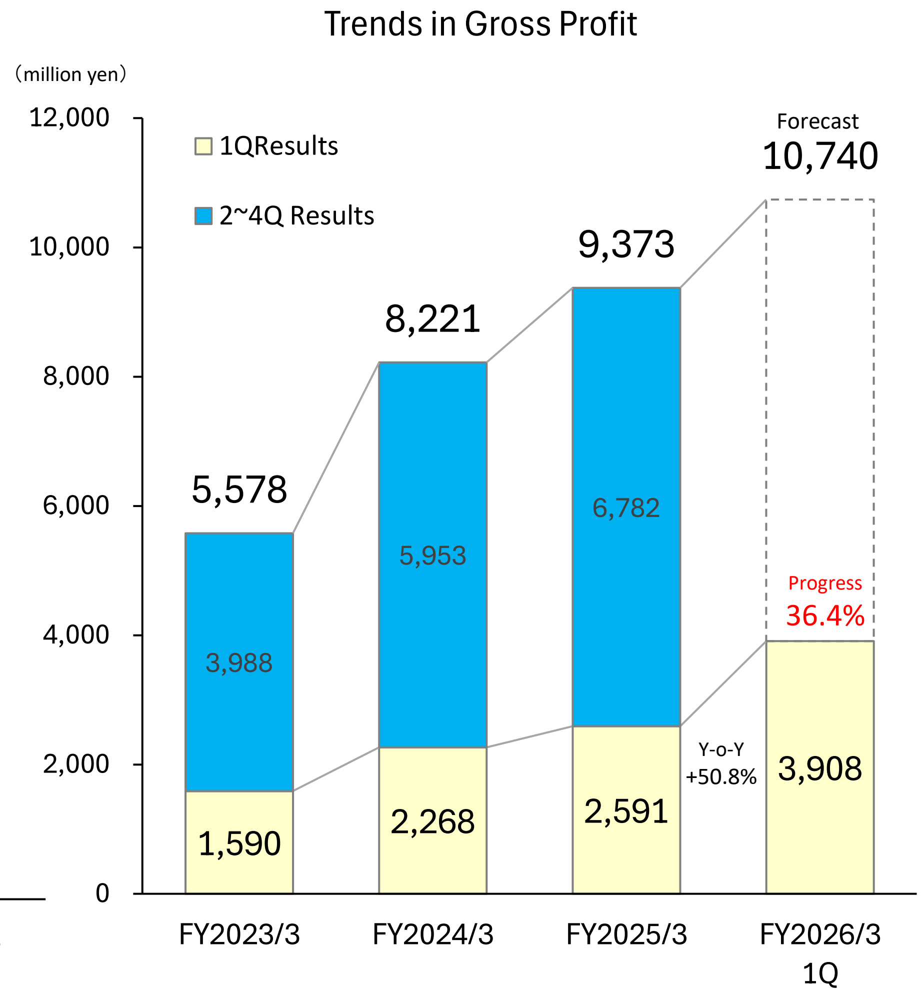
Progress of Stock-Type Businesses

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

SUN FRONTIER

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





Growth Strategies and Business Initiatives

SUN FRONTIER

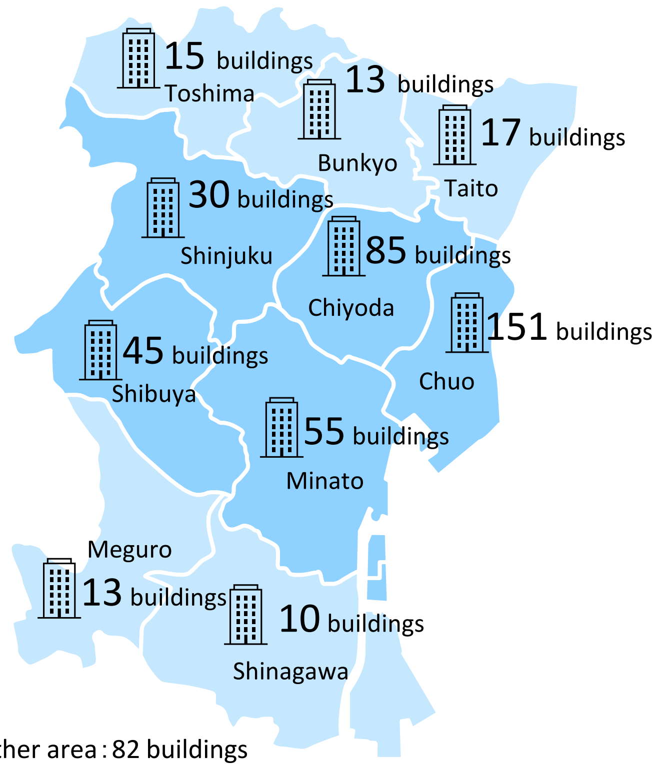
Growth Strategies

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** Area expansion **Osaka**	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)		
	Services	**Real Estate Services**		Resolve our clients' concerns from their perspective, for their smile and excitement.
	Operation	**Rental conference rooms**		
Hotel	**Development**	**New construction**	**Nationwide**	Expand heart-warming and fun hotels nationwide to grow with local communities.
		Renovation		
	Operation	**Hotel operation**		
Residential	**Development**	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**	

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

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



Other area : 82 buildings

Cumulative Replanning Achievements in Tokyo's 5 Central Wards and Adjacent Wards **516 buildings**

[Income-Yielding Property | Kodemmacho, Chuo-ku, Tokyo]

Steel-reinforced concrete structure with flat roof, 6 stories, 38 years old

- The white-based facade accentuates the southwest-facing fenestration, giving the building a more refined and sophisticated exterior.
- A biophilic design, incorporating natural elements into the space to enhance employees' health and well-being, was adopted.
- The sixth floor, previously used as a residence, was converted into an office to improve profitability (see image below).

Before

As the sixth floor was previously a residential unit, the layout consisted of multiple small, partitioned rooms.

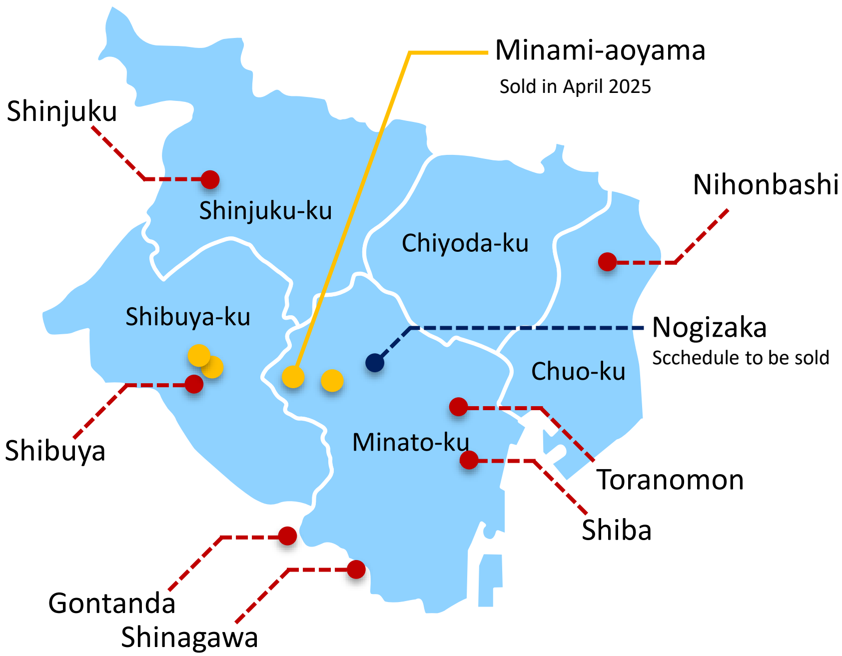
After

The partitions and ceilings were removed to create a brighter office space with improved natural light.

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

SUN FRONTIER

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



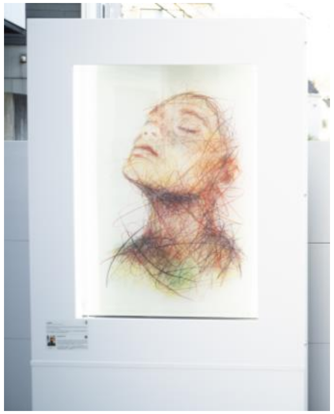
● Construction inn progress ● Construction completed

● Projects of low-rise stores

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

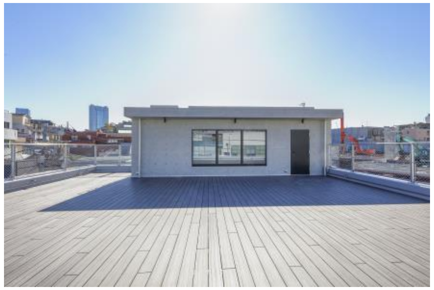
[Newly Built Income-Yielding Property | Minami-aoyama, Minato-ku, Tokyo]
Sold in April 2025

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



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

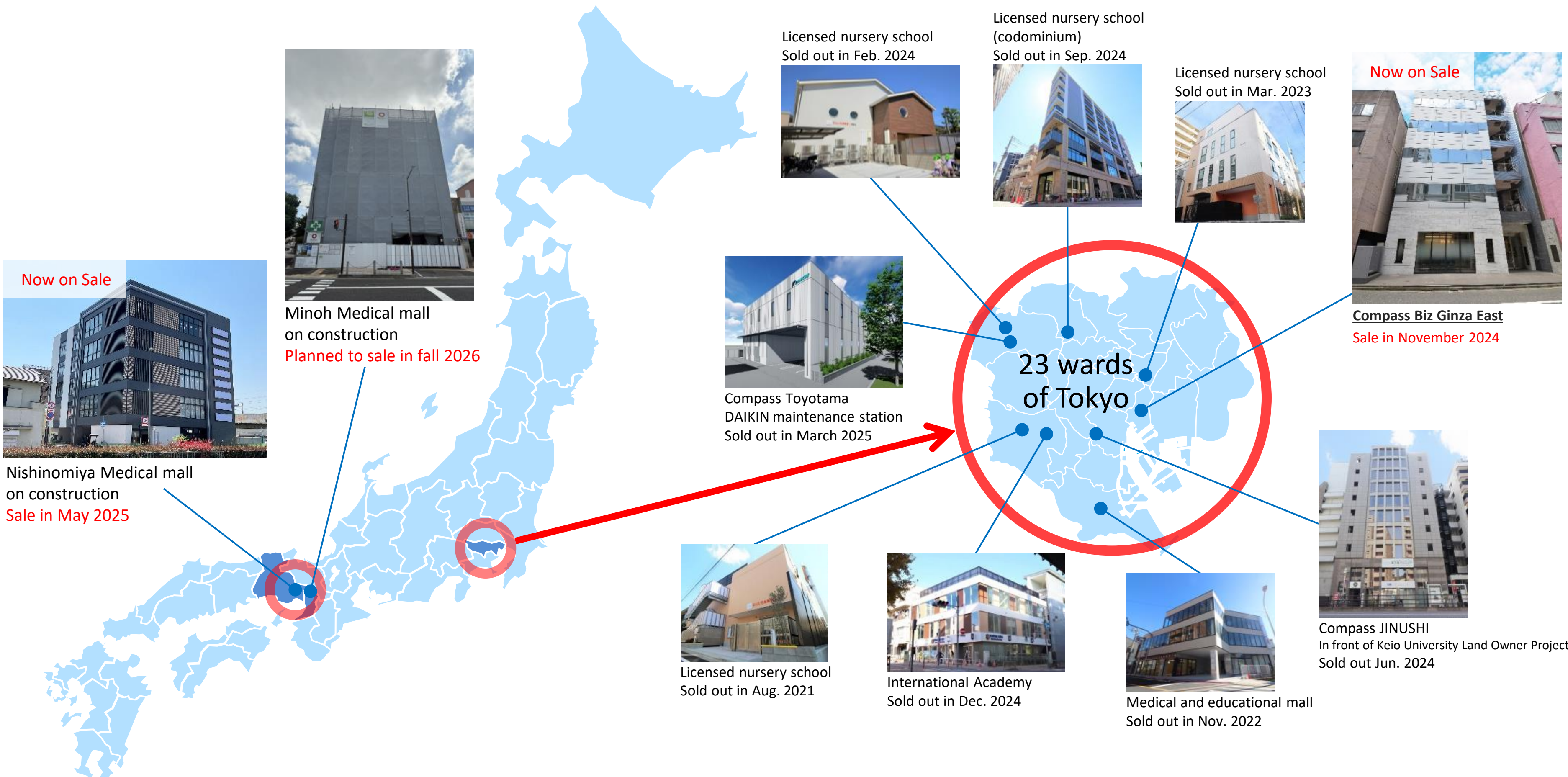
The highly visible glass facade draws the attention of passersby, while the 3.89-meter-high ceiling creates a sense of extraordinary openness.



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

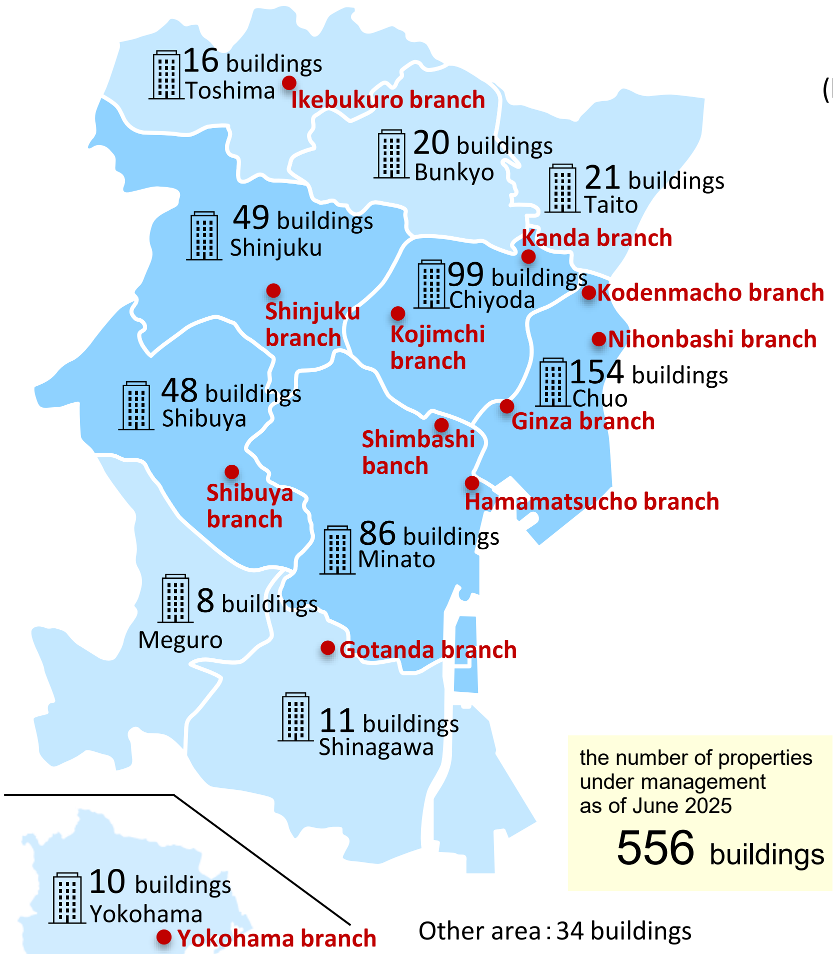
Promoting Development and Offering of Diverse Small-lot Real Estate Investment Products

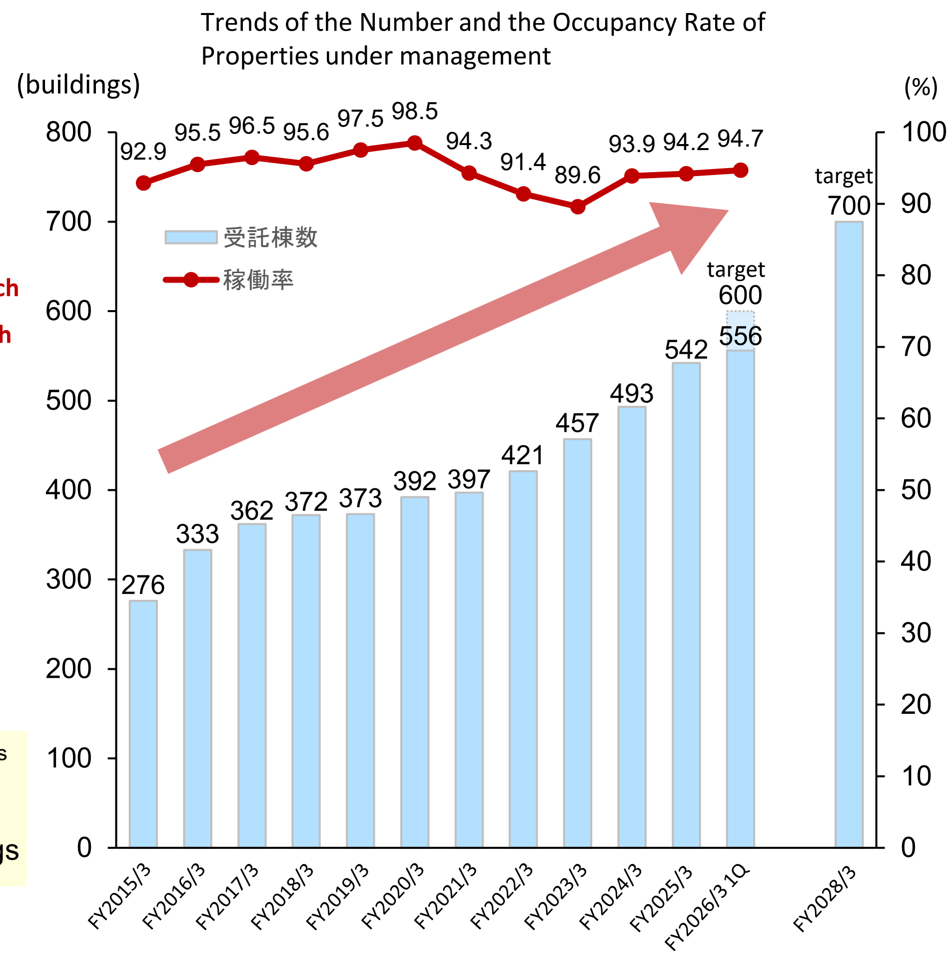
We are developing products in major cities and actively offering investment opportunities that address the diverse needs of clients nationwide. Sales of the Nishinomiya Medical Mall, our first project in the Kansai region, have been strong since its launch in May.



More Buildings Under Management and Better Services

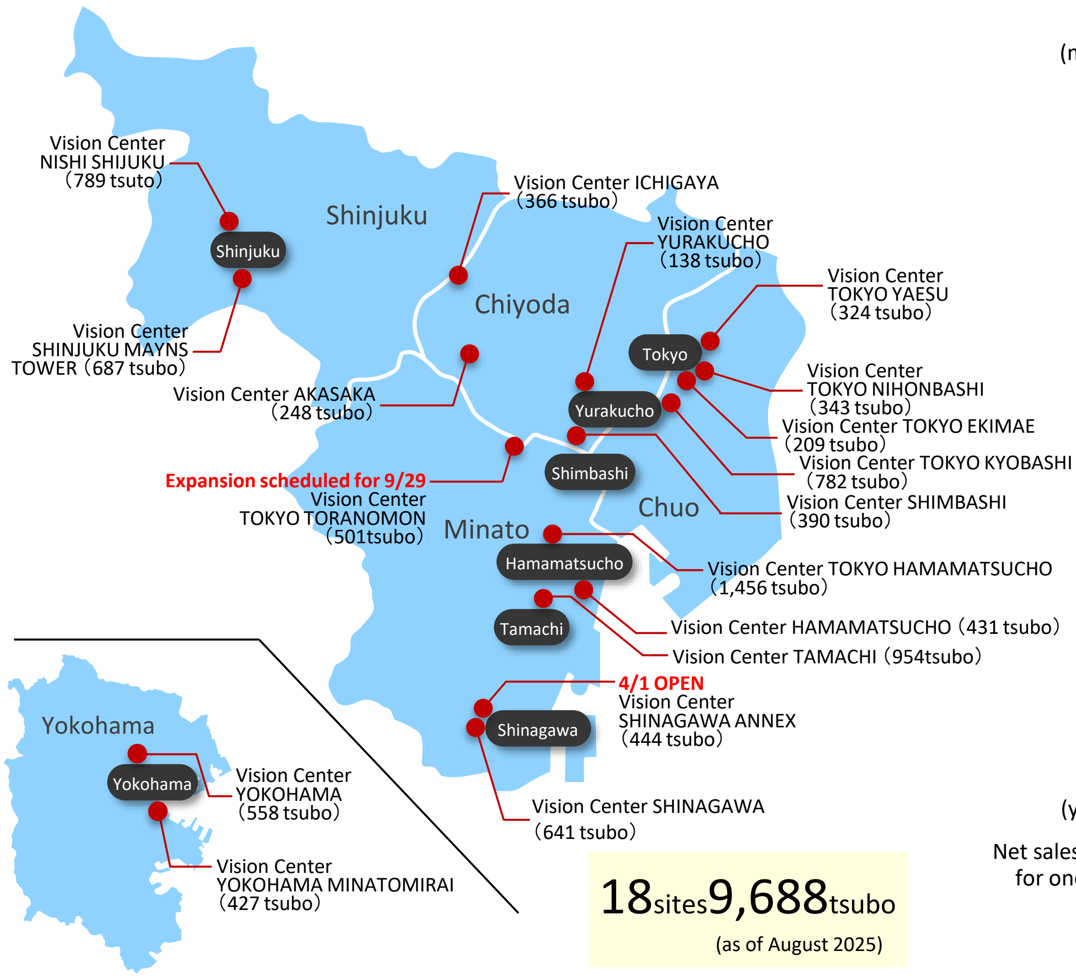
The number of buildings under management has steadily increased through synergies with our locally rooted branches. By offering customer-focused services, we are building a platform that drives sustainable business growth.





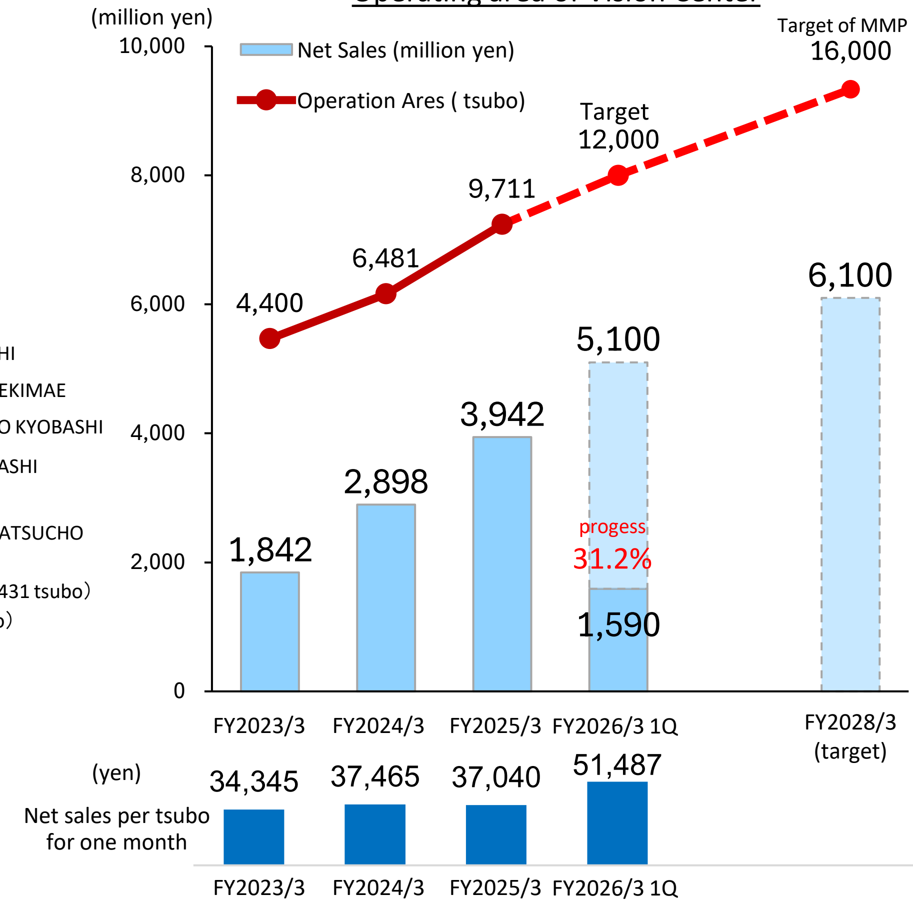
Large-Scale Projects and Long-Term Use by Repeat Customers Contributed to Performance

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



18sites 9,688tsubo
(as of August 2025)

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



*Net sales per tsubo is calculated by dividing the total of conference room fees and catering charges by the operating area.

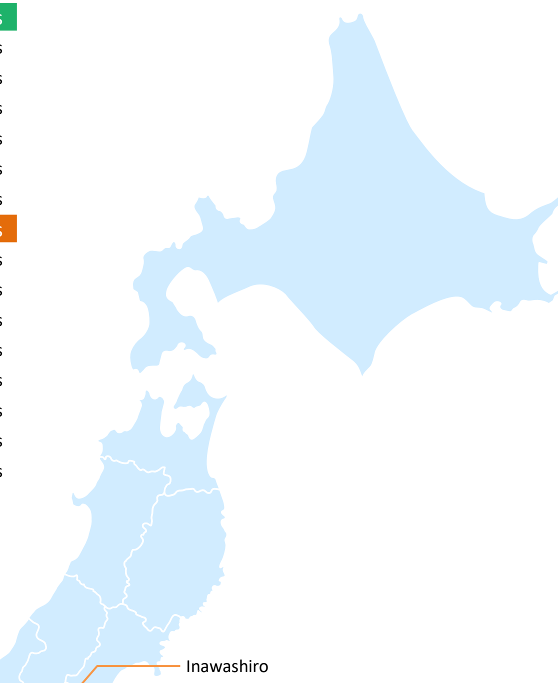
Focusing on Building Enthusiastic Fans With Heartwarming and Fun Hotels

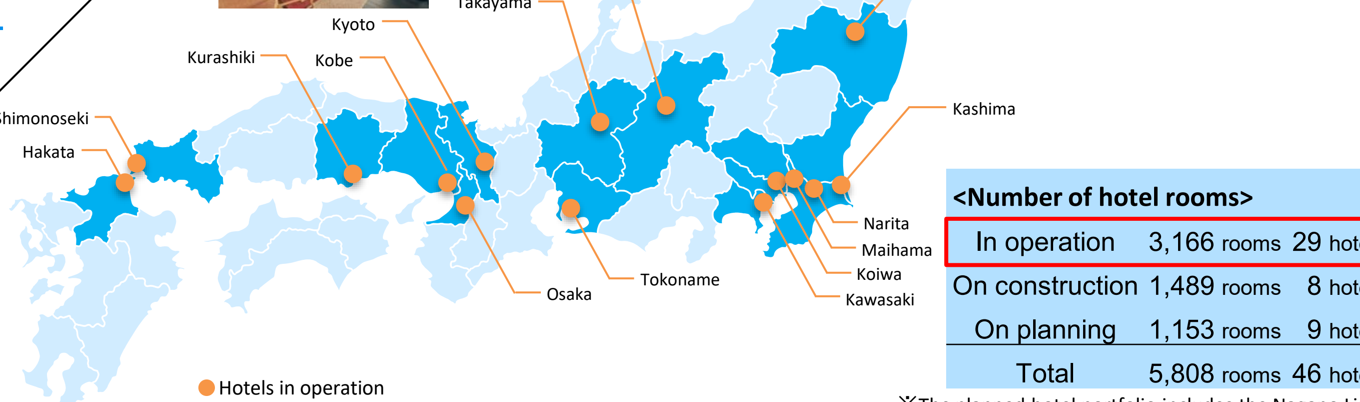
SUN FRONTIER

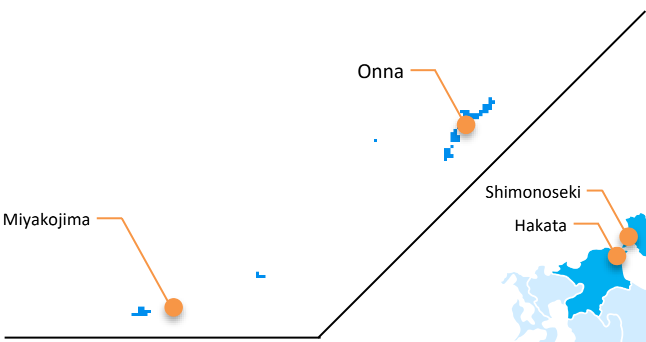
LUXURY	260 rooms
Hiyori Ocean Resort Okinawa	203 rooms
Oriental Hills Okinawa	14 rooms
Sora Niwa Terrace Kyoto Bettei	32 rooms
Seifutei	11 rooms
UPPER	**226 rooms**
HOTEL OOSADO	72 rooms
HOTEL AZUMA	52 rooms
Sora Niwa Terrace Kyoto	102 rooms
UPPER MIDDLE	**1,072 rooms**
HIYORI HOTEL MAIHAMA	80 rooms
HIYORI HOTEL OSAKA NAMBA STATION	224 rooms
HIYORI HOTEL OSAKA SUMINOEKOEN STATION	229 rooms
HIYORI Stay Kyoto Kamogawa	38 rooms
Tabino Hotel lit Matsumoto	176 rooms
Tabino Hotel lit Miyakojima･Villa Miyakojima	115 rooms
Spring Sunny Hotel Nagoya Tokoname Station	194 rooms
STITCH HOTEL Kyoto	16 rooms

ECONOMY	667 rooms
DONDEN Highland	12 rooms
Tabino Hotel Sado･Live Sado	129 rooms
Tabino Hotel Hida Takayama	80 rooms
Tabino Hotel Kashima	194 rooms
Tabino Hotel Kurashiki Mizushima	155 rooms
Tabino Hotel EXpress Narita	97 rooms
BUDGET	**714 rooms**
SKY HEART Hotel Keisei Koiwa Mae	102 rooms
SKY HEART Hotel Kawasaki	197 rooms
SKY HEART Hotel Hakata	157 rooms
SKY HEART Hotel Shimonoseki	102 rooms
Joytel Hotel Namba Dotonbori	53 rooms
Joytel Hotel Shinsekai Sakaisujidori	103 rooms
Kobe Plaza Hotel ※operation entrusted	107 rooms
Kobe Plaza Hotel West ※operation entrusted	120 rooms

Open on June 30 2025
STITCH HOTEL Kyoto







<Number of hotel rooms>		
In operation	3,166 rooms	29 hotels
On construction	1,489 rooms	8 hotels
On planning	1,153 rooms	9 hotels
Total	5,808 rooms	46 hotels

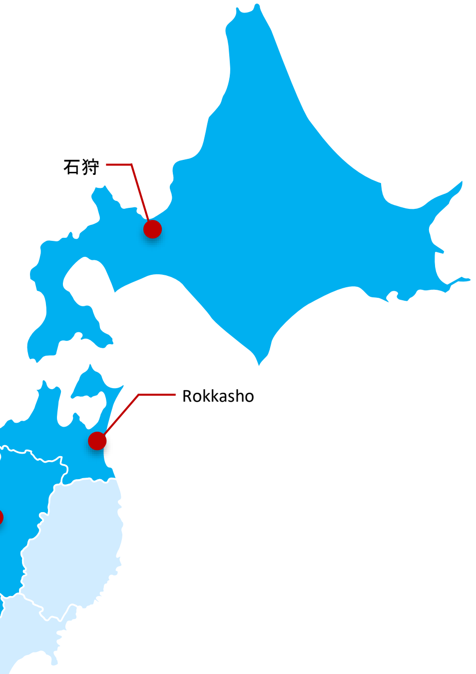
※The planned hotel portfolio includes the Nagano Linden Plaza Hotel, scheduled for share acquisition on August 26

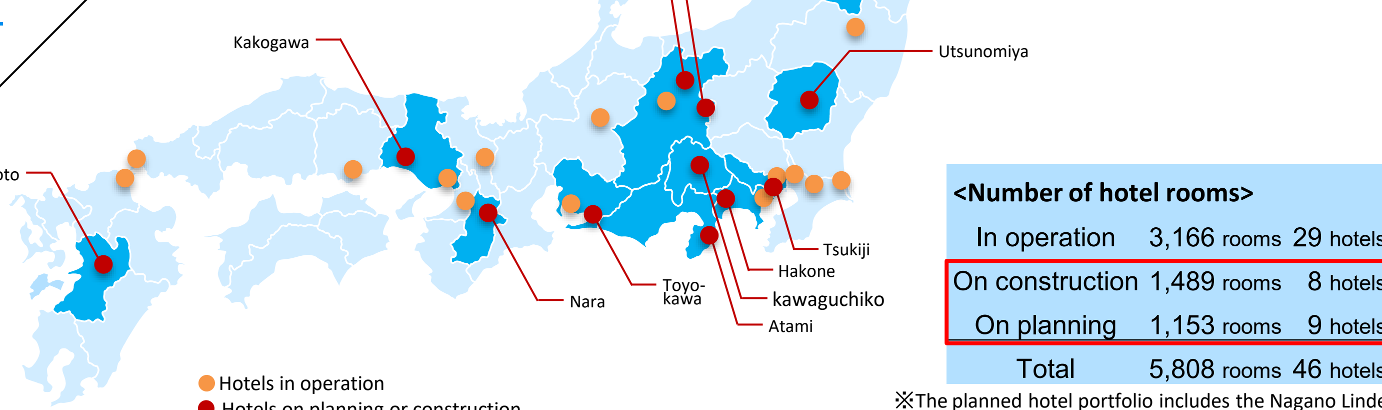
Actively expanding the business through new developments and M&A

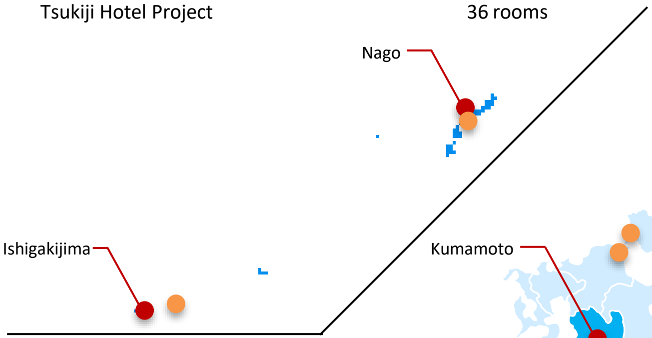
Open schedule in FY2026/3	**483 rooms**	
Nagano Linden Plaza Hotel	136 rooms	Share acquisition schedule on Aug.26
Tabino Hotel Kakogawa	172 rooms	Open schedule on Sep. 15
Tabino Hotel Ishikari	175 rooms	Open schedule on Oct. 20
Open schedule in FY2027/3	**1,142 rooms**	
Tabino Hotel Kumamoto Ozu	213 rooms	Open schedule in Spring 2026
Tabino Hotel Aomori Rokkashomura	210 rooms	Open schedule in Autumm 2026
Tabino Hotel lit Toyokawa	110 rooms	Open schedule in Autumm 2026
Tabino Hotel Utsunomiya Yuinomori	201 rooms	Open schedule in Autumm 2026
Tabino Hotel lit Sakata	175 rooms	Open schedule in Winter 2026
Tabino Hotel lit Akita Ekimae	233 rooms	Open schedule in Winter 2026
Open schedule in FY2028/3	**548 rooms**	
HIYORI TERRACE Karuizawa Spa & Resort	81 rooms	
HIYORI HOTEL Kintetsu Nara	177 rooms	
HIYORI HOTEL Nago	156 rooms	
HIYORI TERRACE Kawaguchiko (Fuji)	134 rooms	
Open schedule in FY2028/3	**469 rooms**	
Sora Niwa TERRACE Hakone Yumoto	108 rooms	
Tabino Hotel lit Ishigakijima	205 rooms	
Atami Hotel Project	120 rooms	
Tsukiji Hotel Project	36 rooms	

Open schedule on Oct. 20
TABINO hotel Ishikari

Open schedule on Sep. 15
TABINO hotel Kakokawa







<Number of hotel rooms>

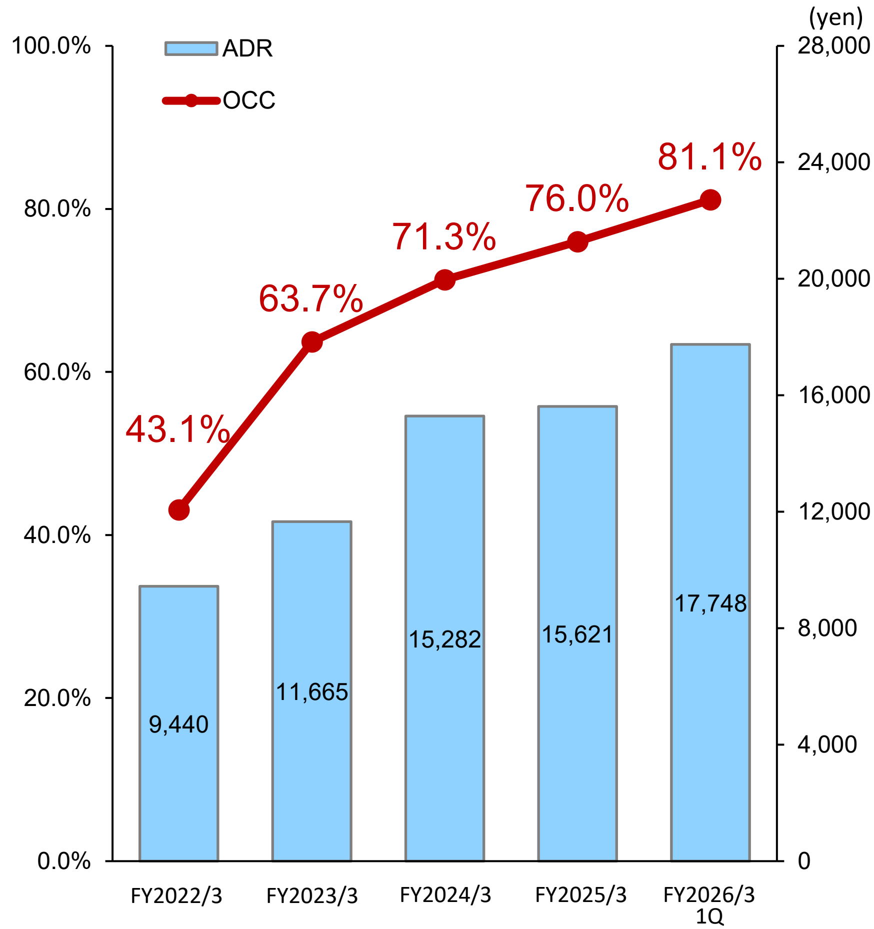
In operation	3,166 rooms	29 hotels
On construction	1,489 rooms	8 hotels
On planning	1,153 rooms	9 hotels
Total	5,808 rooms	46 hotels

※The planned hotel portfolio includes the Nagano Linden Plaza Hotel, scheduled for share acquisition on August 26.

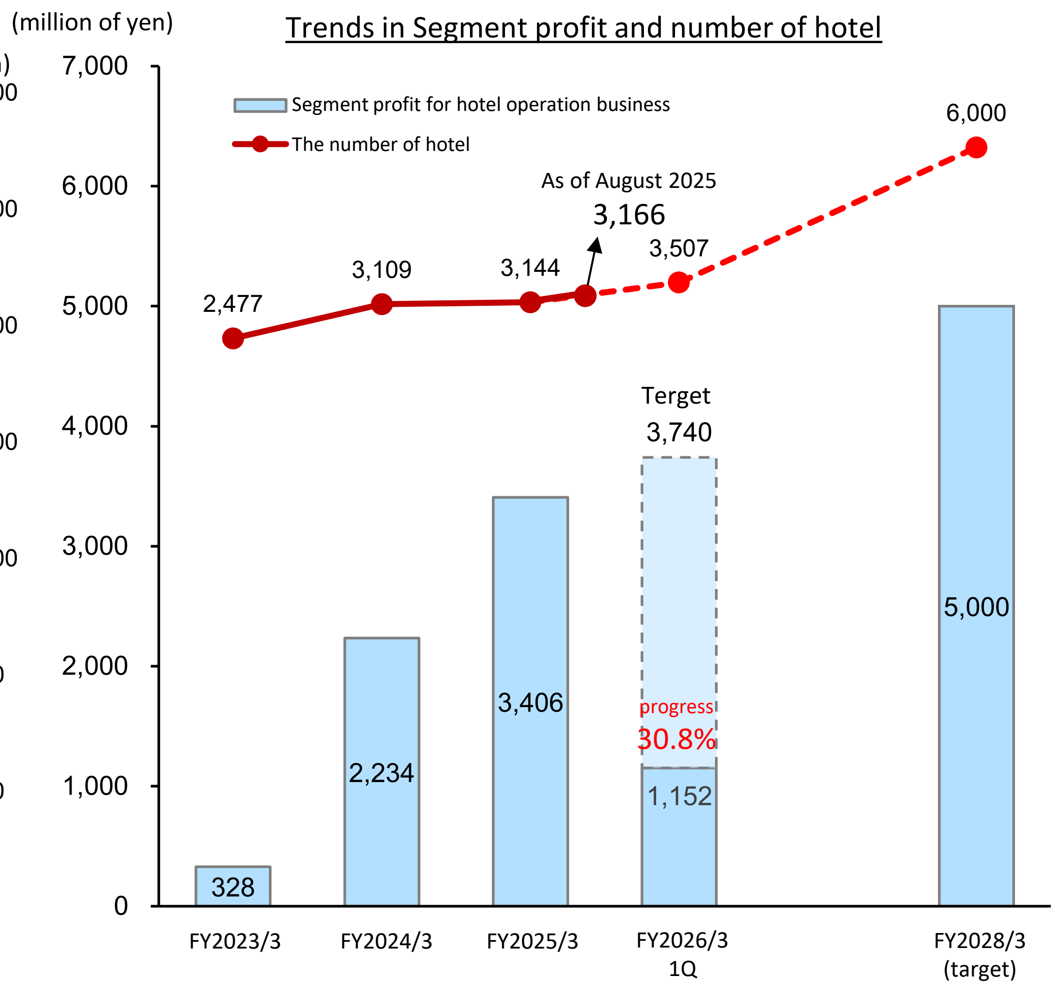
Trends in Hotel Occupancy Rate, Average Daily Rate and Segment Profit

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

Trends in occupancy rate and average daily rate



Trends in Segment profit and number of hotel



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

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

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

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

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

Purpose of Business Development

① Enhancing the attractiveness of cities and contributing to their revitalization by providing "homes where people can live with a smile."

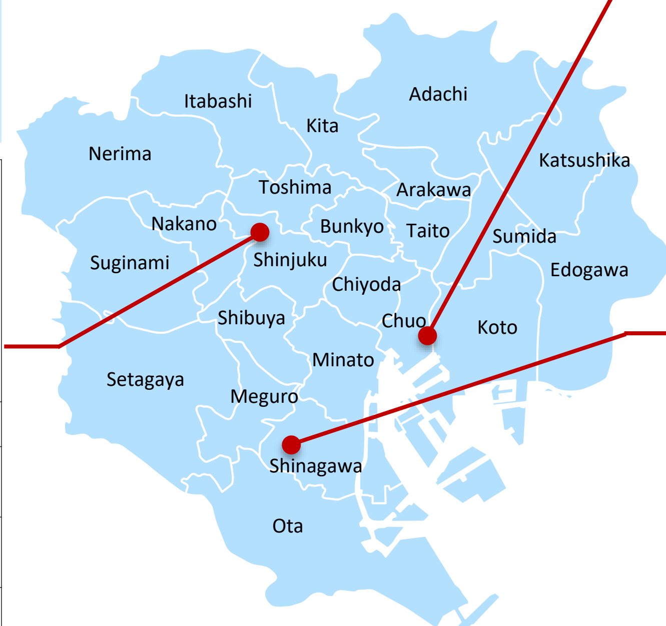
② Proposing the value of new housing through housing development in response to diversifying lifestyles.

③ Leveraging know-how from office revitalization to create asset value for residences and stabilize profits.

[Major Business Areas]

5 wards of Central Tokyo, Meguro-ku, Shinagawa-ku, Nakano-ku,

Setagaya-ku, Toshima-ku, Bunkyo-ku, Taito-ku, Nerima-ku, Itabashi-ku, Ota-ku



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

[Current status] Demolition completed; construction not yet commenced. [Plan] Sale scheduled for FY2028/3	**Existing building on site**
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 60m², 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.

Promoting the Apartment Renovation Business in New York

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

On sale	 
Location	Hell's Kitchen Area
Structure	A five-story brick and wooden 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.

On sale	 
Location	Chelsea Area
Structure	A five-story brick 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.

【Map of Manhattan, New York】

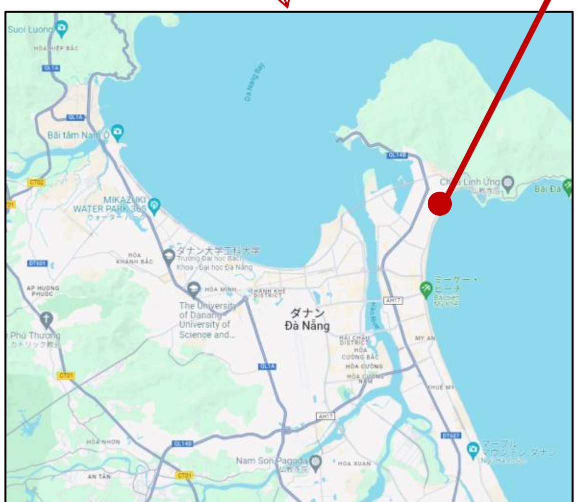
Value-add renovation in progress	 
Location	Gramercy Park Area
Structure	A six-story brick building with one basement level
Room layout / number of units	2LDK: 3 units, 3LDK: 15 units, 4LDK: 1 unit
Feature	A striking, high-profile building located along a major thoroughfare, featuring a sculpted and decorative façade that captures attention.

Value-add renovation in progress	 
Location	West Village Area
Structure	A five-story brick building with one basement
Room layout / number of units	1R:2 units, 2LDK: 11 units
Feature	Situated in a lively area surrounded by apparel brands and popular restaurants, the property primarily offers spacious 2LDK units.

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

SUN FRONTIER

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




Construction on progress


Image

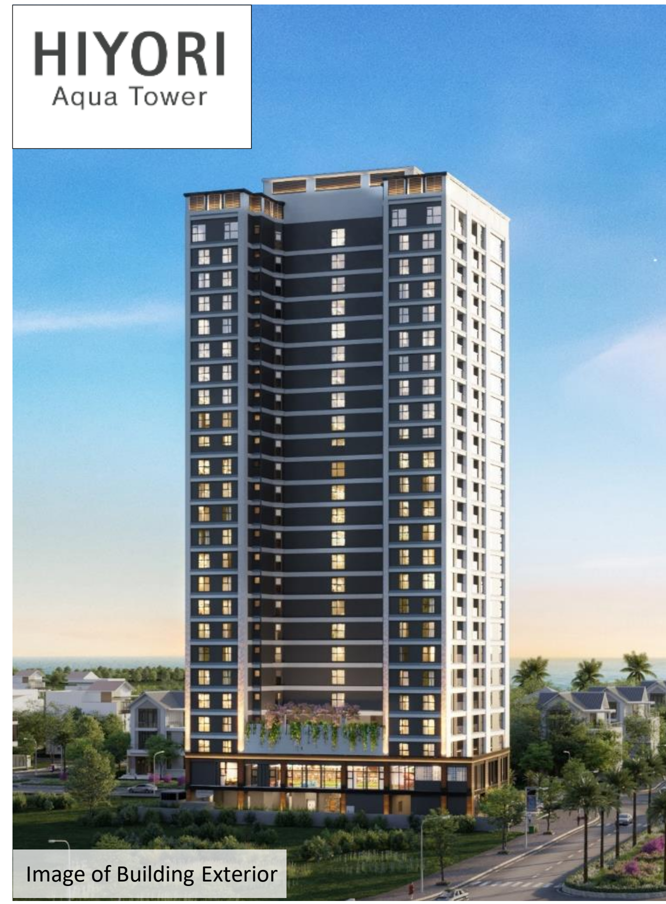


Image of Building Exterior

25 floors with 2 basement floors　Total floor area：24,498㎡
202 residences (1LDK：22 units, 2LDK：176 units,3LDK：4 units)

Strengthening business growth and sales structure

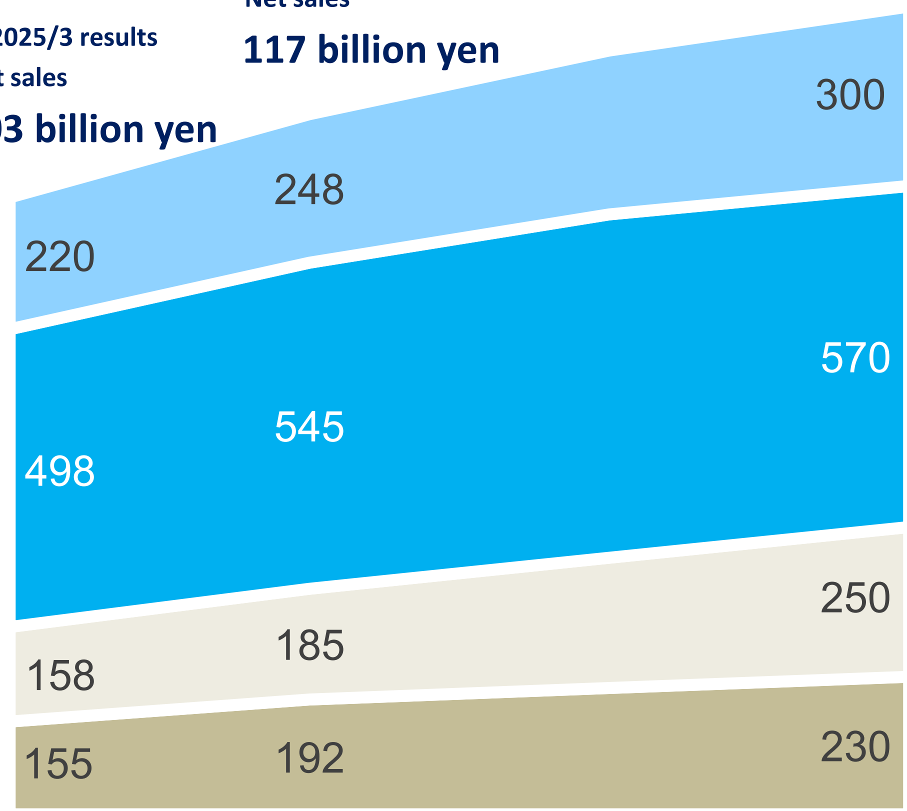
SUN FRONTIER

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

FY2025/3 results
Net sales
103 billion yen

FY2026/3 forecast
Net sales
117 billion yen

FY2028/3 targets
Net sales
135 billion yen



Flow-type Businesses
71.8 billion yen
composition ratio
70%

Stock-type Businesses
31.3 billion yen
composition ratio
30%

Growth Enhancement Properties Sales Business
- NY Apartment Replanning Business
- New Building Construction Business
- Specified Joint Real Estate Ventures

Continued Growth Properties Sales Business
- Replanning Business
- Hotel Development Business
- Apartment Development Business in Vietnam

Growth Promotion Operation Business
- Hotel Management Business

Customer Expansion Real Estate Services Business
- Rental Conference Room Business
- Real Estate Service Business
- Construction Solutions Business

FY2026/3~FY2028/3
growth ratio
21%

Flow-type Businesses
87.0 billion yen
composition ratio
65%

FY2026/3~FY2028/3
growth ratio
53%

Stock-type Businesses
48.0 billion yen
composition ratio
35%

Aggressive Investment for Future Business Growth

SUN FRONTIER

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

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

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

Philosophy and Business Initiatives

Sun Frontier Philosophy

SUN FRONTIER

Company policy
Credo

COMPASSION

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

Management Philosophy
Mission

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

Future Image
Vision

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

Course of Action
Value

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

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

Important Challenges	Social Issues to be Solved	Key Measures	Specific Measures	Indicators and Targets	Related SDGs
Environmental Protection	Global Warming Due to Greenhouse Gas Emissions	■ Reduction of greenhouse gas emissions in business activities	• Suppression of greenhouse gas emissions from construction through the promotion of real estate revitalization • Offset greenhouse gas emissions from construction in real estate revitalization through credits • Reduction of greenhouse gas emissions in our business activities	• Achieve an average reduction of over 12% in CO_2 emissions compared with new building construction. • Offset 100% of CO_2 emissions generated from real estate revitalization construction. • Group-wide greenhouse gas reduction targets (Scope 1 and 2): 22% reduction by 2030 compared to fiscal 2022, and carbon neutrality by 2050.	7 13
	Resource Conservation and Waste Reduction (Biodiversity)	■ Longevity of real estate ■ Reduction of Environmental Impact in Real Estate revitalization	• Extension of economic useful life of buildings through real estate revitalization construction • Improvement of occupancy rates of buildings with long elapsed years through total support for real estate • Suppression of resource input/waste through the promotion of real estate revitalization • Environmentally Friendly Building and Office Creation (Efforts to Obtain Environmental Certification)	• Extending the economic useful life of buildings by 30% or more • Average occupancy rate at 90% or more for buildings over 30 years old • Over 90% of buildings continue to be managed after sale of replanning properties • Reduce resource input by 40.9% and waste generation by 49.3% compared with building reconstruction (theoretical value) • Achieve 100% acquisition of environmental certification in new office development	11 12 15
Regional Revitalization	Revitalization of regional economies	■ Create buildings, offices, and spaces with "job satisfaction" and "creativity" that contribute to economic growth	• Promotion of real estate revitalization with consideration for well-being	• Ratio of newly supplied replanning properties that exceed the Sun Frontier Wellness Score (SWO): at least 50% in FY2025 and at least 70% in FY2030 • Tenant satisfaction surveys conducted annually (for Company-owned properties)	8 9
	Responding to natural disasters that are becoming more devastating	■ Prevent and mitigate disaster through regional cooperation	• Providing set-up offices with emergency supplies or installation space • Providing information that contributes to the improvement of tenants' disaster prevention awareness	• Number of office sections equipped with disaster prevention equipment or designated installation space: 50 sections by FY2027 and 75 sections by FY2030 • Posting disaster prevention information on dedicated websites (company-owned properties): 100%	11
Human Resource Development	Decrease in the working-age population due to the declining birthrate and aging population (decrease in actual labor force) and elimination of the gender gap	■ Respect and utilize diversity ■ Create workplaces with job satisfaction, creativity, and growth opportunities	• Creating a work environment suited to each employee's life stage and provide flexible training opportunities • Establishment of next-generation leader development program, support system for external trainings, etc • Utilization of DX, improvement of business processes and improvement of individual abilities • Hold seminars aimed at promoting employees' physical and mental well-being, and foster a work environment where each employee can engage in their work in good health—both mentally and physically.	• Target ratio of women managers: at least 15% by FY2036/3 • Ratio of training hours to prescribed working hours: 12% or more • Year-on-year increase in ordinary profit per hour • Hold at least two seminars per year by industrial physicians, etc	5 4 8

※Excerpt of Specific Measures with established KPIs

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.

Realization of the Management philosophy

Corporate climate and culture

Management among all employees' participation

(1) Management based on the hearts of people (2) Culture that values challenges

Philosophy

(1) The heart of altruism
(2) Being right as a person
(3) Absolute proactivity

By philosophy,
even as the Group's businesses diversify and various employees work, it is possible to create a corporate culture that transcends the boundaries of businesses and enables each and every employee to connect with each other across the organization and to co-create ambitious goals.

Amoeba management *

(1) Realization of all-employee participatory management
(2) Development of human resources with management awareness
(3) Market-based divisional accounting system

What is Ameba Management?
A process in which all members of an organization participate in management through the use of a divisional accounting system by functional small groups (ameba). Management status of each division can be grasped even in the midst of business expansion

* 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

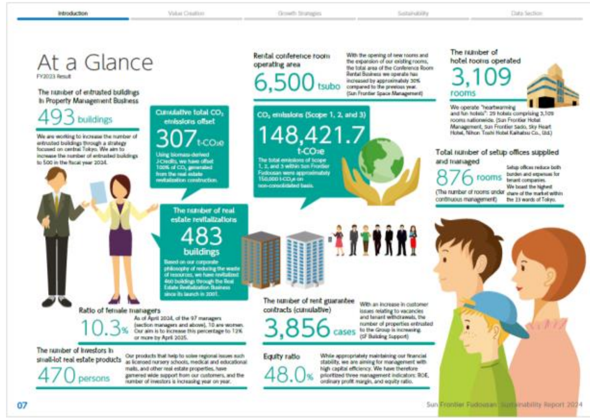
Basic Policies of the Medium-Term Management Plan

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

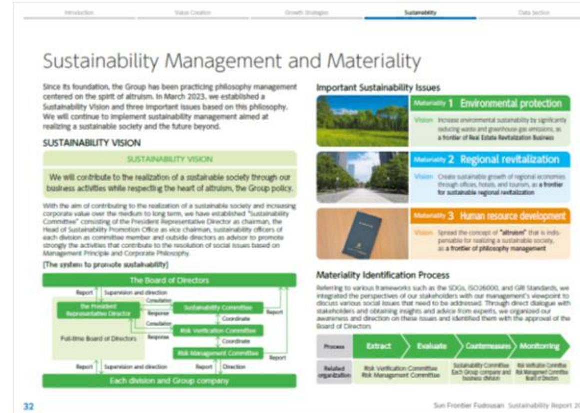
Sun Frontier Sustainability Report 2024

SUN FRONTIER

Front cover

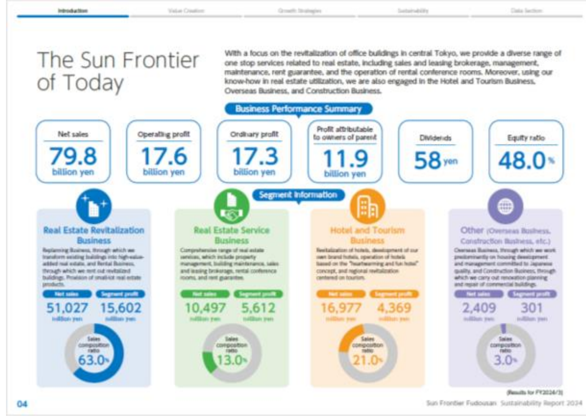


Financial and non-financial highlights



Sustainability management and materials

Top message



Business overview

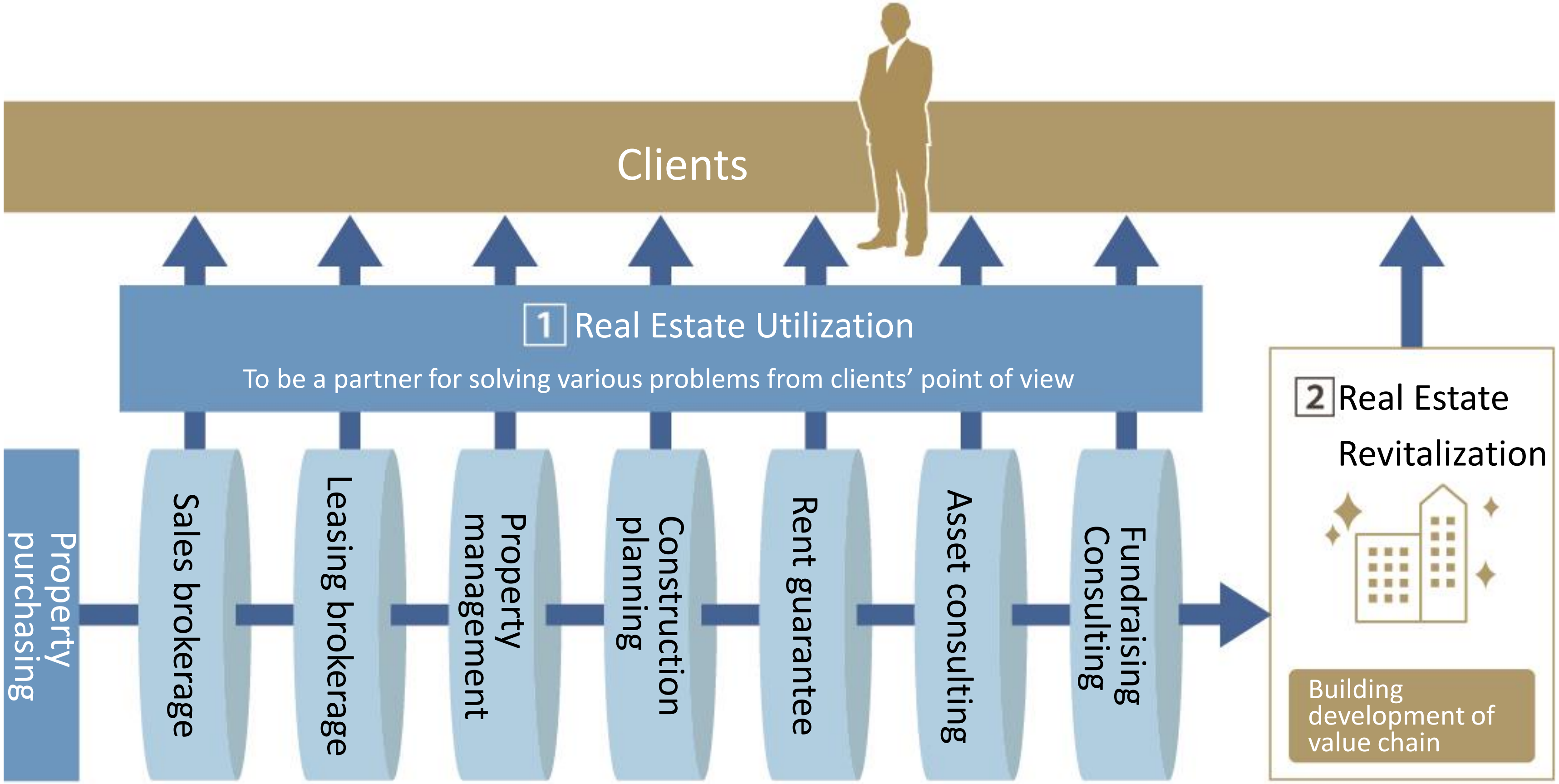
[Main contents]
- Sun Frontier Philosophy
- History of Sun Frontier
- Top message
- Growth strategies
- Examples of sustainability activities
- ESG data Etc.

Sustainability website

Strengths in Office Business

SUN FRONTIER

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

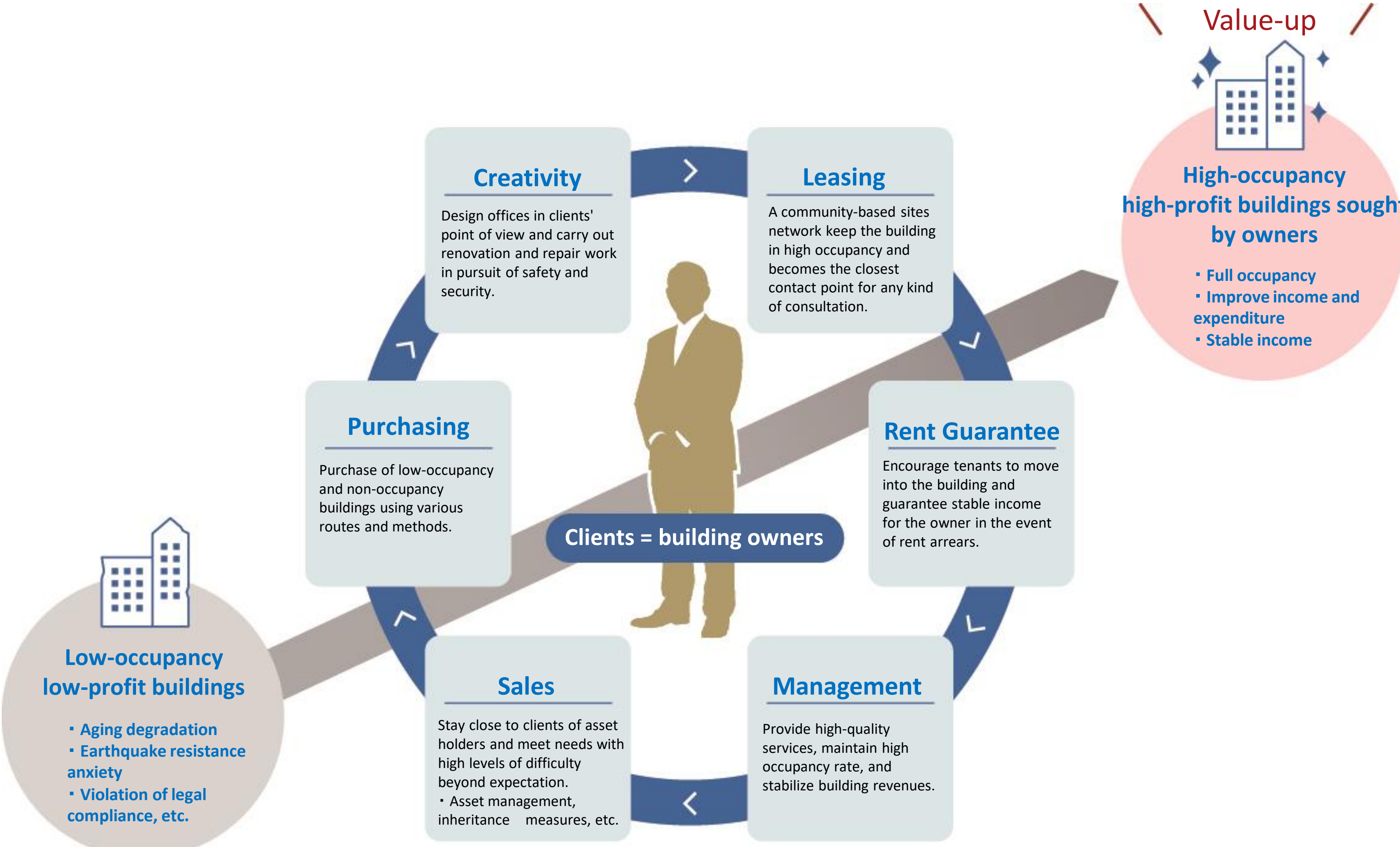


1 Real estate utilization: Get close to our clients and solve various problems. Capture the source of added value from clients' voices.

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

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."



Create both Customer Value and Social Value

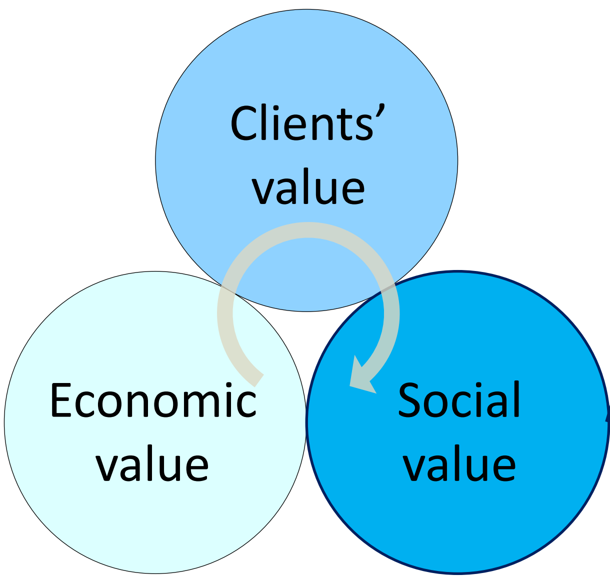
SUN FRONTIER

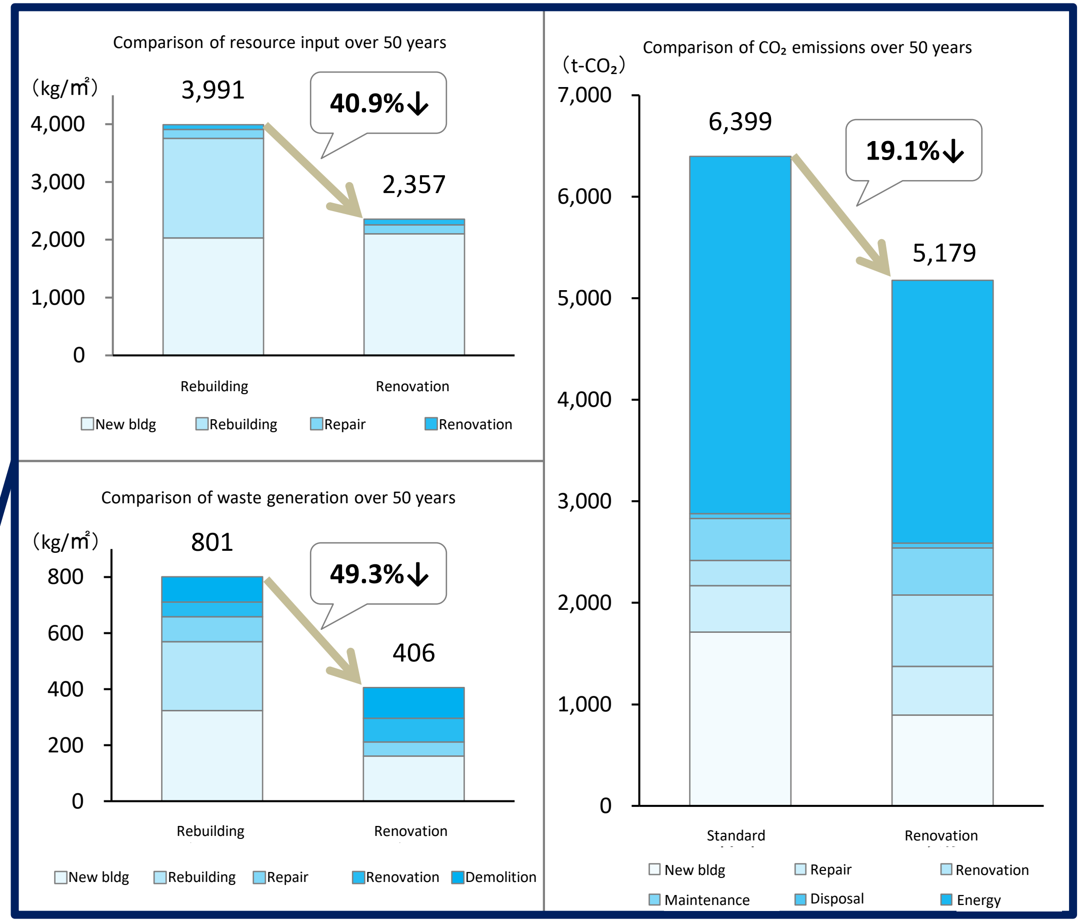
Solving social issues through supporting our clients' business.

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 (*).

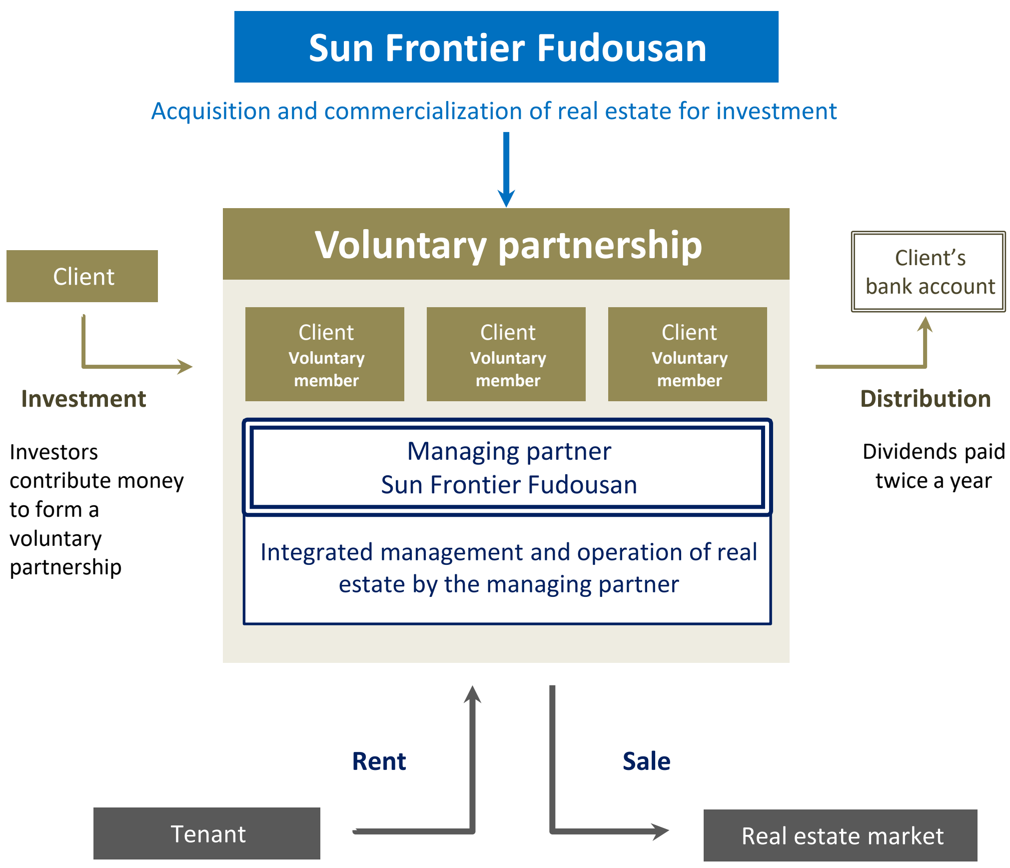
・Rebuilding: "In the case of rebuilding every 35 years" ・Renovation: "Regeneration without destroying old buildings (long-life buildings)" ・Standard: "Assuming a 30-year-old unrenovated building"

*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

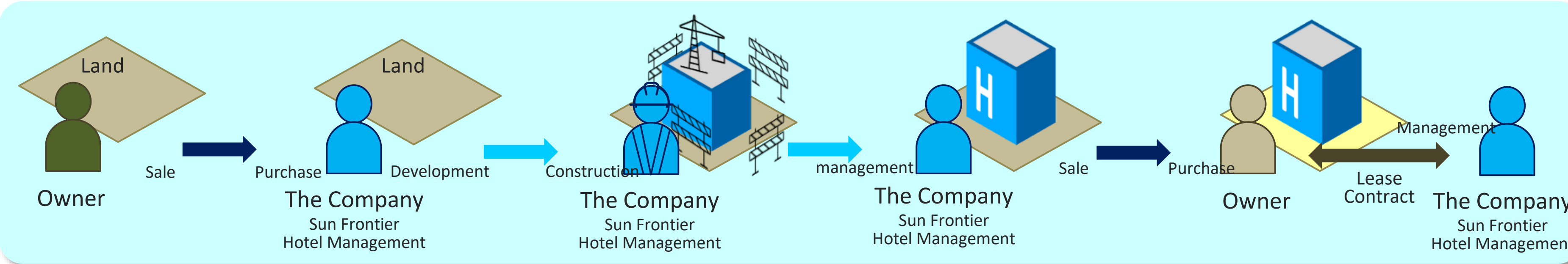
New licensed nursery school in Ueno

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.

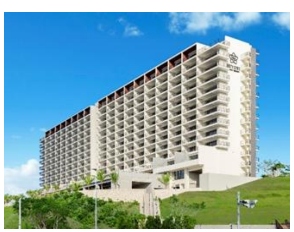
Examples of hotels under development and management


HIYORI HOTEL MAIHAMA.
Opened in July 2017, sold and currently in operation

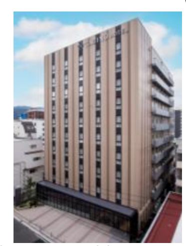
HIYORI HOTEL OSAKA NAMBA STATION
Opened in May 2019, currently in operation


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 lit Miyakojima
Opened in June 2021, currently in operation

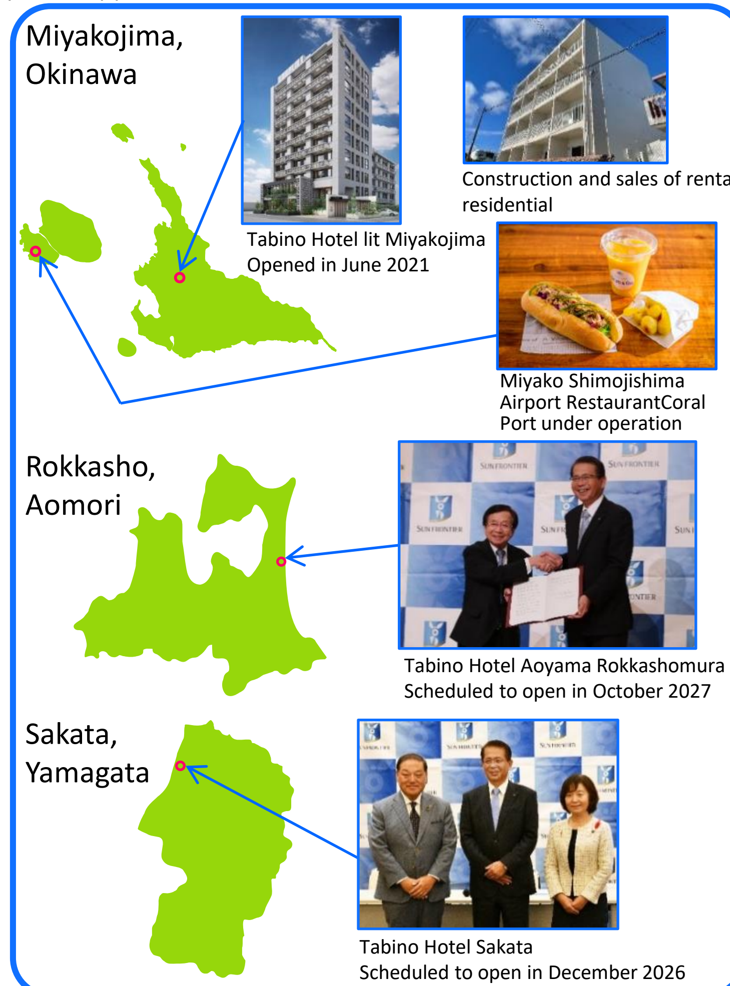

Tabino Hotel lit Matsumoto
Opened in July 2021, currently in operation


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

Regional Revitalization Initiatives Centered on Hotels

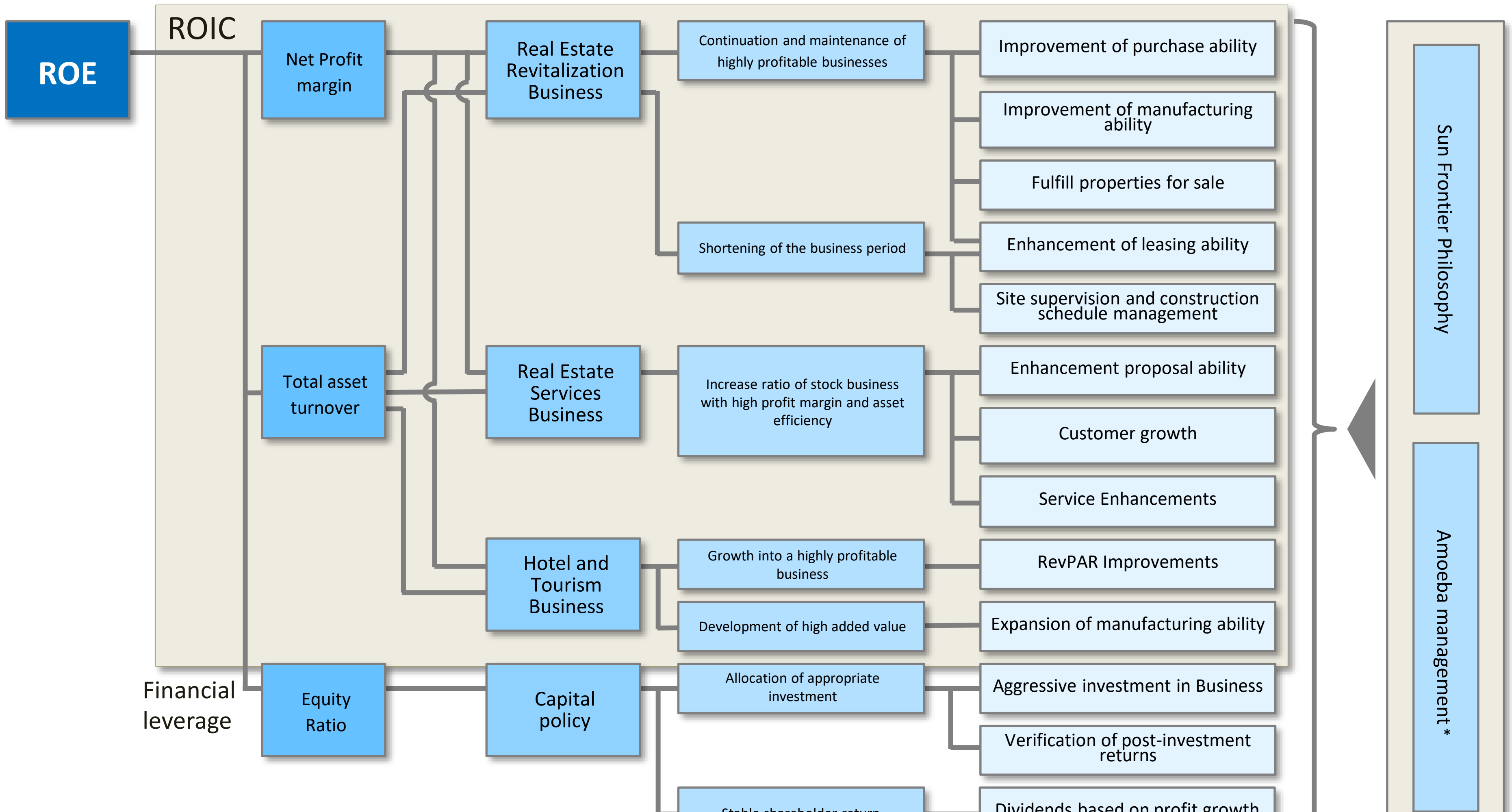
Revitalizing local communities through tourism — when the regions thrive, Japan thrives.

Japan offers a wide range of attractions, including beautiful natural landscapes, rich history and culture, delicious cuisine and hot springs, heartfelt hospitality, traditional local festivals, and outdoor activities. With the sharp increase in inbound tourism and growing interest in regional areas across Japan, we began our initiatives in Sado Island, a place with which we have strong ties, and have been creating local employment opportunities.



Drivers to improve ROE

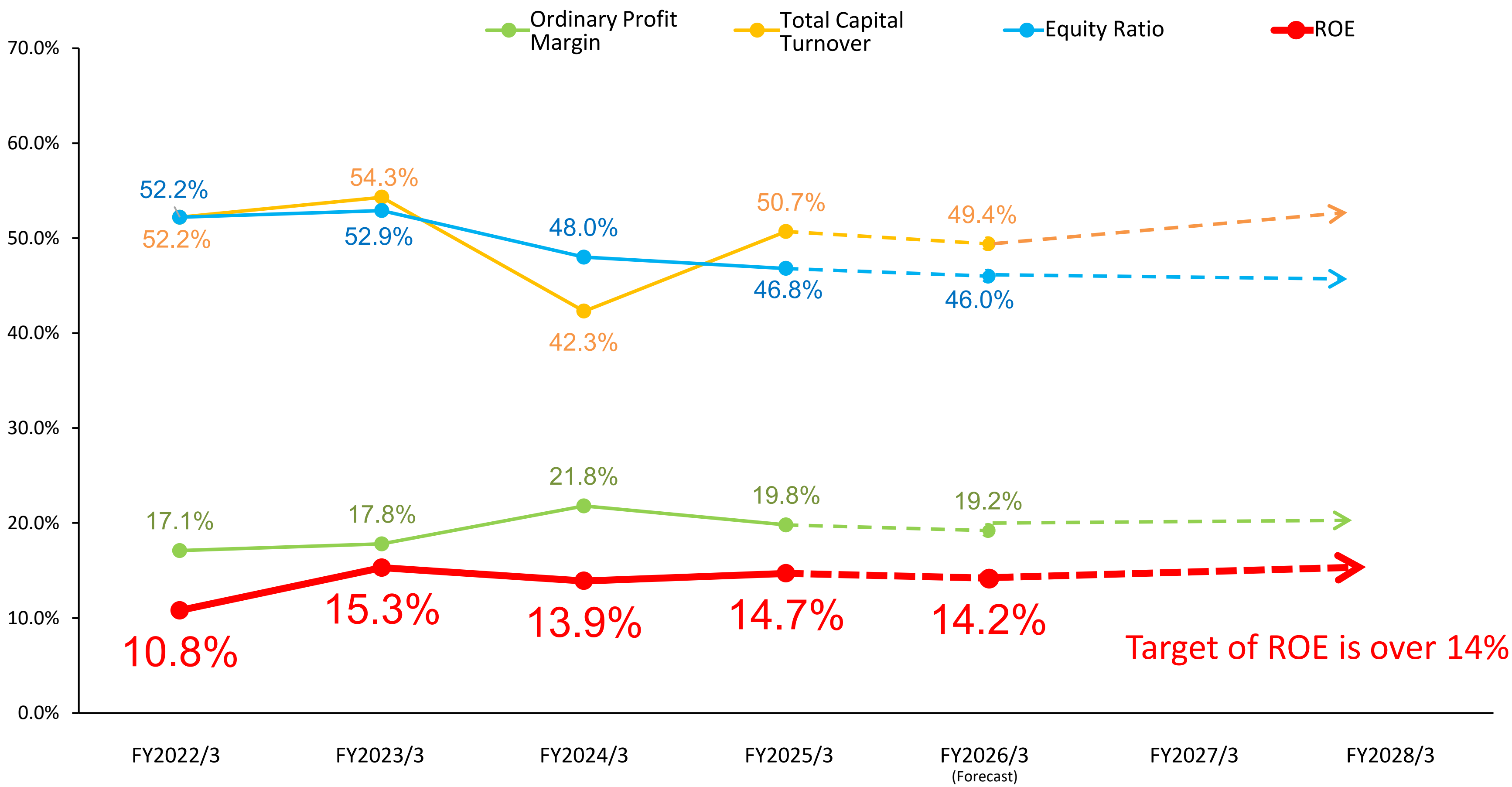
Permeation of philosophy and amoeba management enhances employee engagement and promotes businesses through fully participatory management approach. Improve ROE by enhancing ROIC while maintaining financial discipline.



* Amoeba management is the registered trademark of KYOCERA Corporation.

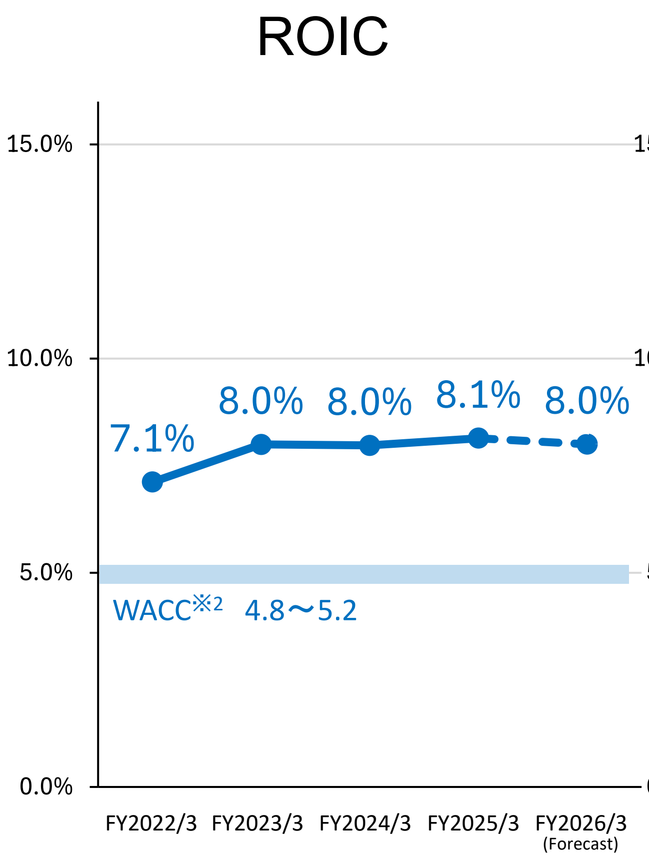
Trends of ROE and each indicator

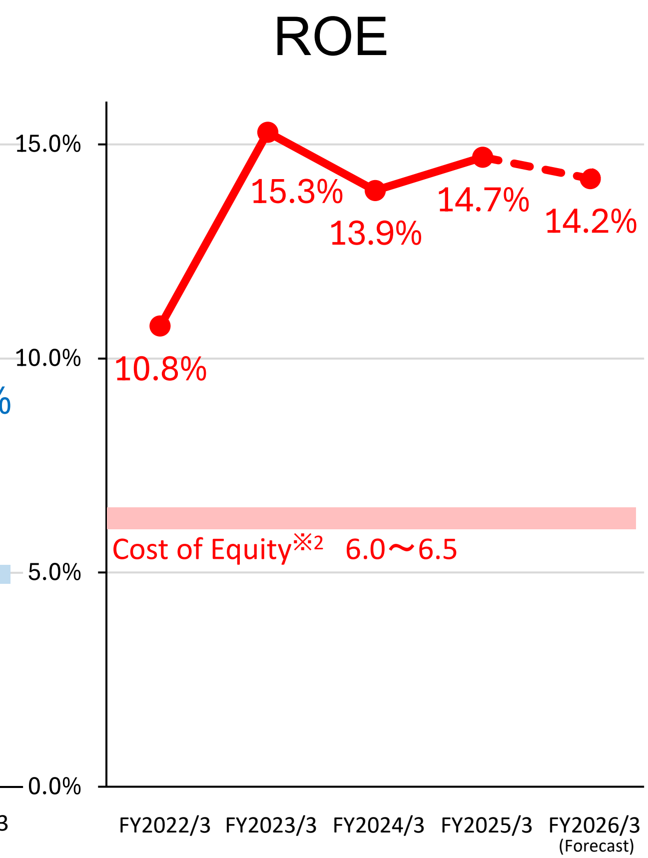
Ordinary Profit Margin		Total Capital Turnover		Equity Ratio		
Enhance added value in clients' point of view and evolve and grow highly profitable businesses.	×	Increase efficiency by shortening business period and increasing stock business sales.	×	Maintain financial soundness while promoting investment and accelerating business.	=	Improving ROE

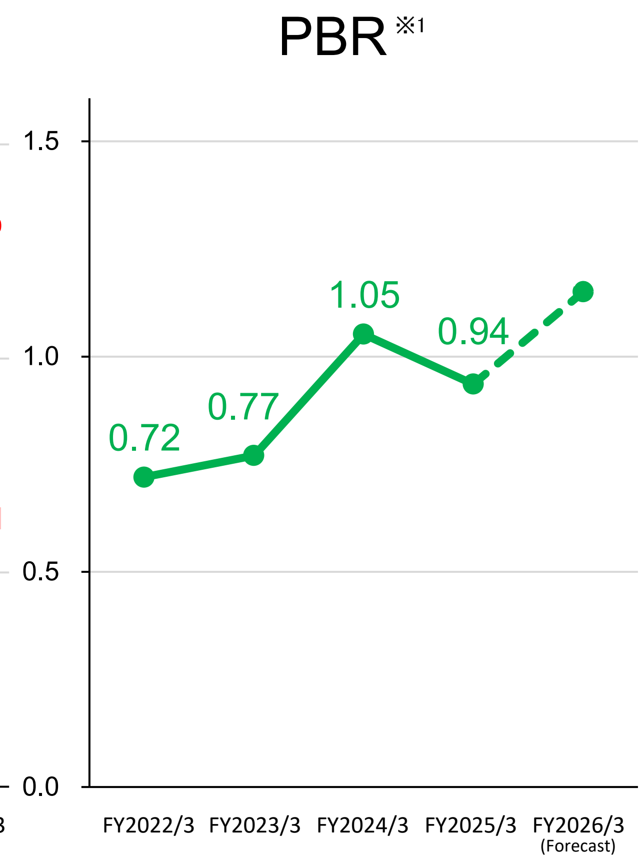


Profitability Continues to Exceed the Capital Cost

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







※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

SUN FRONTIER

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		FY2024/3	FY2025/3	FY2026/3
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).	68 times	82 times	24 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	-
Property visit（RP properties）	Invite to RP properties ※for analysts and institutional investors	9 times	5 times	1 time
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】

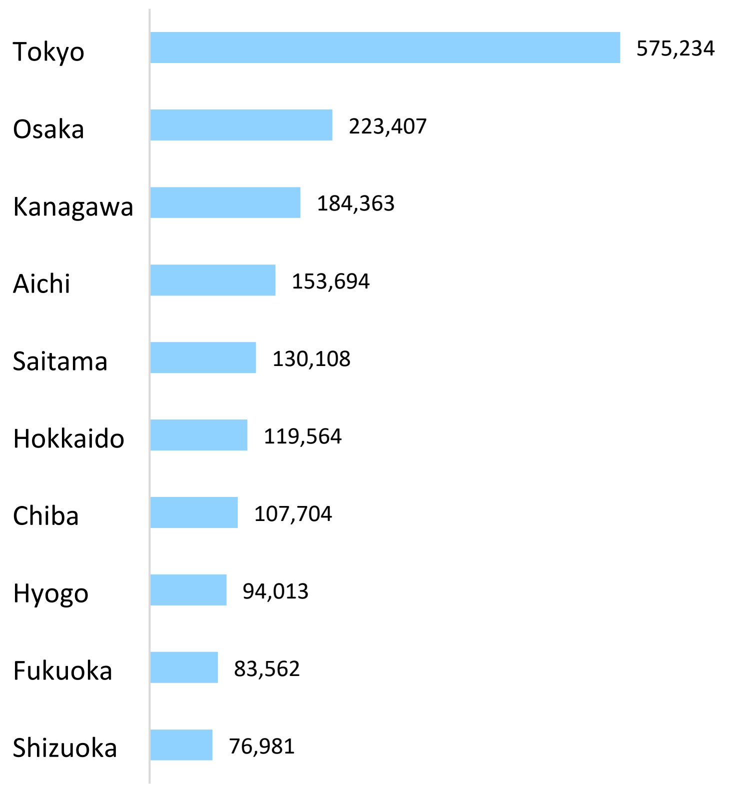
Shareholder benefit program	
Outline	Discount coupons for hotels operated by our group companies based on the number and period of shares held.
Period	From July 1st of the issuance year to June 30th of the following year.
Details	For the details, please review to the website of Shareholder benefit program.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

References Materials

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

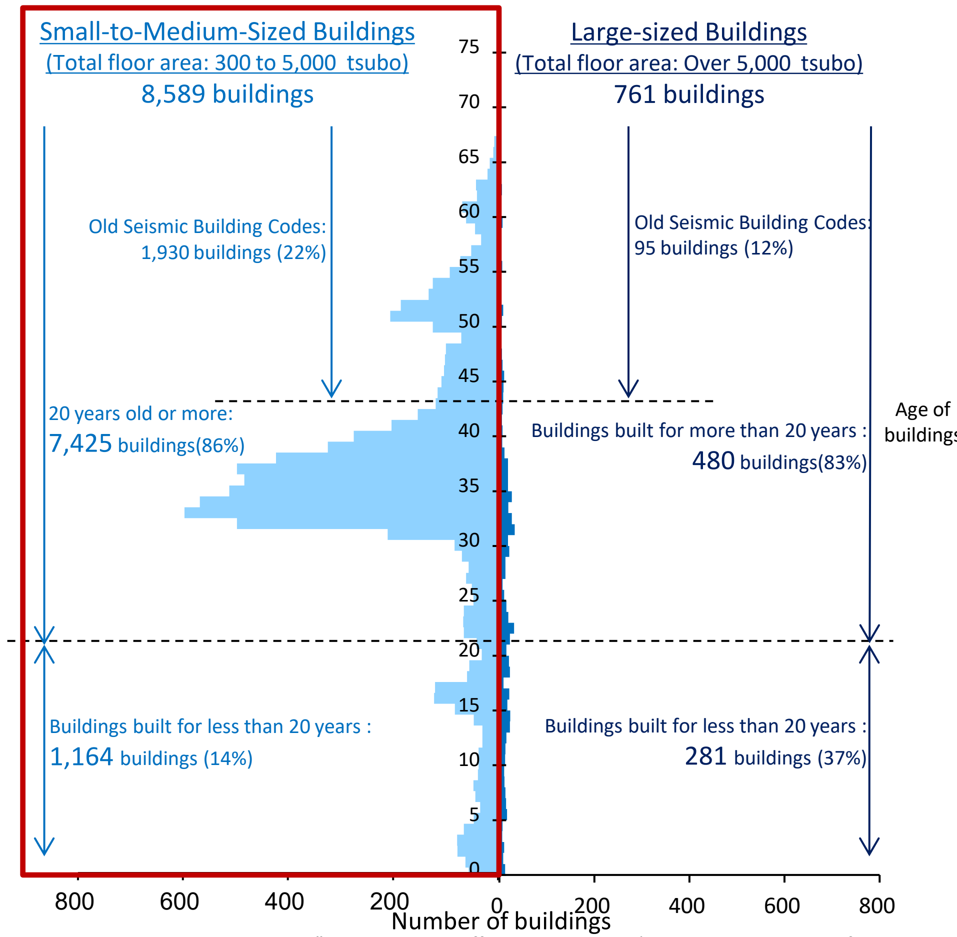
In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Top 10 Prefectures in Number of Corporations



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

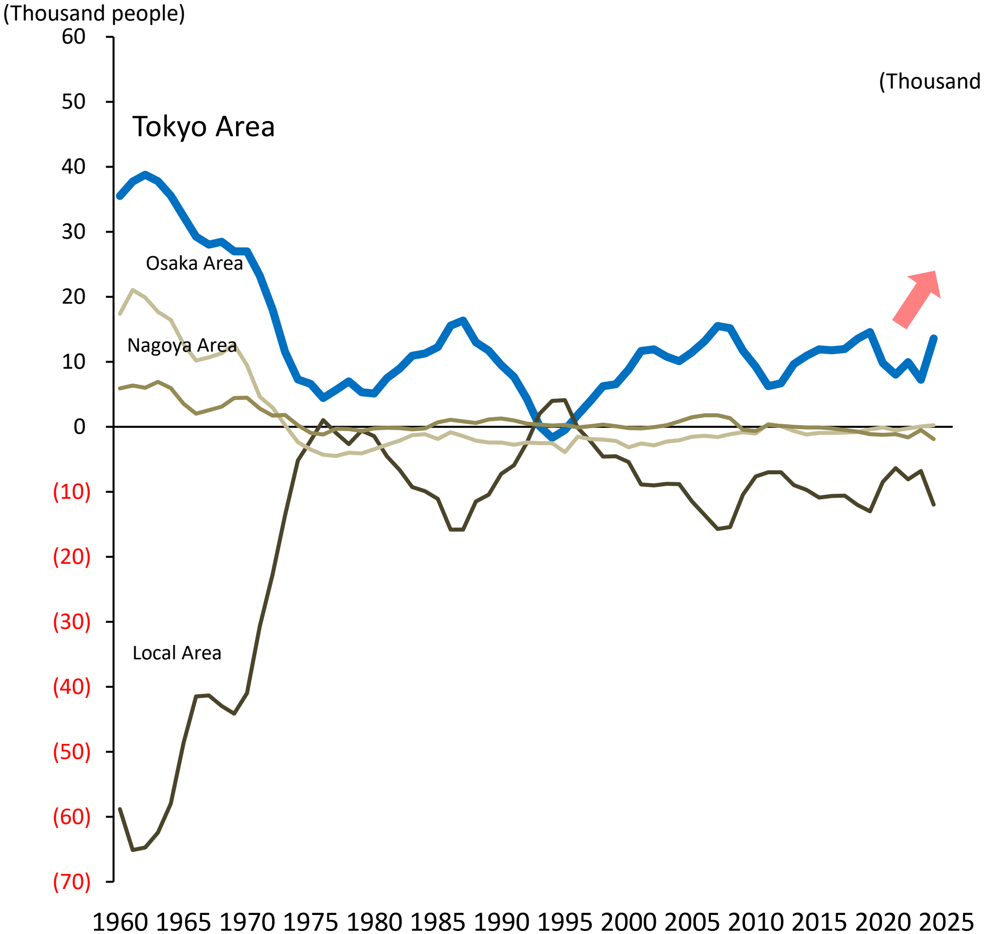
Tokyo 23 cities with 9,350 buildings



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

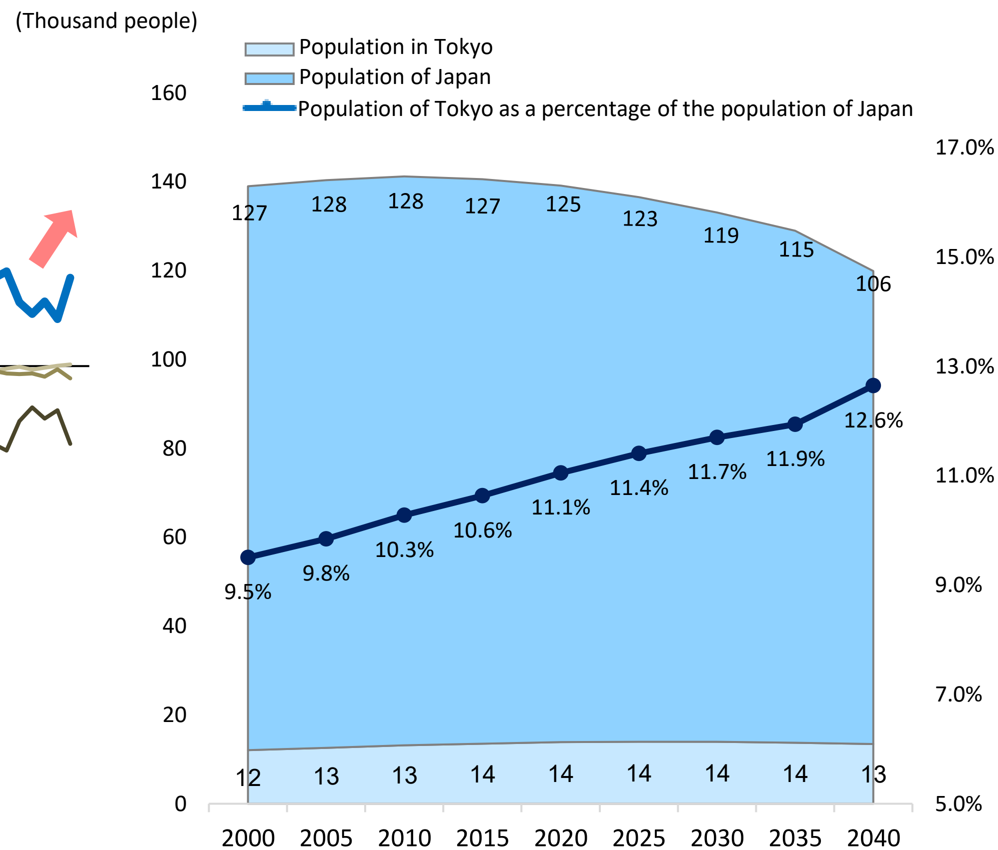
Insight for Business Environment

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



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)

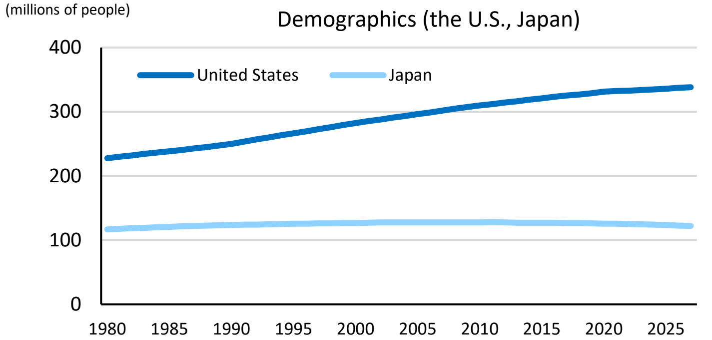


Source: Compiled by the Company based on Tokyo Metropolitan Government statistics - "Population of Tokyo (Estimate)."

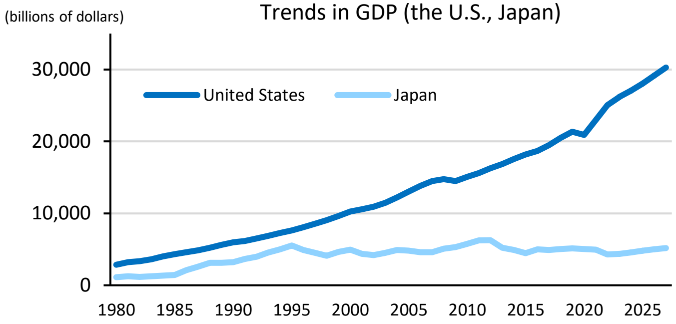
Overseas Markets (the U.S., Vietnam)

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

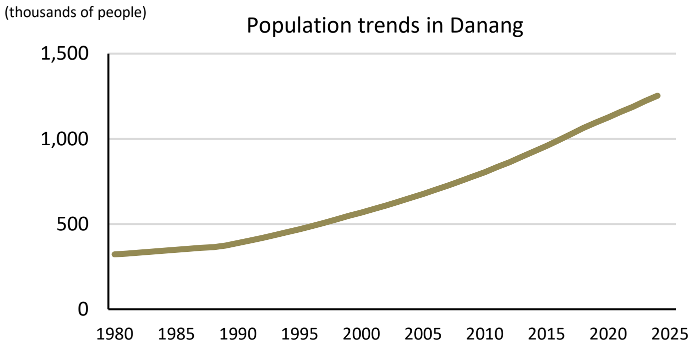
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



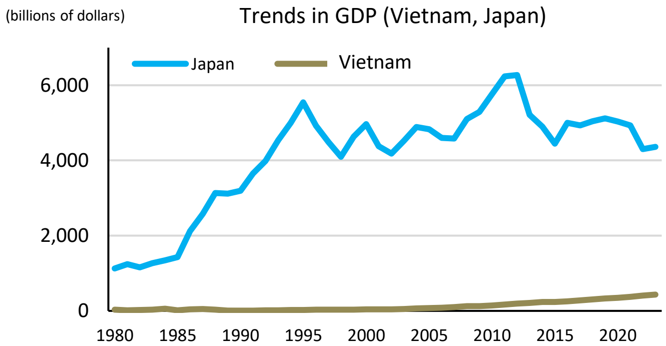
In contrast to Japan, where the growth rate is flat, the U.S. has a very high growth rate, has many jobs, and is expected to continue to have a high demand for real estate.



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.



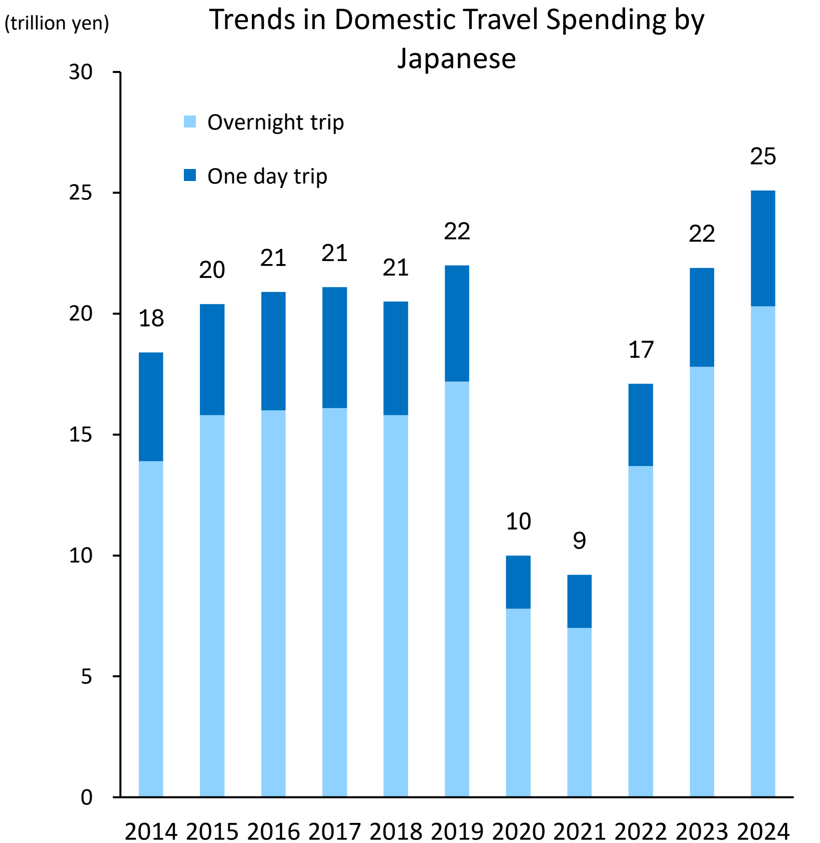
Although the GDP of Vietnam is lower than that of Japan, the growth rate is higher than that of Japan, and Vietnam is considered to have a high potential for future.



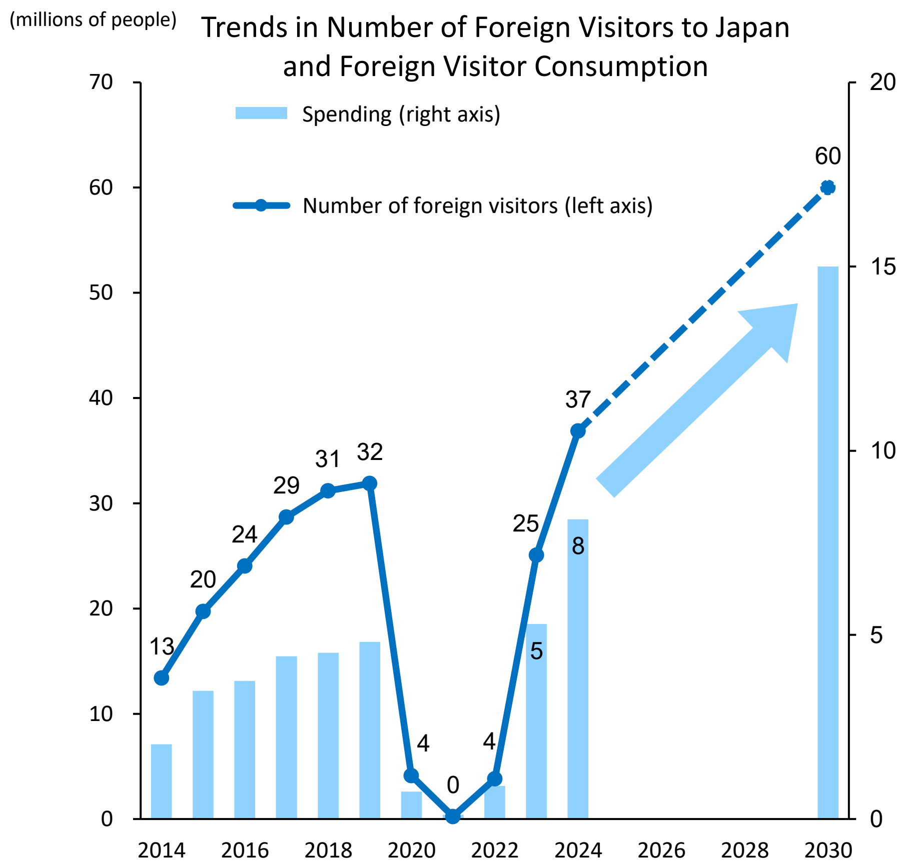
Source: IMF World Economic Outlook database (prepared by the Company)

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

ESG Data

SUN FRONTIER

Environment

As of March 31, 2025

Actual number of RP buildings

Total **516** buildings

Carbon Offset

Cumulative
total **3,493t-CO_2e**

RE100/Mori no Denki
Total 19
buildings 2,241t-CO_2e

RP construction
65 buildings
1,252t-CO_2e

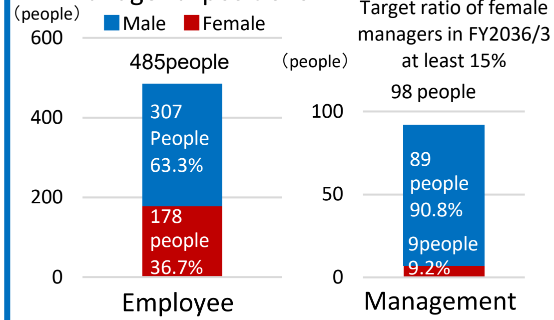
※74 buildings 1,411t-CO_2e
applied as of August 2025

Acquired BELS for
17 properties

Social

Ratio of male and female employees in managerial positions

Target ratio of female managers in FY2036/3 at least 15%



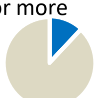
(as of the end of June 2025)

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%
(as of the end of March 2025)

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

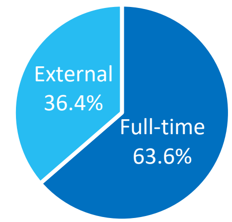
As of March 31, 2025

Transition to a company with Audit & Supervisory Committee

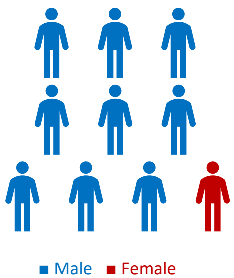
As of June 30, 2022

Board of Directors
Audit & Supervisory Committee

Ratio of Outside Officers 1/3 or more



Female Directors 1 out of 10



Nomination and Compensation Committee (optional)

2 out of 4 outside officers

Full-time Full-time
Outside Outside

Ensuring transparency and soundness

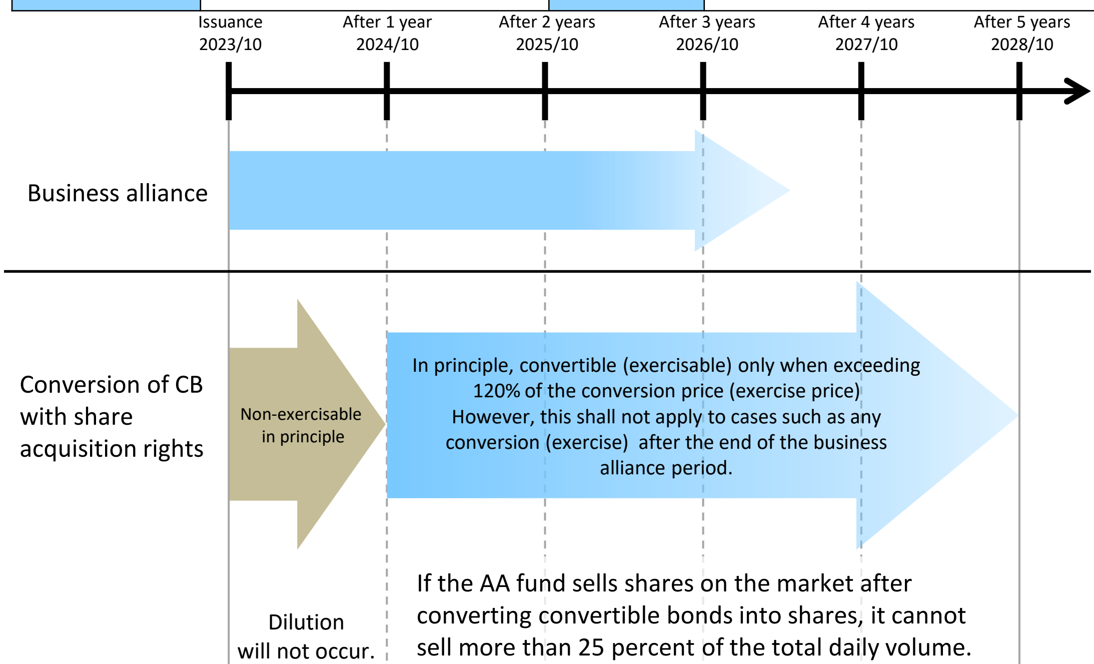
Sustainability website
https://www.sunfrt.co.jp/sustainability/en/

・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

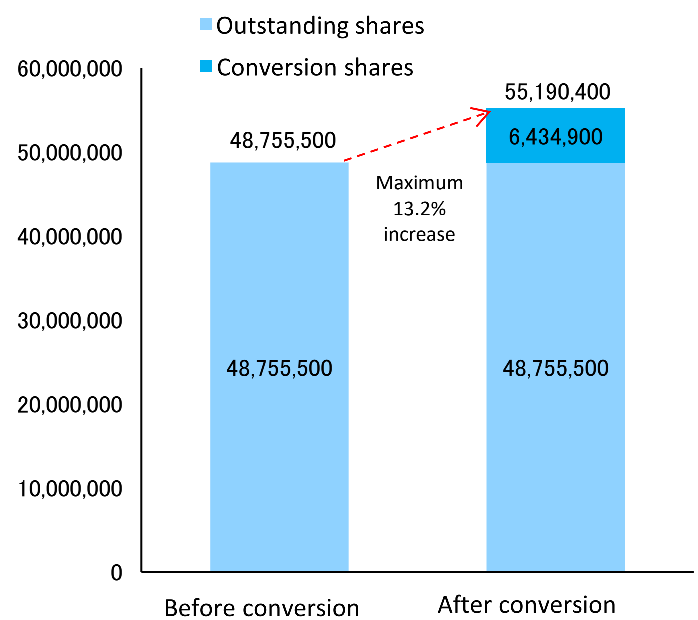
Type	Convertible bonds with share acquisition rights	Maturity	5 years
Issuance date	October 6, 2023	Convertible period	5 years after the payment due date However, In principle, non-convertible for 1 year after the payment due date
Amount of funds acquired	Approximately 10 billion yen	Conversion price	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

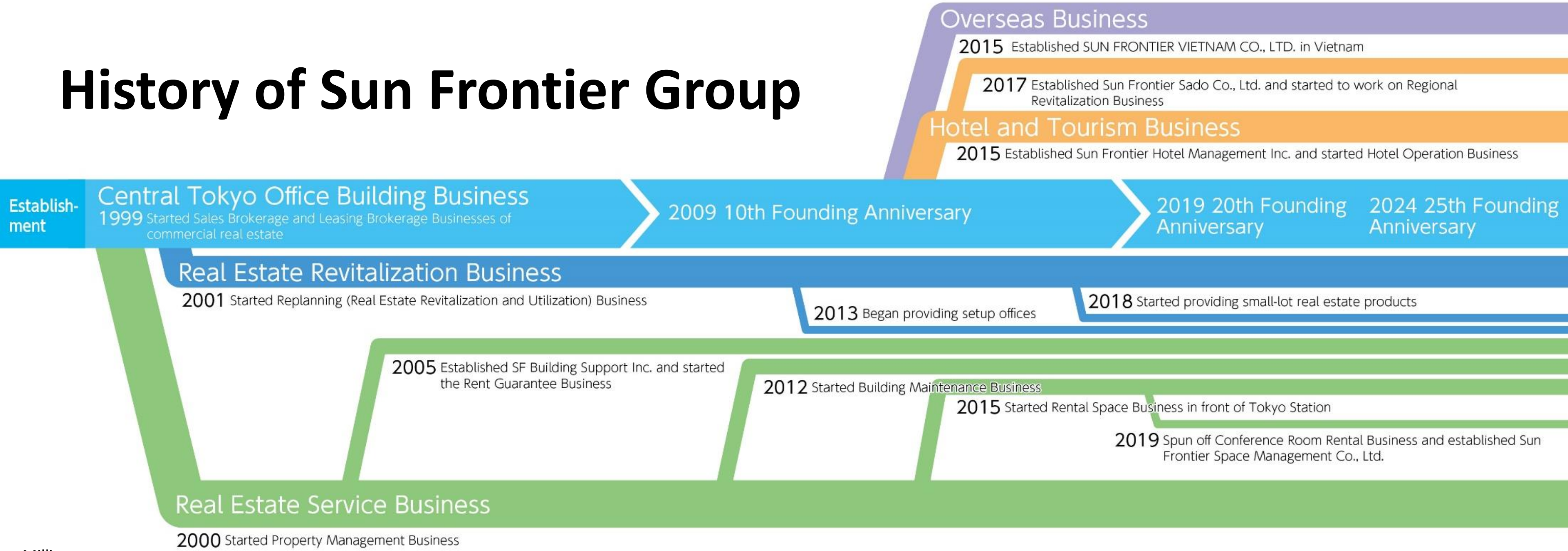


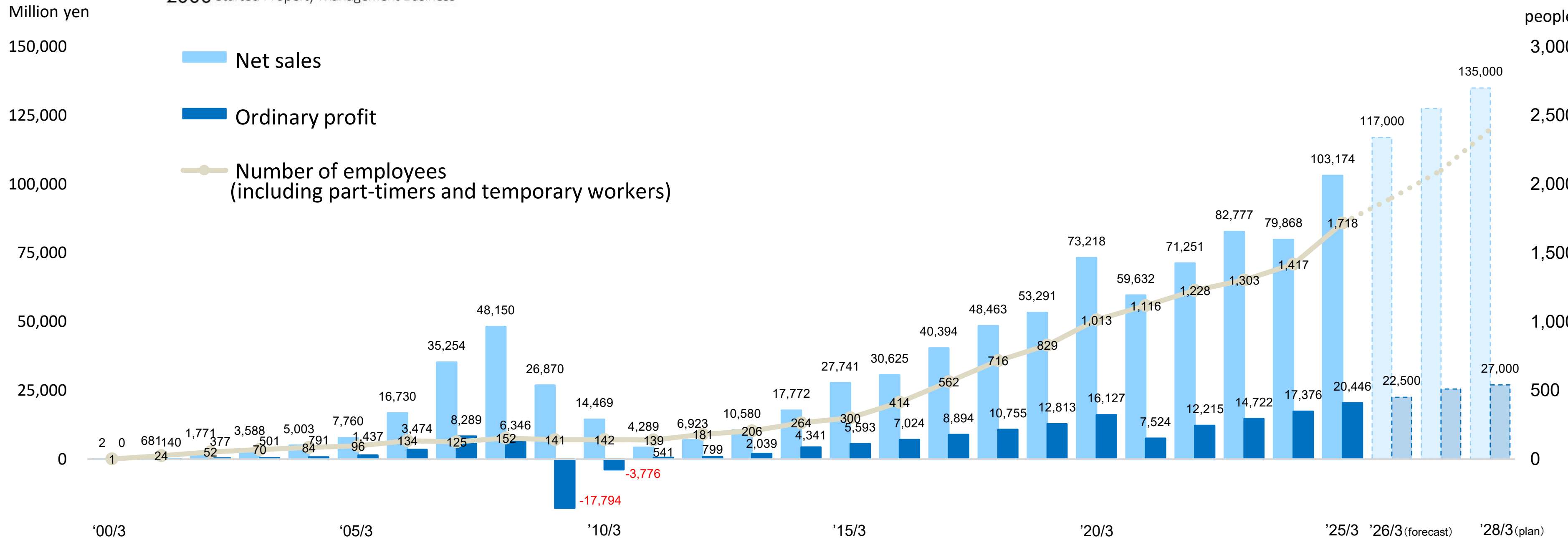
If the AA fund sells shares on the market after converting convertible bonds into shares, it cannot sell more than 25 percent of the total daily volume. AA is prohibited from transferring the converted shares to any of our competitors or activists.

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 *	960 employees (1,790 including part-timers and temporary workers)
Average Age of Employees*	35.3 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 June 2025

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.

<Inquiries about this document>
Sun Frontier Fudousan Co., Ltd. IR Desk
Phone : +81-3-5521-1551
URL : https://www.sunfrt.co.jp/en/
Mail : ir-contact@sunfrt.co.jp

SUN FRONTIER