Sun Frontier Fudousan Co., Ltd

Financial Results of the Second 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.

November 10, 2025

SUN FRONTIER

Tokyo Stock Exchange Prime Market 8934

Contents

Overview of FY2026/3 2Q

SUN FRONTIER

Executive Summary

Celebrating our 26th anniversary this year, our Group has consistently operated under the corporate motto of "Altruism" .Guided by the philosophy, “We believe in helping others, as many as we can, throughout our lives,” we have focused on developing our human capital and sustainably growing and expanding our business. We achieved the ambitious goal, set 12 years ago, to become a company with 100 billion yen in net sales within a decade, reaching this milestone in the previous fiscal year. Starting this fiscal year, we embark on a new challenge toward our Long-Term Vision 2035. Our goal is: “Utilize limited resources to fill the world with smiles and excitement! Becoming a corporate group that continues to challenge the creation of future value. "Through our business endeavors, we are committed to contributing to the happiness of people and the evolution and advancement of society.

Performance Summary

- Sales and profit increased compared to the same period of the previous fiscal year due to property sales and steady growth in the Real Estate Service Business and the Hotel Operation Business
- Operating profit, ordinary profit and net profit were about 60% of the full-year forecast
  Strong and steady progress towards achieving the full-year targets
- All segments made steady progress in line with the plan
  - In the Real Estate Revitalization Business, purchases and sales of Replanning Business properties progressed as planned
  - In the Real Estate Service Business, the number of buildings under management increased and the Rental Conference Room Business also grew
  - In the Hotel and Tourism Business, existing hotels performed well, and the number of hotels in operation increased steadily due to new openings, etc.

Topics

- Two companies joined the Group through M&A
  Nagano Linden Holdings (Hotels)
  Otake Kenso Holdings (Processing and construction of sashes and glass windows)
- The Group issued its first Integrated Report in September

Overview of FY2026/3 2Q

SUN FRONTIER

Sales and profit surged as property sales progressed as planned and the Real Estate Service Business and the Hotel Operation Business grew.

(Unit: million yen)	FY2025/3 2Q	FY2026/3 2Q	YoY Increase /decrease	YoY Change rate	Forecast for FY2026/3 Forecast	Forecast for FY2026/3 Progress Rate
Net sales	36,786	**58,232**	21,446	58.3%	117,000	49.8%
Gross Profit (Loss)	11,520	**20,078**	8,557	74.3%	36,420	55.1%
Selling, General and Administrative Expenses	4,817	**5,947**	1,130	23.5%	12,580	47.3%
Operating Profit (Loss)	6,703	**14,130**	7,427	110.8%	23,840	59.3%
Ordinary Profit (Loss)	6,350	**13,614**	7,263	114.4%	22,500	60.5%
Ordinary Profit margin	17.3%	**23.4%**	-	+6.1%pt	19.2%	-
Profit	4,422	**8,993**	4,570	103.3%	15,500	58.0%

	As of the End of March 2025	As of the End of September 2025	Compared to the end of March 2025 increase/decrease	Compared to the end of March 2025 Change rate	Forecast for FY2026/3
Total assets	218,190	**237,768**	19,578	9.0%	-
Equity	102,159	**108,800**	6,641	6.5%	-
Equity to total assets ratio	46.8%	**45.8%**	-	-1.0%pt	-
ROE	14.7%	**-**	-	-	14.2%
EPS (yen)	291.58	**185.31**	-	-	319.40
Dividends per share (yen)	(Annual) 66	(Interim) 38	-	-	(Annual) 76
Dividend payout ratio	22.6%	-	-	-	23.8%

Consolidated Income Statement

SUN FRONTIER

Sales and profit increased in all segments, and steady progress was made against the initial forecast.

（Unit: million yen）

	FY2025/3	FY2026/3	YoY		Forecast for FY2026/3	
	2Q	2Q	Increase /decrease	Change rate	Forecast	Progress Rate
Net sales	36,786	**58,232**	21,446	58.3%	117,000	49.8%
Real Estate Revitalization Business	22,344	**39,327**	16,982	76.0%	81,340	48.3%
Real Estate Service Business	5,954	**8,359**	2,405	40.4%	14,000	59.7%
Hotel and Tourism Business	8,216	**9,733**	1,517	18.5%	21,490	45.3%
Other Business	953	**1,600**	647	67.9%	2,230	71.8%
Adjustments	- 682	**- 788**	- 106	-	- 2,060	-
Gross Profit (Loss)	11,520	**20,078**	8,557	74.3%	36,420	55.1%
Real Estate Revitalization Business	6,684	**13,090**	6,406	95.8%	25,560	51.2%
Real Estate Service Business	2,949	**4,527**	1,577	53.5%	6,940	65.2%
Hotel and Tourism Business	2,101	**2,566**	465	22.1%	4,340	59.1%
Other Business	259	**439**	180	69.6%	530	82.9%
Adjustments	- 474	**- 546**	- 72	-	- 950	-
Selling, General and Administrative Expenses	4,817	**5,947**	1,130	23.5%	12,580	47.3%
Operating Profit (Loss)	6,703	**14,130**	7,427	110.8%	23,840	59.3%
Ordinary Profit (Loss)	6,350	**13,614**	7,263	114.4%	22,500	60.5%
Profit	4,422	**8,993**	4,570	103.3%	15,500	58.0%

■Real Estate Revitalization Business — The number of properties sold was 13 (down 1 from the same period of the previous fiscal year). Sales and profit surged due to the sale of large-scale properties.

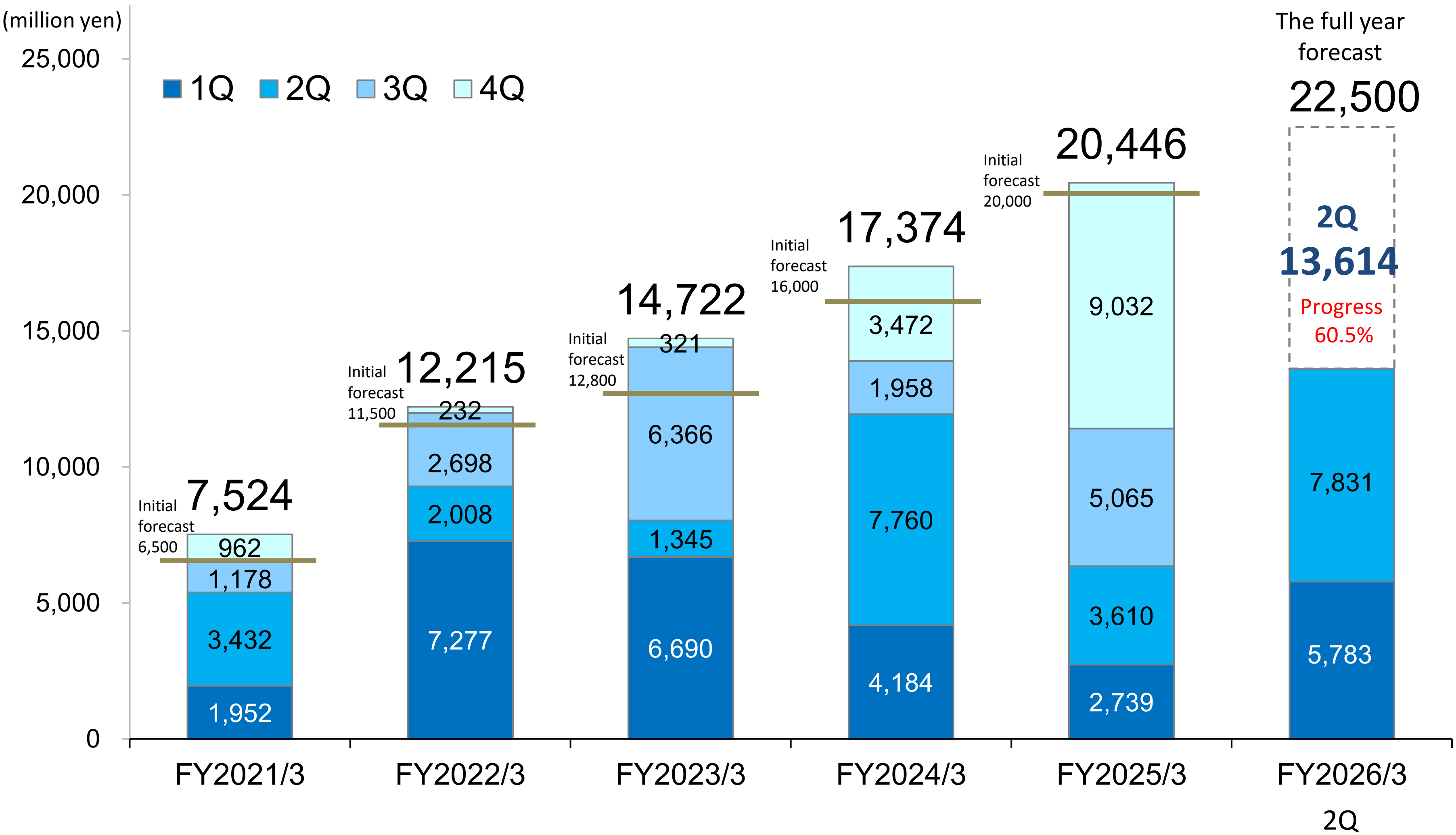
■Real Estate Service Business — Sales and profit soared as the number of properties under property management increased, sales and brokerage grew, and occupancy rates for the Rental Conference Room Business were strong.

■Hotel and Tourism Business — Sales and profit increased from strengthening our operational capabilities in addition to strong domestic and inbound tourism demand, and average daily rates and occupancy rates increased.

■SG&A — Increase due to human capital investments and system investments.

Trends in Ordinary Profit for recently 5 fiscal years

Progress is on track toward the full-year forecast.



Sun Frontier Fudousan Co., Ltd

Consolidated Balance Sheet
- Assets -

SUN FRONTIER

Inventories increased due to increased purchases of properties for replanning and progress in hotel development.

(million yen)	As of the End of March 2025	As of the End of September 2025	Increase/decrease (compared to the End of March 2025)	
Current assets	183,706	**198,668**	14,962	
Cash and deposits	44,920	**45,776**	856	
Inventories	133,713	**146,468**	12,775	Progress of purchases of properties for replanning and progress of hotel development
Breakdown) RP	115,549	**122,879**	7,330	
Hotel	15,326	**20,596**	5,269	
Overseas, etc.	2,837	**2,993**	155	
Other current assets	5,072	**6,422**	1,349	
Non-current assets	34,484	**39,100**	4,616	
Property, plant and equipment	24,290	**28,542**	4,251	Progress of hotel development
Intangible assets	2,288	**2,241**	- 46	
Investments and other assets	7,904	**8,316**	411	
Total assets	218,190	**237,768**	19,578	

Consolidated Balance Sheet
- Liabilities/Equity -

SUN FRONTIER

Interest-bearing debt increased due to purchases, but equity ratio maintained the target level.

(million yen)	As of the End of March 2025	As of the End of September 2025	Increase/decrease (compared to the End of March 2025)
Current liabilities	26,663	**28,520**	1,856
Short-term borrowings, etc.	10,240	**10,337**	97
Other current liabilities	16,423	**18,182**	1,759
Non-current liabilities	85,634	**99,816**	14,182
Long-term borrowings	72,219	**85,881**	13,662
Bonds payable	9,999	**9,999**	-
Other non-current liabilities	3,415	**3,935**	519
Total liabilities	112,298	**128,337**	16,039
Shareholders' equity	100,949	**108,204**	7,255
Other	4,942	**1,226**	- 3,716
Total net assets	105,892	**109,431**	3,538
Total liabilities and net assets	218,190	**237,768**	19,578
Equity ratio trends	46.8%	**45.8%**	-1.0%pt

Interest-bearing debt (including lease liabilities) 106,254 million yen

7,255 million yen due to the accumulation of profit, etc.

SUN FRONTIER

Real Estate Revitalization Business –Summary–

Significant increase in sales and profit due to strong property sales, steady progress against the full-year forecast.

(million yen)	FY2025/3 2Q	FY2026/3 2Q	YoY Increase /decrease	YoY Change rate	Forecast for FY2026/3 Forecast	Forecast for FY2026/3 Progress Rate
Net sales	22,344	**39,327**	16,982	76.0%	81,340	48.3%
Replanning Business	20,987	**37,570**	16,582	79.0%	78,440	47.9%
Rental Building Business	1,357	**1,757**	399	29.5%	2,900	60.6%
Gross Profit (Loss)	6,684	**13,090**	6,406	95.8%	25,560	51.2%
Replanning Business	6,501	**12,600**	6,099	93.8%	25,160	50.1%
Rental Building Business	182	**489**	307	167.8%	400	122.5%
Segment profit ※	6,049	**11,802**	5,753	95.1%		
Replanning Business	5,866	**11,312**	5,446	92.8%		
Rental Building Business	182	**489**	307	167.8%		
Segment Profit margin	27.1%	**30.0%**	-	+2.9%pt		
Replanning Business	28.0%	**30.1%**	-	+2.2%pt		
Rental Building Business	13.5%	**27.9%**	-	+14.4%pt		

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

■Replanning Business: The number of properties sold decreased, but sales and profit increased due to the sales of large-scale properties and highly profitable newly constructed properties.

(Properties sold): 13 (including 2 small-lot properties, 2 new constructions). Down 1 property compared to the same period of the previous fiscal year.

(Average business period): 867 days (up 84 days compared to the previous fiscal year). The increase in the business period compared to the previous fiscal year was due to two new construction projects.

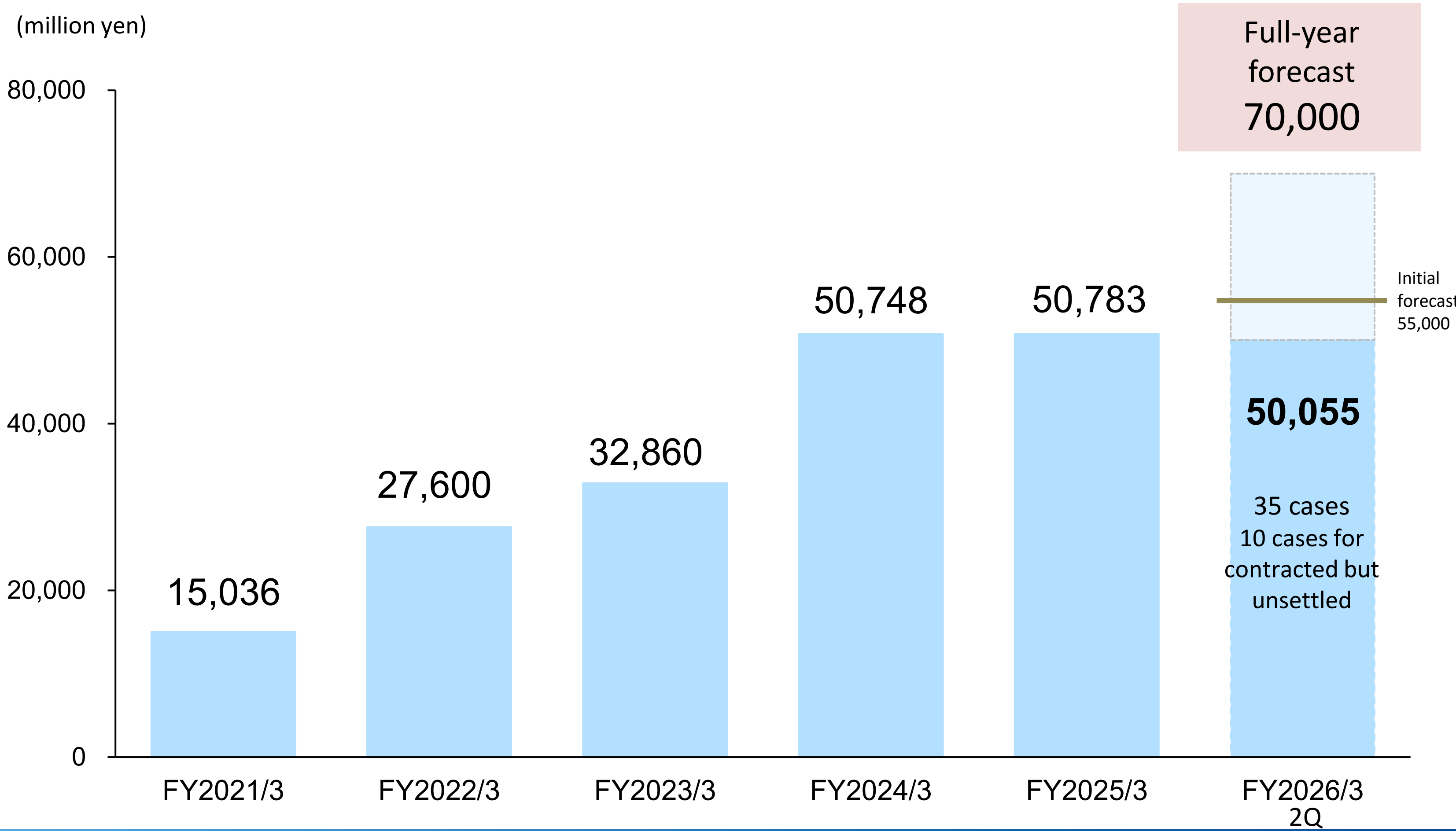
■Rental Building Business: Sales and profit soared due to a decrease in lease related expenses compared to the same period of the previous fiscal year, in addition to progress in the purchase of properties.

SUN FRONTIER

Real Estate Revitalization Business –Property Purchase–

Purchases of 50.0 billion yen have been made, including contracted and unsettled properties.※
Full-year target raised to 70.0 billion yen.

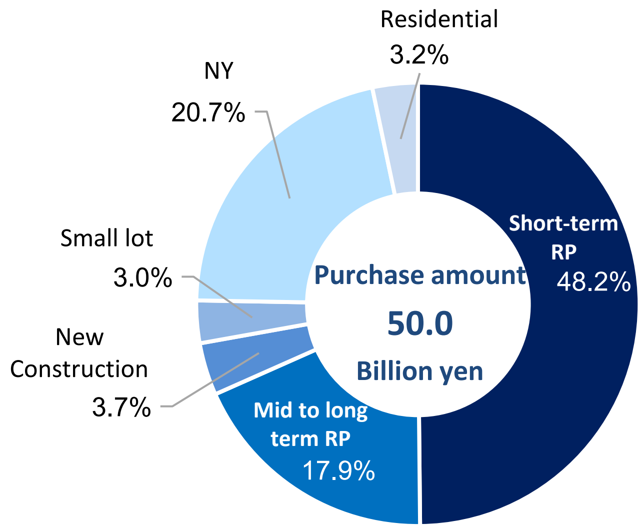
※ Including land, properties in non-current assets, small-lot real estate properties and New York properties.



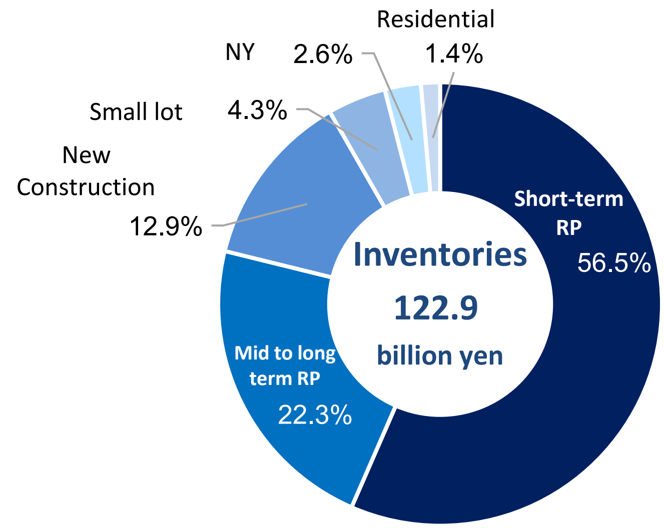
Real Estate Revitalization Business –Indicators–

Replanning Business sales and purchases indicators for the second quarter cumulative period

Breakdown of
Purchase amount for Replanning Properties



Breakdown of
Inventories for Replanning Properties



■ Purchases of 50.0 billion yen for 35 properties
(including 12.2 billion yen for 10 contracted and unsettled properties)

■Purchases in FY2025/3 2Q
25 billion yen for 27 properties
(including 10.1 billion yen for 10 contracted and unsettled properties)

■ Number of properties in stock at the end of 2Q
77 (Up 8 compared to the same period of the previous fiscal year)

■ The weight of new buildings and small-lot properties increased, leading to greater asset diversification.

SUN FRONTIER

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	36.1billion 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%	29.4%
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
	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.

Keep holding — Sale in the following fiscal year

Sale during the year — Carry-over

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

Performance for Each Business Segment

Real Estate Services Business

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

SUN FRONTIER

Sales and profit increased due to an increase of properties under management and growth in the Rental Conference Room Business. Made steady progress against the full-year forecast.

(million yen)	FY2025/3 2Q	FY2026/3 2Q	YoY Increase /decrease	YoY Change rate	Forecast for FY2026/3 Forecast	Forecast for FY2026/3 Progress Rate
Net sales	5,954	**8,359**	2,405	40.4%	14,000	59.7%
PM/BM/Brokerage Business, etc.	3,969	**5,514**	1,545	38.9%	8,789	62.7%
Rental Conference Room	1,984	**2,844**	860	43.3%	5,210	54.6%
Gross Profit (Loss)	2,949	**4,527**	1,577	53.5%	6,940	65.2%
PM/BM/Brokerage Business, etc.	2,573	**3,533**	959	37.3%	5,915	59.7%
Rental Conference Room	375	**994**	618	164.5%	1,024	97.1%
Segment profit	2,940	**4,520**	1,579	53.7%		
PM/BM/Brokerage Business, etc.	2,573	**3,533**	959	37.3%		
Rental Conference Room	366	**986**	619	169.0%		
Segment Profit margin	49.4%	**54.1%**	-	+4.7%pt		
PM/BM/Brokerage Business, etc.	64.8%	**64.1%**	-	-0.8%pt		
Rental Conference Room	18.5%	**34.7%**	-	+16.2%pt		

■PM/BM/Brokerage Business, etc.

- (Property Management) Sales and profit increased due to an increase in properties under management.
- (Building Management) Increased sales and profit from the increase in properties under management due to improved collaboration within the Group.
- (Sales Brokerage) In addition to successful contracting of referrals from within the Group, the number of large-scale projects increased, and sales and profit increased.
- (Leasing Brokerage) The demand for hybrid working styles and for securing talent increased, leading to increased sales and profit.
- (Rent Guarantee) Sales and profit increased due to steady growth in new contracts and contract renewals.

■Rental Conference Room

Sales and profit increased due to a surge in long-term use and large-scale projects, as well as good starts to new sites open less than one year.

SUN FRONTIER

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

Number of hotels in operation steadily expanded to 32 with 3,649 rooms. Existing hotels also performed well, and sales and profits increased.

(million yen)	FY2025/3 2Q	FY2026/3 2Q	YoY Increase /decrease	YoY Change rate	Forecast for FY2026/3 Forecast	Forecast for FY2026/3 Progress Rate
Net sales	8,216	**9,733**	1,517	18.5%	21,490	45.3%
Hotel Development Business	272	**-**	- 272	-	3,000	-
Hotel Operation Business, etc.	7,943	**9,733**	1,790	22.5%	18,490	52.6%
Gross Profit (Loss)	2,101	**2,566**	465	22.1%	4,340	59.1%
Hotel Development Business	107	**- 27**	- 135	-	520	-
Hotel Operation Business, etc.	1,994	**2,594**	600	30.1%	3,820	67.9%
Segment profit	2,005	**2,291**	286	14.3%		
Hotel Development Business	52	**- 127**	- 180	-		
Hotel Operation Business, etc.	1,952	**2,419**	466	23.9%		
Segment Profit margin	24.4%	**23.5%**	-	-0.9%pt		
Hotel Development Business	19.3%	**-**	-	-		
Hotel Operation Business, etc.	24.6%	**24.9%**	-	+0.3%pt		

■Hotel Development Business

(New development) 16 hotels with 2,534 rooms under construction or planning from next fiscal year

(Sales) Scheduled for the second half of this fiscal year

■Hotel Operation Business

(New openings and acquisitions) STITCH HOTEL Kyoto (16 rooms) opened in June/NAGANO LINDENPLAZA HOTEL (136 rooms) acquired through M&A in August
Tabino Hotel Kakogawa Befu Station (172 rooms) opened in September/Tabino Hotel Ishikari (175 rooms) opened in October

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

SUN FRONTIER

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

Sales and profit surged due to an increase in construction work.

(million yen)	FY2025/3 2Q	FY2026/3 2Q	YoY Increase /decrease	YoY Change rate
Net sales	953	**1,600**	647	67.9%
Gross Profit (Loss)	259	**439**	180	69.6%
Segment profit	227	**408**	180	79.4%
Segment Profit margin	23.9%	**25.5%**	-	+1.6%pt

Forecast for FY2026/3	Forecast	Progress Rate
Net sales	2,230	71.8%
Gross Profit (Loss)	530	82.9%

■Construction Business Sales and profit soared due to an increase in the number of construction orders for the interior construction of offices and communication networks compared to the same period of the previous fiscal year.

■Overseas Development Business (Vietnam)

Construction of the second HIYORI Aqua Tower condominium project in Vietnam, which started in August 2024, is in progress, with completion scheduled for the second half of 2026.

Growth Strategies and Business Initiatives

Business Environment Awareness

1. The outlook for the global economy is uncertain due to geopolitical risks and other factors although the risk of a sharp economic slowdown due to the strengthening of the U.S. tariff policy has receded.

◆While the United States strengthened its protectionist tariff policy, the Federal Reserve lowered its policy interest rate.

◆The IMF forecasts global economic growth of 3.0%, but the outlook remains uncertain due to geopolitical risks, etc.

2. The Japanese economy remains highly uncertain due to concerns about a slowdown in the global economy and other factors, despite the depreciation of the yen and rising stock prices.

◆ Although the depreciation of the yen and rising stock prices continued, uncertainties remain high due to geopolitical risks and a sluggish Chinese economy.

◆ The Bank of Japan has maintained its policy interest rate, but is still trying to decide when to raise it while assessing 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, travel spending was also solid, backed by the fastest pace of visitor arrivals to Japan on record.

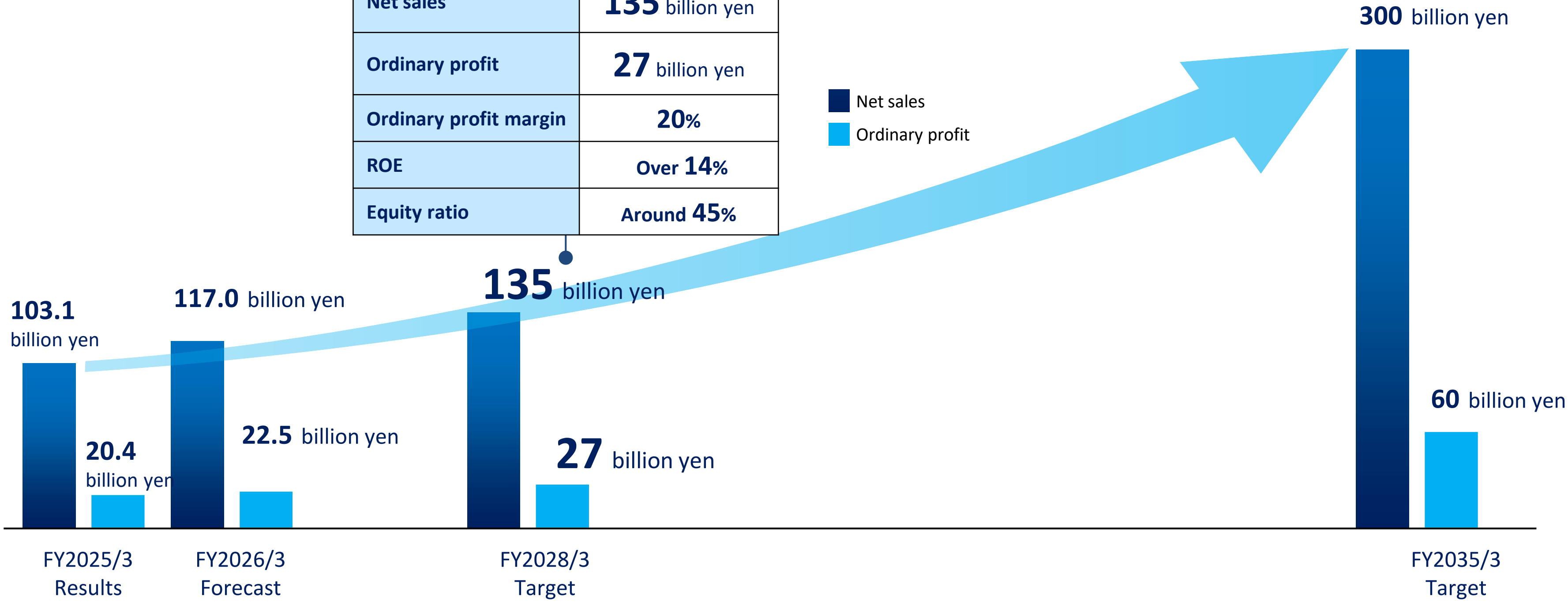
◆From January to September 2025, the number of visitors to Japan exceeded 30 million at the fastest rate ever, due to a large increase in Chinese tourists from the easing of visas.

◆In addition to strong inbound spending, travel spending also increased due to solid domestic demand due to the Osaka Expo, etc.

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%**



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**		

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

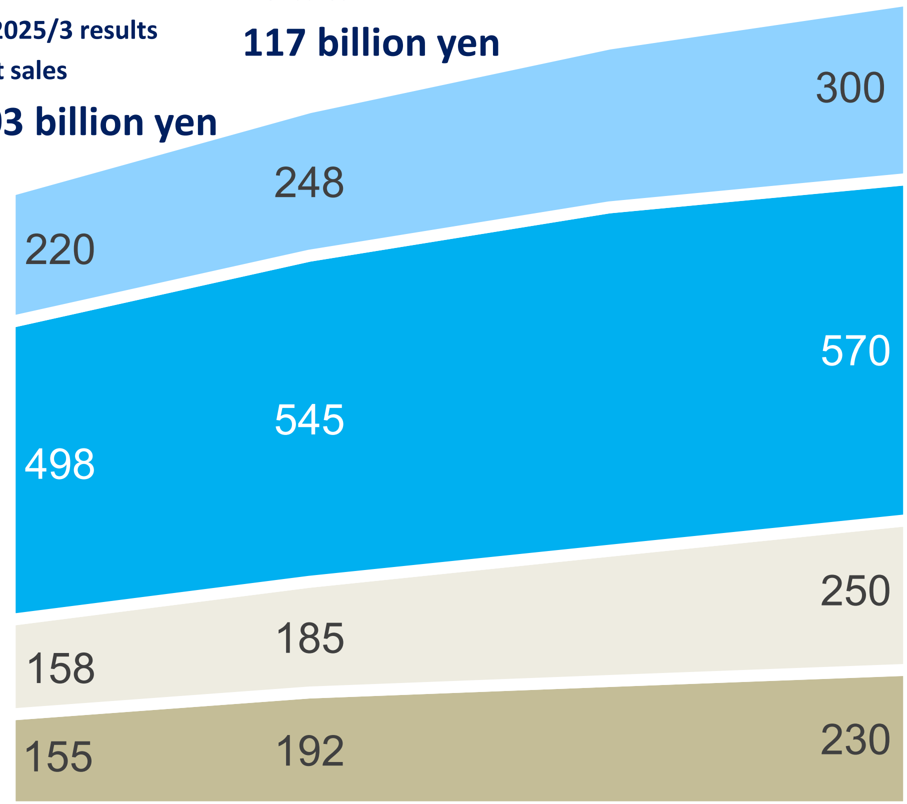
FY2025/3 results
Net sales
103 billion yen

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 (New Business domain)

- NY Apartment Replanning Business
- New Building Construction Business
- Specified Joint Real Estate Ventures

Continued Growth Properties Sales Business (Existing business domain)

- 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】

【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**
	Return to shareholders

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

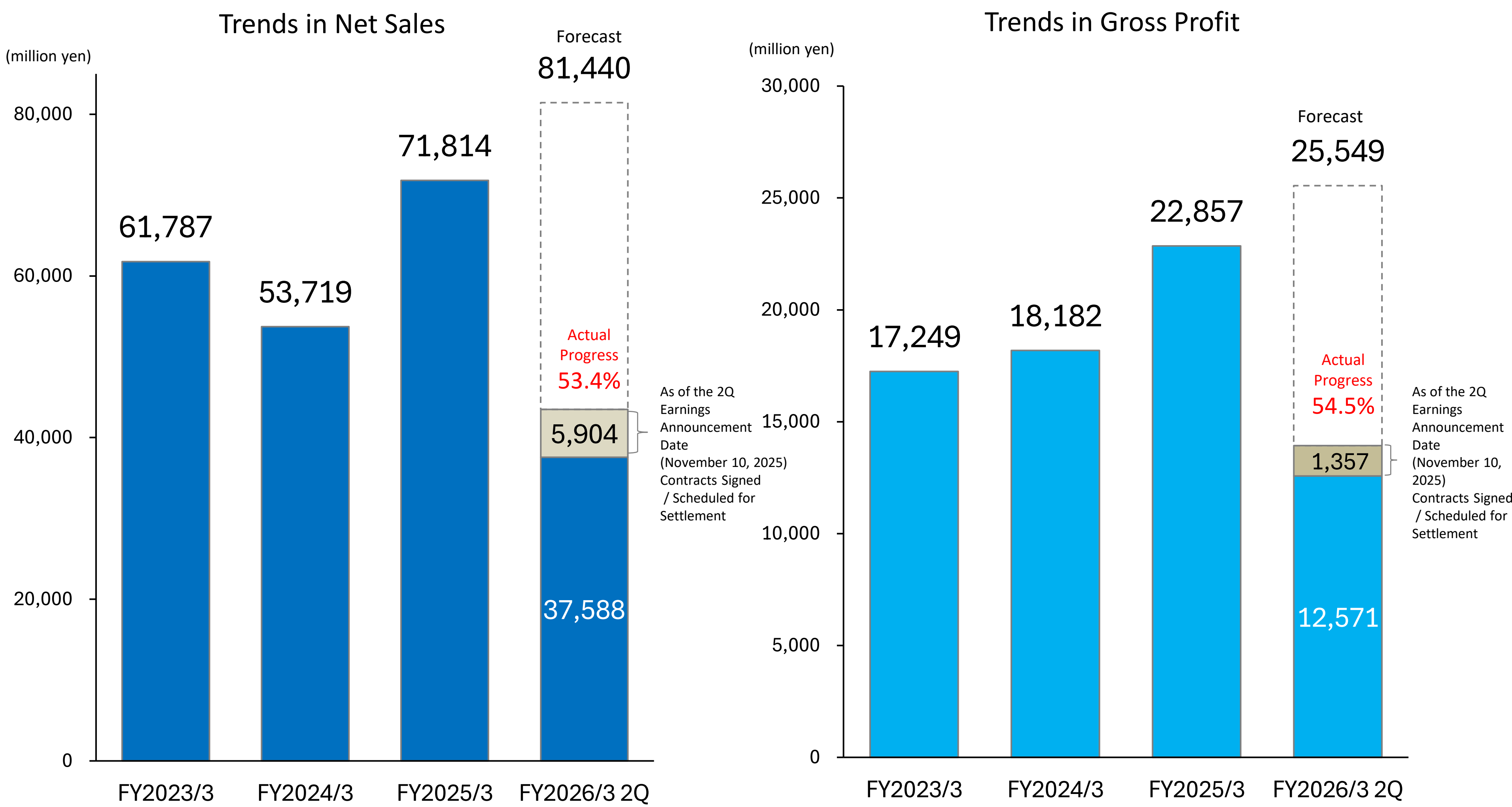
*Conversion of convertible bonds into shares is expected to progress at the end of fiscal year ending March 31, 2027, resulting in increased number of shares.

Progress of Flow-Type Businesses

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

SUN FRONTIER

Progress is on track toward the full-year forecast

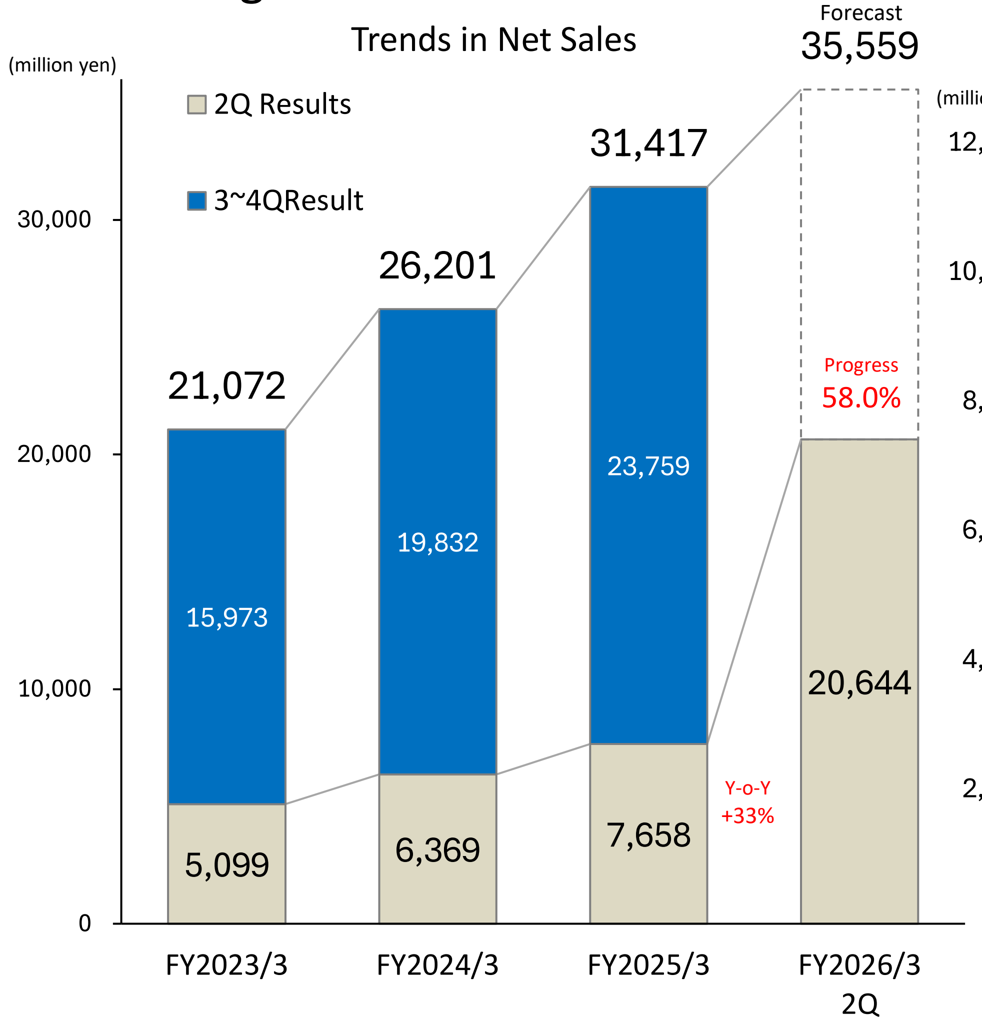


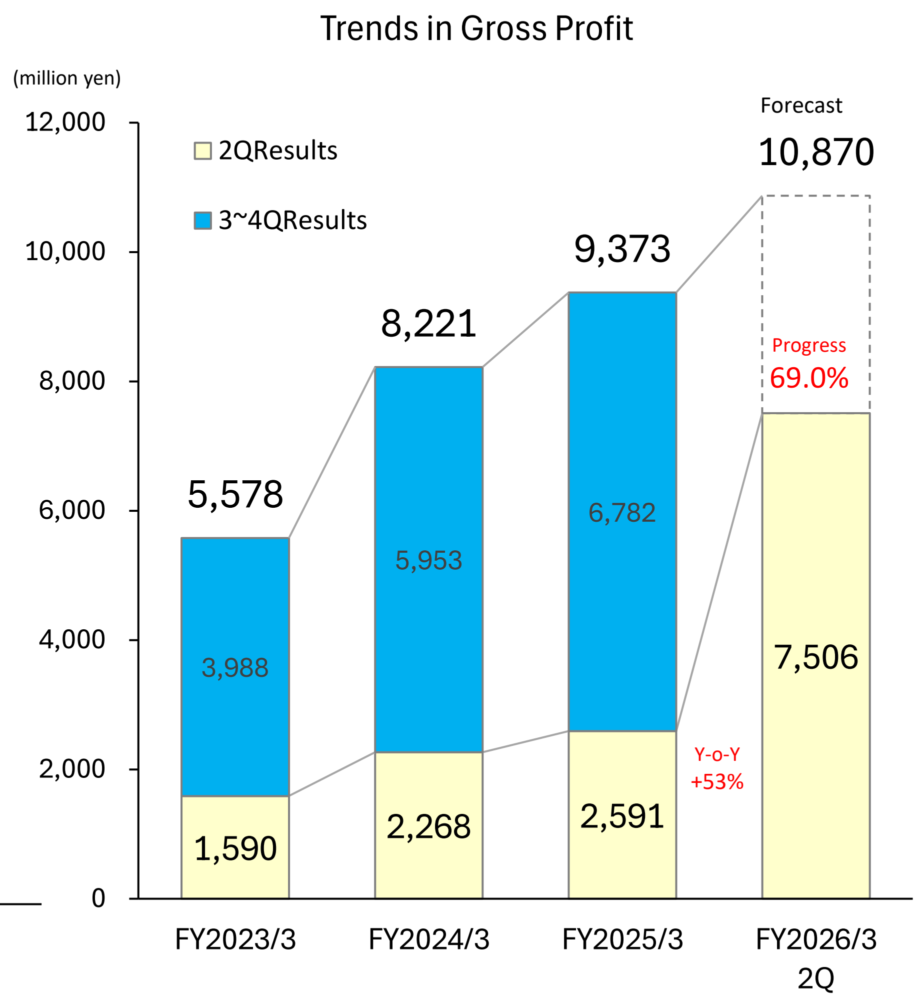
Progress of Stock-Type Businesses

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

SUN FRONTIER

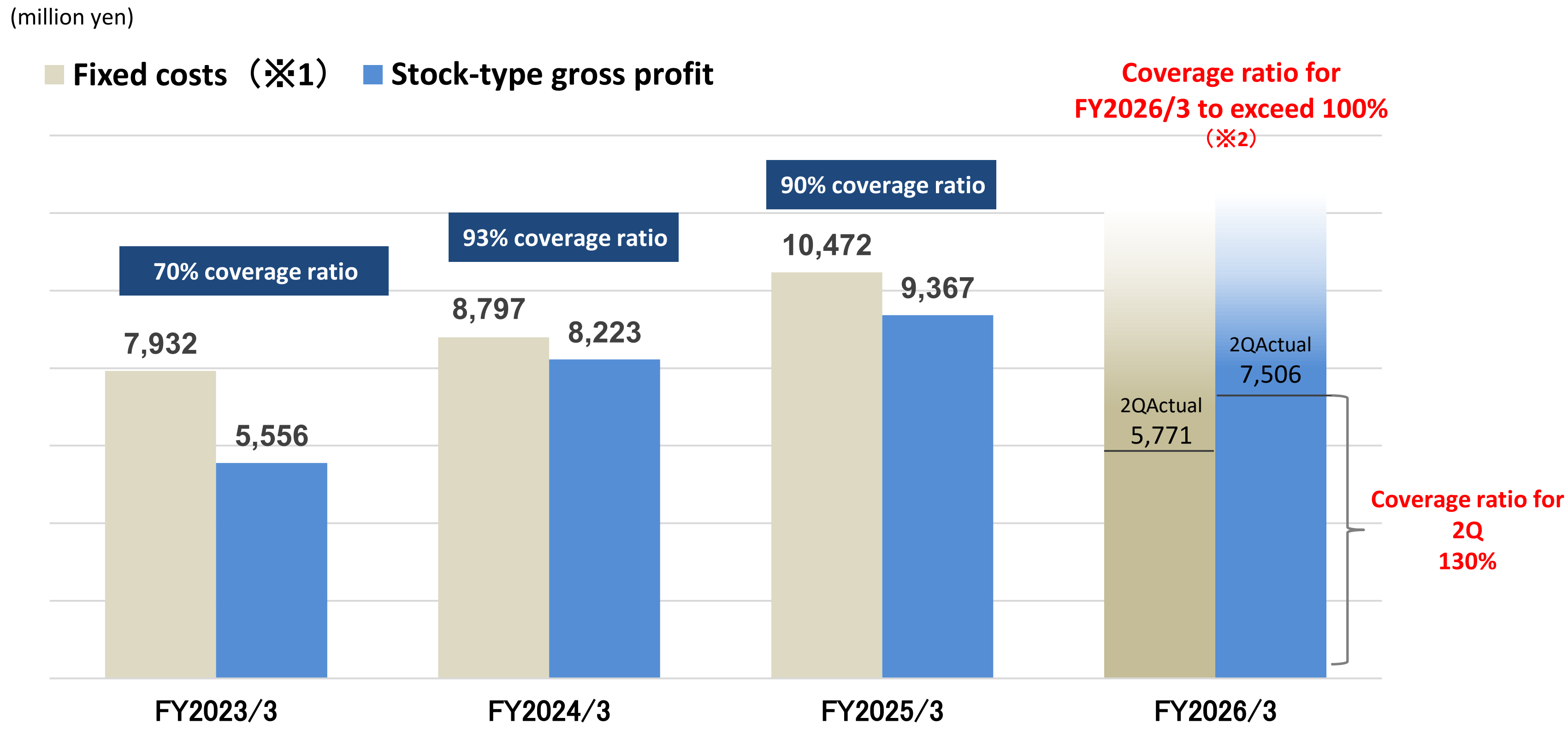
Continued growth in revenue and profit. Both sales and gross profit reached record highs for the first half.





Coverage Ratio by Stock-Type Business (Stable Businesses)

Aim to cover fixed costs through gross profits from stock-type businesses at an early stage.



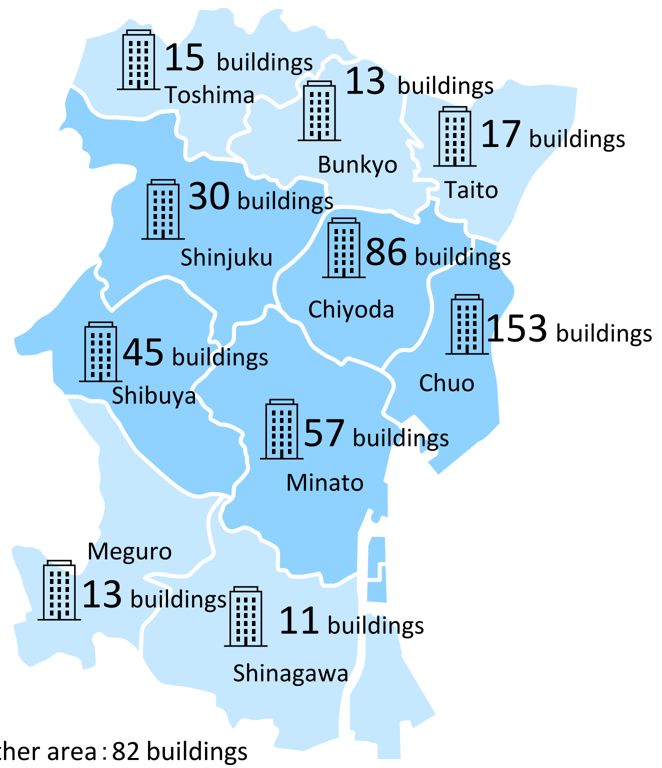
(*1) Fixed costs = SG&A expenses - sales commission + interest expenses

(*2) Coverage ratio = stock-type gross profit ÷ Fixed costs

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

SUN FRONTIER

The basement warehouse was also converted into a set-up office, and asset value was maximized through renovation.



Other area：82 buildings

Cumulative Replanning Achievements in Tokyo's 5 Central Wards and Adjacent Wards **522 buildings**

Before

Converted the basement, which was used as a warehouse, into a set-up office

After

Conducted renovation work

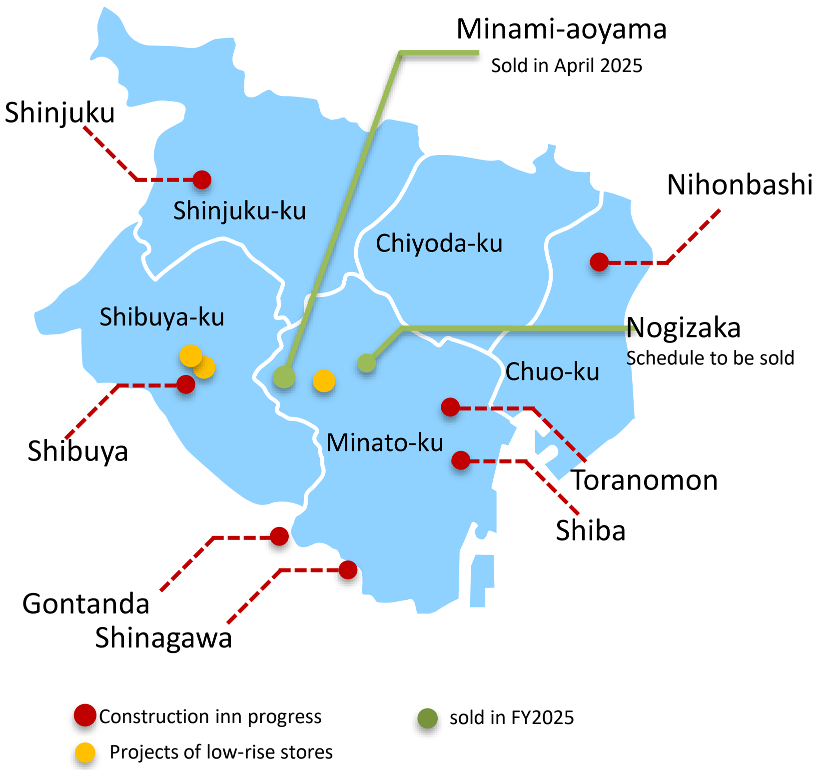
[Income-Yeilding Property | Nihonbashikayabacho, Chuo-ku, Tokyo]

Steel-framed reinforced concrete structure with flat roof, 10 stories with 1 basement floor

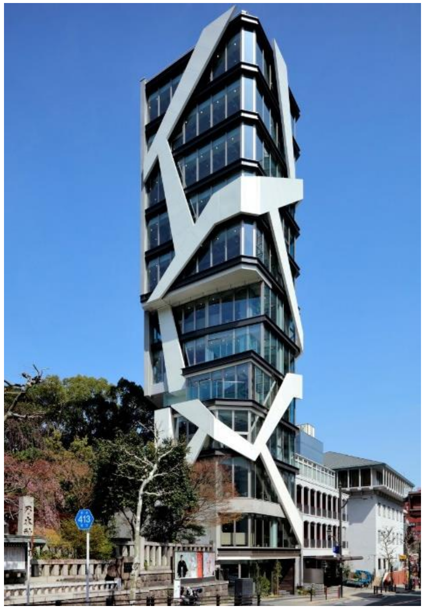
- Located along Shinohashi Street, creating a bright interior to allow more light in through the front windows.
- The underground section was reconstructed into a space that does not feel underground by utilizing indirect lighting and pendant lights.
- Designed an office with a sense of warmth and openness by spatial composition incorporating soft curves.

Develop New Buildings Based on Expertise in Office Building

Creating office spaces with the image that will further accelerate growth into a new era.



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


Exterior


Roof top terrace


Meeting room


Tenant lounge

[Newly Built Income-Yielding Property | Akasaka, Minato-ku, Tokyo]

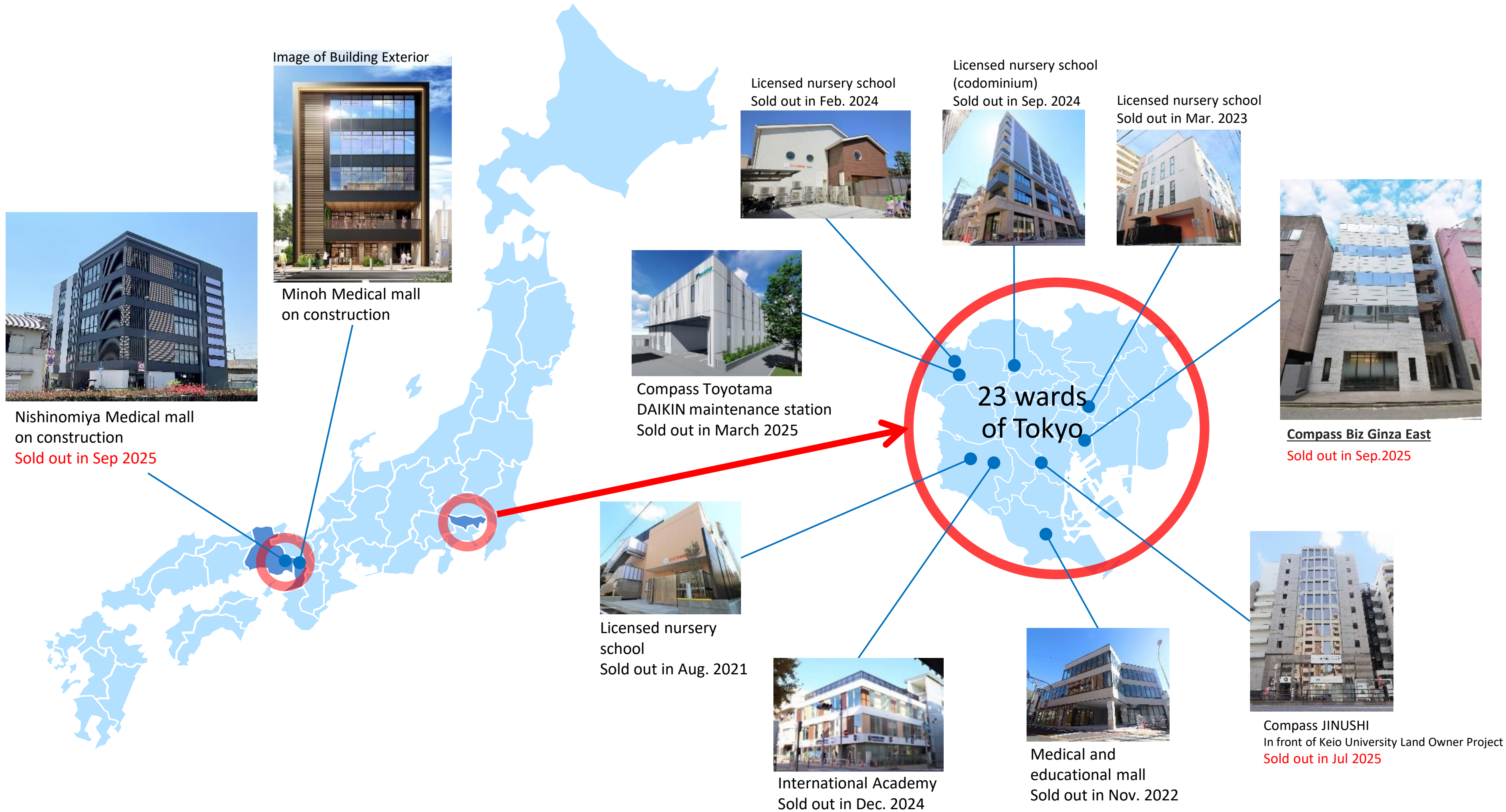
Steel-framed structure with flat roof, 13 stories

- Developed an New building with a "root" motif to serve as a foundation for corporate growth.
- Create office spaces starting from optimized interiors that cannot be achieved through renovation.
- Creating a pleasant environment filled with natural light and surrounded by lush greenery.

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

SUN FRONTIER

We are developing products in major cities and actively offering investment opportunities that address the diverse needs of clients nationwide.



Development of Value-Creating Condominiums that Connect People and Communities with Smiles

SUN FRONTIER

Development of high value-added rental apartment buildings equipped with soundproofing and pet-friendly facilities is accelerating and progressing smoothly toward completion.

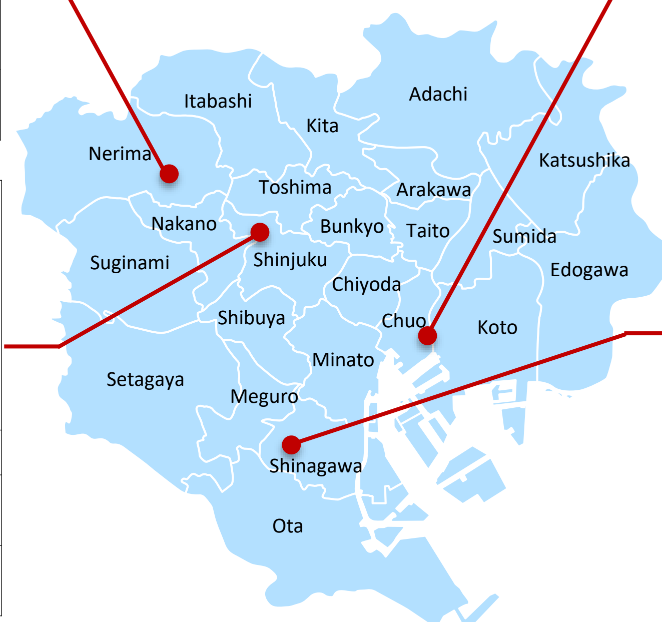
[Current status] Vacant lot Planned construction start: January 2026 [Plan] Sale scheduled for FY2028/3	
Location	Toyotama-Kita, Nerima-ku
Structure	Reinforced concrete bearing wall structure, four-story building
Room layout / number of units	1K: 8 units, 2DK: 3 units, 1LDK: 1 unit

[Current status] Under construction Planned completion: January 2026 [Plan] Sale scheduled for FY2027/3	
Location	Nishi-Ochiai, Shinjuku-ku
Structure	Reinforced concrete bearing wall structure, four-story building
Room layout / number of units	1K: 11 units, 2DK: 1 unit, 2LDK: 1 unit

[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] Demolition completed; construction not yet commenced. [Plan] Sale scheduled for FY2028/3	**An existing building on site remains**
Location	Nihonbashi-Kayabacho, Chuo-ku
Structure	Reinforced concrete structure, 12-story building
Room layout / number of units	1LDK: 22 units, Premium 3LDK: 1 unit

[Current status] Under construction Planned completion: July 2026 [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

Promoting the Apartment Renovation Business in New York

SUN FRONTIER

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

On sale	 
Location	Chelsea Area
Structure	A five-story brick building with one basement floor
Room layout / number of units	1LDK：2units、2LDK：1unit、3LDK：2units
Feature	A historically significant property, designated as a preservation district, standing in an upscale residential area where history and art converge — a 169-year-old building of exceptional historical value.

Under renovation	 
Location	Chelsea Area
Structure	A five-story brick building with one basement floor
Room layout / number of units	3LDK：1unit、4LDK：4units
Feature	Within walking distance to Hudson Yards. A calm residential environment in a popular area among employees of nearby companies.

【Map of Manhattan, New York】

● sold
● In commercialization･In sales activities

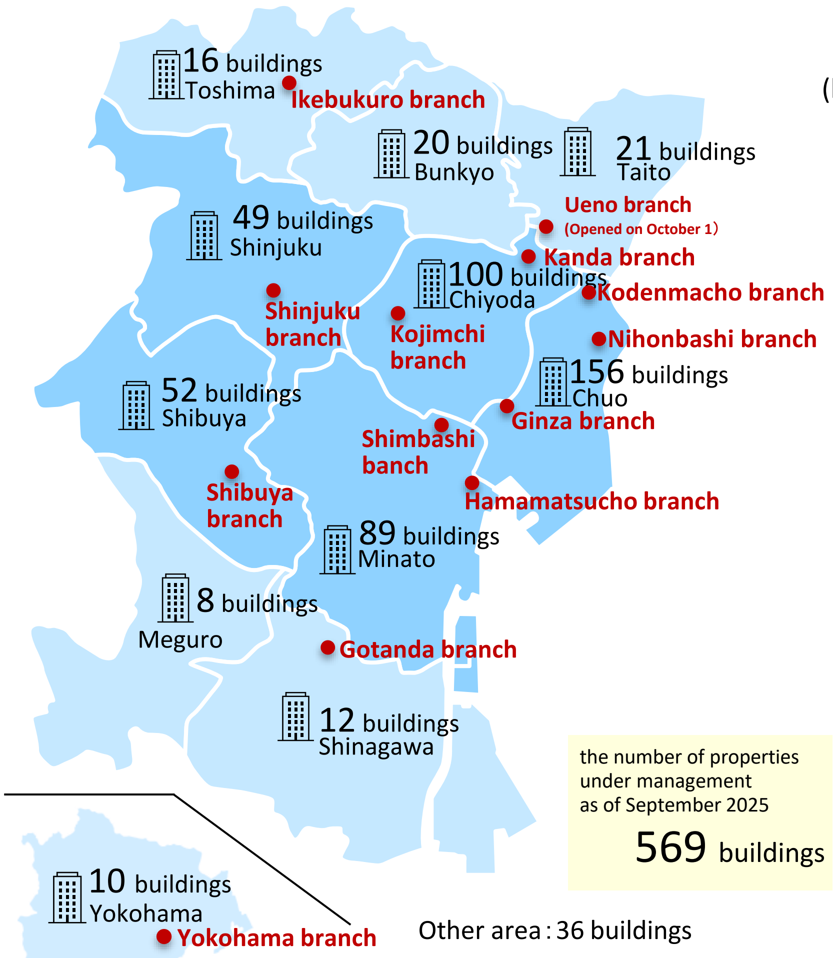
On sale	 
Location	Hell's Kitchen Area
Structure	A five-story brick building with one basement floor
Room layout / number of units	Office：1unit、Studio：1unit、1LDK：9units
Feature	A highly convenient and popular area close to Times Square, where a large-scale renovation has been carried out, including the entire building and its structure.

Under renovation	 
Location	Union Square Area
Structure	A six-story brick building with one basement floor
Room layout / number of units	Studio：1unit、1LDK：11units、2LDK：6units
Feature	Union Square in the heart of Manhattan. Seven subway lines intersect here, providing excellent access to major destinations and a high level of convenience for daily living.

More Buildings Under Management and Better Services

SUN FRONTIER

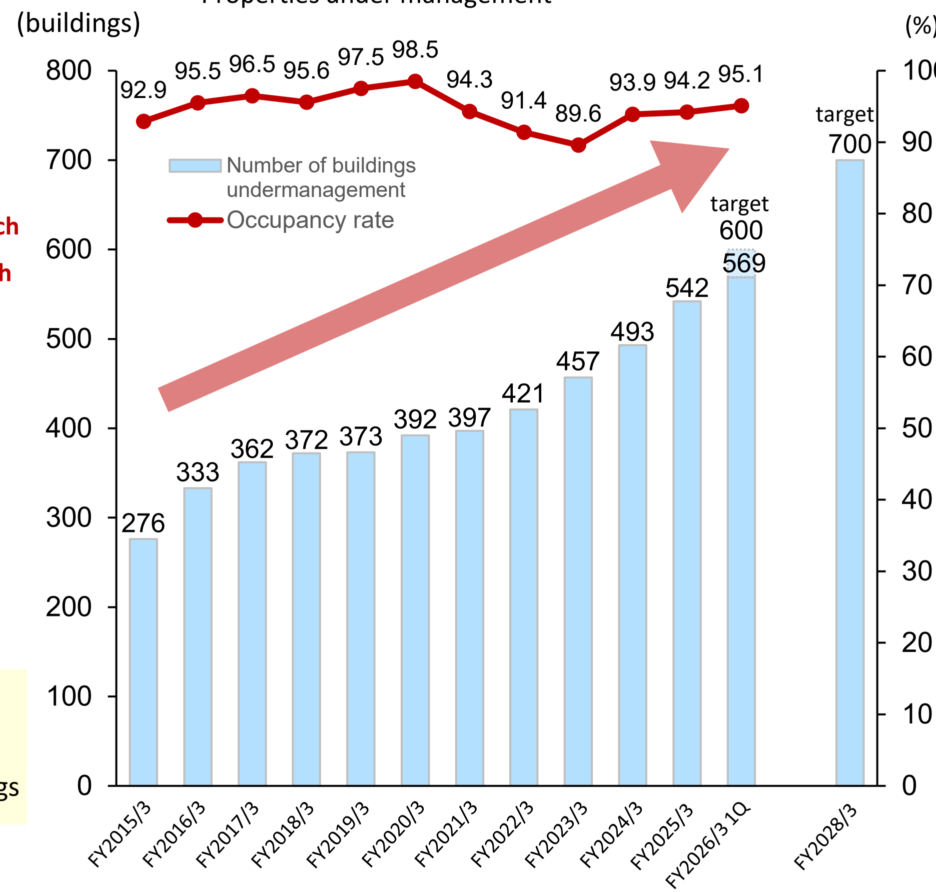
In Leasing Brokerage, the Ueno Branch Office was newly established as the core of regional strategies to flexibly strengthen area collaboration.
In the Property Management Business, we will utilize the network of close ties with the local communities to expand the number of managed buildings and expand services.



the number of properties under management as of September 2025
569 buildings

Other area：36 buildings

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



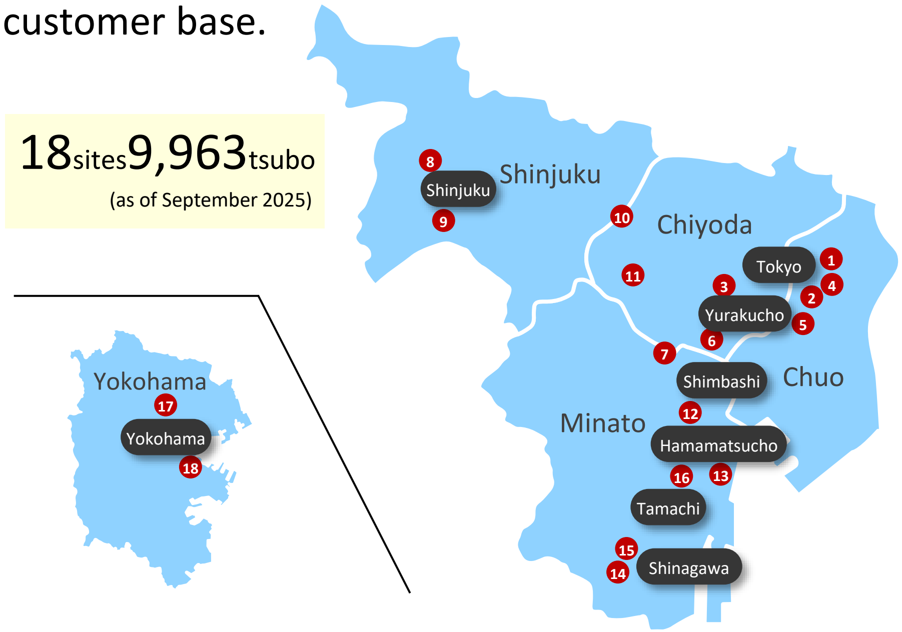
Sun Frontier Fudousan Co., Ltd

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

SUN FRONTIER

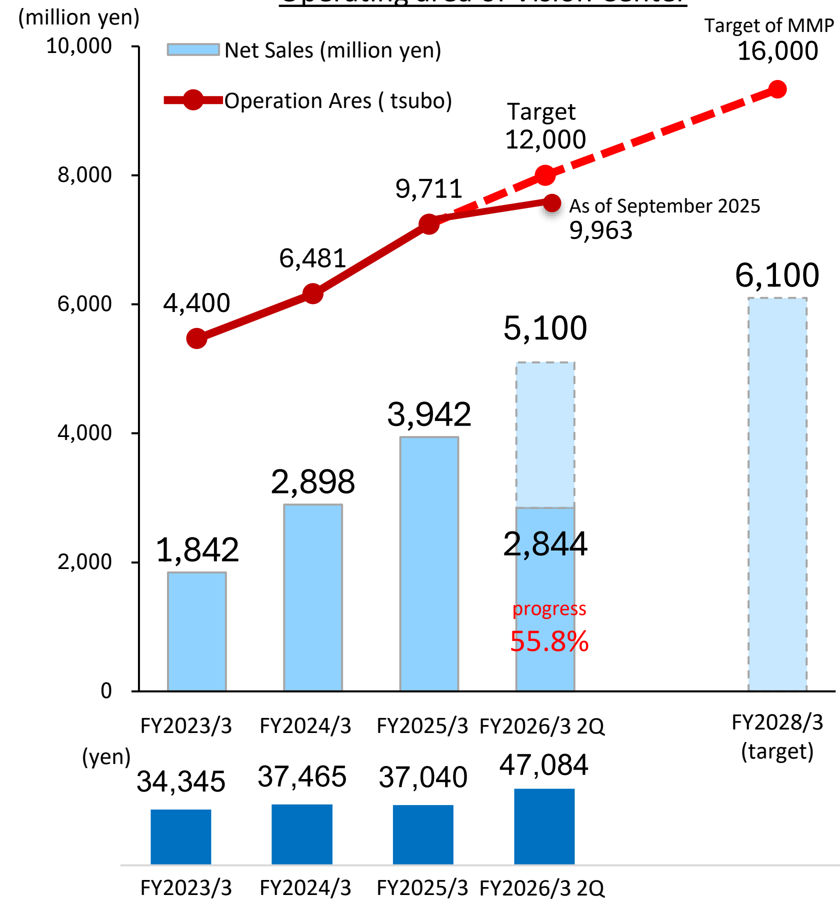
Under the policy of “not just selling rooms, but ensuring the success of events,” we have focused on providing heart-warming services while expanding our locations, which has strengthened our customer base.

18sites 9,963tsubo
(as of September 2025)



TOKYO/YAESU/MARUNOUCHI AREA		
①	TOKYO EKIMAE ※Expansion scheduled for 4/1	209tsubo
②	TOKYO YAESU	324tsubo
③	YURAKUCHO	138tsubo
④	TOKYO KYOBASHI	782tsubo
⑤	TOKYO NIHONBASHI	343tsubo
SHIMBASHI/TORANOMON AREA		
⑥	SHIMBASHI	390tsubo
⑦	TOKYO TORANOMON ※Expanded on 9/29	501tsubo
SHINJUKU AREA		
⑧	SHINJUKU MAYNS TOWER	687tsubo
⑨	NISHI SHIJUKU	789tsubo
AKASAKA/ICHIGAYA AREA		
⑩	ICHIGAYA	366tsubo
⑪	AKASAKA(NAGATACHO)	248tsubo
TAMACHI/SHINAGAWA/HAMAMATSUCHO AREA		
⑫	Grande TOKYO HAMAMATSUCHO	1,456tsubo
⑬	HAMAMATSUCHO	431tsubo
⑭	SHINAGAWA	641tsubo
⑮	SHINAGAWA ANNEX	444tsubo
⑯	TAMACHI	954tsubo
YOKOHAMA/MINATOMIRAI AREA		
⑰	YOKOHAMA	558tsubo
⑱	YOKOHAMA MINATOMIRAI	427tsubo

◆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.

The only hotel in the world with heartwarming services

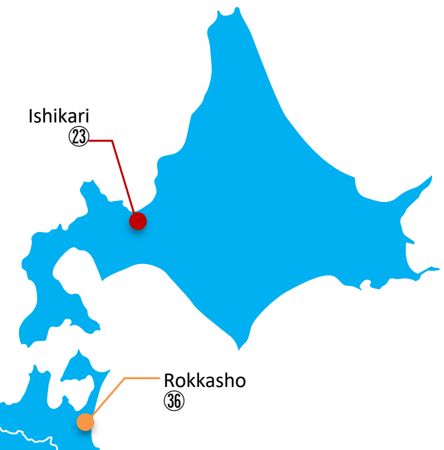
SUN FRONTIER

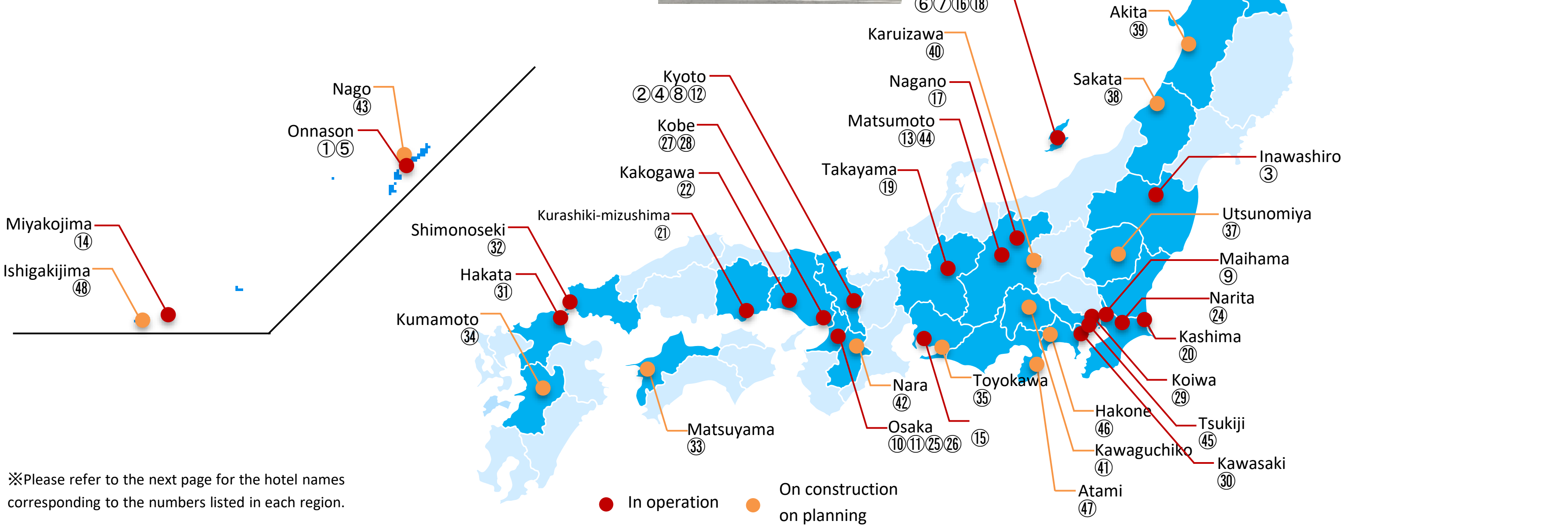
Expand the number of rooms under operation by actively developing new hotels and M&A, while continuing to provide a heart-warming service that impresses guests.

Status	Rooms	hotels
In operation	3,649rooms	32hotels
On construction	1,556rooms	9hotels
On planning	978rooms	7hotels
Toal	6,183rooms	48hotels

Opened on Sep. 15
Tabino Hotel Kakogawa befu station

Opened on Oct. 20
Tabino Hotel Ishikari





※Please refer to the next page for the hotel names corresponding to the numbers listed in each region.

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

SUN FRONTIER

In operation

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

In operation

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

On construction and on planning

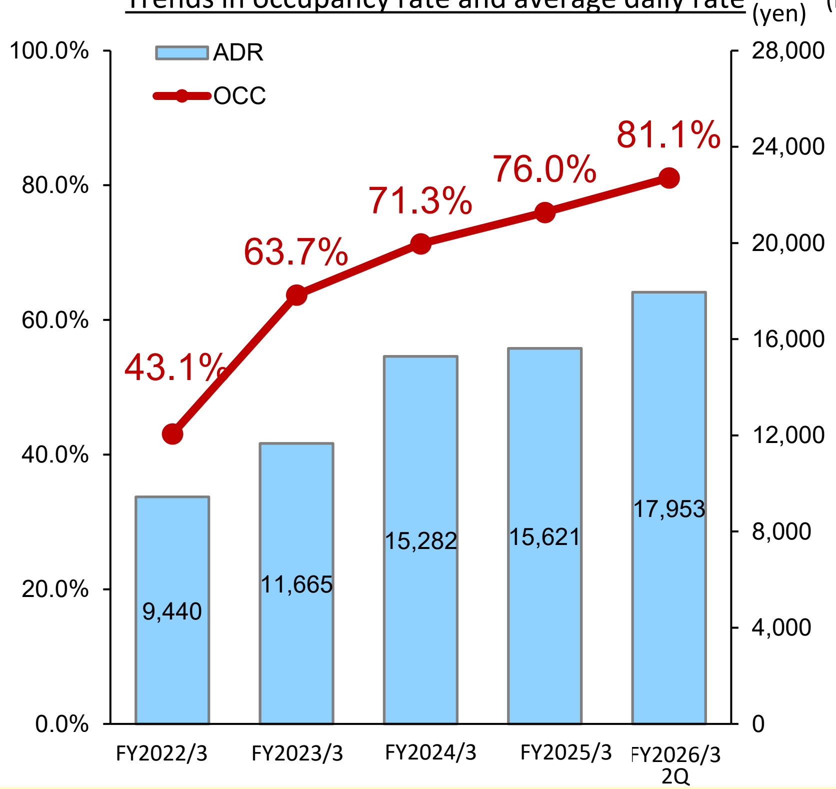
Open schedule in FY2027/3	**1,387rooms**	
㉝ HIYORI HOTEL MATSUYAMA	245rooms	Open schedule in Spring 2026
㉞ Tabino Hotel Aso Kumamoto Airport	213rooms	Open schedule in Spring 2026
㉟ Tabino Hotel lit Toyokawa	110rooms	Open schedule in Autumn 2026
㊱ Tabino Hotel Aomori Rokkashomura	210rooms	Open schedule in Autumn 2026
㊲ Tabino Hotel Utsunomiya Yuinomori	201rooms	Open schedule in Autumn 2026
㊳ Tabino Hotel lit Sakata	175rooms	Open schedule in Winter 2026
㊴ Tabino Hotel lit Akita Ekimae	233rooms	Open schedule in Winter 2026
Open schedule in FY2028/3	**678rooms**	
㊵ HIYORI TERRACE Karuizawa Spa & Resort	81rooms	
㊶ HIYORI TERRACE Kawaguchiko (Fuji)	134rooms	
㊷ HIYORI HOTEL Kintetsu Nara	177rooms	
㊸ HIYORI HOTEL Nago	156rooms	
㊹ Tabino Hotel lit Matsumoto	130rooms	
Open schedule in FY2029/3	**469rooms**	
㊺ Tsukiji Hotel Project	36rooms	
㊻ Sora Niwa TERRACE Hakone Yumoto	108rooms	
㊼ Atami Hotel Project	120rooms	
㊽ Tabino Hotel lit Ishigakijima	205rooms	
On construction and on planning subtotal	2,534rooms	
In operation,On construction and on planning total	6,183rooms	

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

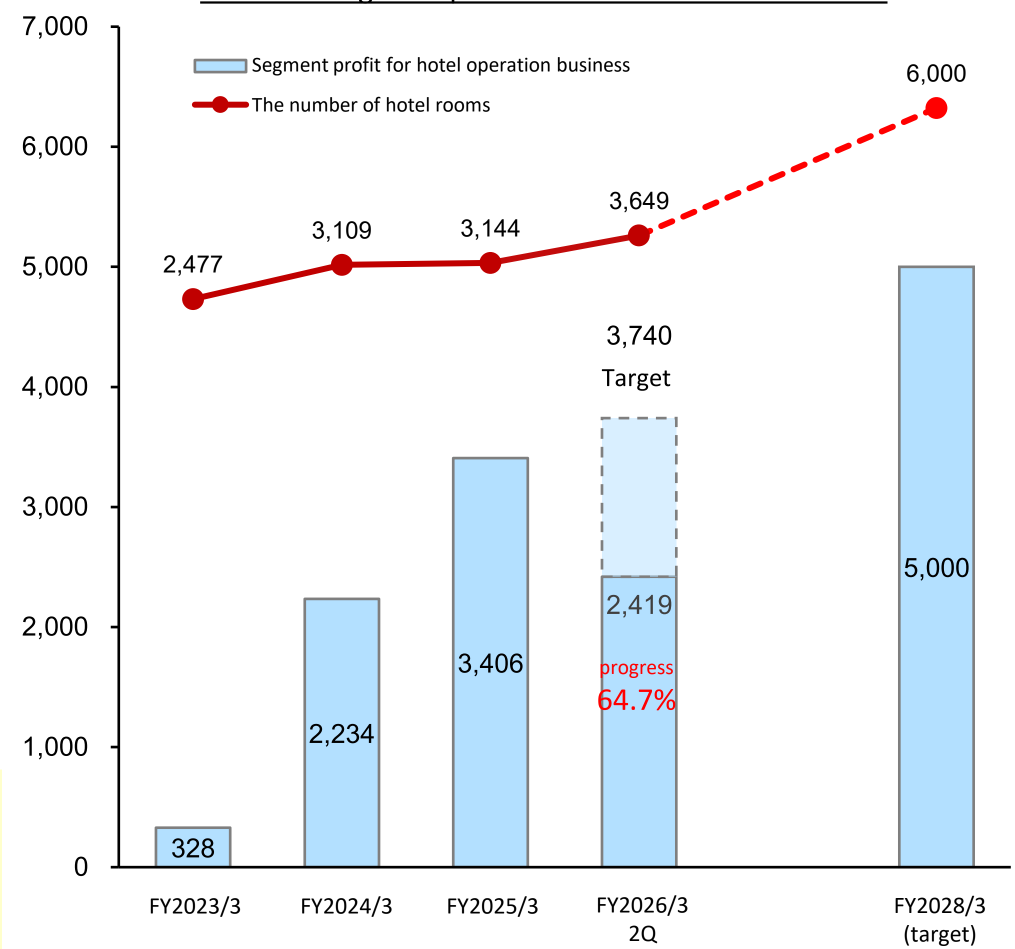
SUN FRONTIER

The average daily rate rose mainly in the Kansai region and luxury hotels by maintaining a high occupancy rate driven by the inbound tourism effect and further strengthening operational capabilities.

Trends in occupancy rate and average daily rate



Trends in Segment profit and number of hotel rooms



TOP3 Occupancy Rates from April 2025 to October 2025

1st	HIYORI HOTEL OSAKA NAMBA STATION	95.5%	
2nd	Tabino Hotel lit Matsumoto	90.5%	102 consecutive days of full occupancy
3rd	Spring Sunny Hotel Nagoya Tokoname Station	89.0%	

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

SUN FRONTIER

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

Strengths and Synergies of Both Companies

OTAKE KENSO

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

×

SUN FRONTIER

- Procurement and planning capabilities for small and medium-sized buildings in central Tokyo.
- Manufacturing capabilities and warm-hearted service from the customer's perspective.
- Broad customer base and group company network.

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

Company overviews

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

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

Earning forecast

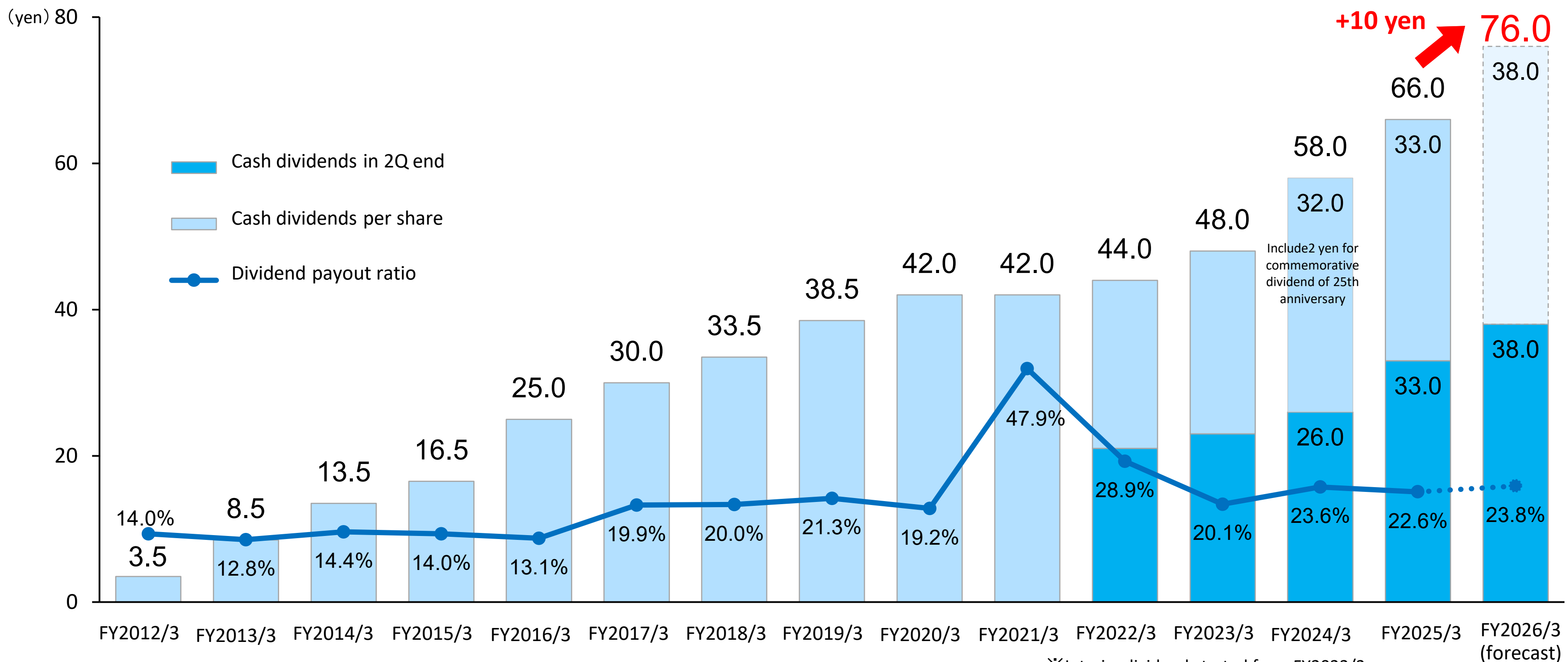
- ✓ On October 1, 2025, our company acquired 100% of the shares of Otake Kensou Holdings Co., Ltd
- ✓ We plan to include it in our consolidated results starting January 1, 2026 (Q4).。

Management with a Focus on Capital Costs and Share Price

Return to shareholders -Dividend-

SUN FRONTIER

The Interim dividend is 38.0 yen as initial forecast.(Date of Interim dividend effective：December 2, 2025)
With the exception of maintaining the same dividend in FY2021/3, we will have continued to increase dividend for 13 years. We also expected to keep increasing cash dividends.



※Interim dividend started from FY2022/3

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

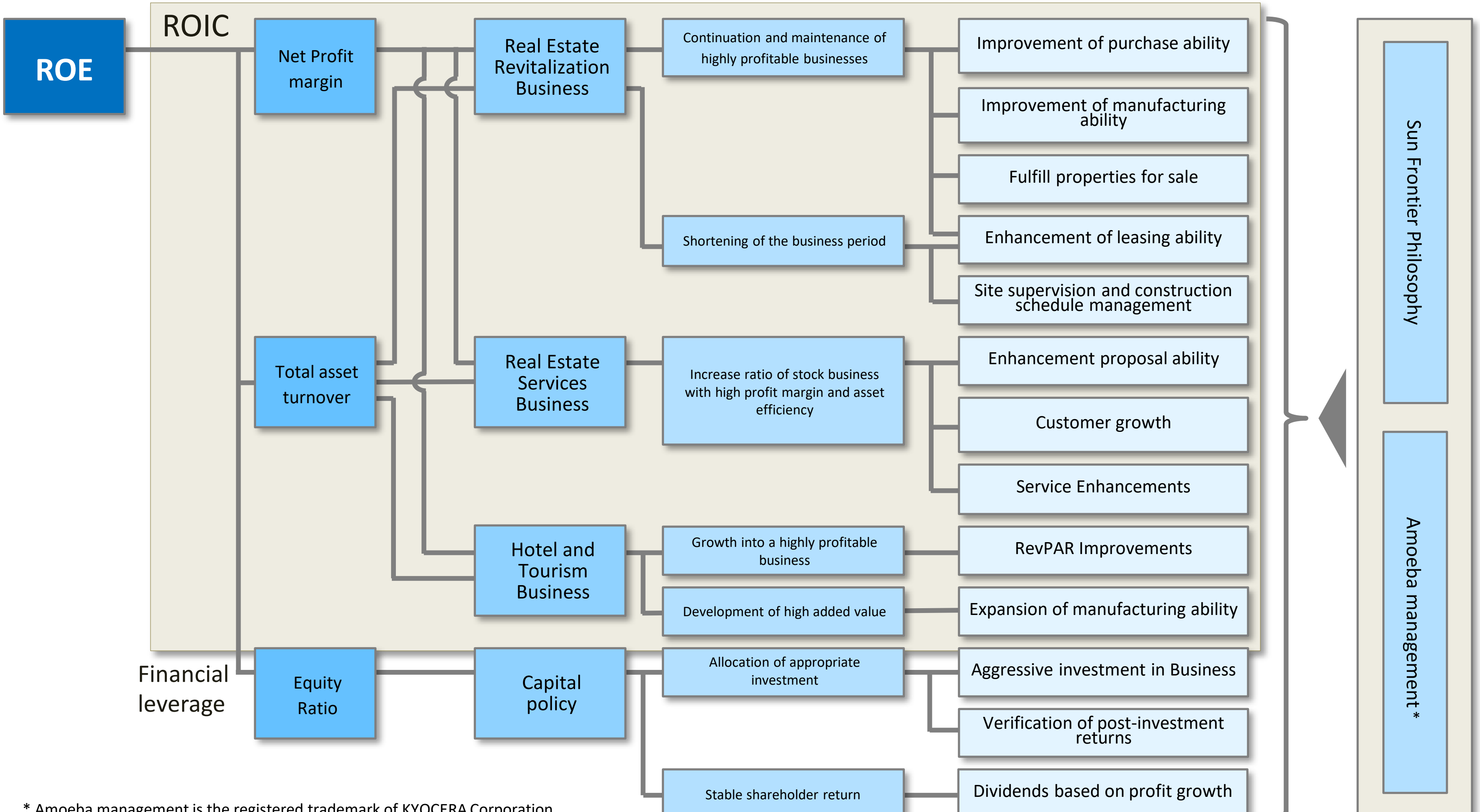
Changes in Stock Prices (2018 to 2025)

SUN FRONTIER

Through the sustainable growth of EPS, we will simultaneously improve shareholder value and implement a stable capital policy.

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.

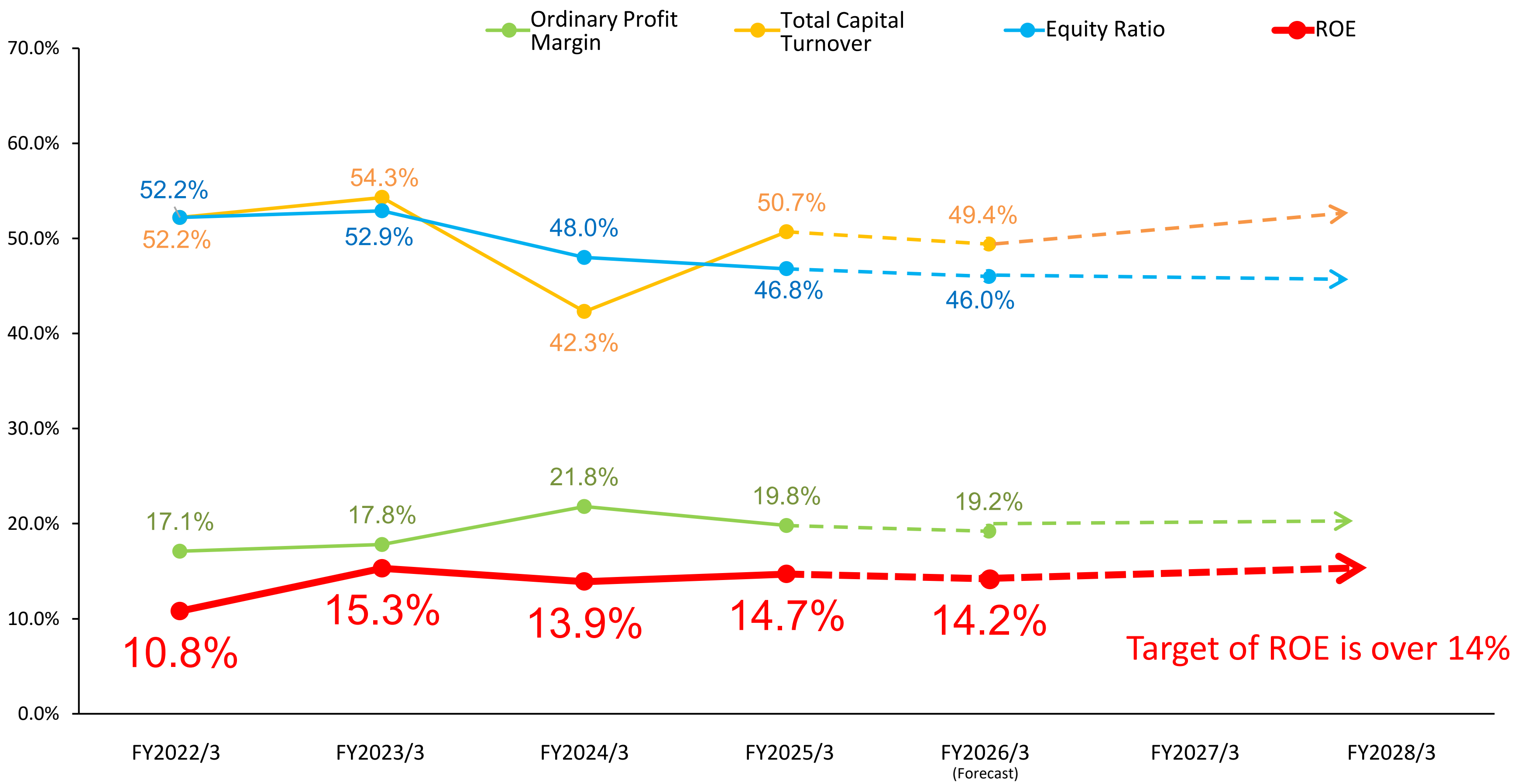


* Amoeba management is the registered trademark of KYOCERA Corporation.

SUN FRONTIER

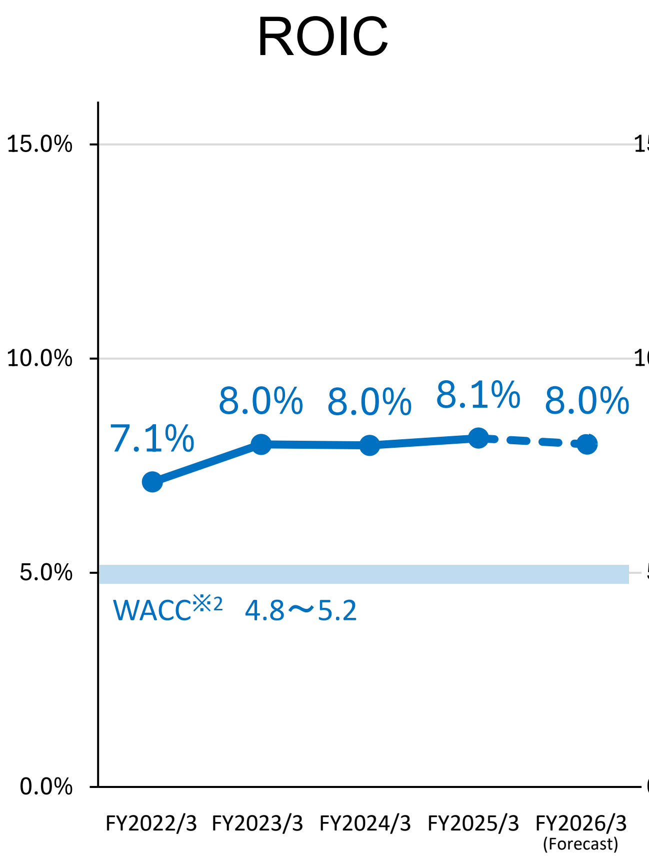
Trends of ROE and each indicator

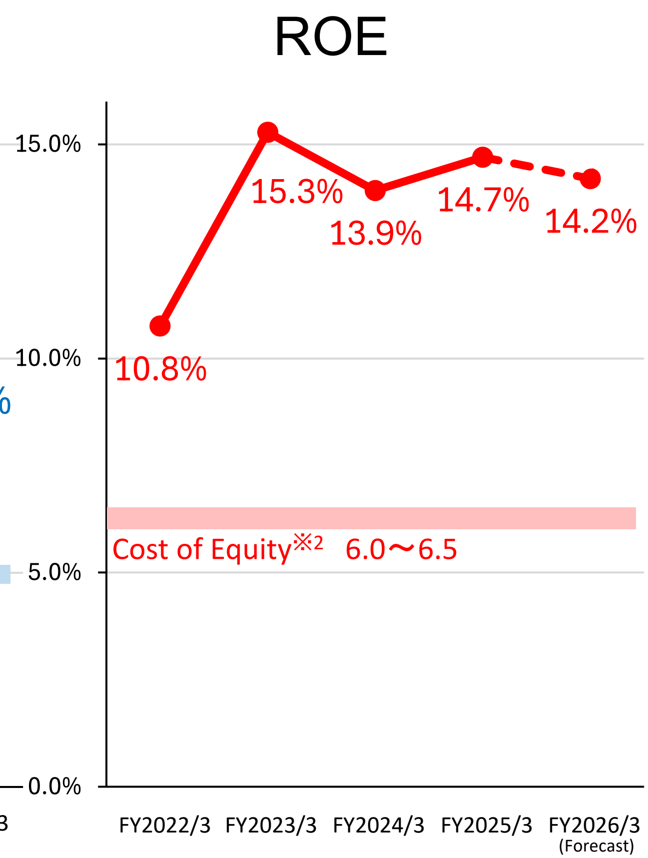
Ordinary Profit Margin		Total Capital Turnover		Equity Ratio		
Enhance added value in clients' point of view and evolve and grow highly profitable businesses.	×	Increase efficiency by shortening business period and increasing stock business sales.	×	Maintain financial soundness while promoting investment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

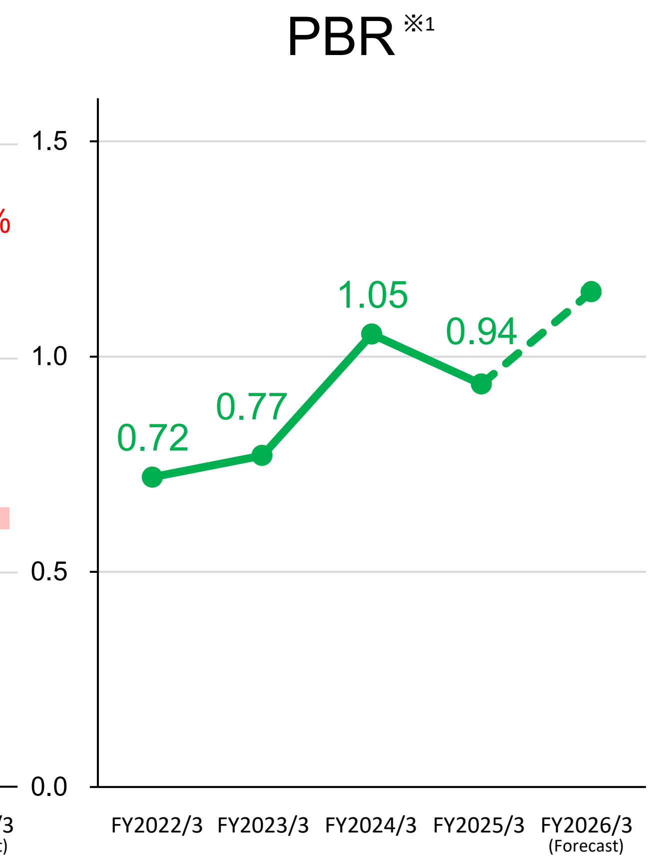


Profitability Continues to Exceed the Capital Cost

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	39times (2Q)
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 ※for analysts and institutional investors	Invite to RP properties	9 times	5 times	2 times (2Q)
	Invite to sites of Vision Center	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.
IR Video and script	Disclose Japanese (video) and English (audio) on the day.
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/

Publication of the Integrated Report 2025

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

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

<Contents>

SECTION 01 Sun Frontier's Values

Looking back at the history of the Company's core values

SECTION 02 Corporate Value Creation and Our Vision

Detailed explanation of the vision, including top management's message and the value creation process

SECTION 03 Putting Value Creation into Practice

Growth strategies by business segment and interviews with employees who are taking on new challenges

SECTION 04 The Foundation of "Altruism" Supporting Value Creation

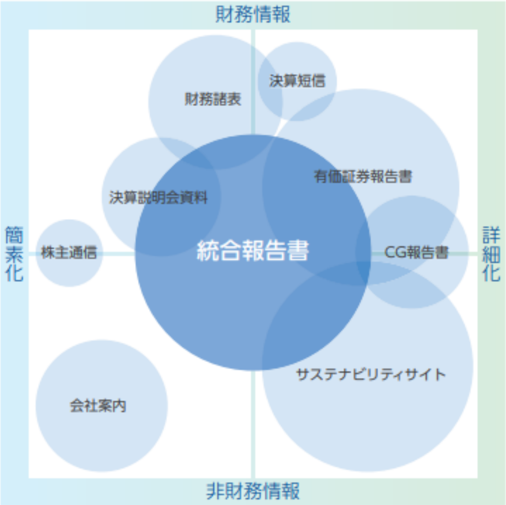
Categorized by ESG and included human capital discussions and interviews with outside directors

SECTION 05 Record of Value Creation

Financial and non-financial historical data

Front cover

Information disclosure system



Philosophy and Business Initiatives

SUN FRONTIER

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

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

Sustainability Management

SUN FRONTIER

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.

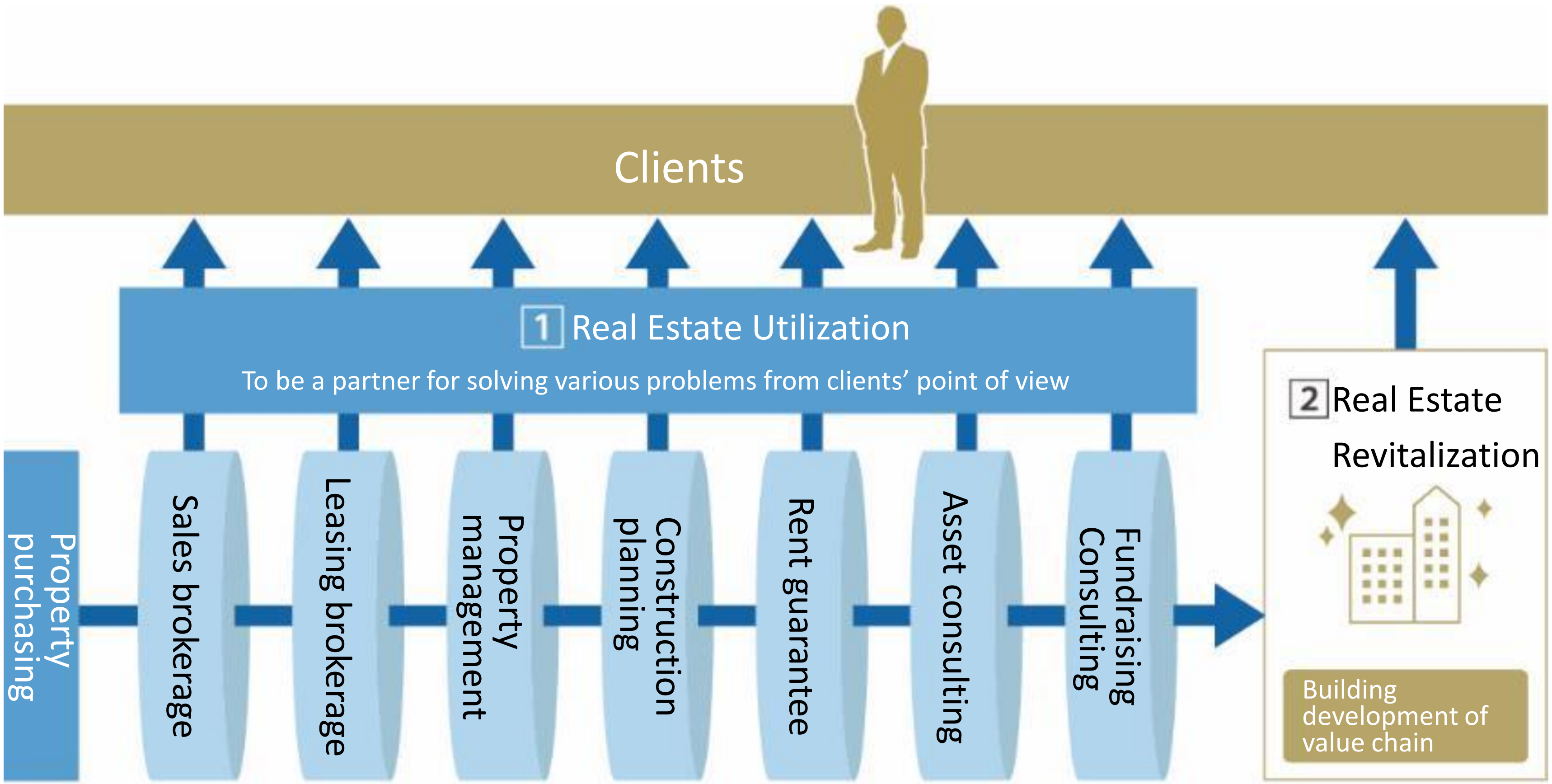
Sustainability Report Site Address

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

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.



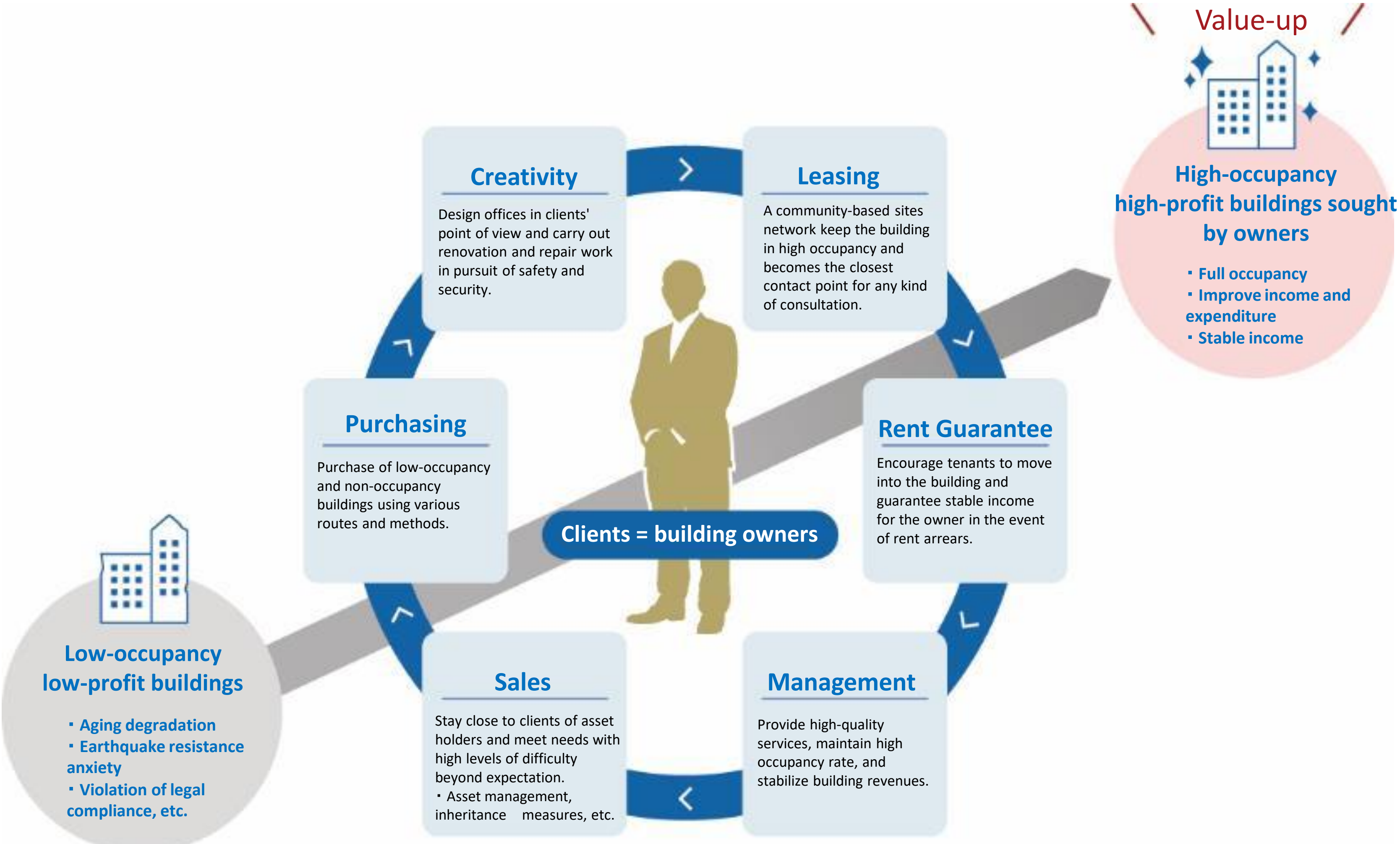
1 Real estate utilization: Get close to our clients and solve various problems. Capture the source of added value from clients' voices.

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."



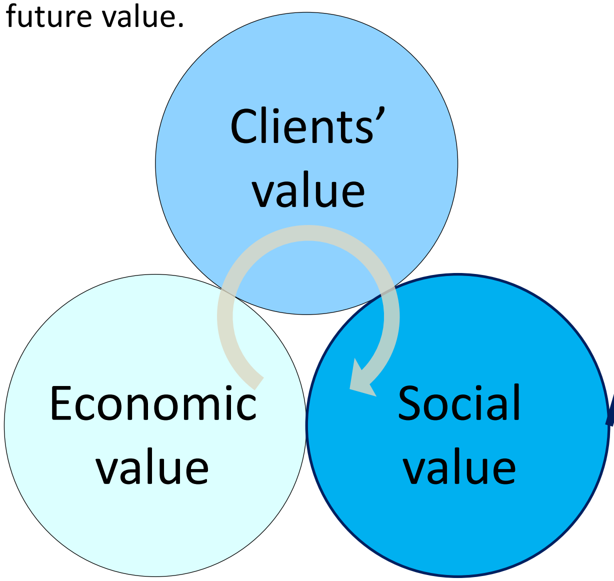
Create both Customer Value and Social Value

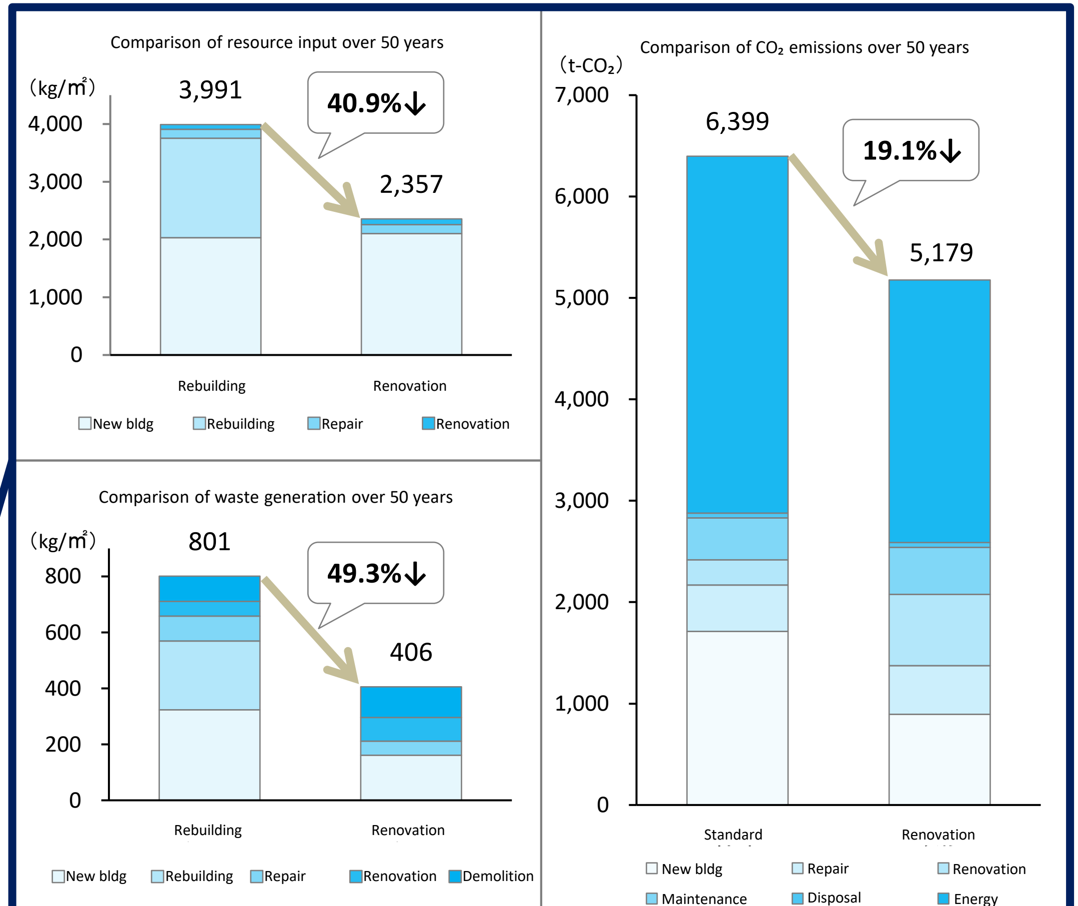
Solving social issues through supporting our clients' business.

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

॥

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

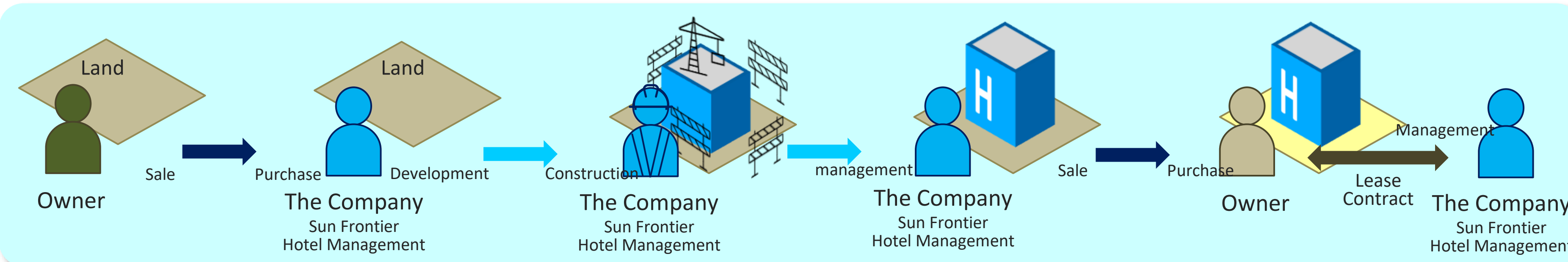




<Assumptions and rationale> Assuming a 30-year-old office building of approximately 3,000 square meters, the environmental contribution over a 50-year period (the service life of SRC office buildings) was estimated based on the Architectural Institute of Japan's LCA Tool (*).
・Rebuilding: "In the case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

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.

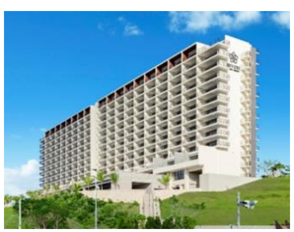
<u>Examples of hotels under development and management</u>


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

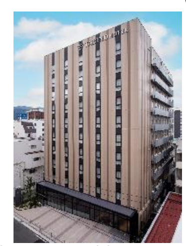
HIYORI HOTEL OSAKA NAMBA STATION
Opened in May 2019, currently in operation


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

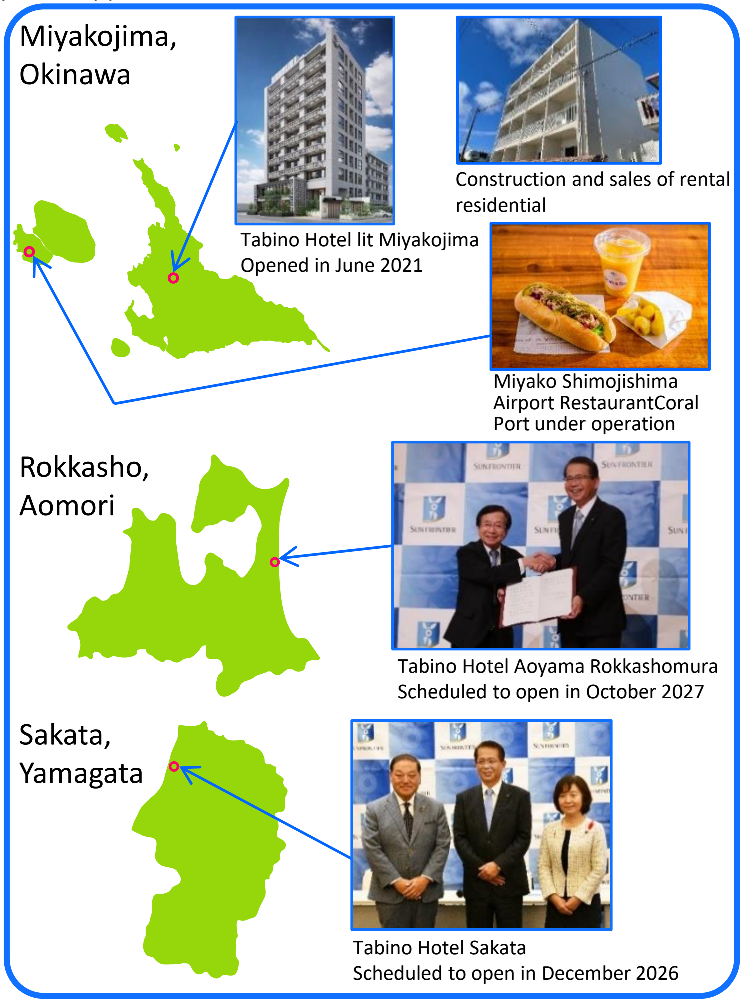

Sora Niwa Terrace Kyoto
Sora Niwa Terrace Kyoto Bettei
Opened in June 2022, currently in operation

Regional Revitalization Initiatives Centered on Hotels

SUN FRONTIER

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

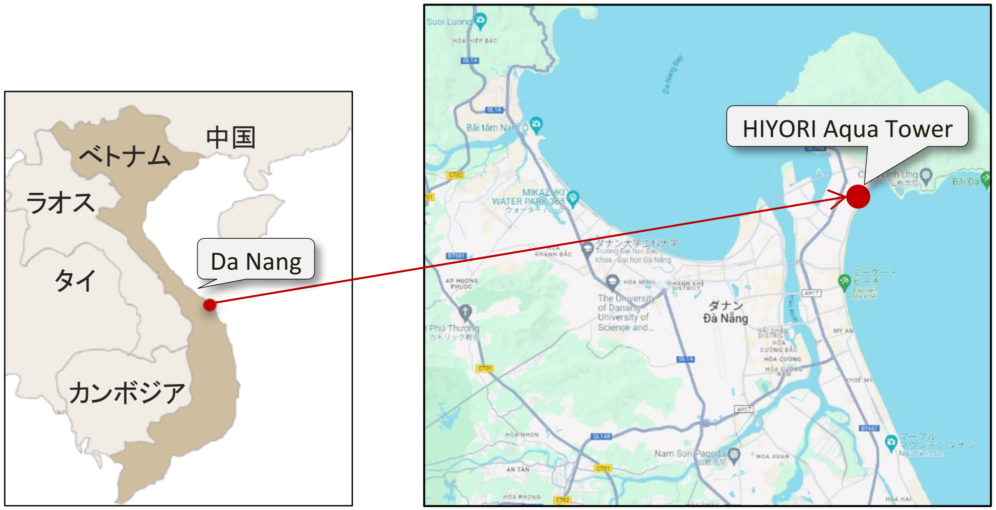
Japan offers a wide range of attractions, including beautiful natural landscapes, rich history and culture, delicious cuisine and hot springs, heartfelt hospitality, traditional local festivals, and outdoor activities. With the sharp increase in inbound tourism and growing interest in regional areas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



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

SUN FRONTIER

Our second condominium project is on progress.



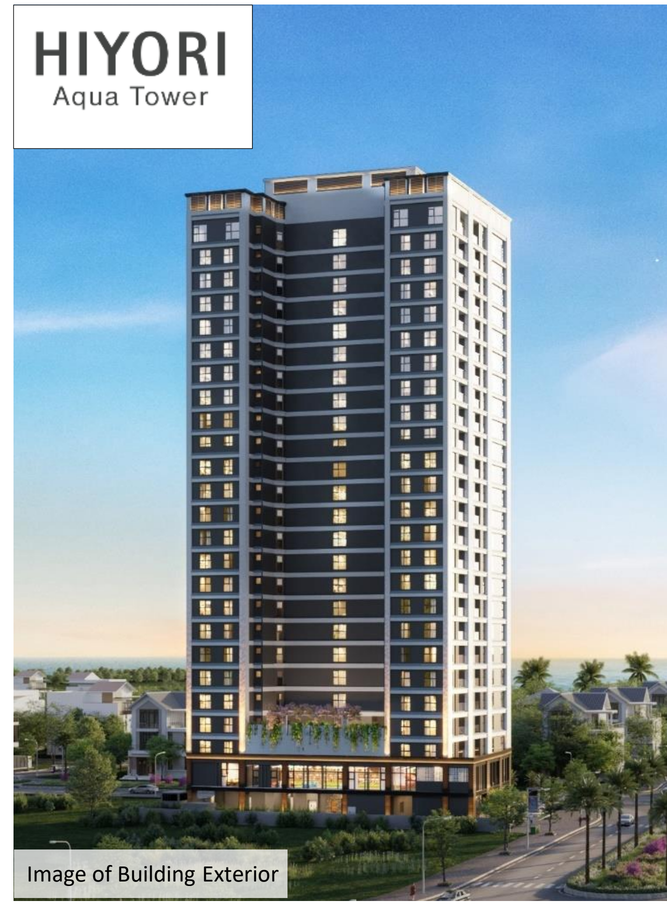
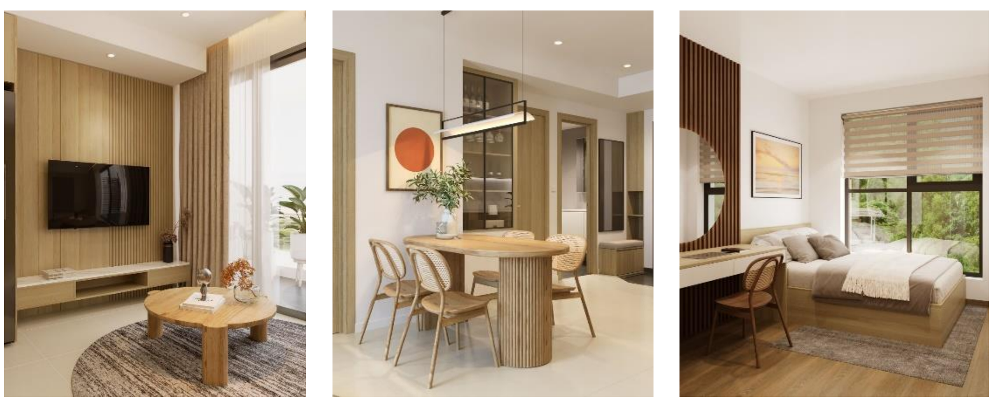


Image of Building Exterior


Interior perspective drawing

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

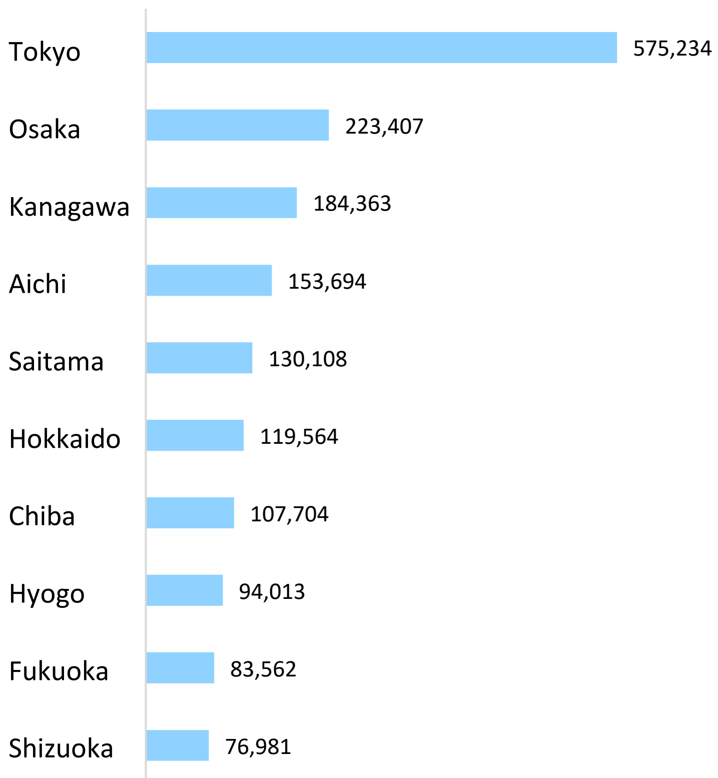
References Materials

SUN FRONTIER

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

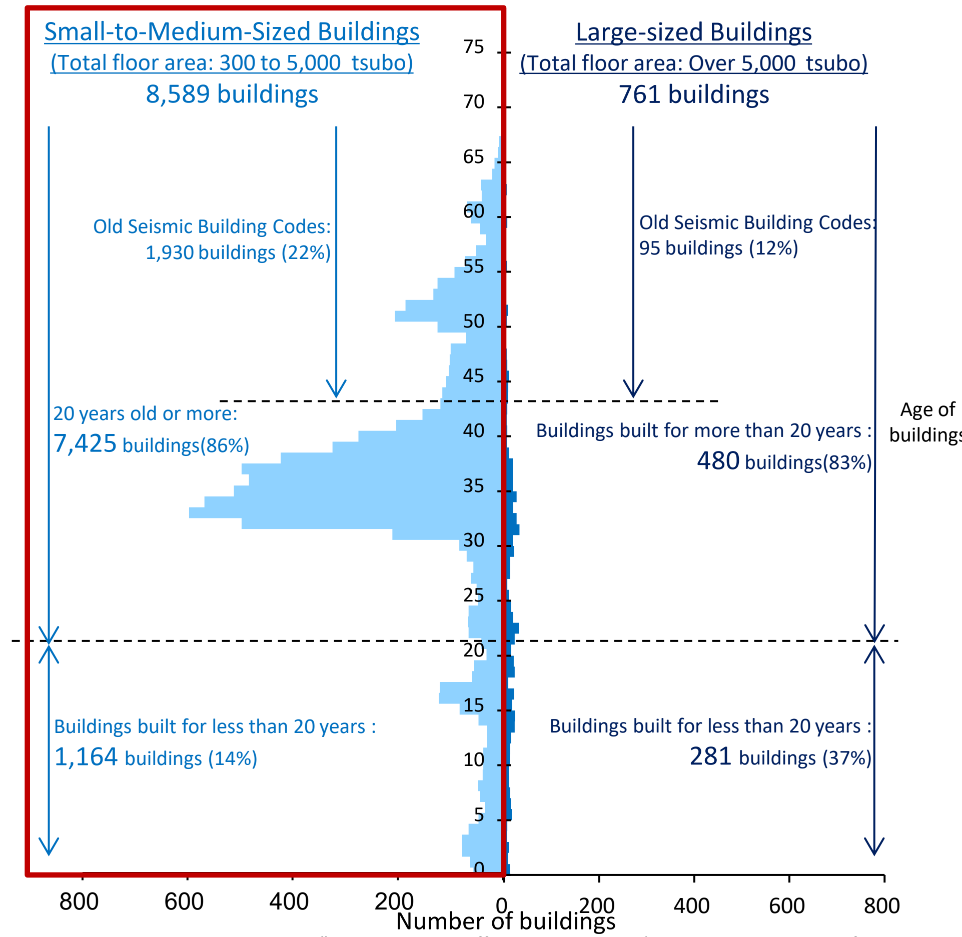
In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Top 10 Prefectures in Number of Corporations



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

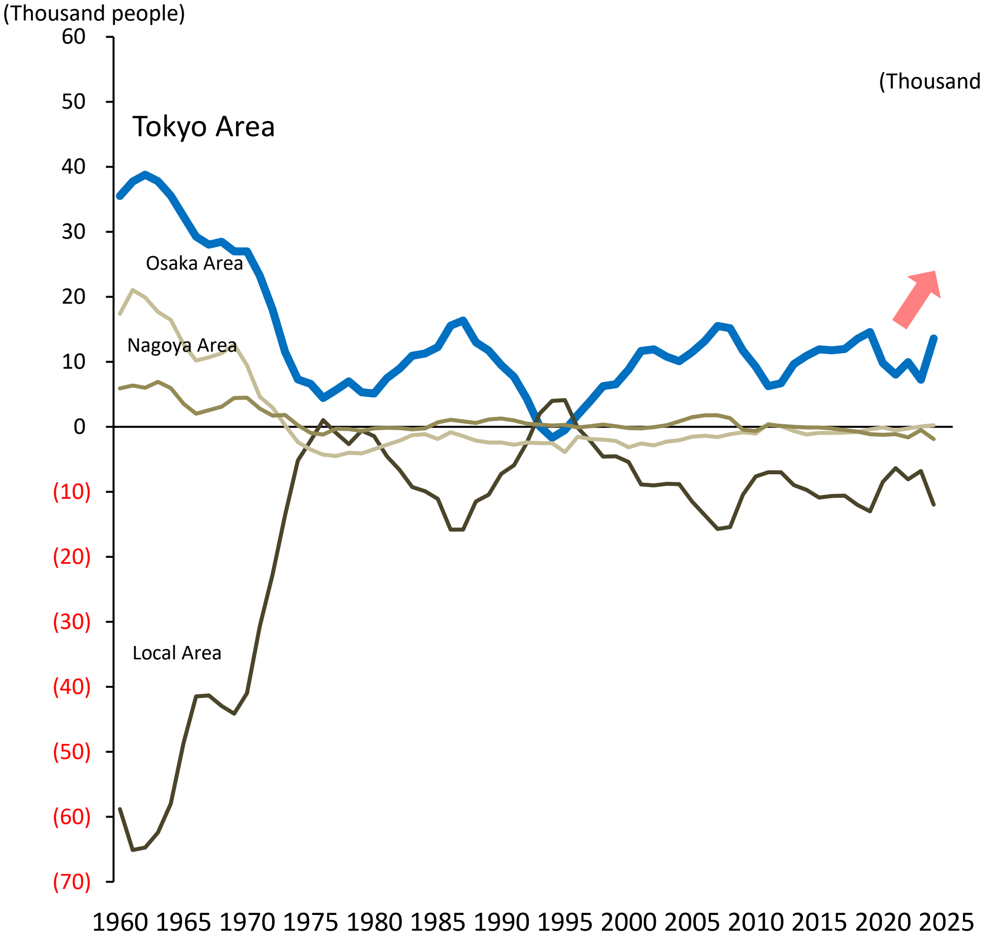
Tokyo 23 cities with 9,350 buildings



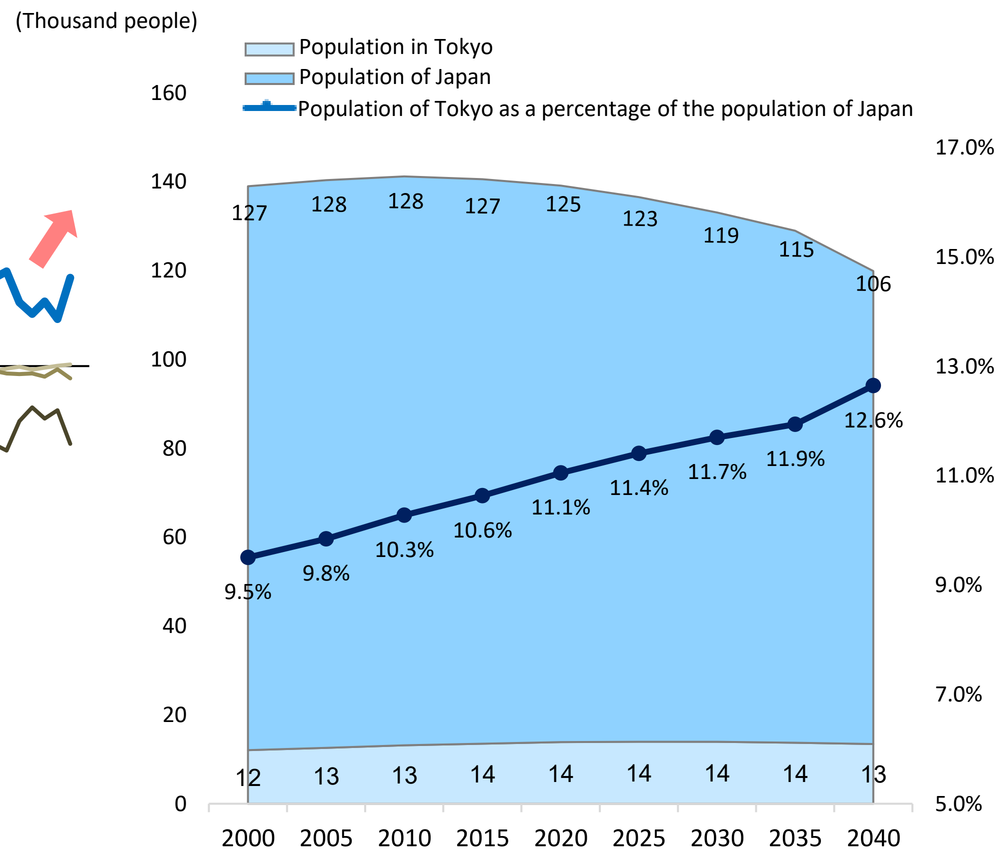
Source : Created by us based on "Tokyo 23 cities Office Pyramid 2023 (based on the number of buildings)" (Xymax Real Estate Institute)

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.



Ratio of Tokyo population to Japanese population (estimate)



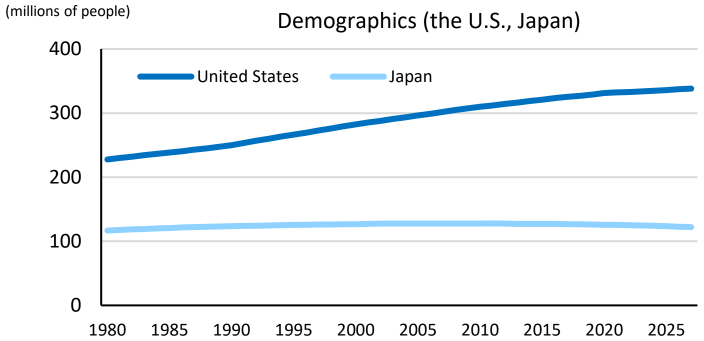
Source: Prepared by the Company based on Statistics Bureau, Ministry of Internal Affairs and Communications, "Number of New Residents by Address Before and After"

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

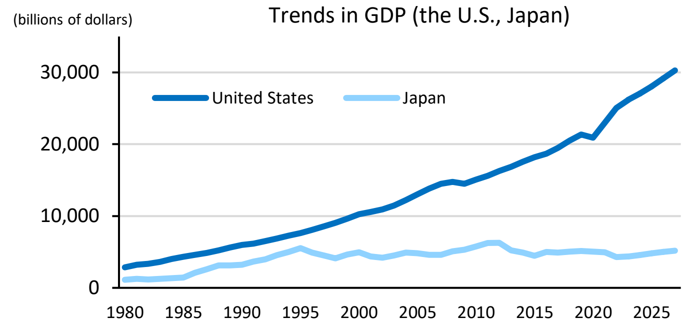
Overseas Markets (the U.S., Vietnam)

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

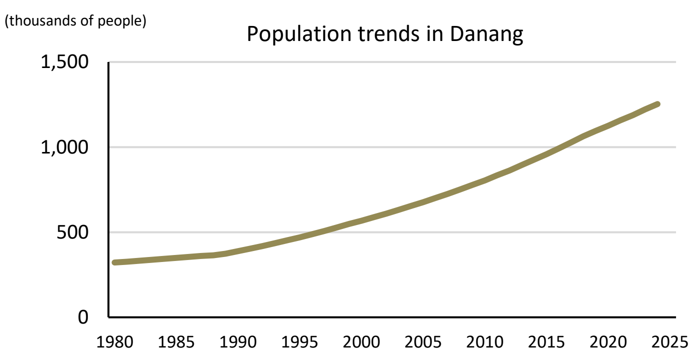
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



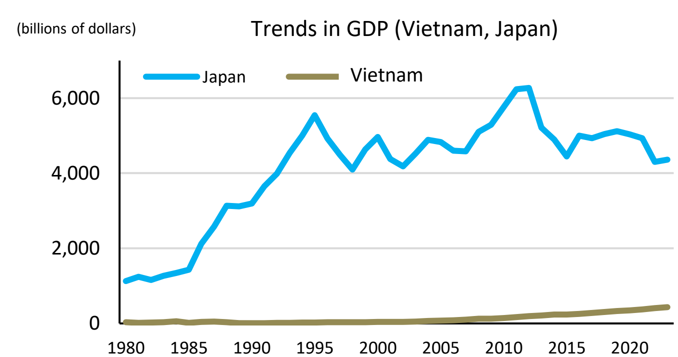
In contrast to Japan, where the growth rate is flat, the U.S. has a very high growth rate, has many jobs, and is expected to continue to have a high demand for real estate.



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.



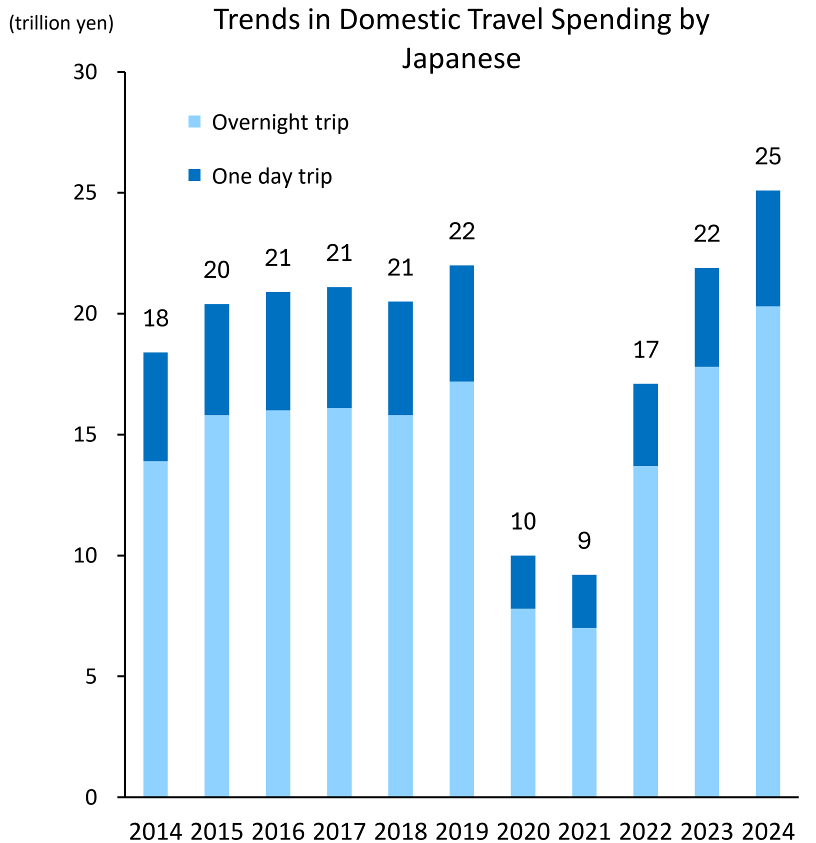
Although the GDP of Vietnam is lower than that of Japan, the growth rate is higher than that of Japan, and Vietnam is considered to have a high potential for future.



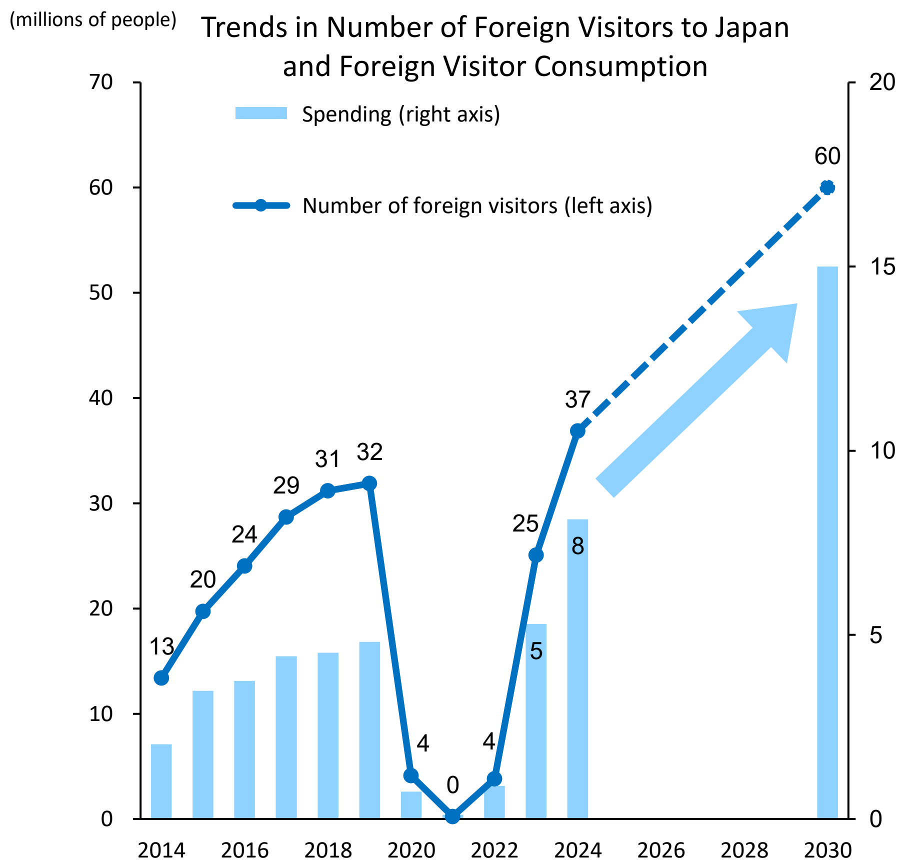
Source: IMF World Economic Outlook database (prepared by the Company)

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

ESG Data

SUN FRONTIER

Environment

As of September 30, 2025

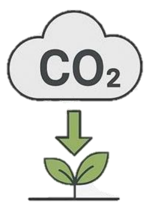
Actual number of RP buildings

Total **522** buildings

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

RP construction 74 buildings 1,411t-CO_2e

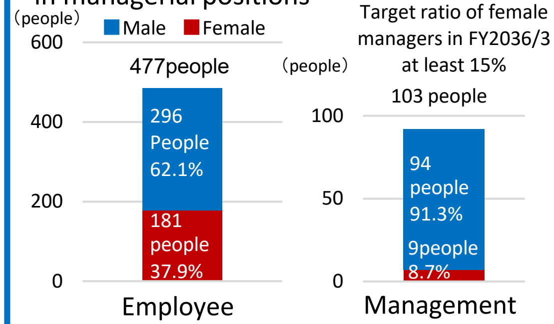
Acquired BELS for 21 properties



Greenhouse Gas Emissions Reduction Rate : 12.7%

Social

Ratio of male and female employees in managerial positions



(as of the end of September 2025)

Childcare leave

acquisition rate for male : 21.4% (YoY +11.4pt)

Including our own childcare leave system : 71.4%

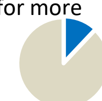
Return to work for female : 89.3%

(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%

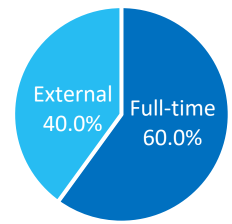


(as of the end of March 2025)

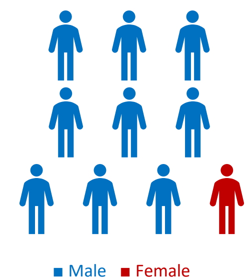
Governance

As of September 30, 2025

Ratio of Outside Officers 1/3 or more



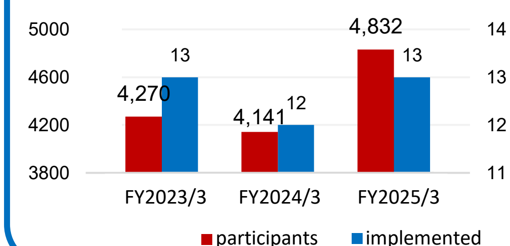
Female Directors 1 out of 10



Compliance-related training

Number of times implemented : 13

Cumulative number of participants : 4,832people (YoY +691 people)



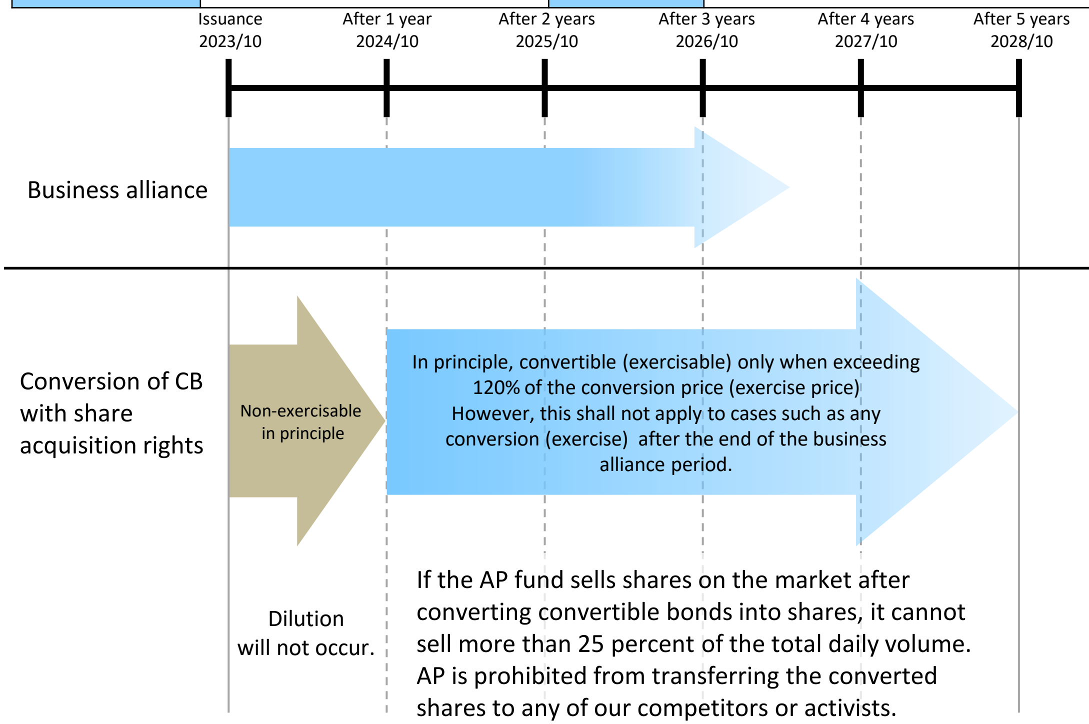
Sustainability website
https://www.sunfrt.co.jp/sustainability/en/

Conversion conditions of CB

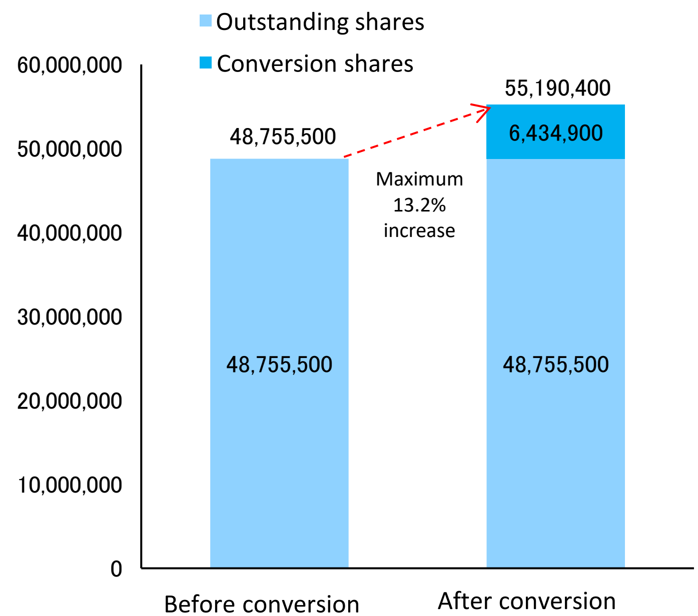
SUN FRONTIER

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

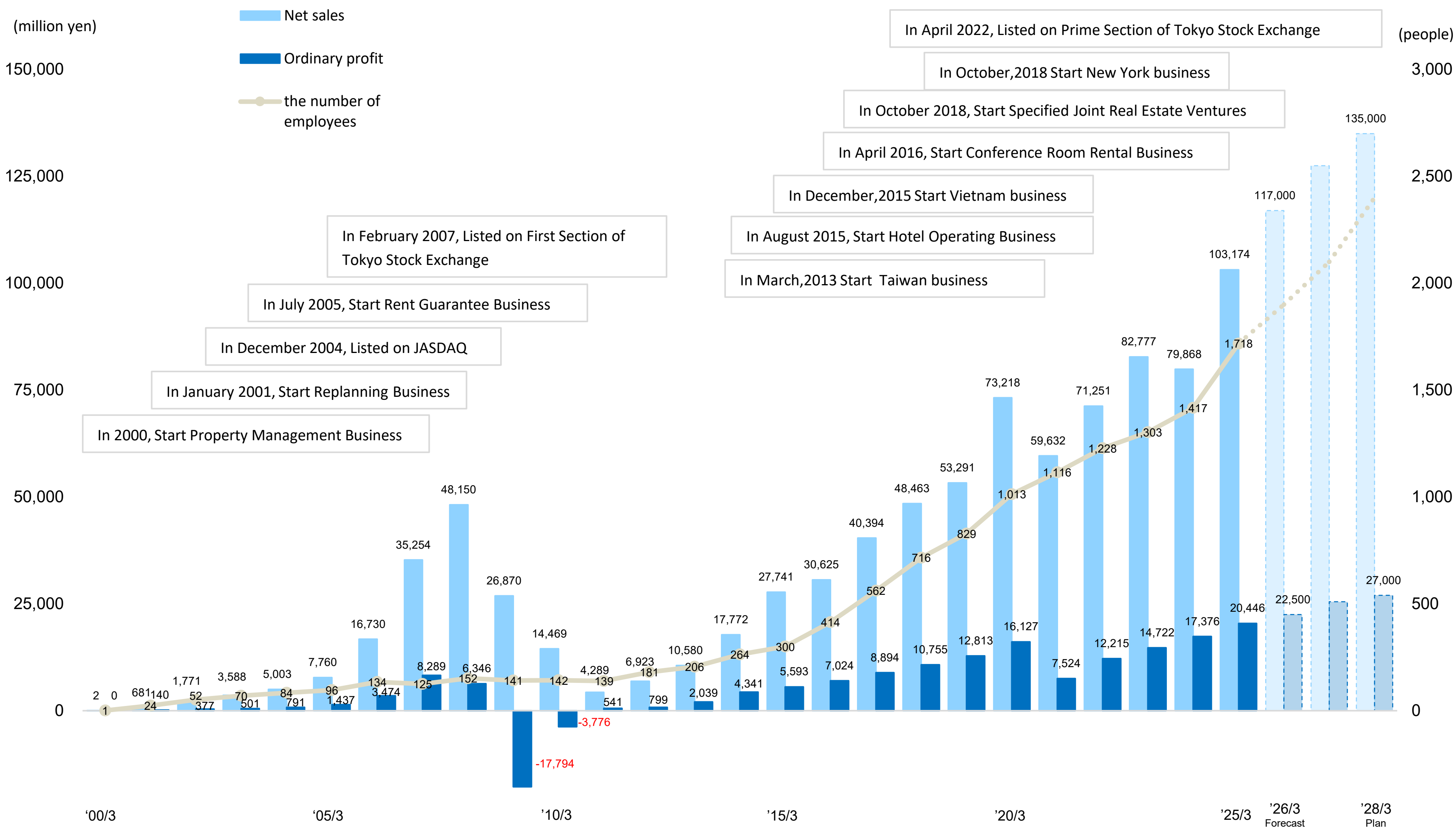
Specific use of funds	Amount
Acquisition of land in conjunction with new hotel development and construction work investment	Approx. 8 billion yen
M&A funds primarily for the hotel development business and construction business	Approx. 2 billion yen



Possibility of Share Increasing due to the Conversion



History of Sun Frontier Group



Company Profile

Company Name	Sun Frontier Fudosan Co., Ltd.
Location of Head Quarters	1-2-2, Yurakucho, Chiyoda-ku, Tokyo
Date of Foundation	April 8, 1999
Date of Listing	February 26, 2007 (First Section of Tokyo Stock Exchange)
Capital Stock *	11,965 millions yen
Representative	Tomoaki Horiguchi, Chairman Representative Director Seiichi Saito, President Representative Director
Number of Consolidated Employees *	969 employees (1,822 including part-timers and temporary workers)
Average Age of Employees*	35.7 years old
Business Profile	Real Estate Revitalization Real Estate Service (Properties Management, Brokerage, Construction Planning, Rent Guarantee, Rental Conference Room, Building Operations, Asset Consultation) Hotel Development and Operation Others
Accounting Month	March
Listed Market	Tokyo Stock Exchange Prime (Code number: 8934)

* As of the end of September 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