

Financial Results of the Third 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.

February 5, 2026



SUN FRONTIER

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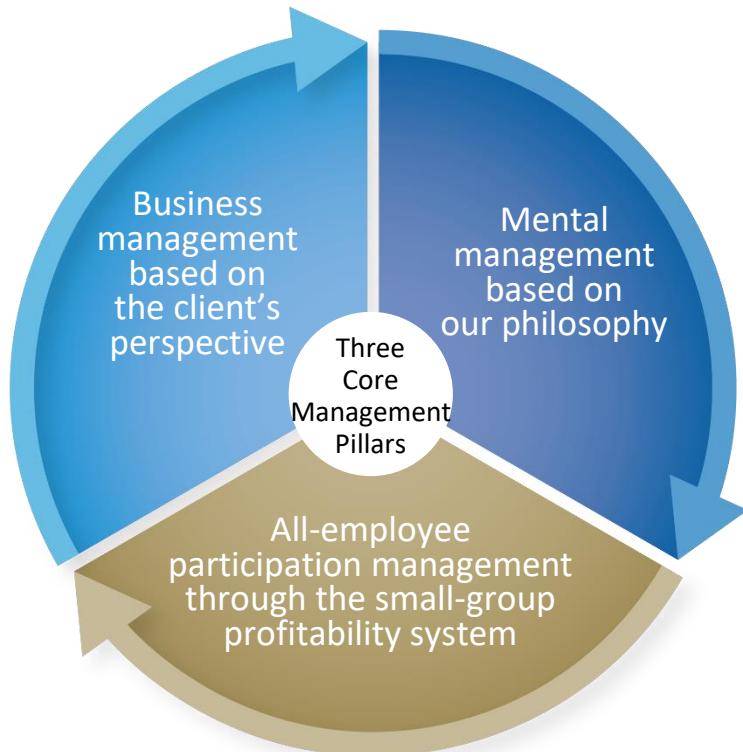
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About Sun Frontier Group



Based on the value of “altruism” that we have held, we are committed to contributing to the creation of a sustainable society by developing human resources and working to solve social issues through business growth

Implement our management based on three pillars of philosophy, small-group profitability system, and the client's perspective to create long-term corporate value.



Sun Frontier Philosophy

Company policy

COMPASSION

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

Management Philosophy

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

Future Image

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

Course of Action

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



Overview



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Executive Summary



Performance Summary

- ◆ Both net sales and profits **increased significantly YoY**
- ◆ Operating profit and ordinary profit were **about 70% of the full-year forecast**
Steady progress towards achieving the full-year forecast
- ◆ Results by segment
 - The Real Estate Revitalization Business **maintained a high profit margin and sales and profit increased. Steady growth in property sales**
 - In the Real Estate Service Business, **sales and profits increased significantly due to strong performance across all businesses.**
 - In the Hotel and Tourism Business, **sales and profits increased due to strong demand for domestic travel and inbound tourism**

Topics

- ◆ Three new hotels opened
 - STITCH HOTEL KYOTO (Opened on June 30 2025)
 - Tabino Hotel Kakogawa Befu Station (Opened on September 15 2025)
 - Tabino Hotel Ishikari (Opened on October 20 2025)
- ◆ Two companies joined the Group through M&A
 - Nagano Linden Holdings (Hotels) in August 2025
 - Otake Kenso Holdings (Processing and construction of sashes and glass windows) in October 2026
- ◆ The Group issued its first **Integrated Report** in September 2025

Overview of FY2026/3 3Q



Sales and profit increased significantly. Steady progress towards achieving the full-year forecast

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2026/3	
	3Q	3Q	increase/decrease	change rate	forecast	progress rate
Net sales	60,501	77,144	16,642	+27.5%	117,000	65.9%
Gross Profit (Loss)	19,445	26,181	6,735	+34.6%	36,420	71.9%
Selling, General and Administrative Expenses	7,475	9,015	1,540	+20.6%	12,580	71.7%
Operating Profit (Loss)	11,970	17,165	5,195	+43.4%	23,840	72.0%
Ordinary Profit (Loss)	11,414	16,154	4,740	+41.5%	22,500	71.8%
Ordinary Profit Margin	18.9%	20.9%	-	+2.1%pt	19.2%	-
Profit (※)	7,855	10,434	2,579	+32.8%	15,500	67.3%

(※) The profit attributing to owners of parent.

	As of the End of March 2025	As of the End of December 2025	Compared to the End of March 2025		forecast for FY2026/3
			increase/decrease	change rate	
Total Assets	218,190	250,219	32,028	+14.7%	-
Equity	102,159	108,672	6,512	+6.4%	-
Equity to Total Assets Ratio	46.8%	43.4%	-	-3.4%pt	-
ROE	14.7%	-	-	-	14.2%
EPS(yen)	291.58	215.01	-	-	319.39
Dividends per share (yen)	66	38	-	-	76
Dividend Payout Ratio	22.6%	-	-	-	23.8%

Consolidated Income Statement



Sales and profits increased in all segments. Stock-type business progresses steadily.

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2026/3	
	3Q	3Q	increase/decrease	change rate	forecast	progress rate
Net Sales	60,501	77,144	16,642	+27.5%pt	117,000	65.9%
Real Estate Revitalization Business	38,305	46,763	8,458	+22.1%pt	81,340	57.5%
Real Estate Service Business	9,279	12,658	3,378	+36.4%pt	14,000	90.4%
Hotel and Tourism Business	12,502	14,948	2,445	+19.6%pt	21,490	69.6%
Other Business	1,357	3,799	2,441	+179.9%pt	2,230	170.4%
Adjustments	-942	-1,024	-81	-	-2,060	-
Gross Profit (Loss)	19,445	26,181	6,735	+34.6%pt	36,420	71.9%
Real Estate Revitalization Business	11,890	15,039	3,148	+26.5%pt	25,560	58.8%
Real Estate Service Business	4,589	6,935	2,345	+51.1%pt	6,940	99.9%
Hotel and Tourism Business	3,230	3,962	731	+22.7%pt	4,340	91.3%
Other Business	328	915	586	+178.9%pt	530	172.6%
Adjustments	-592	-670	-78	-	-950	-
Selling, General and Administrative Expenses	7,475	9,015	1,540	+20.6%pt	12,580	71.7%
Operating Profit (Loss)	11,970	17,165	5,195	+43.4%pt	23,840	72.0%
Ordinary Profit (Loss)	11,414	16,154	4,740	+41.5%pt	22,500	71.8%
Profit	7,855	10,434	2,579	+32.8%pt	15,500	67.3%

- Real Estate Revitalization Business
- Real Estate Service Business
- Hotel and Tourism Business
- Others

The number of properties sold was 16 (down 6 from the same period of the previous fiscal year). Sales and profit surged due to the sale of large-scale properties.

Sales and profits increased due to growth in the Brokerage Business and strong occupancy in the Rental Conference Room Business.

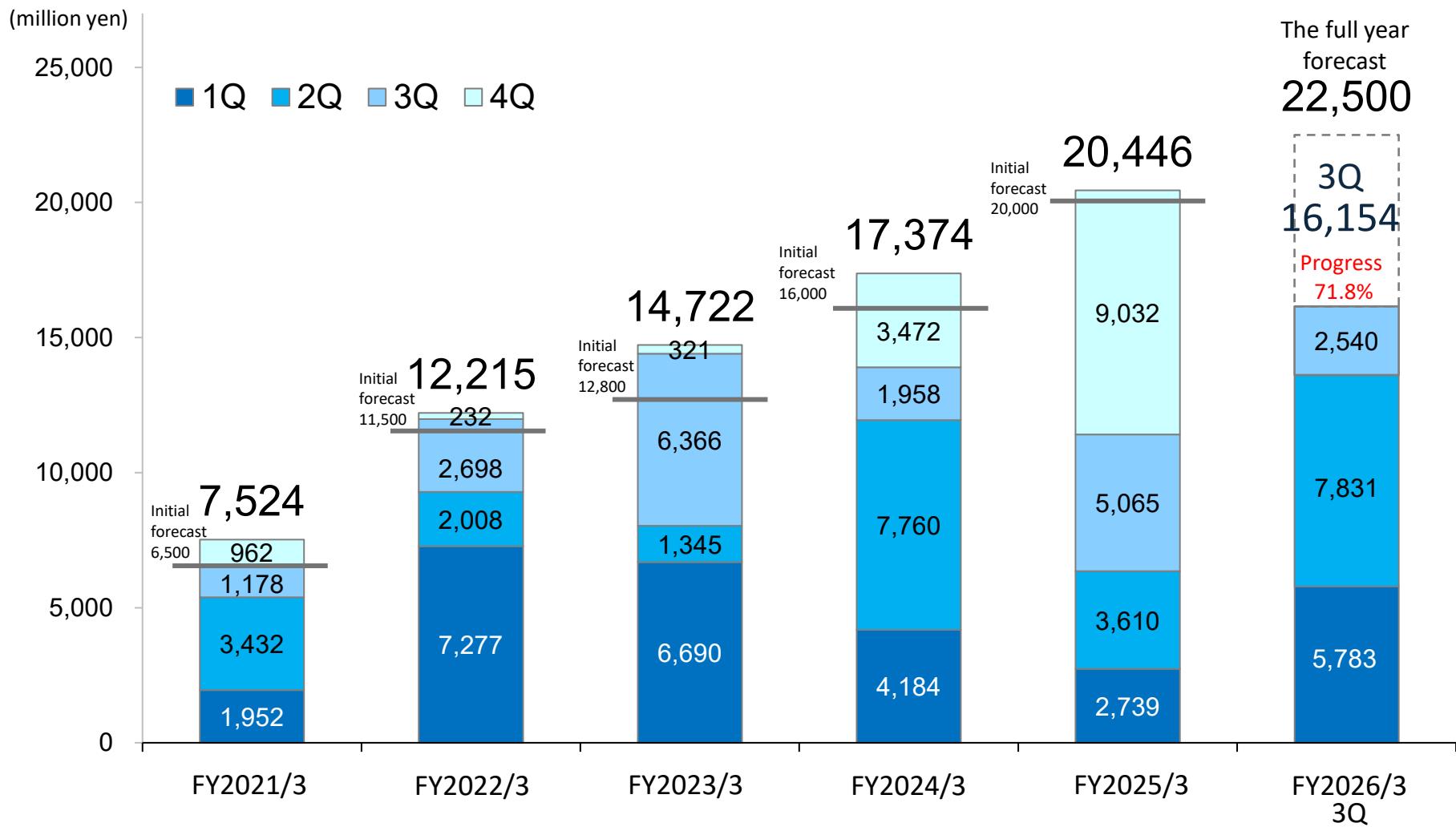
Sales and profit increased as average daily rates and occupancy rates increased due to continued strong tourism demand and strengthening our operational capabilities.

Sales and profits increased due to the inclusion of the performance of the Otake Kenso Group acquired through M&A in October

Trends in Ordinary Profit for the Most Recent Five fiscal years



Progress is steadily on track toward the full-year forecast.



Consolidated Balance Sheet

- Assets -



Inventories increased due to the acquisition and commercialization of properties for replanning and progress in hotel development. In addition, cash and deposits decreased due to the payment of dividends.

(unit: million yen)	As of the End of March 2025	As of the End of December 2025	increase/decrease (compared to the End of March 2025)
Current Assets	183,706	208,127	24,420
Cash and Deposits	44,920	36,520	-8,399
Inventories	133,713	164,202	30,489
Breakdown) RP	115,549	138,994	23,445
Hotel	15,326	22,057	6,730
Overseas, etc	2,837	3,150	313
Other Current Assets	5,072	7,403	2,330
Non-current Assets	34,484	42,091	7,607
Property, Plant and Equipment	24,290	31,093	6,802
Intangible Assets	2,288	3,275	987
Investments and Other Assets	7,904	7,722	-182
Total Assets	218,190	250,219	32,028

Progress of hotel development

Consolidated Balance Sheet

- Liabilities/Equity -



Interest-bearing debt increased due to increased purchases.

We are actively promoting investment while maintaining a sound financial structure.

(unit: million yen)	As of the End of March 2025	As of the End of December 2025	increase/decrease (compared to the End of March 2025)	
Current Liabilities	26,663	26,410	-253	Interest-bearing debt (including lease liabilities) 120,582 million yen
Short-term borrowings, etc.	10,240	11,099	858	
Other Current Liabilities	16,423	15,311	-1,111	
Non-current Liabilities	85,634	114,513	28,878	
Long-term borrowings	72,219	99,447	27,228	
Bonds Payable	9,999	9,999	0	
Other Non-current Liabilities	3,415	5,065	1,650	
Total Liabilities	112,298	140,923	28,625	
Shareholders' Equity	100,949	107,794	6,845	
Other	4,942	1,500	-3,442	Decreased 3,000 million yen due to redemption of preferred stock
Total Net Assets	105,892	109,295	3,403	
Total Liabilities and Net Assets	218,190	250,219	32,028	
Equity Ratio Trends	46.8%	43.4%	-3.4%pt	

Real Estate Revitalization Business –Summary–

We maintained a high profit margin and sales and profit increased. A total of 22 properties were sold, including those scheduled for closing.

(unit: million yen)	FY2025/3	FY2026/3	YoY	forecast for FY2026/3 forecast	progress rate
	3Q	3Q	increase/decrease		
Net Sales	38,305	46,763	8,458	81,340	57.5%
Replanning Business	36,343	43,928	7,584	78,440	56.0%
Rental Building Business	1,961	2,834	873	2,900	97.8%
Gross Profit (Loss)	11,890	15,039	3,148	25,560	58.8%
Replanning Business	11,686	14,248	2,562	25,160	56.6%
Rental Building Business	204	790	586	400	197.7%
Segment Profit (※)	10,743	13,379	2,635		
Replanning Business	10,539	12,588	2,049		
Rental Building Business	204	790	586		
Segment Profit Margin	28.0%	28.6%	-	+0.6%pt	
Replanning Business	29.0%	28.7%	-	-0.3%pt	
Rental Building Business	10.4%	27.9%	-	+17.5%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 profits increased due to the sales of large-scale properties and newly constructed properties with high profitability.
 - (Properties sold) 16 (including 3 small-lot properties, 2 new constructions, 1 NY property). A decrease of 6 properties compared to the same period of the previous fiscal year.
 - 6 properties already contracted or scheduled for closing in this fiscal year.
 - (Average project period) 818 days (up 35 days compared to the previous fiscal year). The inclusion of two newly constructed projects extended the project period slightly compared to the previous year.
- Rental Building Business
 - Sales and profits soared due to a decrease in lease related expenses compared to the same period of the previous fiscal year, in addition to progress in property acquisitions.

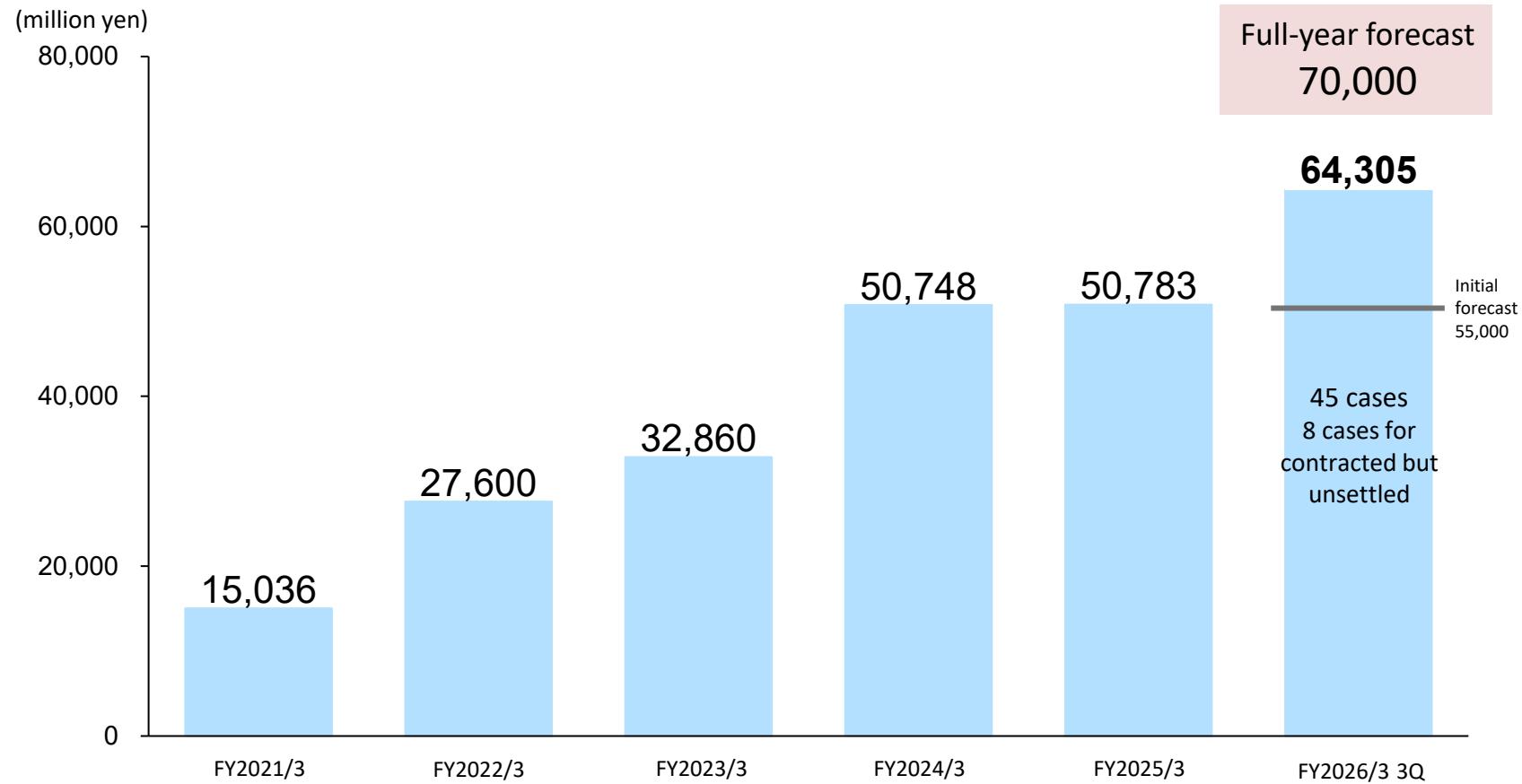
Performance for Each Business Segment

Real Estate Revitalization Business –Property Acquisition–



Acquisitions totaling 64.3 billion yen, including properties that have been contracted but not yet closed.

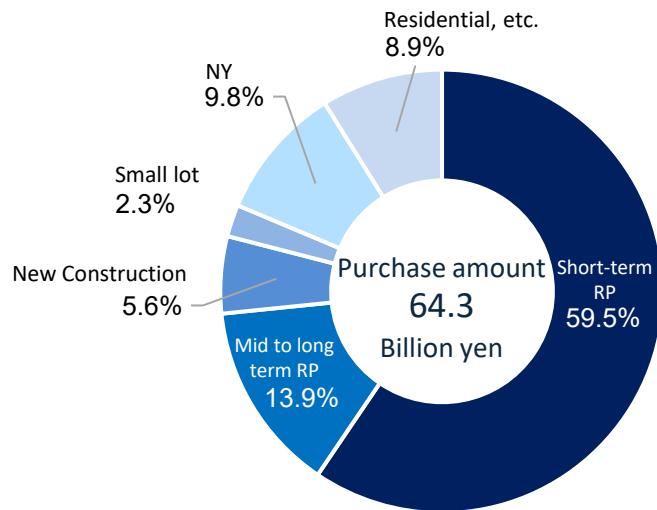
※ Including land, properties in non-current assets, small-lot real estate properties and New York properties.



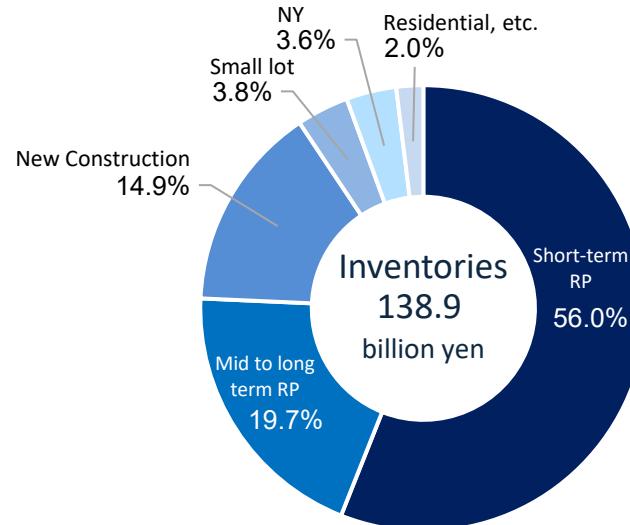
Real Estate Revitalization Business –Acquisitions and Inventory Balance–

Breakdown of Property Acquisitions and Inventory Balance for the Third Quarter Cumulative Period

Breakdown of Purchase amount for Replanning Properties



Breakdown of Inventories for Replanning Properties



- Acquisitions totaling 64.3 billion yen for 45 properties (including 13.7 billion yen for 8 properties that have been contracted but not yet closed).
- Acquisitions in FY2025/3 3Q: 43.2 billion yen for 38 properties (including 18.3 billion yen for 12 properties that have been contracted but not yet closed).

- Number of properties in inventory at the end of 3Q was 83 (Up 13 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.

Performance for Each Business Segment

Real Estate Revitalization Business - Trends in Inventories and Property Sales Gains



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

	FY2022/3 (Results)	FY2023/3 (Results)	FY2024/3 (Results)	FY2025/3 (Results)	FY2026/3 (Forecast)
Sales of properties	57.0 billion yen	61.7 billion yen	53.7 billion yen	71.7 billion yen	81.4 billion yen
Cost of property sales	40.3 billion yen	44.9 billion yen	36.1 billion yen	50.3 billion yen	57.5 billion yen
Business 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
Profit margin	29.2%	27.2%	32.8%	29.8%	29.4%
Acquisitions during the fiscal year, construction work, etc.	31.6 billion yen	47.7 billion yen	62.8 billion yen	77.2 billion yen	97.8~99.8 billion yen
Ending balance of the inventory	77.3 billion yen	80.1 billion yen	106.8 billion yen	133.7 billion yen	174.0~176.0 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 FY2026/3 (Forecast)
174.0~176.0 billion yen

Gross profit margin (Assumed)
25~30%

Net sales (Assumed)
232.0~250.0 billion yen

Unrealized gains on inventories (Assumed)
56.0~74.0 billion yen

Business profit = gross profit – sales commissions

Performance for Each Business Segment

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



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Real Estate Services Business

Sales and profits significantly increased due to steady performance of all businesses.
Full-year forecast has almost been achieved.

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2026/3	
	3Q	3Q	increase/decrease	change rate	forecast	progress rate
Net Sales	9,279	12,658	3,378	36.4%	14,000	90.4%
PM/BM/Brokerage Business, etc.	6,217	8,410	2,193	35.3%	8,789	95.7%
Rental Conference Room	3,062	4,247	1,185	38.7%	5,210	81.5%
Gross Profit (Loss)	4,589	6,935	2,345	51.1%	6,940	99.9%
PM/BM/Brokerage Business, etc.	4,012	5,500	1,487	37.1%	5,915	93.0%
Rental Conference Room	576	1,435	858	148.9%	1,024	140.1%
Segment Profit (※)	4,581	6,923	2,342	51.1%		
PM/BM/Brokerage Business, etc.	4,012	5,500	1,487	37.1%		
Rental Conference Room	568	1,423	855	150.4%		
Segment Profit Margin	49.4%	54.7%	-	+5.3%pt		
PM/BM/Brokerage Business, etc.	64.5%	65.4%	-	+0.9%pt		
Rental Conference Room	18.6%	33.5%	-	+15.0%pt		

■ PM/BM/Brokerage Business, etc.	(Property Management) Sales and profit increased due to an increase of 22 buildings under management compared to the end of the previous fiscal year
(Building Management)	Sales and profits increased as the number of buildings under management rose due to strengthened collaboration within the Group
(Sales Brokerage)	In addition to successful contract closures from internal Group referrals, the handling of larger-scale projects increased, leading to higher sales and profit
(Leasing Brokerage)	Demand related to hybrid working styles and talent acquisition increased, resulting in higher sales and profits
(Rent Guarantee)	Sales and profit increased due to steady growth in both new guarantee contracts and renewal guarantee contracts
■ Rental Conference Room	Sales and profits surged as long-term use and large-scale projects increased, and as newly opened sites—those in operation for less than one year—gained traction

Hotel and Tourism Business

Sales and profits increased in the Hotel Operation Business due to strong inbound tourism demand and strengthened operational capabilities.

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2026/3	
	3Q	3Q	increase/decrease	change rate	forecast	progress rate
Net Sales	12,502	14,948	2,445	19.6%	21,490	69.6%
Hotel Development Business	275	0	-275	-	3,000	0.0%
Hotel Operation Business, etc.	12,227	14,948	2,721	22.3%	18,490	80.8%
Gross Profit (Loss)	3,230	3,962	731	22.7%	4,340	91.3%
Hotel Development Business	109	-28	-138	-	520	-5.5%
Hotel Operation Business, etc.	3,120	3,990	869	27.9%	3,820	104.5%
Segment Profit (※)	3,041	3,528	486	16.0%		
Hotel Development Business	20	-202	-222	-		
Hotel Operation Business, etc.	3,021	3,730	709	23.5%		
Segment Profit Margin	24.3%	23.6%	-	-0.7%pt		
Hotel Development Business	7.3%	-	-	-		
Hotel Operation Business, etc.	24.7%	25.0%	-	+0.2%pt		

■ Hotel Development Business

(New development)
(Sales)

16 hotels with 2,539 rooms under construction or planning from next fiscal year onward
Sales activities are continuing

■ 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.

Performance for Each Business Segment



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

Sales and profits increased due to an increase in the number of construction orders, as well as the inclusion of results from M&A.

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2026/3	forecast	progress rate
	3Q	3Q	increase/decrease	change rate			
Net Sales	1,357	3,799	2,441	179.9%		2,230	170.4%
Gross Profit (Loss)	328	915	586	178.9%		530	172.6%
Segment Profit (※)	281	795	514	183.2%			
Segment Profit Margin	20.7%	20.9%	-	+0.2%pt			

■ Construction Business

Sales and profits increased on a year-on-year basis due to an increase in the number of construction orders for office interior construction and communication network works.

Sales and profits also increased due to the inclusion of the performance of the Otake Kenso Group, which was acquired through M&A in October.

■ Overseas Development Business (Vietnam)

Construction of the second HIYORI Aqua Tower condominium project in Vietnam, which commenced in August 2024, is currently progressing toward completion in the first half of FY2027. Sales are scheduled to begin in March 2026.



Growth Strategies and Business Initiatives



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1. Even amid an interest rate cut cycle, the global economic outlook remains uncertain due to tariff policies, geopolitical risks, and a slowdown in the Chinese economy.

◆ In the United States, while interest rate cuts have contributed to an improvement in financial conditions, concerns remain regarding tariff policies and geopolitical risks.

◆ Although the IMF has revised upward its global economic growth outlook, caution is still required regarding a slowdown in the Chinese economy and volatility in financial markets.

2. In the Japanese economy, while the weak yen and rising stock prices continue, close attention should be paid to uncertainty surrounding policy management and concerns over fiscal deterioration..

◆ While expectations are high for aggressive fiscal measures under the Takaichi administration, there are concerns about declining fiscal discipline and rising interest rates.

◆ The Bank of Japan has raised its policy interest rate to curb inflationary pressures caused by the weak yen and has indicated its intention to continue tightening.

3. In the central Tokyo office building market, rents continue to rise and vacancy rates are improving, supporting strong investment appetite.

◆ Although new office supply is expected to increase in 2026, demand remains resilient due to the need to improve productivity and secure talent.

◆ Despite rising interest rates, investment appetite among wealthy individuals and institutional investors, particularly in Asia, remains solid.

4. In the hotel and tourism market, the weak yen has provided a tailwind, with both the number of inbound visitors and travel spending reaching record highs.

◆ The annual number of foreign visitors to Japan in 2025 exceeded 42 million, marking a new record, supported by strong inbound demand driven by the weak yen.

◆ In 2026, although growth in accommodation demand is expected to be limited, the market is projected to remain resilient, supported by higher average spending per guest.

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



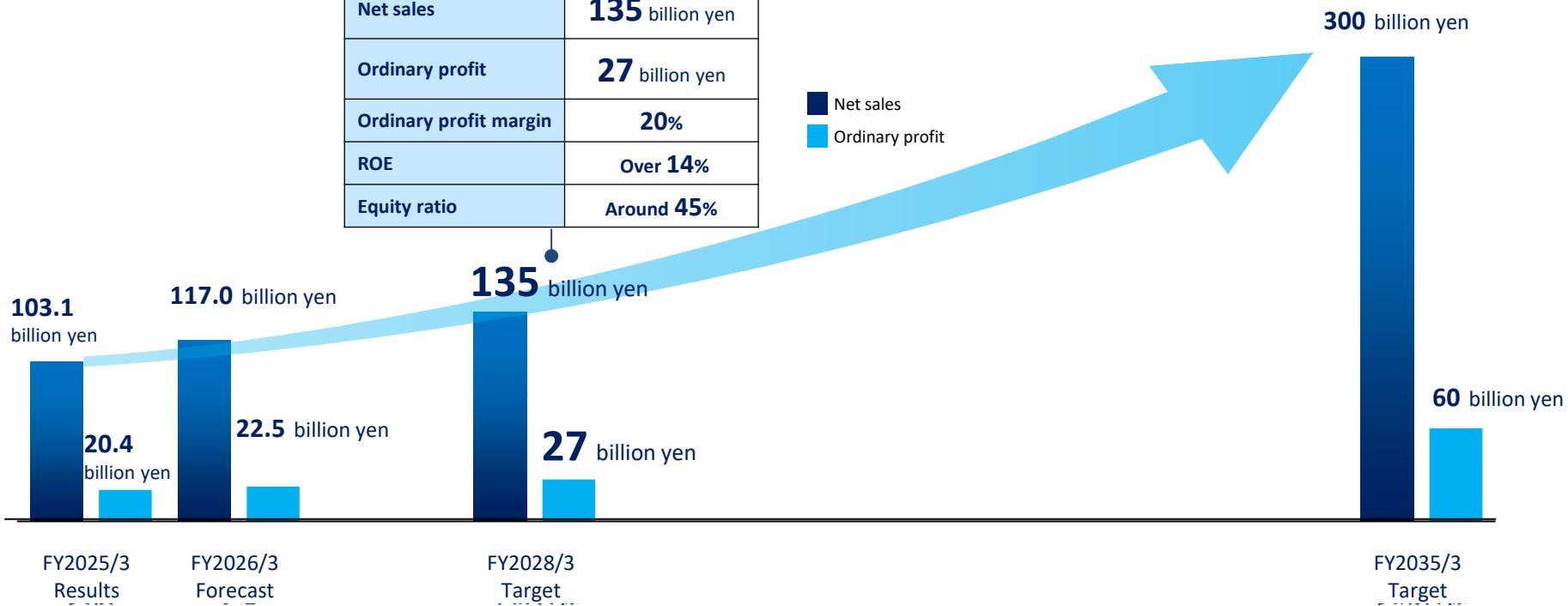
Long-term vision 2035

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



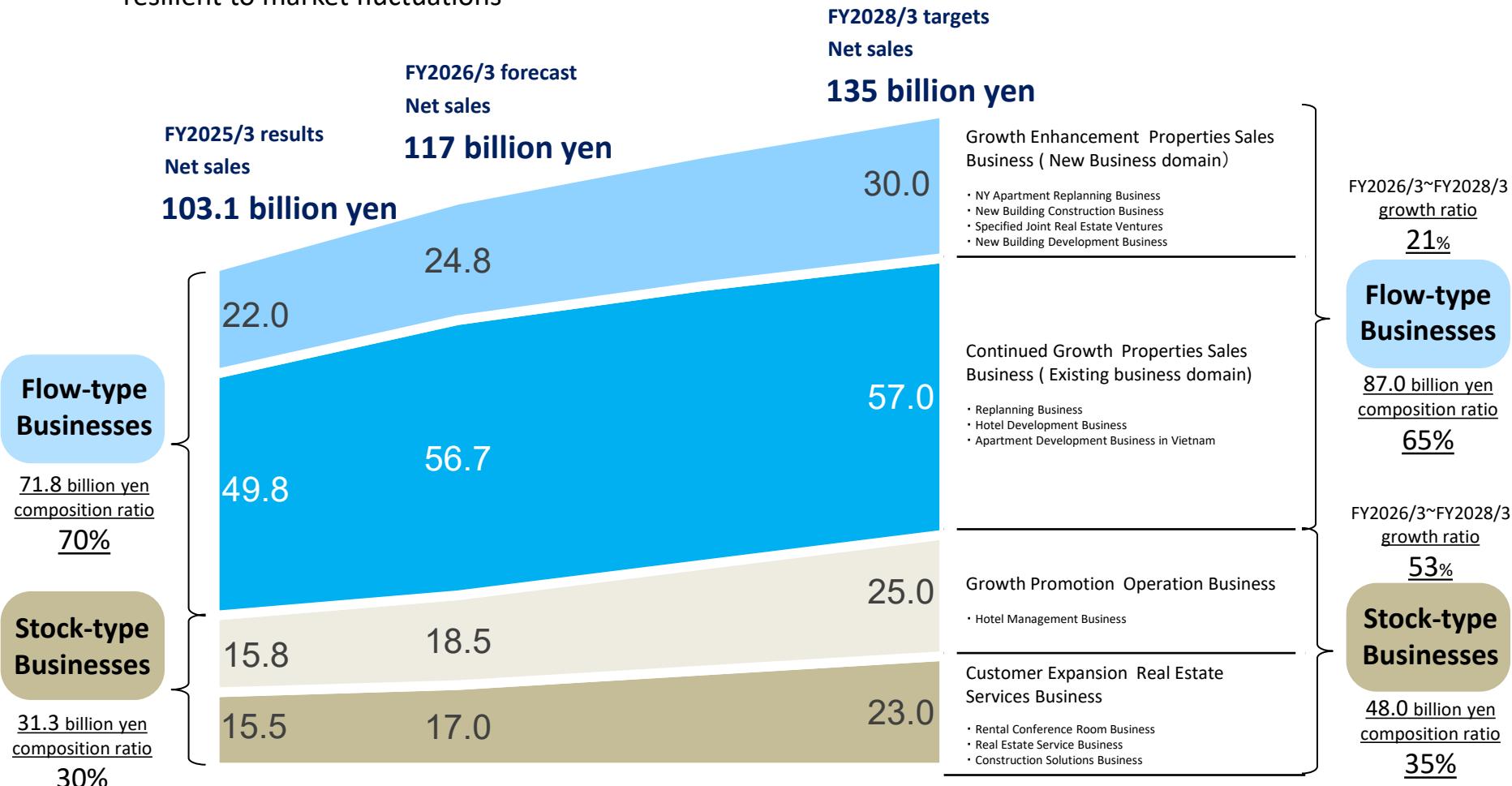
Accelerate growth by expanding business domains through effective circulation and utilization of funds, while diversifying core business tie-ups based on a business model that combines manufacturing and service capabilities.

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

Strengthening business growth and sales structure



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



Aggressive Investment for Future Business Growth



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

【Cumulative capital income】 【Cumulative capital expenditure】

Business proceeds from sales etc. of properties	Business growth Investment	310 billion yen	
Loans			
Cash and deposits			
<u>322 billion yen</u>			
		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 Stock-Type Businesses

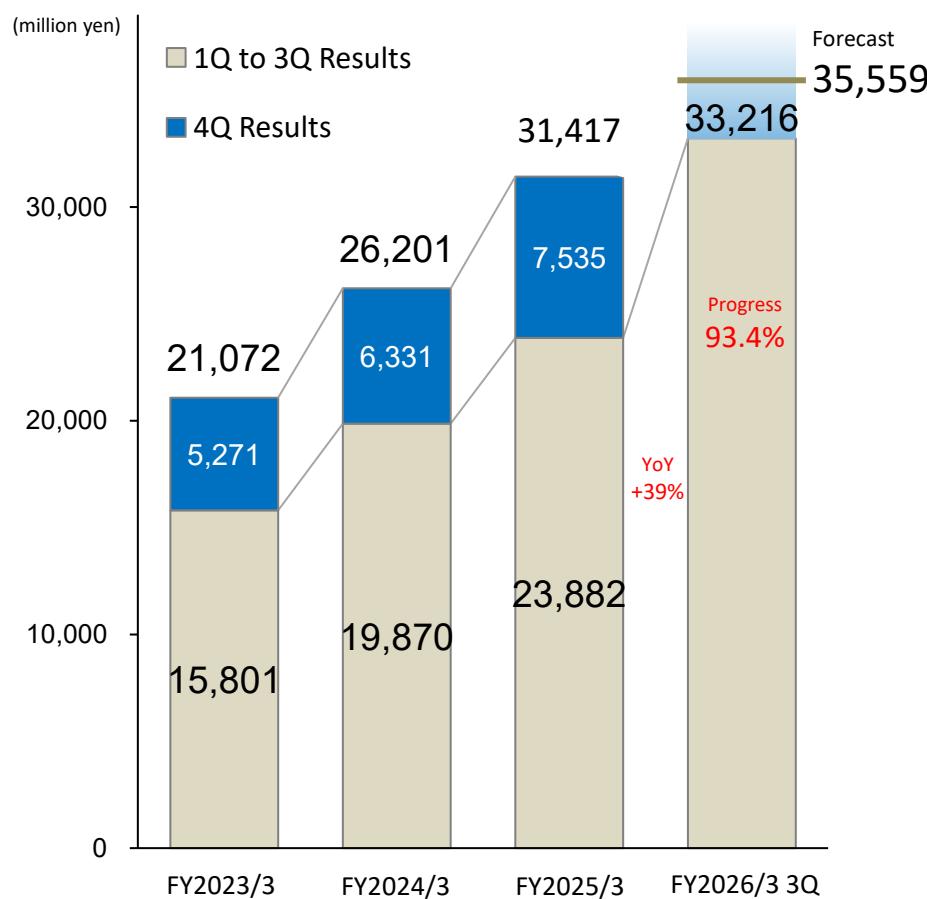
(All businesses other than sale of properties such as Real Estate Services, Hotel Operation Business, etc.)



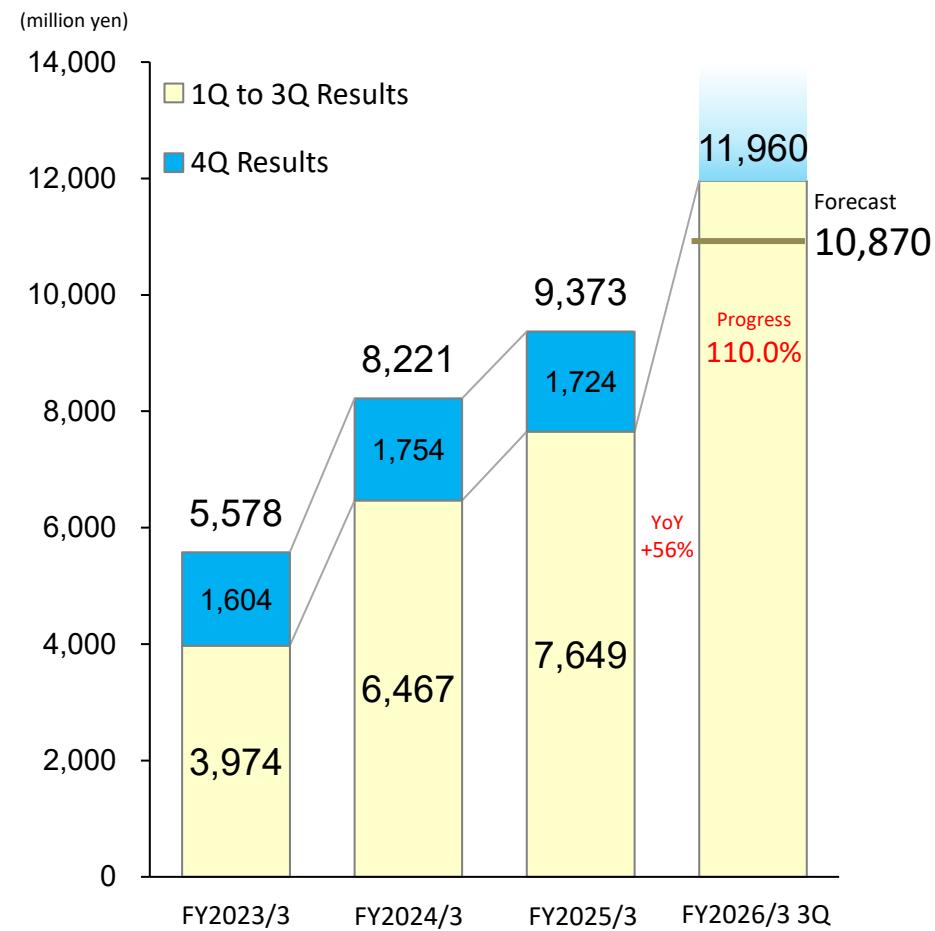
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Both sales and gross profit reached record highs. The profit exceeded the full-year forecast.

Trends in Net Sales



Trends in Gross Profit



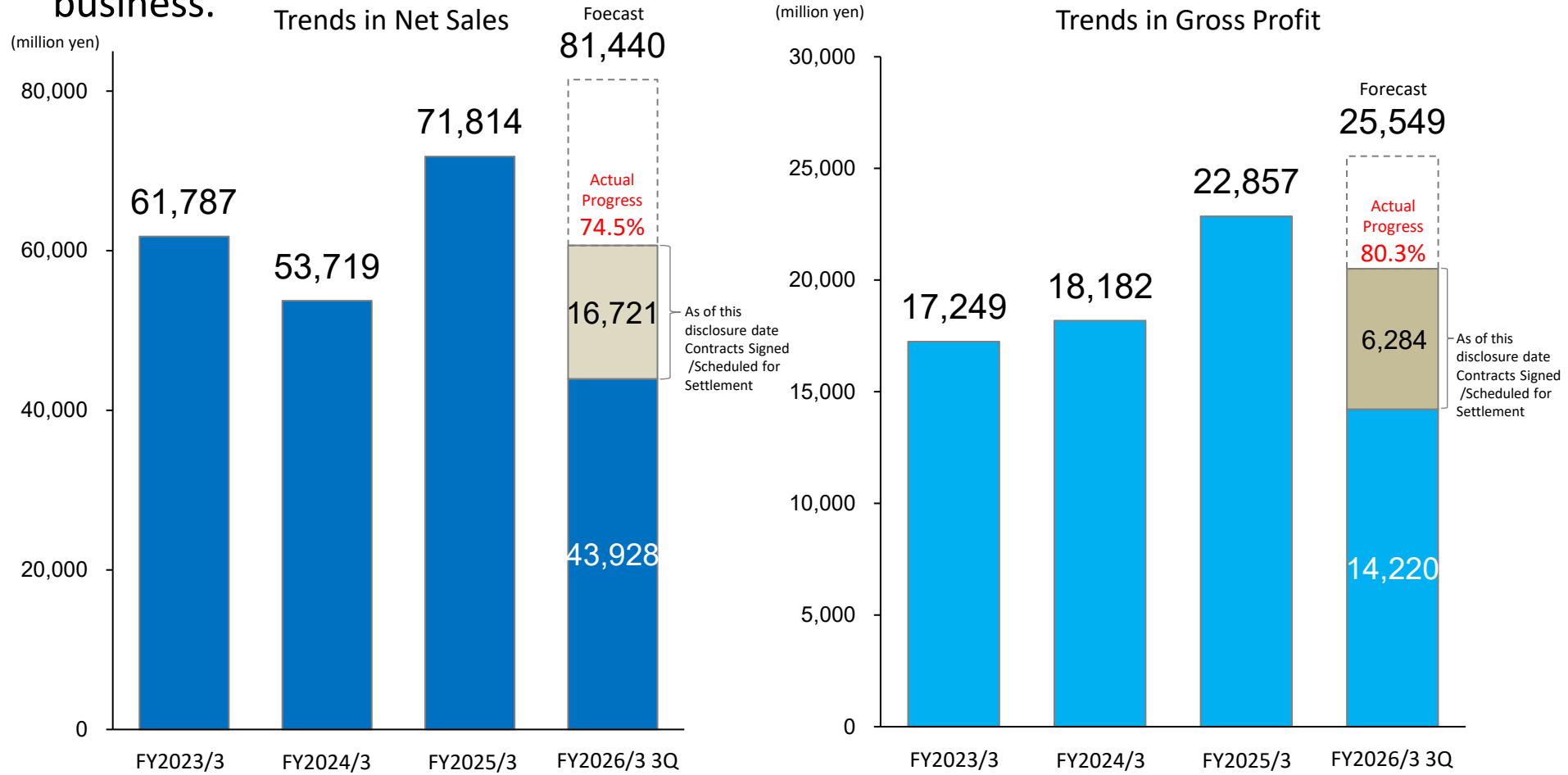
Progress of Flow-Type Businesses

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



Sales progressed at a higher profit margin than the initial plan.

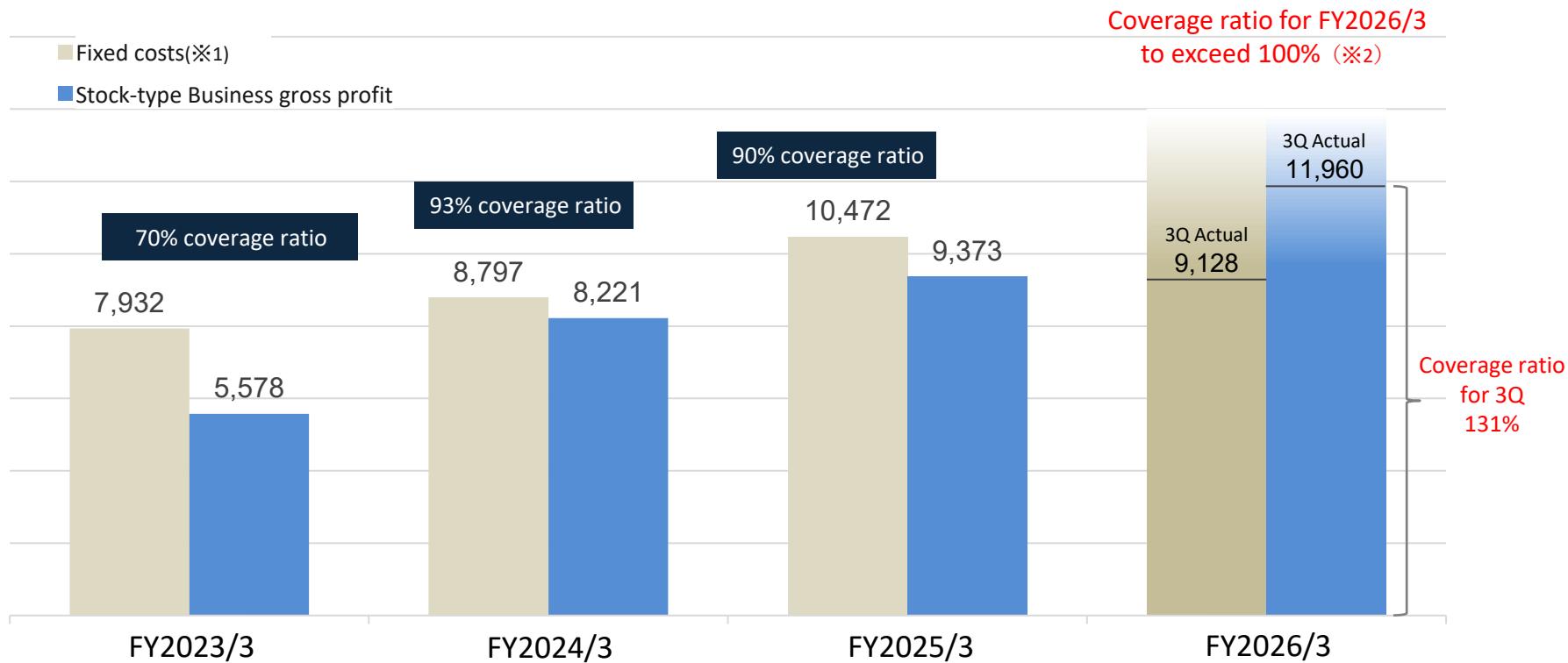
Sales timing is being managed flexibly, considering the progress of stock-type business.



Coverage Ratio by Stock-Type Business (Stable Businesses)



Work toward establishing a structure to cover fixed costs through gross profit from stock-type businesses.

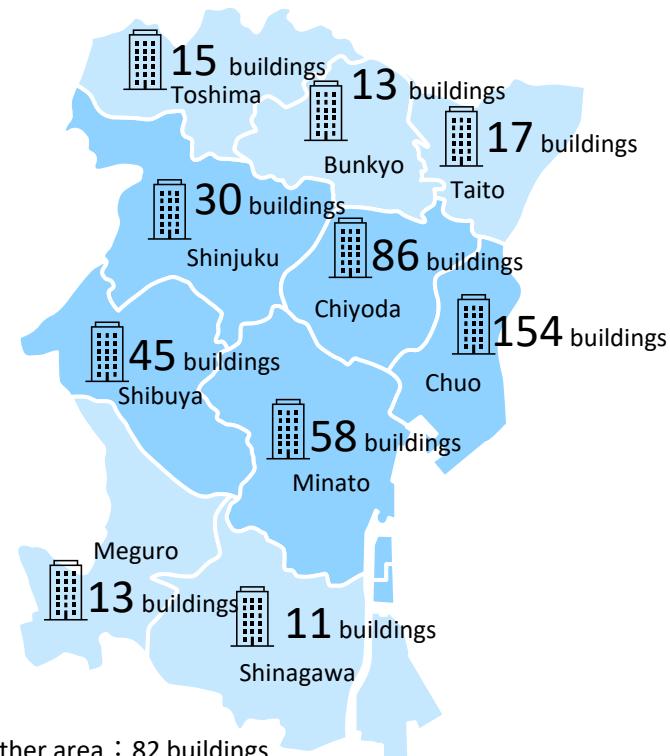


(※1) Fixed costs = SG&A expenses - sales commission + interest expenses

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

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

Renovations that unlock a property's hidden potential and maximize its asset value



Other area : 82 buildings



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

524
buildings



Before



After



Carry out renovations that refine and enhance a property's inherent appeal to maximize the asset value.

[Income-yielding Property in Shiba, Minato-ku, Tokyo]

Steel-framed reinforced concrete structure with flat roof, 7 stories

- Creating office spaces that maximize the use of natural light by utilizing glass and mirrors.
- Utilize a skeleton ceiling and optimized layout to create a space that enhances a sense of openness.
- Adopted a highly marketable layout with two conference rooms on some floors while maintaining convenience.

Creating social value through the value enhancement of small and medium-sized buildings

In the second phase of the “Model Survey Project to Promote Investment in Value-Up and Renovation of Small and Medium-sized Buildings” conducted by the Ministry of Land, Infrastructure, Transport and Tourism, our initiatives in three properties were selected as model cases.

[Relationship between the Model Survey Project and the Company's Replanning Business]

Social background

An increase in the number of small and medium-sized buildings constructed many years ago

Growing need for environmental friendliness, compliance with laws and regulations, and working environment



Purpose of MLIT Model Survey Project

Dissemination of renovation models for sustainable use

Development of an enabling environment to promote investment in value-up renovations

Visualization of the effects and value to support renovation investment decisions



Replanning Business

- Real Estate Revitalization Business centering on small and medium-sized buildings
- Improvement of environmental efficiency and ensuring compliance with laws and regulations
- Space planning focusing on the sustainable use of buildings

[Our Company's selected cases]



[THE PORTAL IWAMOTOCHO]

- Highly reproducible and versatile renovation models combining changes of use and environmental considerations, applicable to small and medium-sized buildings.



[Honmachi Highest Building]

- Securing safety and compliance through legal corrections and facility upgrades
- Enhancing leasing and sales competitiveness through improved environmental performance

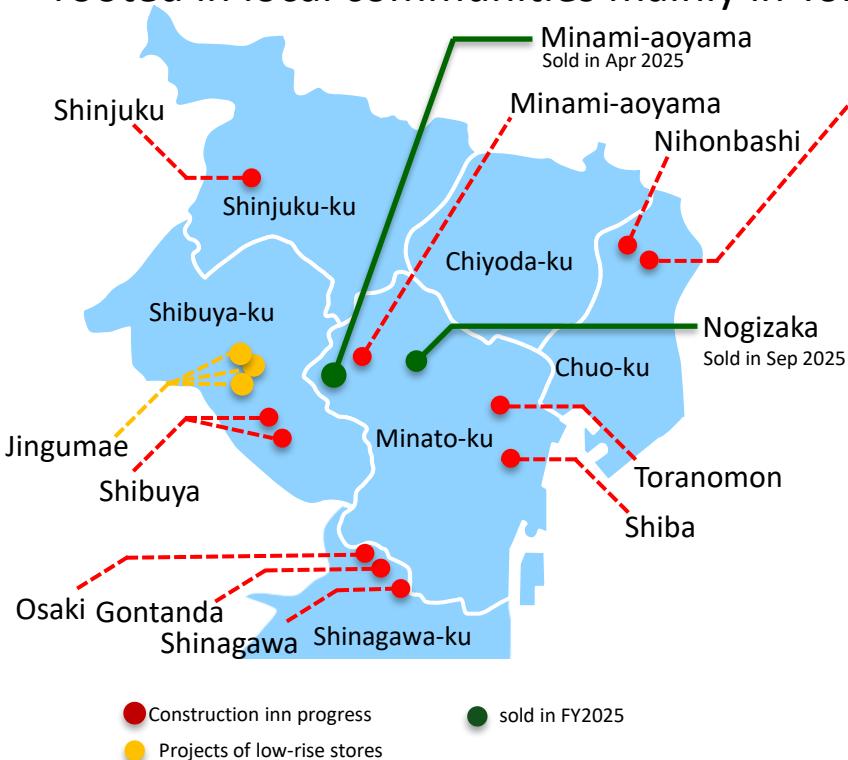


[Biz Feel KANDA]

- Legal compliance measures to ensure regulatory compliance and safety
- Contributing to employee retention and productivity improvements through wellness certifications

Develop New Buildings Based on Expertise in Office Building

Implementing multiple new construction projects for small and medium-sized buildings rooted in local communities mainly in Tokyo's five central wards



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.

Project in Nihonbashi Construction completed in Mar 2026 (perspective drawing)



Exterior



Roof top terrace



Lounge



Elevator Hall

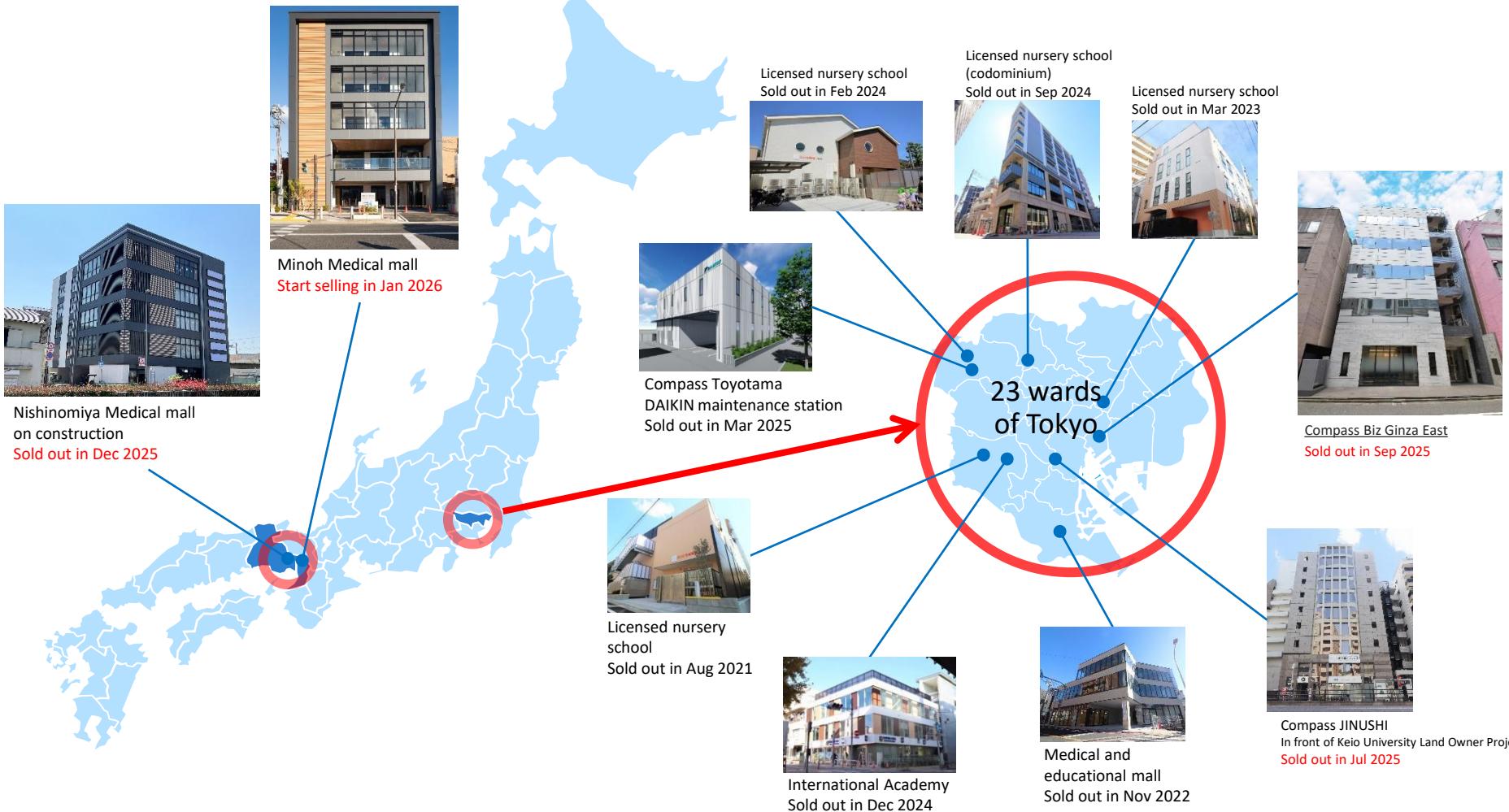


Office

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



We are developing products in Tokyo and the Kansai region and promoting proposals that meet the investment needs of clients nationwide



Developing value-creating rental apartments that help connect people and communities with smiles.



We are expanding our business into the development of high value-added, newly constructed rental apartment buildings equipped with soundproofing features and pet-friendly facilities

[New-built] construction start in Jan 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

[New-built] Completion in Jan 2026	
[Plan] Sale scheduled for FY2027/3	
Location	Nishi-Ochiai, Shinjuku-ku
Structure	Reinforced concrete bearing wall structure, four-story building

[New-built] construction started in Jan 2026	
[Plan] Sale scheduled for FY2028/3	
Location	Nihonbashi-Kayabacho, Chuo-ku
Structure	Reinforced concrete structure, 12-story building

[New-built] construction completed in Jul 2026	
[Plan] Sale scheduled for FY2027/3	
Location	Nishi-Oi, Shinagawa-ku
Structure	Reinforced concrete bearing wall structure, five-story building



[New-built] construction start: July 2026	An existing building on site remains
[Plan] Sale scheduled for FY2029/3	
Location	Funabashi, Setagaya-ku
Structure	Reinforced concrete bearing wall structure, four-story building with one basement

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	Chelsea Area
Structure	A five-story brick building with one basement floor
Room layout / number of units	1LDK: 2units, 2LDK: 1unit, 3LDK: 2units



On sale	 
Location	Hell's Kitchen Area
Structure	A five-story brick building with one basement floor
Room layout / number of units	Office: 1unit, 1R: 1unit, 1LDK: 9units

Sold in Jul 2025	 
Location	West Village
Structure	A five-story brick building with one basement floor
Room layout / number of units	1R: 4units, 2LDK: 8units

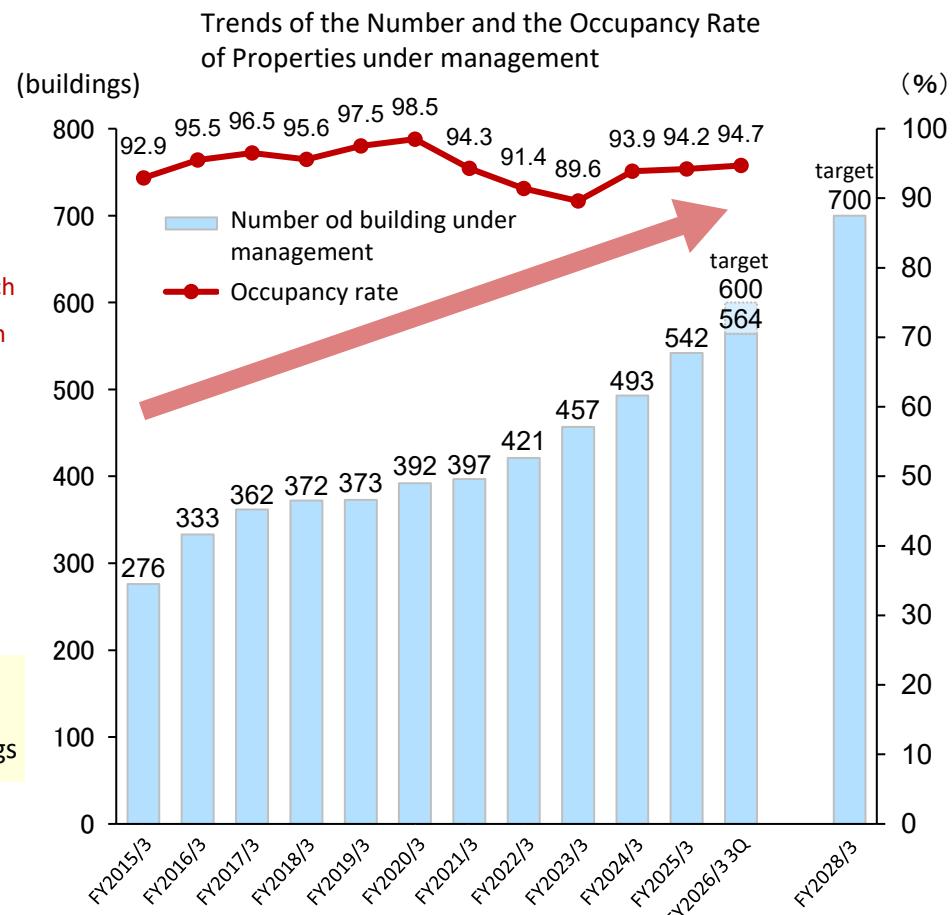
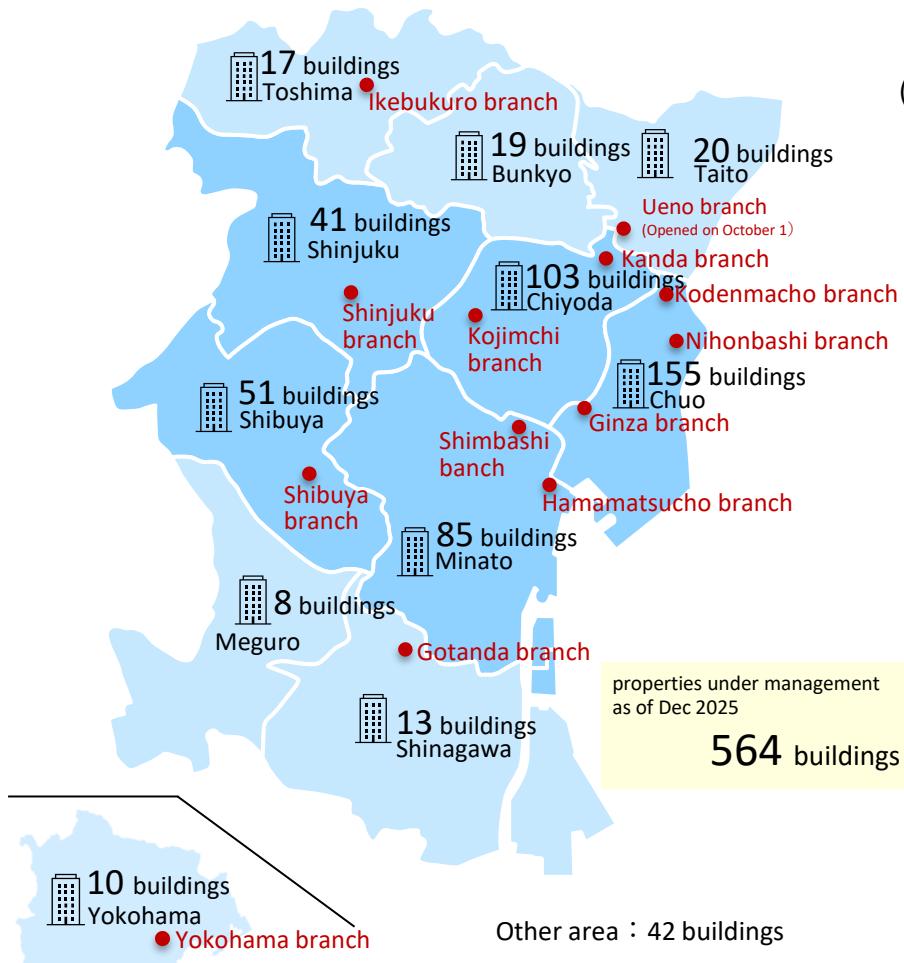
Sold in Dec 2025 Sales will be accounted in 4Q	 
Location	Union Square Area
Structure	A six-story brick building with one basement floor
Room layout / number of units	2LDK: 3units, 3LDK: 15 units, 4LDK: 1unit

Enhancing the Number of PM Properties Under Management and Strengthening Service Quality



In Leasing Brokerage, the Ueno Branch Office was newly established as the core of regional strategy, enabling more agile regional collaboration.

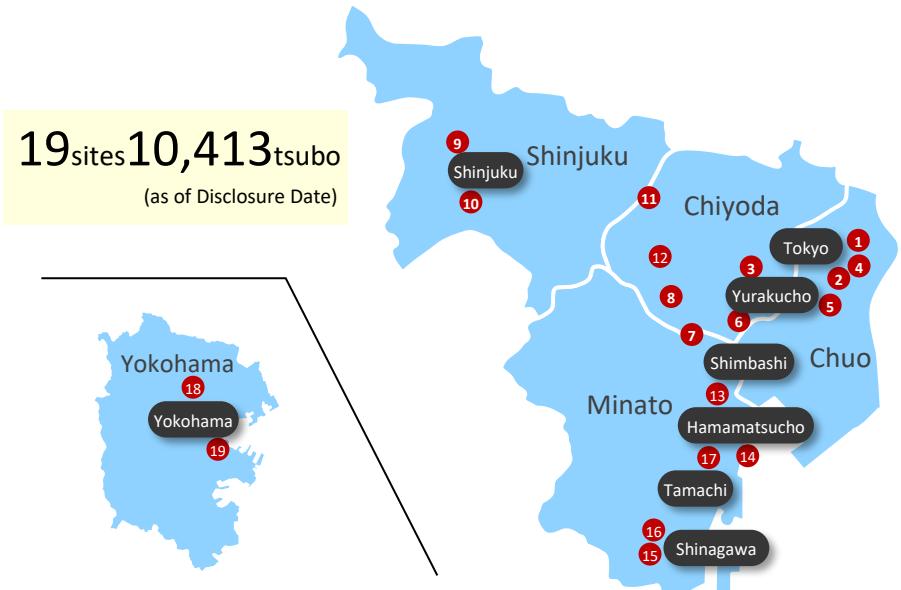
In the Property Management Business, we are leveraging our community-based network to increase the number of buildings under management and enhance our service offerings.



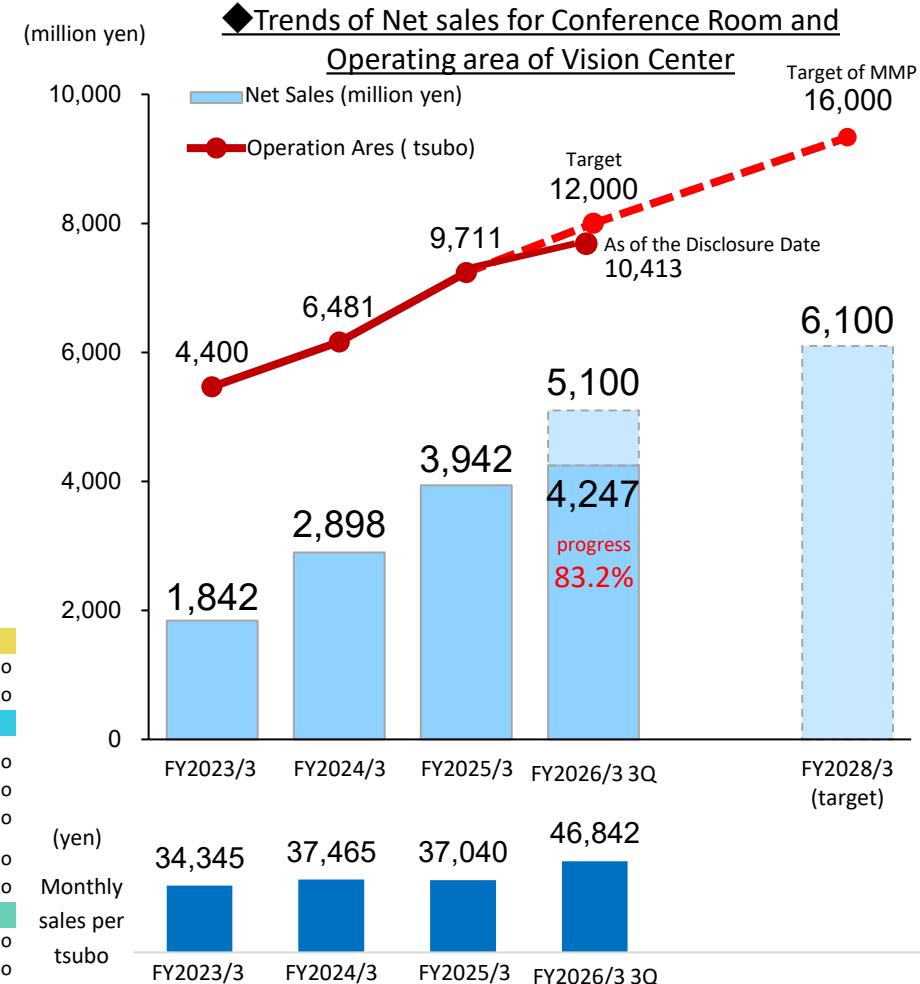
Large-Scale Projects and Long-Term Use by Repeat Clients Contribute to Performance



we have focused on providing heartwarming services while expanding our locations, which has strengthened our client base.



TOKYO/YAESU/MARUNOUCHI AREA			AKASAKA/ICHIGAYA AREA			TAMACHI/SHINAGAWA/HAMAMATSUCHO AREA		
① TOKYO EKIMAE ※Expansion scheduled for Apr 1 2026	209tsubo		⑪ ICHIGAYA 366tsubo			⑬ GRANDE TOKYO HAMAMATSUCHO 1,456tsubo		
② TOKYO YAESU	324tsubo		⑫ AKASAKA(NAGATACHO) 248tsubo			⑭ HAMAMATSUCHO 431tsubo		
③ YURAKUCHO	138tsubo		⑯ SHINAGAWA SHINAGAWA ANNEX 444tsubo			⑯ SHINAGAWA ANNEX 444tsubo		
④ TOKYO KYOBASHI	782tsubo		⑯ SHINAGAWA ANNEX 444tsubo			⑰ TAMACHI 954tsubo		
⑤ TOKYO NIHONBASHI	343tsubo		⑯ SHINAGAWA ANNEX 444tsubo			⑰ TAMACHI 954tsubo		
SHIMBASHI/TORANOMON AREA			YOKOHAMA/MINATOMIRAI AREA			YOKOHAMA/MINATOMIRAI AREA		
⑥ SHIMBASHI TOKYO TORANOMON ※Expanded on Sep 29 2025	390tsubo		⑯ YOKOHAMA 558tsubo			⑯ YOKOHAMA MINATOMIRAI 427tsubo		
⑦ TORANOMON TAMEIKESANO ※Opened on Feb 1 2026	501tsubo		⑯ YOKOHAMA MINATOMIRAI 427tsubo			⑯ YOKOHAMA MINATOMIRAI 427tsubo		
⑧ SHINJUKU AREA	687tsubo		⑯ YOKOHAMA MINATOMIRAI 427tsubo			⑯ YOKOHAMA MINATOMIRAI 427tsubo		
⑨ SHINJUKU MAYNS TOWER	789tsubo		⑯ YOKOHAMA MINATOMIRAI 427tsubo			⑯ YOKOHAMA MINATOMIRAI 427tsubo		
⑩ NISHI SHIJUKU			⑯ YOKOHAMA MINATOMIRAI 427tsubo			⑯ YOKOHAMA MINATOMIRAI 427tsubo		



*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 hospitality services



Expand the number of rooms under operation by actively pursuing in-house development and M&A, while continuing to provide heartwarming hospitality service that impresses guests.

Status	Rooms	hotels
In operation	3,649 rooms	32 hotels
Under construction	1,561 rooms	9 hotels
In planning	978 rooms	7 hotels
Total	6,188 rooms	48 hotels

⑫Renewal opened on Feb 1 2026
HIYORI HOTEL OSAKA SHINSEKAI



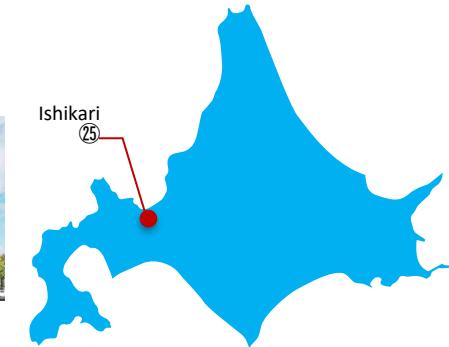
⑬Scheduled to open in Mar 2026
HIYORI HOTEL Flex Osaka Dotonbori



⑭Scheduled to open on Apr 17 2026
Tabino Hotel Aso Kumamoto Airport



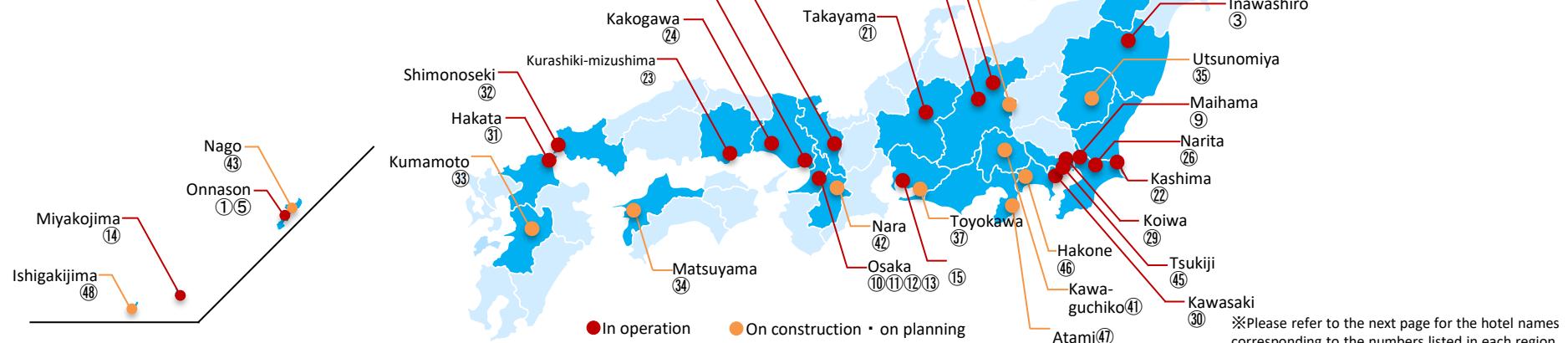
⑮Opened on Oct 20 2025
Tabino Hotel Ishikari



Ishikari

⑮

Rokkasho



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



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		727rooms
⑨	HIYORI HOTEL MAIHAMA	80rooms
⑩	HIYORI HOTEL OSAKA NAMBA STATION	224rooms
⑪	HIYORI HOTEL OSAKA SUMINOEKOEN STATION	229rooms
⑫	HIYORI HOTEL OSAKA SHINSEKAI <small>※Reopened rebranded on Feb 1 2026</small>	103rooms
⑬	HIYORI HOTEL Flex Osaka Dotonbori <small>※Reopened rebranded Mar 1 2026</small>	53rooms
⑭	HIYORI Stay Kyoto Kamogawa	38rooms
MIDDLE		291rooms
⑮	Tabino Hotel lit Matsumoto	176rooms
⑯	Tabino Hotel lit Miyakojima · Villa Miyakojima	115rooms
ECONOMY		1,571rooms
⑰	Spring Sunny Hotel Nagoya Tokoname Station	194rooms
⑱	DONDEN Highland	12rooms
⑲	Nagano Linden Plaza Hotel	136rooms
⑳	Tabino Hotel Sado · Live Sado	129rooms
㉑	Tabino Hotel Hida Takayama	80rooms
㉒	Tabino Hotel Kashima	194rooms
㉓	Tabino Hotel Kurashiki Mizushima	155rooms
㉔	Tabino Hotel Kakogawa befu station	172rooms
㉕	Tabino Hotel Ishikari	175rooms
㉖	Tabino Hotel EXpress Narita	97rooms
㉗	Kobe Plaza Hotel <small>※operation entrusted</small>	107rooms
㉘	Kobe Plaza Hotel West <small>※operation entrusted</small>	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		1,392rooms
㉝	Tabino Hotel Aso Kumamoto Airport	213rooms
㉞	HIYORI HOTEL MATSUYAMA	245rooms
㉟	Tabino Hotel Utsunomiya Yuinomori	201rooms
㉟	Tabino Hotel Aomori Rokkashomura	210rooms
㉟	Tabino Hotel lit Toyokawa	112rooms
㉟	Tabino Hotel lit Sakata	178rooms
㉟	Tabino Hotel lit Akita Ekimae	233rooms
Open schedule in FY2028/3		678rooms
㉟	HIYORI TERRACE Karuizawa Spa & Resort	81rooms
㉟	HIYORI TERRACE Fujisan Kawaguchiko Spa & Resort	134rooms
㉟	HIYORI HOTEL Kintetsu Nara	177rooms
㉟	HIYORI HOTEL Nago	156rooms
㉟	Tabino Hotel lit Matsumoto	130rooms
Open schedule in FY2029/3		469rooms
㉟	STITCH HOTEL GINZA EAST	36rooms
㉟	Sora Niwa TERRACE Hakone Yumoto	108rooms
㉟	Atami Hotel Project	120rooms
㉟	Tabino Hotel lit Ishigakijima	205rooms

On construction and on planning subtotal 2,539rooms

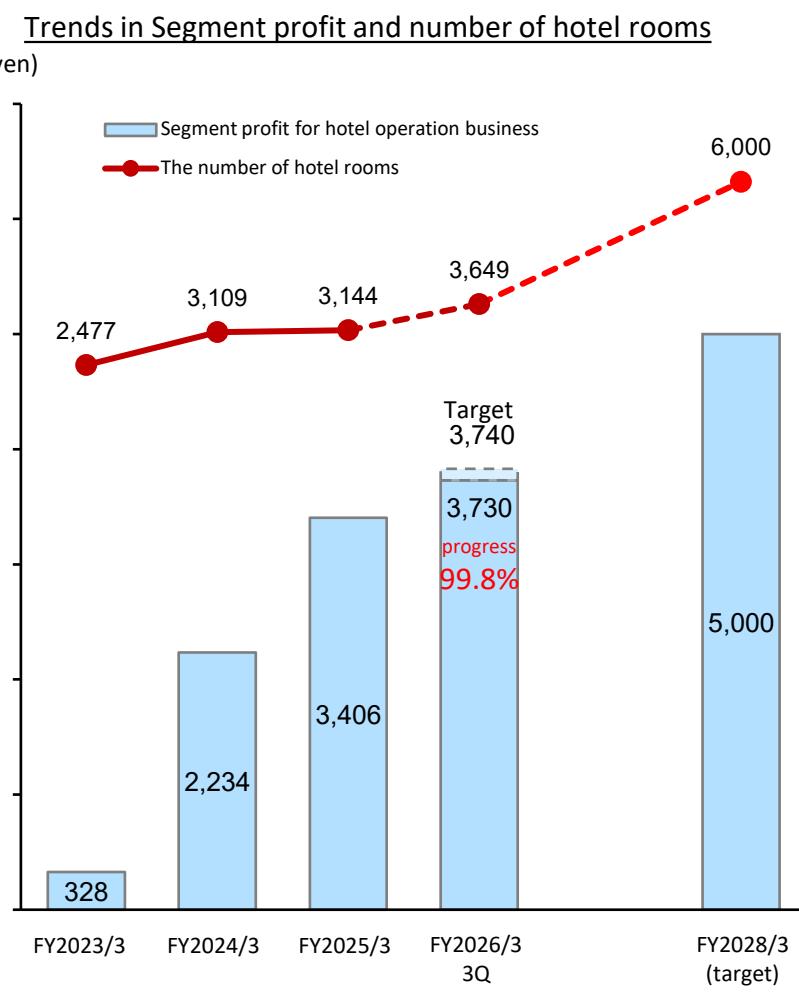
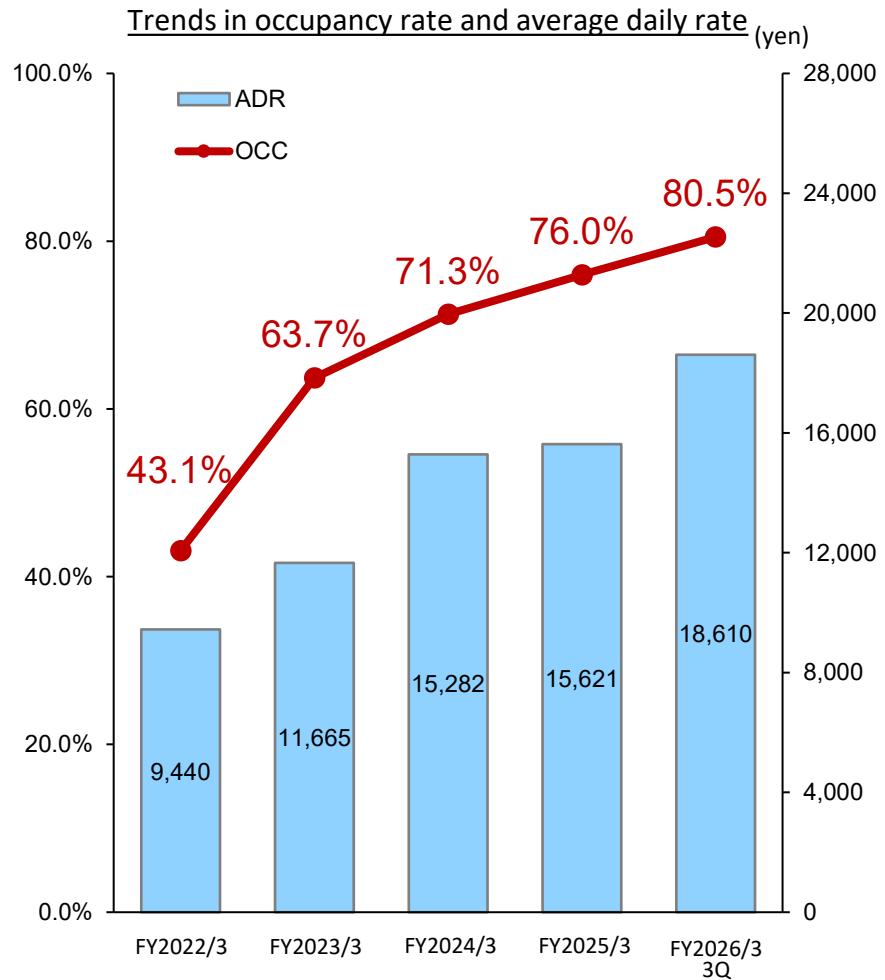
In operation,On construction and on planning total 6,188rooms

Open schedule on Apr 17 2026
Open schedule in Apr 2026
Open schedule in Aug 2026
Open schedule in Oct 2026
Open schedule in Nov 2026
Open schedule in Dec 2026
Open schedule in Feb 2027

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



By maintaining high occupancy driven by inbound tourism and further strengthening operational capabilities, the average daily rate rose mainly in the Kansai region and at luxury hotels



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



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



- 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



- Acquisition and planning capabilities for small and medium-sized buildings in central Tokyo.
- Client-focused development capabilities and heartwarming hospitality services
- Broad client 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.

Topics

- ✓ Acquired 100% of the shares of Otake Kensou Holdings Co., Ltd. on Oct 1, 2025.
- ✓ It has been included in our consolidated results for the third quarter.

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

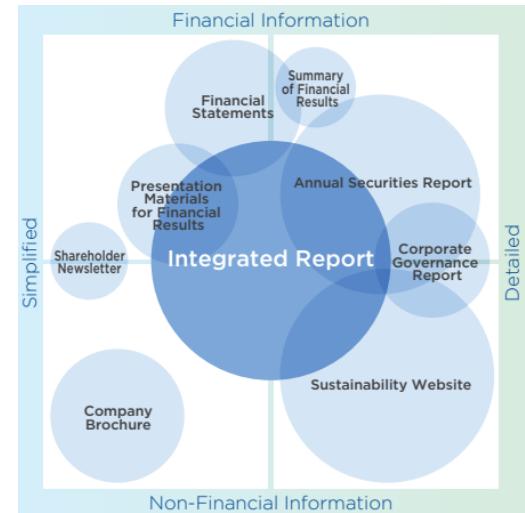
SECTION 05 Record of Value Creation

Financial and non-financial historical data

Front cover



Information disclosure system





Management with a Focus on Capital Costs and Share Price

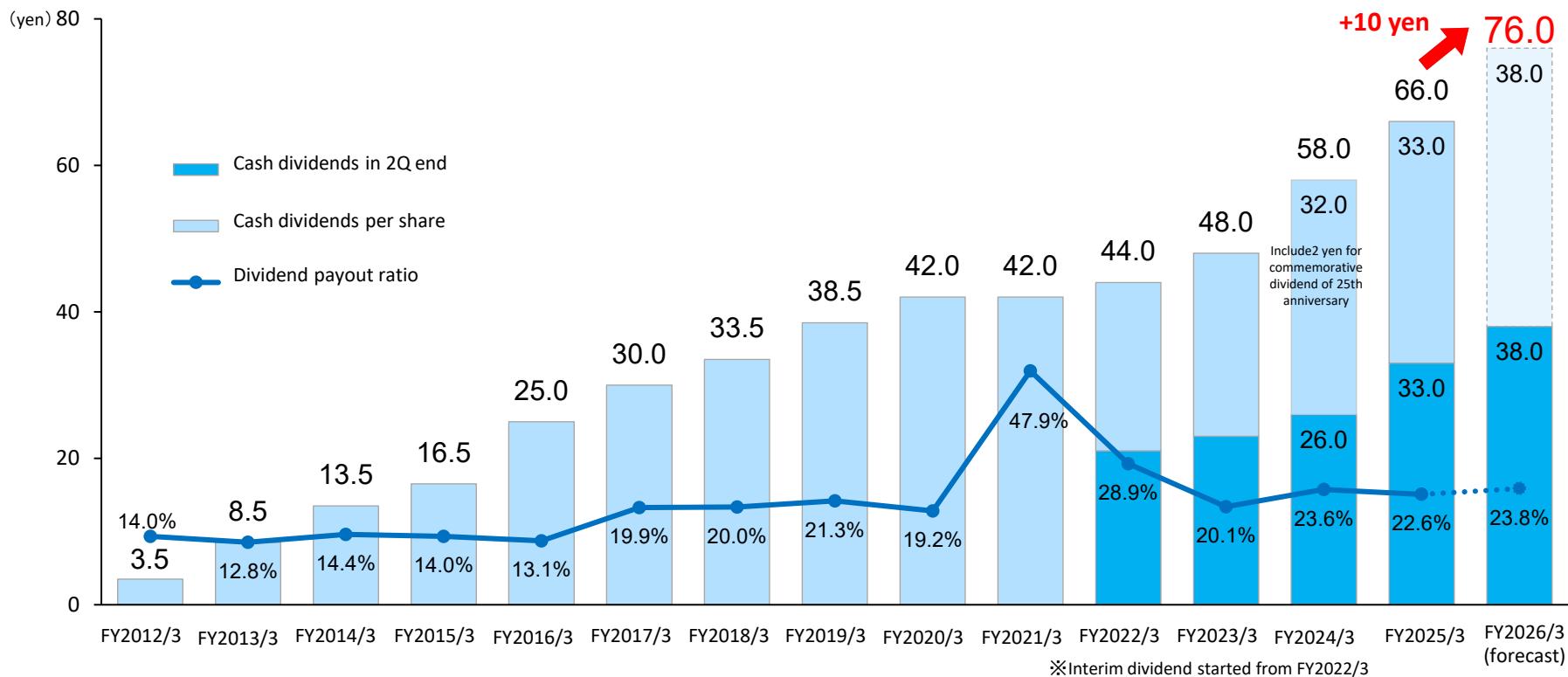


SUN FRONTIER

Return to shareholders -Dividend-

The Interim dividend is 38.0 yen as initial forecast.

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.



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 2026)

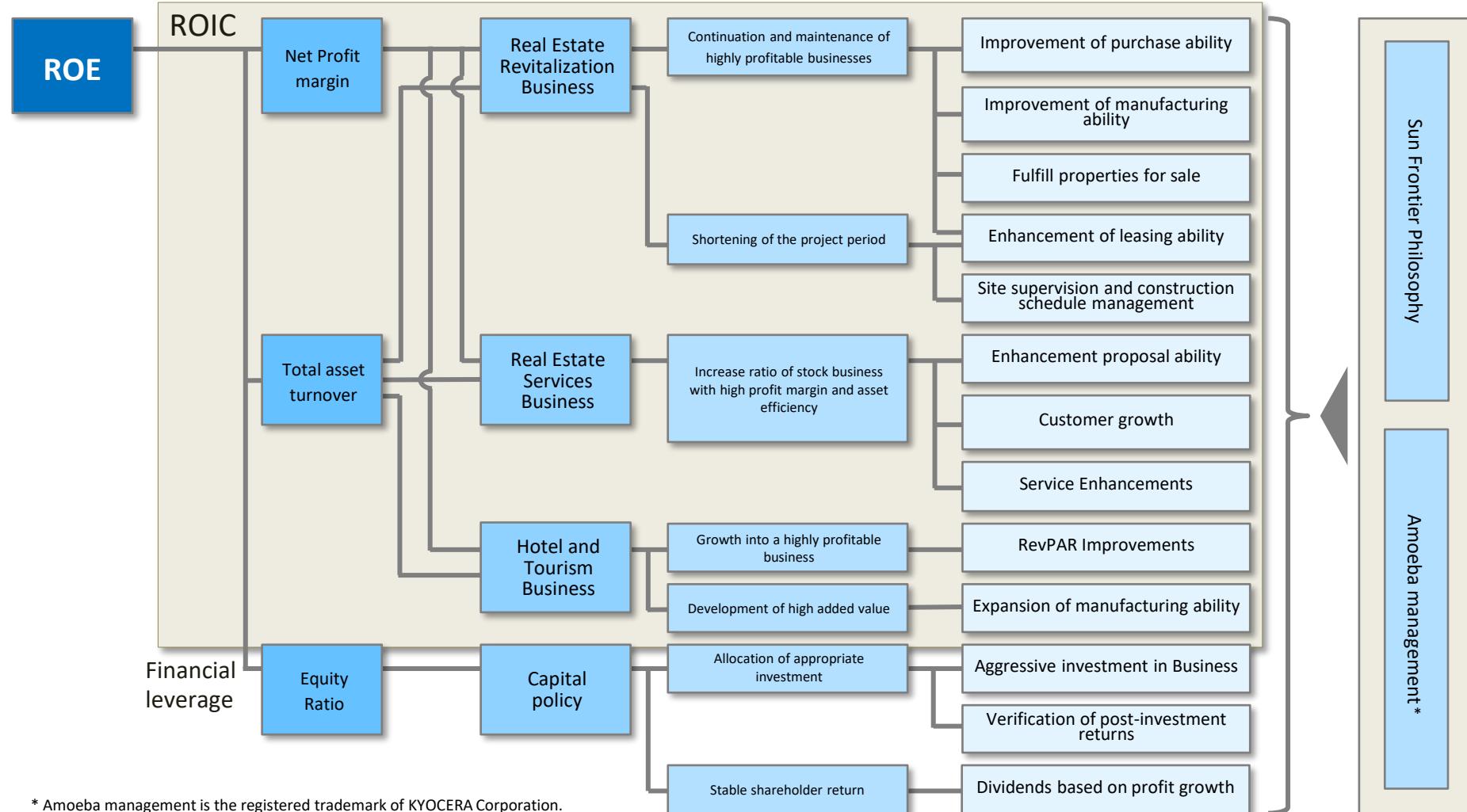


Through the sustainable growth of EPS, we will simultaneously improve shareholder value and implement a stable capital policy.



Drivers to improve ROE

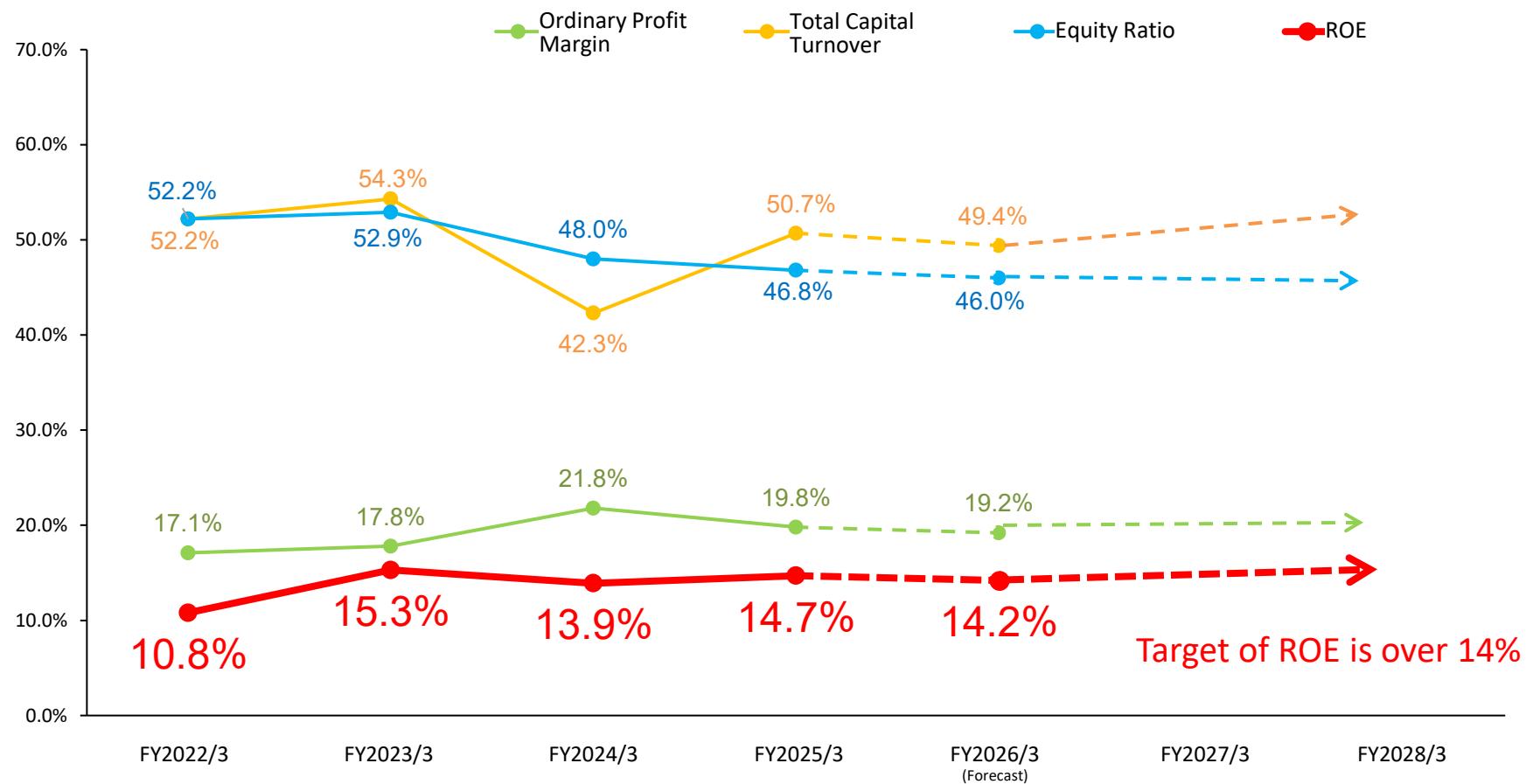
Permeation of philosophy and amoeba management enhances employee engagement and promotes businesses through fully participatory management approach. Improve ROE by enhancing ROIC while maintaining financial discipline.



* Amoeba management is the registered trademark of KYOCERA Corporation.

Trends of ROE and each indicator

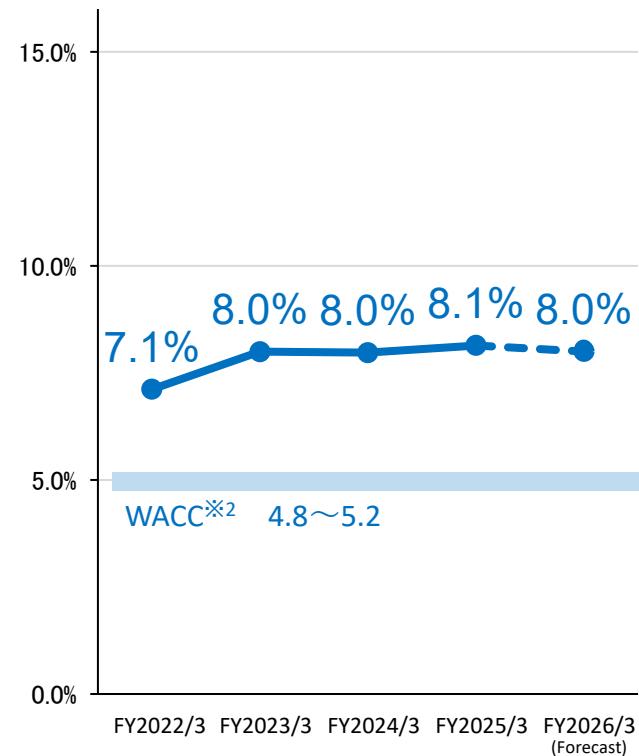
Ordinary Profit Margin	x	Total Capital Turnover	x	Equity Ratio	=	Improving ROE
Enhance added value in clients' point of view and evolve and grow highly profitable businesses.		Increase efficiency by shortening project period and increasing stock business sales.		Maintain financial soundness while promoting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



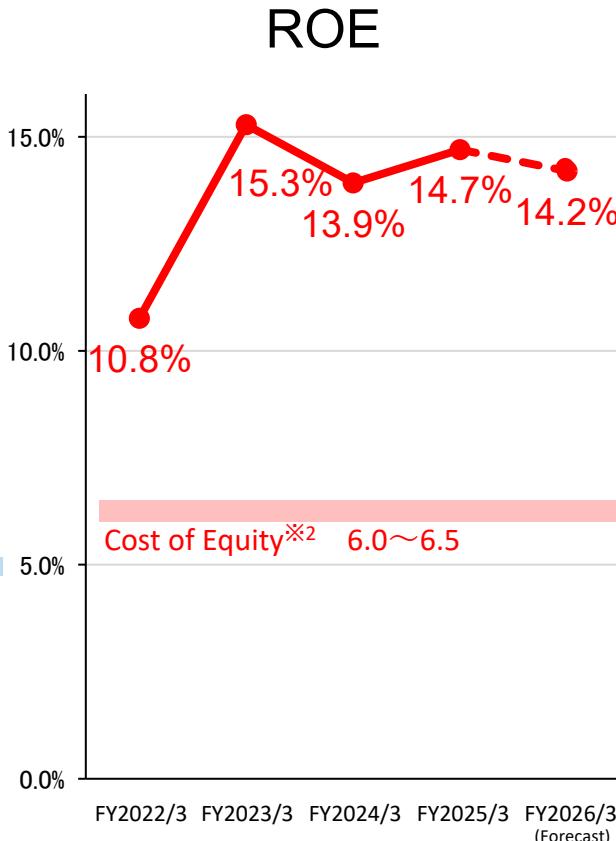
Profitability Continues to Exceed the Capital Cost

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

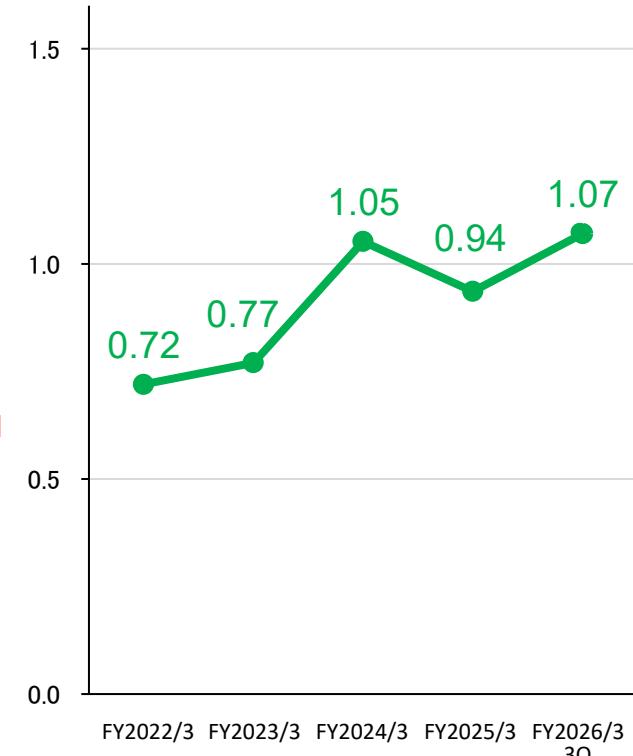
ROIC



ROE



PBR ^{※1}



※1 PBR is the figure at each period-end.

※2 The cost of equity is calculated using the Capital Asset Pricing Model (CAPM).

It is assumed that the cost of equity will remain in the range of 6.0% to 6.5%, consistent with the median of the past four fiscal years. Similarly, the Weighted Average Cost of Capital (WACC) is expected to remain in the range of 4.8% to 5.2%, based on the median of the past four fiscal years.

Strengthening IR Activities

Engage in proactive dialogue with the capital markets

Sun Frontier IR website



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	60times (3Q)
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	Scheduled on Mar 7 2026
Property visit ※for analysts and institutional investors	Invite to RP properties Invite to sites of Vision Center	9 times 1 time	5 times 1 time	3 times (3Q) - -

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/shareholder_benefit_plan/



Philosophy and Business Initiatives



SUN FRONTIER

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

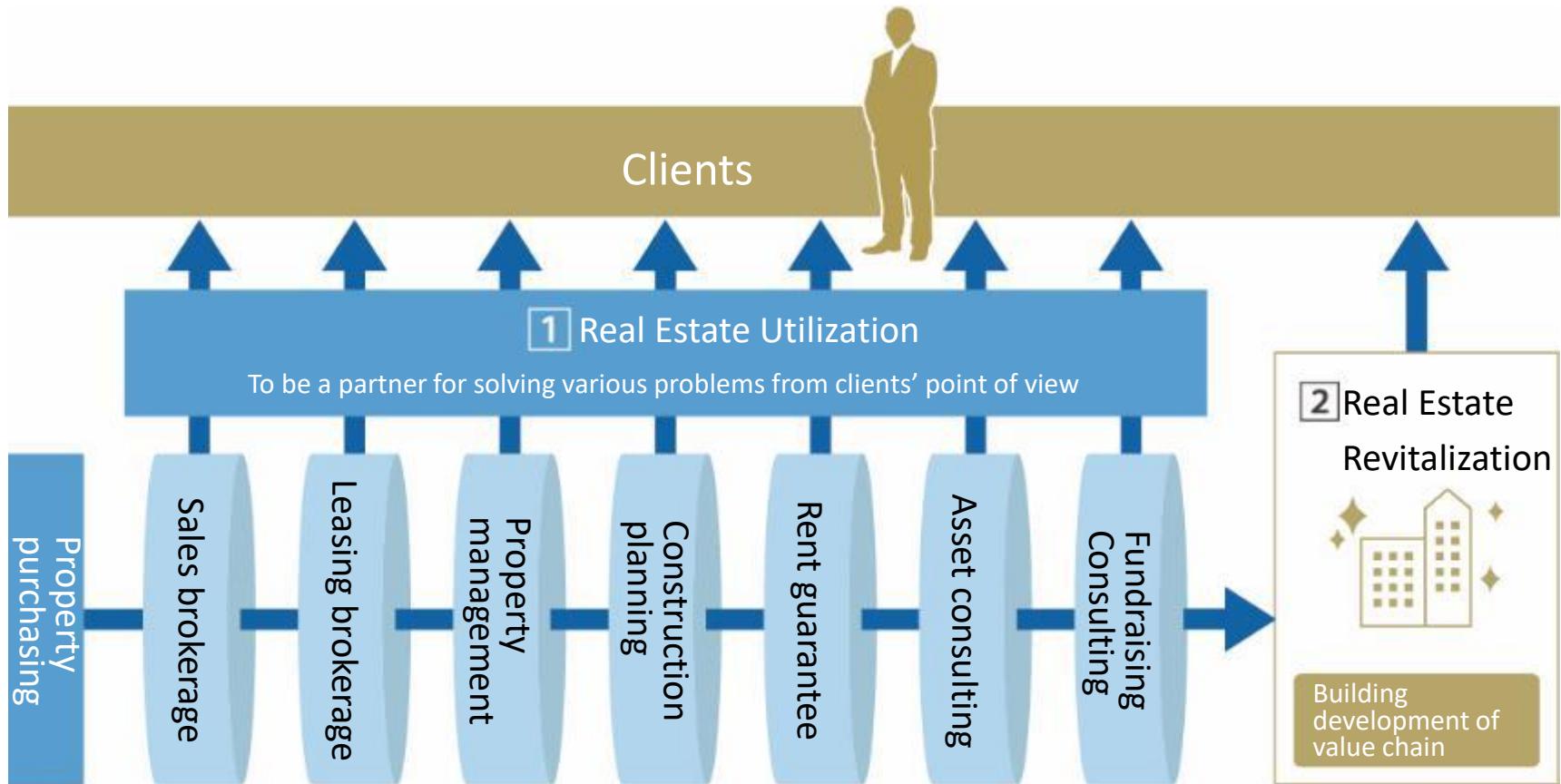


Important Challenges	Social Issues to be Solved	Key Measures	Specific Measures	Indicators and Targets	Results for FY2024/3	Results for FY2025/3
Environmental Protection	Global Warming Caused by Greenhouse Gas Emissions	Reduction of Greenhouse Gas Emissions from Business Activities	Suppression of Greenhouse Gas Emissions from Construction through Real Estate Revitalization	CO ₂ Emission Reduction Rate Compared to Building Reconstruction. Reduction Rate: 12% (Theoretical Value)	12.7%	12.8%
			Offsetting Greenhouse Gas Emissions from Construction in Real Estate Revitalization through Credits	Carbon Offset Implementation Rate in Real Estate Revitalization Properties. Carbon Offset Implementation Rate: 100%	100.0%	100.0%
			Reduction of Greenhouse Gas Emissions from In-house Business Activities	Greenhouse Gas Emissions (Scope 1, 2). Compared to FY2022 FY2030: 22% reduction (Annual 2.7% reduction) FY2050: Carbon Neutral	1.8% decrease	11.7% increase
	Resource Conservation and Waste Reduction (Biodiversity)	Extending the Healthy Lifespan of Real Estate	Extension of Economic Service Life of Buildings through Real Estate Revitalization	Rate of Extension of Economic Service Life. Average Extension Rate: 30% or more	54.1%	59.5%
			Improving Occupancy Rates of Aging Buildings through Total Real Estate Support	Occupancy Rate of Buildings Over 30 Years Old. Average Occupancy Rate: 90% or more	93.8%	92.8%
				Building Management Continuation Rate to Achieve the Above (Occupancy Rate of Buildings Over 30 Years Old). Building Management Continuation Rate: 90% or more	98.0%	98.0%
Regional Revitalization	Revitalization of the Regional Economy / Response to Increasingly Severe Natural Disasters	Creating Buildings, Offices, and Spaces that Provide "Worthwhile Work" and "Creativity" Contributing to Economic Growth	Promotion of Real Estate Revitalization with Consideration for Well-being	Percentage of Newly Supplied Replanning Properties Exceeding Internal Standards. FY2025: 50% FY2030: 70%	68.8%	76.0%
			Disaster Prevention and Mitigation through Regional Cooperation	Tenant Survey (Satisfaction Survey) (Company-owned Properties). Conducted Annually	Completed	Completed
				Number of Office Sections Equipped with Disaster Prevention Tools or Installation Spaces. FY2024: 20 units FY2027 : 50 units FY2030: 75 units	9 units	33 units
			Providing Information to Enhance Tenants' Awareness of Disaster Prevention	Posting Rate of Disaster Prevention Information on Dedicated Websites (Company-owned Properties). 100%	100.0%	100.0%
Human Development	Decline in the Working-Age Population (Reduction in Actual Labor Force) Due to Declining Birthrate and Aging Population, and Elimination of the Gender Gap	Respect and Utilization of Diversity	Development of Workplace Environments and Provision of Flexible Training Opportunities Tailored to Employees' Life Stages	Ratio of Female Managers (Sun Frontier Fudousan). FY2035: 15% or more	10.3%	9.2% (As of April 1, 2025)
		Creating Workplaces with "Worthwhile Work," "Creativity," and "Opportunities for Growth"	Development of Next-generation Leadership Programs and Support Systems for External Training	Training Hours Ratio to Prescribed Working Hours (Sun Frontier Fudousan). 12% or more	12.1%	12.0%
			Utilization of DX, Business Process Improvements, and Enhancement of Individual Capabilities	Ordinary Profit per Hour (Per Full-time Employee at Sun Frontier Fudousan). Increase year-on-year	▲8%	35.6%

※Excerpt of Specific Measures with established KPIs

Strengths in Office Business

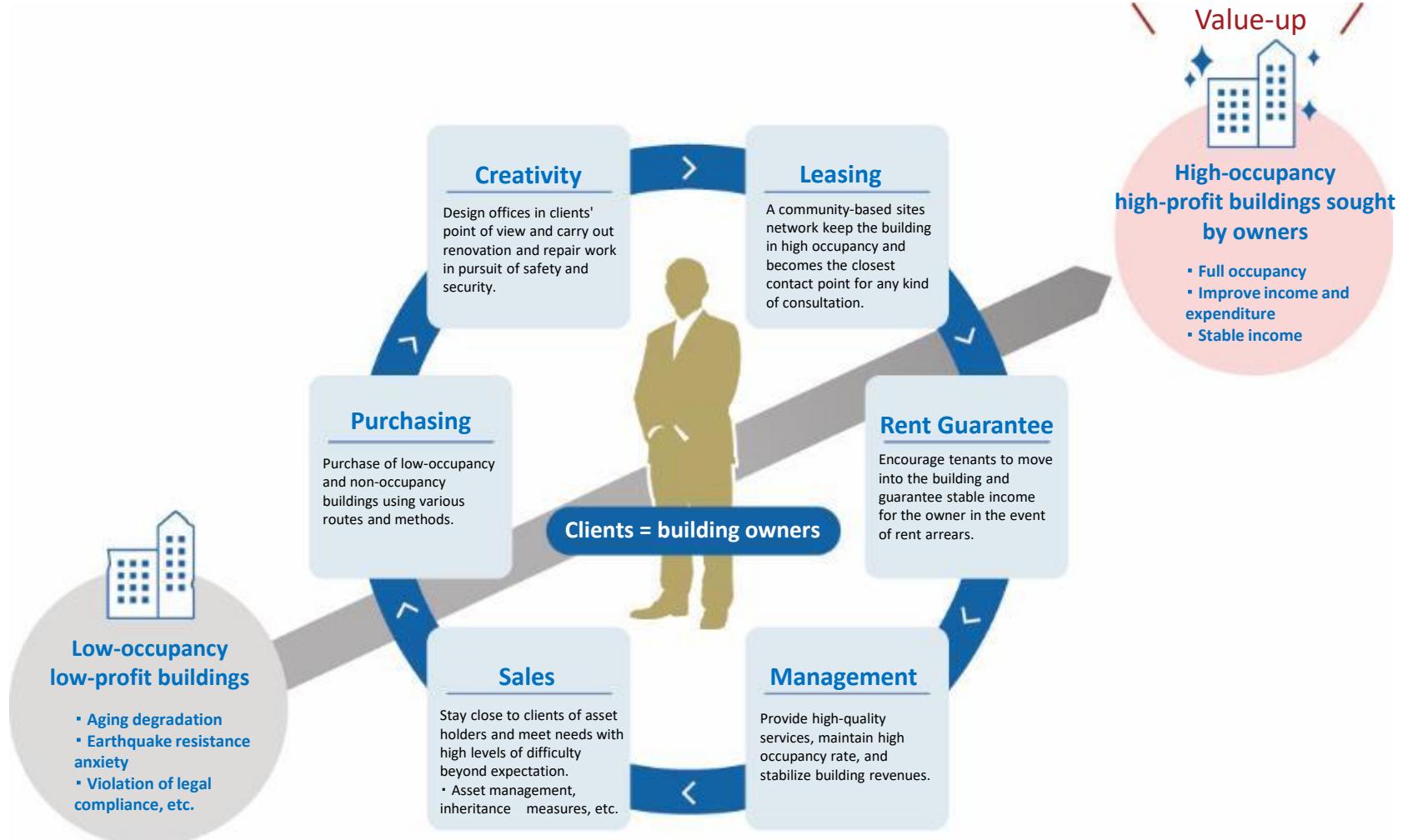
With in-house processes from procurement to development, occupancy, sales, and support, we solve various problems by getting client's needs correctly.



- 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

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.”



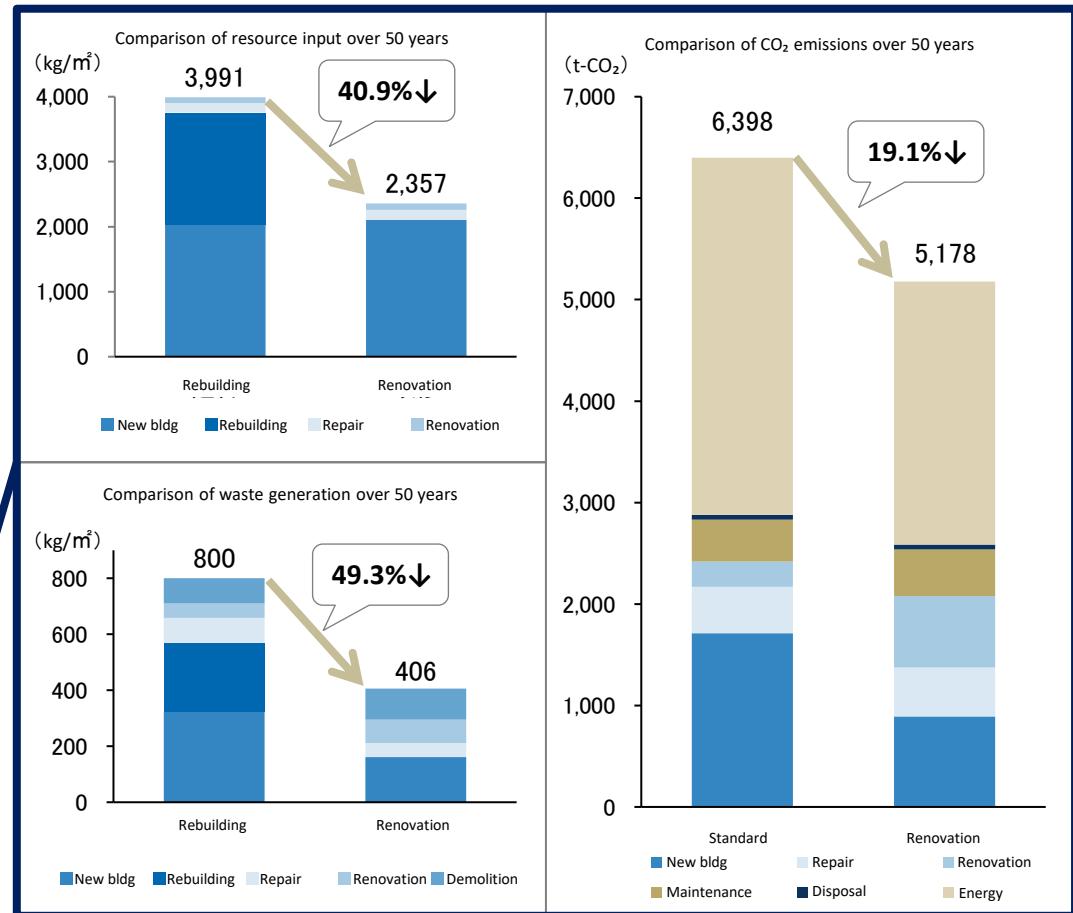
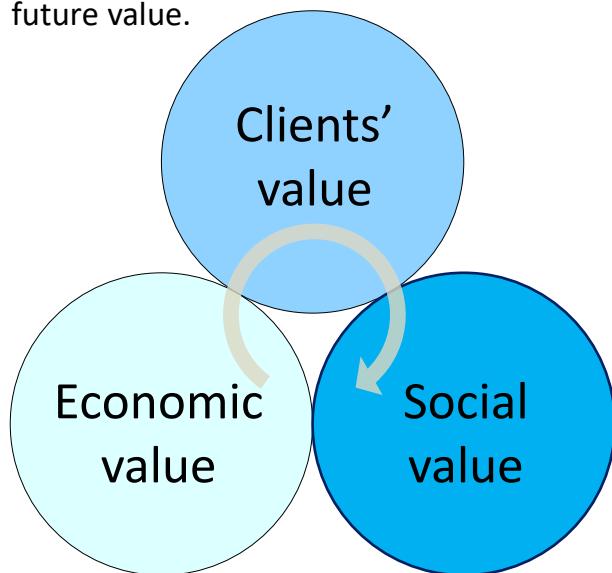
Create both Customer Value and Social Value

Solving social issues through supporting our clients' business.

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

II

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.

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.



SADO

Sado Island,
Niigata Prefecture



UNESCO World Heritage Centre

Aikawa Gold and
Silver Mine



HOTEL OOSADO



UNESCO World Heritage Centre
Nishimikawa Placer
Gold Mine

Miyakojima City

- Tabino Hotel lit Miyakojima (opened in Jun 2021)
- Construction and sale of condominiums for rent
- Operation of Coral Port, a restaurant within Shimojishima Airport

Kakogawa City

- Tabino Hotel Kakogawa Befu Station (opened in Sep 2025)
- Concluded an “Agreement on Assistance and Cooperation in the Event of a Disaster”

Ishikari City

- Tabino Hotel Ishikari (opened in Oct 2025)
- Concluded a “Comprehensive Partnership Agreement”

Rokkasho Village

- Tabino Hotel Rokkasho (scheduled to open in Oct 2026)
- Concluded a “Basic Agreement on the Establishment of a Place of Business”

Sakata City

- Tabino Hotel lit Sakata (scheduled to open in Dec 2026)
- Concluded a “Partnership Agreement for Regional Development”

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

Sales for Condominium Project No. 2 will begin in March 2026, with completion scheduled for the first half of FY2027.



HIYORI
Aqua Tower

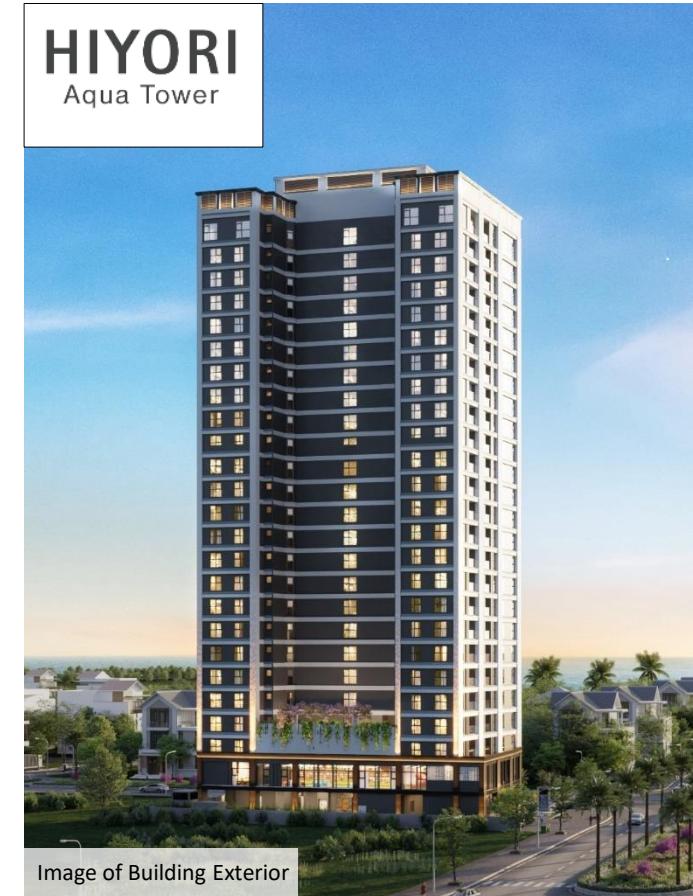


Image of Building Exterior



Interior perspective drawing

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



References Materials

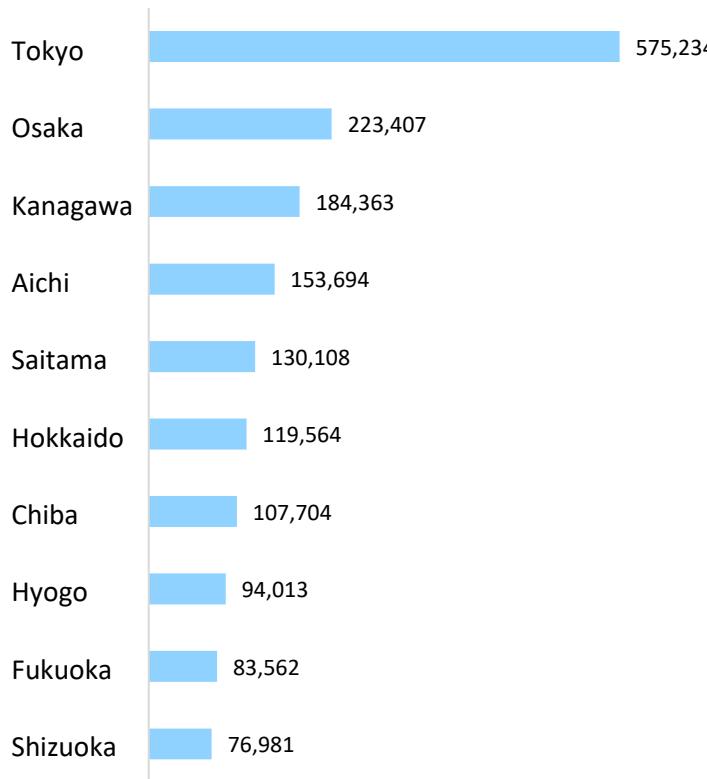


SUN FRONTIER

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

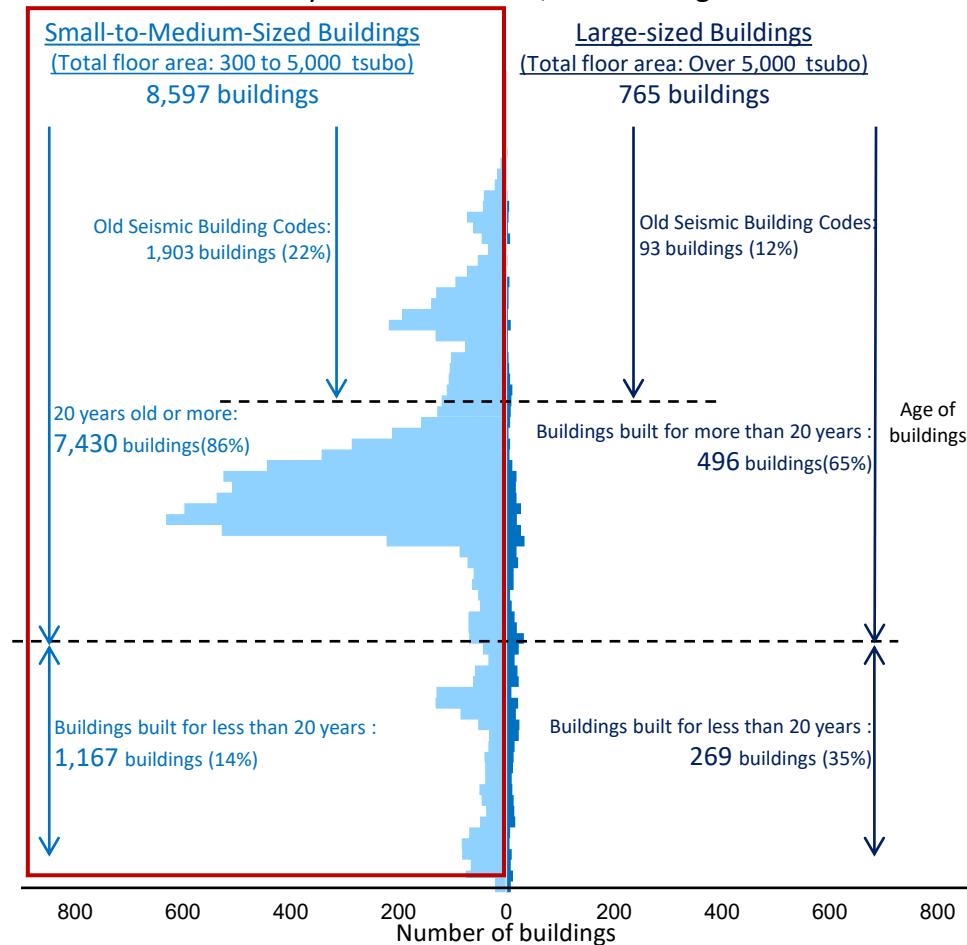
In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Top 10 Prefectures by Number of Corporations



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

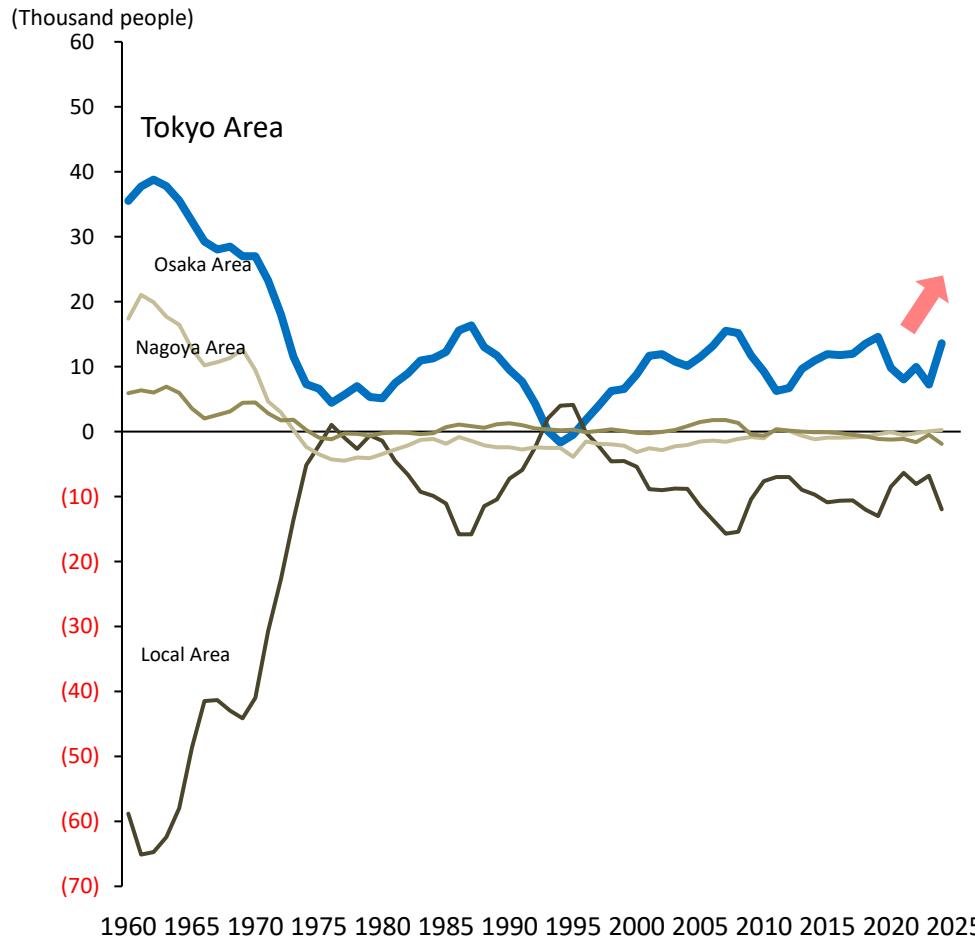
Tokyo 23 cities with 9,362 buildings



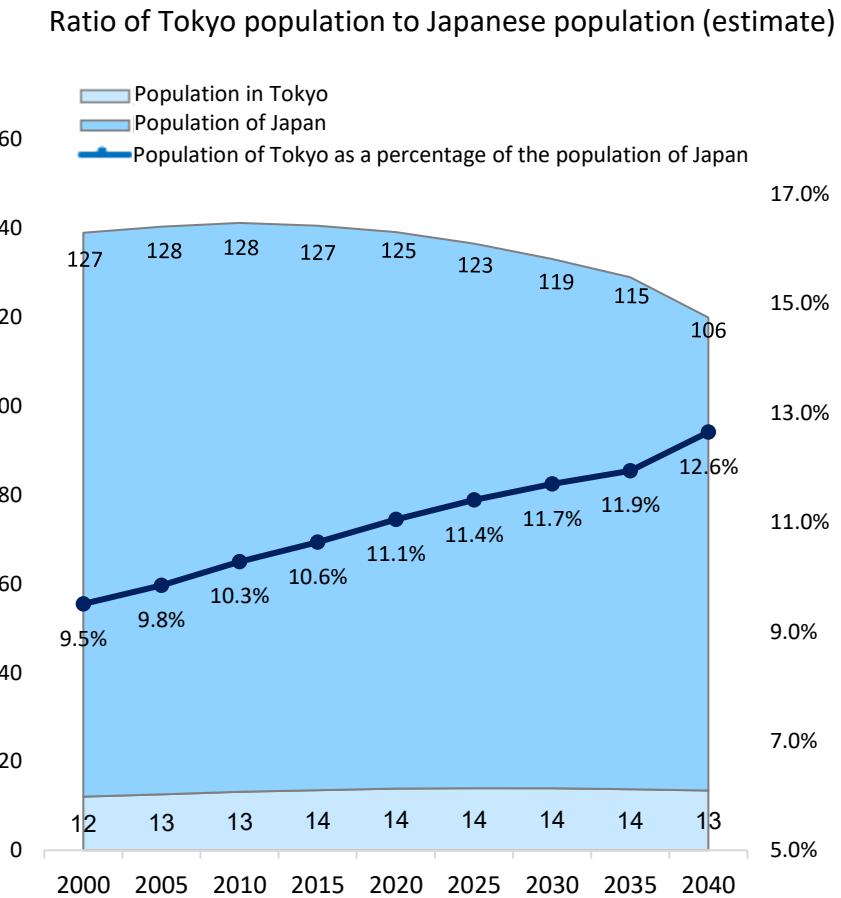
Source : Created by us based on "Tokyo 23 cities Office Pyramid 2026 (based on the number of buildings)" (Xymax Real Estate Institute)

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"



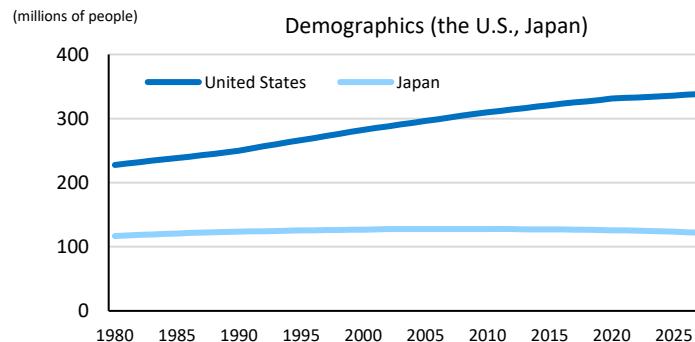
Source: Compiled by the Company based on Tokyo Metropolitan Government statistics - "Population of Tokyo (Estimate)."

Overseas Markets (the U.S., Vietnam)

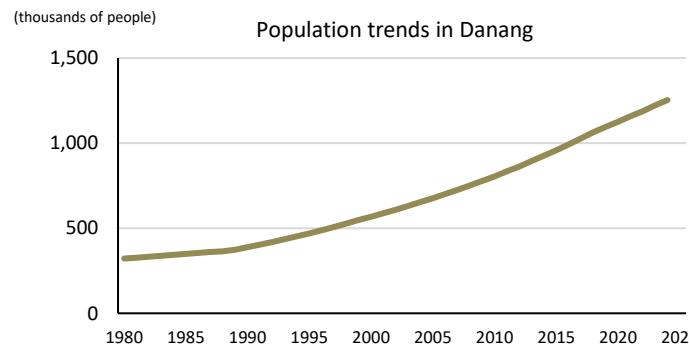


Supplying Japan's high-quality residential real estate in the United States (New York) and Vietnam (Danang), where population growth and high growth rates continue

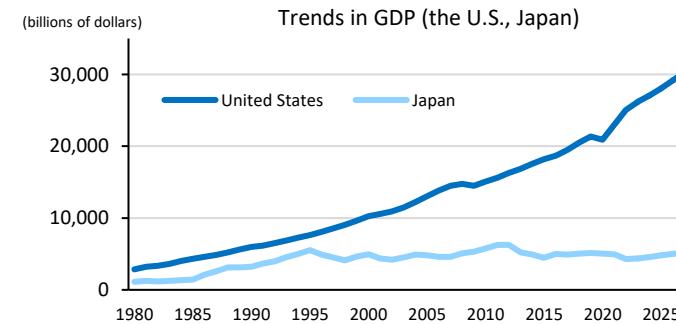
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



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.



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.



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.

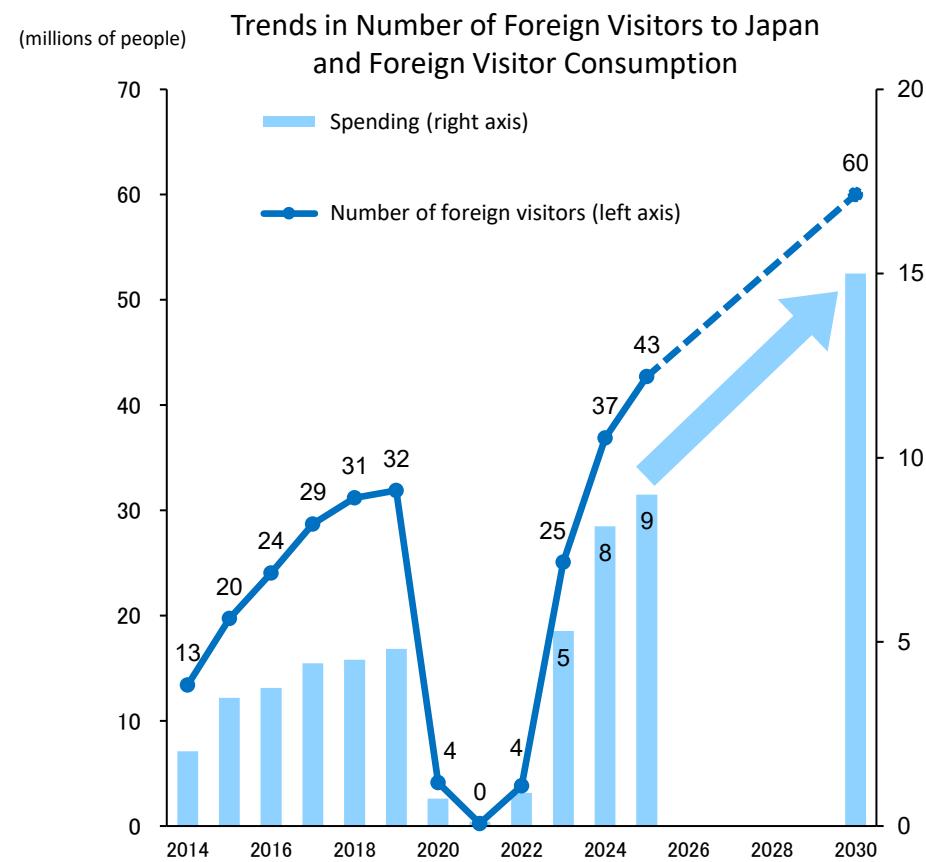
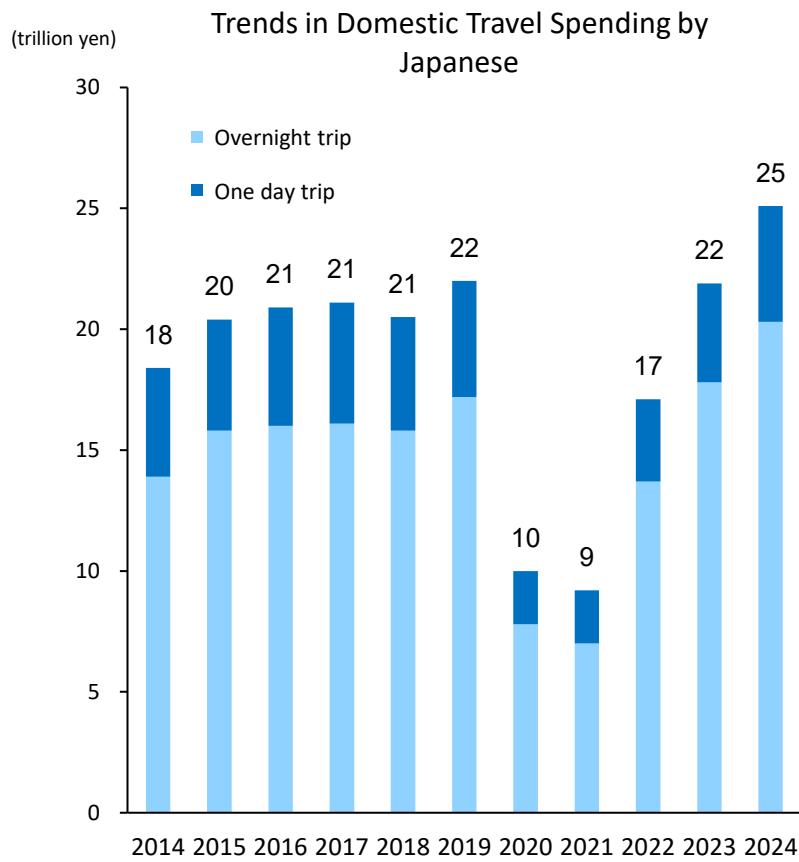


Source: IMF World Economic Outlook database (prepared by the Company)

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

Environment

As of December 30, 2025

Three RP buildings were selected for MLIT's model project for value-enhancing renovations of small and mid-sized buildings.



Acquired BELS for 23 properties

Actual number of RP buildings
Total 524 buildings

Carbon Offset Cumulative
total 3,493t-CO2e
RP construction
74 buildings
1,411t-CO2e



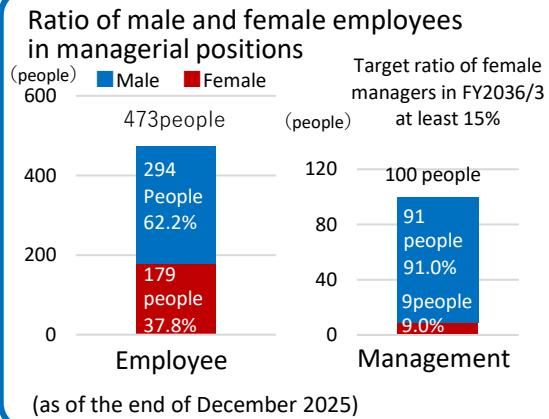
Greenhouse Gas Emissions
Reduction Rate: 12.7%



Sustainability website



Social



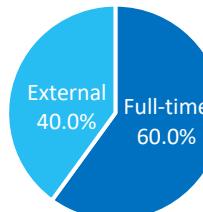
Childcare leave
acquisition rate for male : 21.4% (YoY +11.4pt)
Including our own childcare leave system : 71.4%
Return to work for female : 89.3%
(as of the end of March 2025)

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)

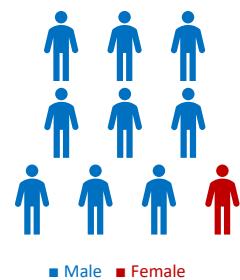
Governance

As of December 30, 2025

Ratio of Outside Officers 1/3 or more

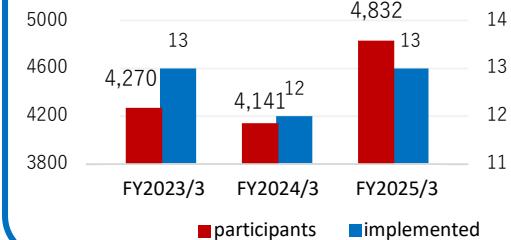


Female Directors
1 out of 10



Compliance-related training

Number of times implemented : 13
Cumulative number of participants : 4,832people (YoY +691 people)



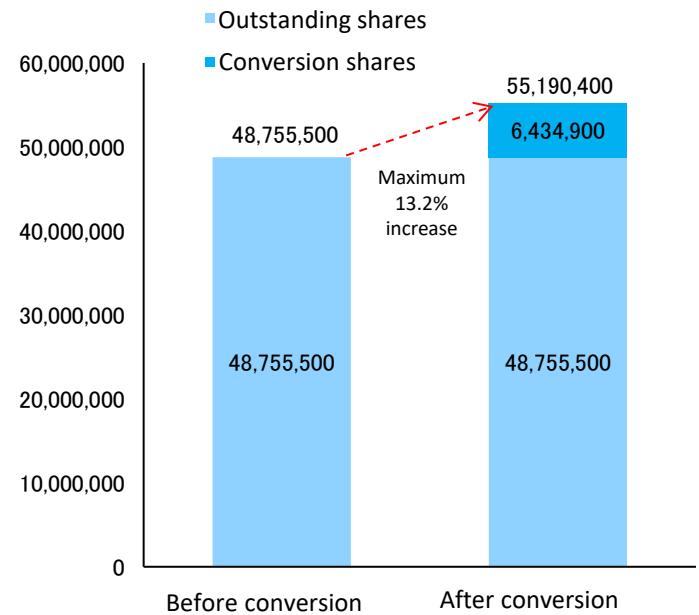
Conversion conditions of CB

Type	Convertible bonds with share acquisition rights	Maturity	5 years	Specific use of funds	Amount
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	Acquisition of land in conjunction with new hotel development and construction work investment	Approx. 8 billion yen
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.	M&A funds primarily for the hotel development business and construction business	Approx. 2 billion yen
Bond interest rate	0%				

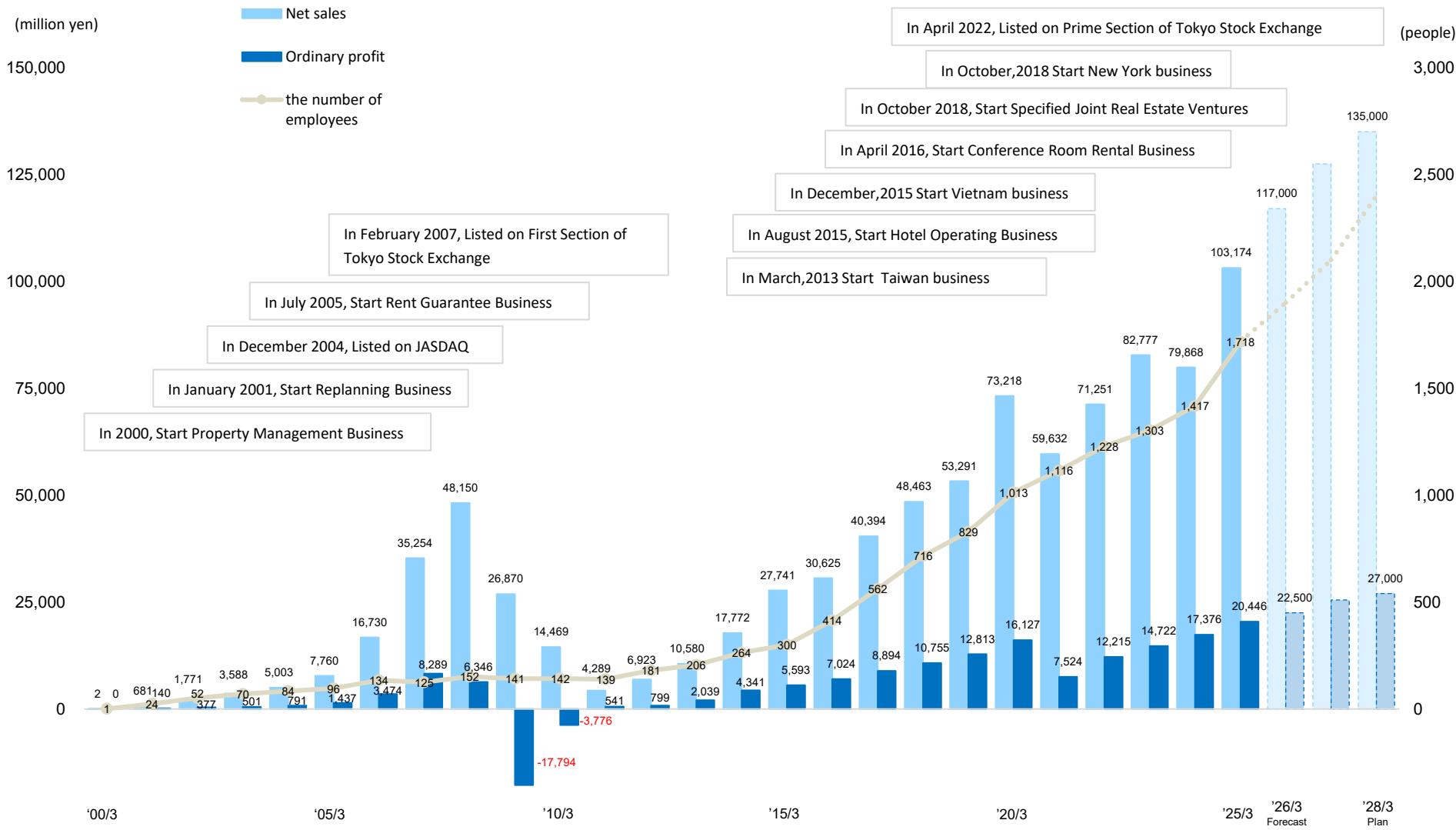
Issuance 2023/10 After 1 year 2024/10 After 2 years 2025/10 After 3 years 2026/10 After 4 years 2027/10 After 5 years 2028/10

Business alliance						
	■ Outstanding shares	■ Conversion shares	■ Total shares	■ Outstanding shares	■ Conversion shares	■ Total shares
Conversion of CB with share acquisition rights	Non-exercisable in principle	In principle, convertible (exercisable) only when exceeding 120% 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.	55,190,400	48,755,500	6,434,900	55,190,400
	Dilution will not occur.	If the AP fund sells shares on the market after converting convertible bonds into shares, it cannot sell more than 25 percent of the total daily volume. AP is prohibited from transferring the converted shares to any of our competitors or activists.	48,755,500	48,755,500	6,434,900	55,190,400

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 *	1,072 employees (1,888 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 December 2025

Thank you for your continued support.

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- ◆ Although we have made every effort to ensure the contents of this document, we can not guarantee their accuracy or certainty. Please note that they are subject to change or removal without notice.

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