

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

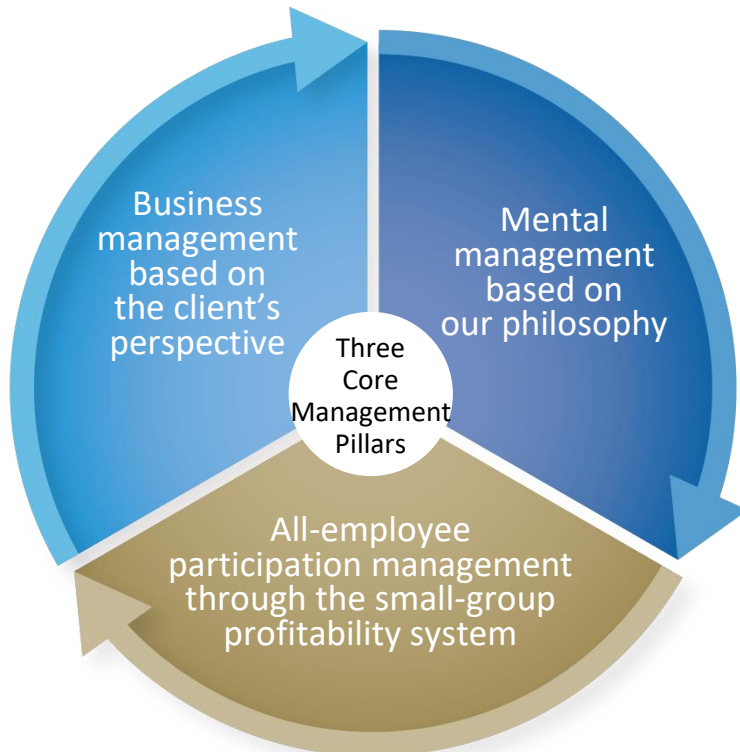
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About Sun Frontier Group

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



SUN FRONTIER

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 | As of the End of | Compared to the End of March 2025 | | forecast for | |
| | March 2025 | Decmeber 2025 | increase/decrease | change rate | FY2026/3 | |
| 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

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.

■ Real Estate Service Business

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

■ Hotel and Tourism Business

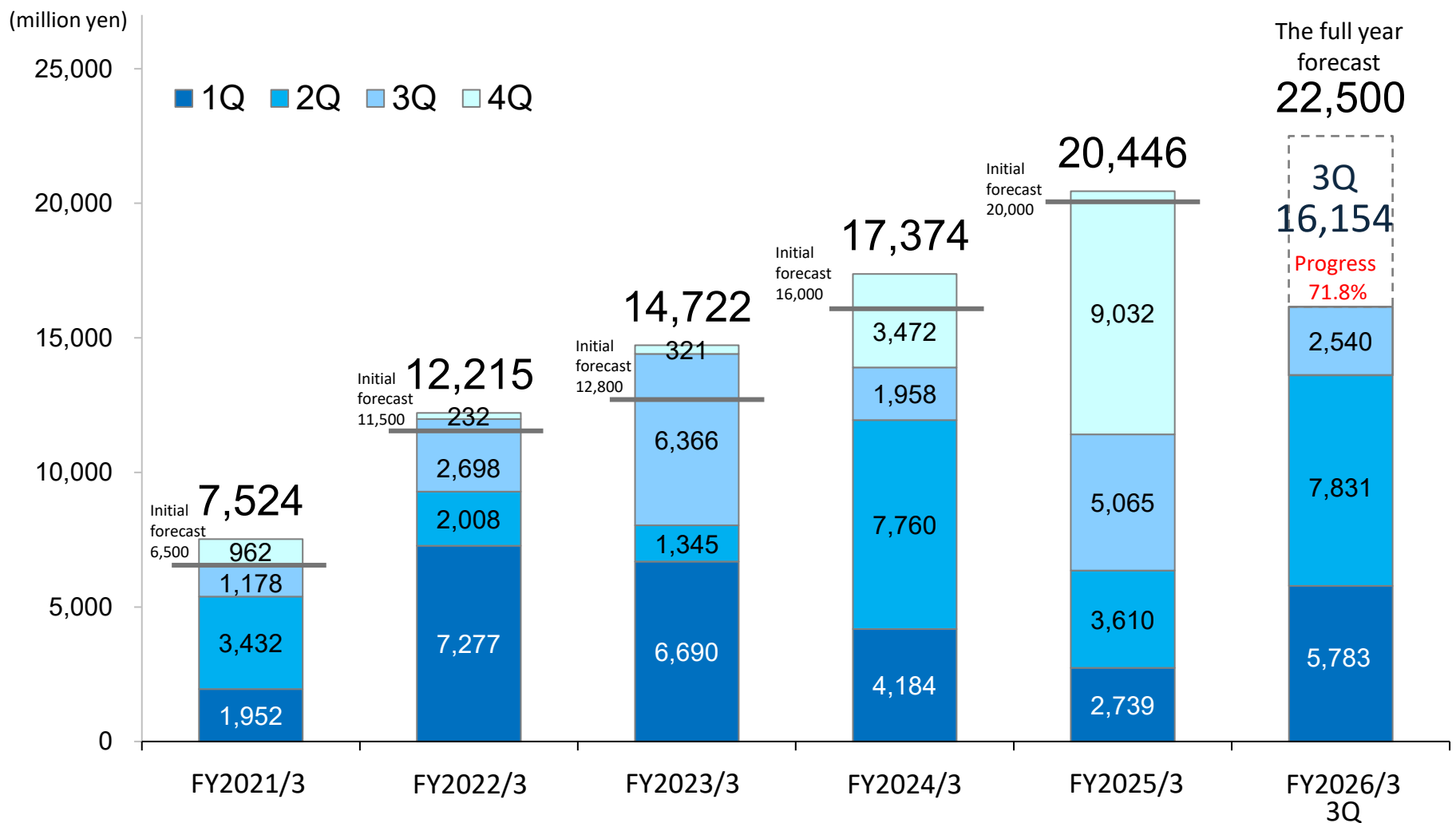
Sales and profit increased as average daily rates and occupancy rates increased due to continued strong tourism demand and strengthening our operational capabilities.

■ Others

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 Decmeber 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 Decmeber 2025 | increase/decrease (compared to the End of March 2025) | |
|----------------------------------------|--------------------------------|-----------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|
| Current Liabilitoes | 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 | Decreased 3,000 million yen due to redemption of preferred stock |
| 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 | |
| Total Net Assets | 105,892 | 109,295 | 3,403 | |
| TotalLiabilities 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 3Q | FY2026/3 3Q | YoY | | forecast for FY2026/3 | |
|--------------------------|----------------|----------------|-------------------|-------------|-----------------------|---------------|
| | | | increase/decrease | change rate | forecast | progress rate |
| Net Sales | 38,305 | 46,763 | 8,458 | 22.1% | 81,340 | 57.5% |
| Replanning Business | 36,343 | 43,928 | 7,584 | 20.9% | 78,440 | 56.0% |
| Rental Building Business | 1,961 | 2,834 | 873 | 44.5% | 2,900 | 97.8% |
| Gross Profit (Loss) | 11,890 | 15,039 | 3,148 | 26.5% | 25,560 | 58.8% |
| Replanning Business | 11,686 | 14,248 | 2,562 | 21.9% | 25,160 | 56.6% |
| Rental Building Business | 204 | 790 | 586 | 286.9% | 400 | 197.7% |
| Segment Profit (※) | 10,743 | 13,379 | 2,635 | 24.5% | | |
| Replanning Business | 10,539 | 12,588 | 2,049 | 19.4% | | |
| Rental Building Business | 204 | 790 | 586 | 286.9% | | |
| 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).

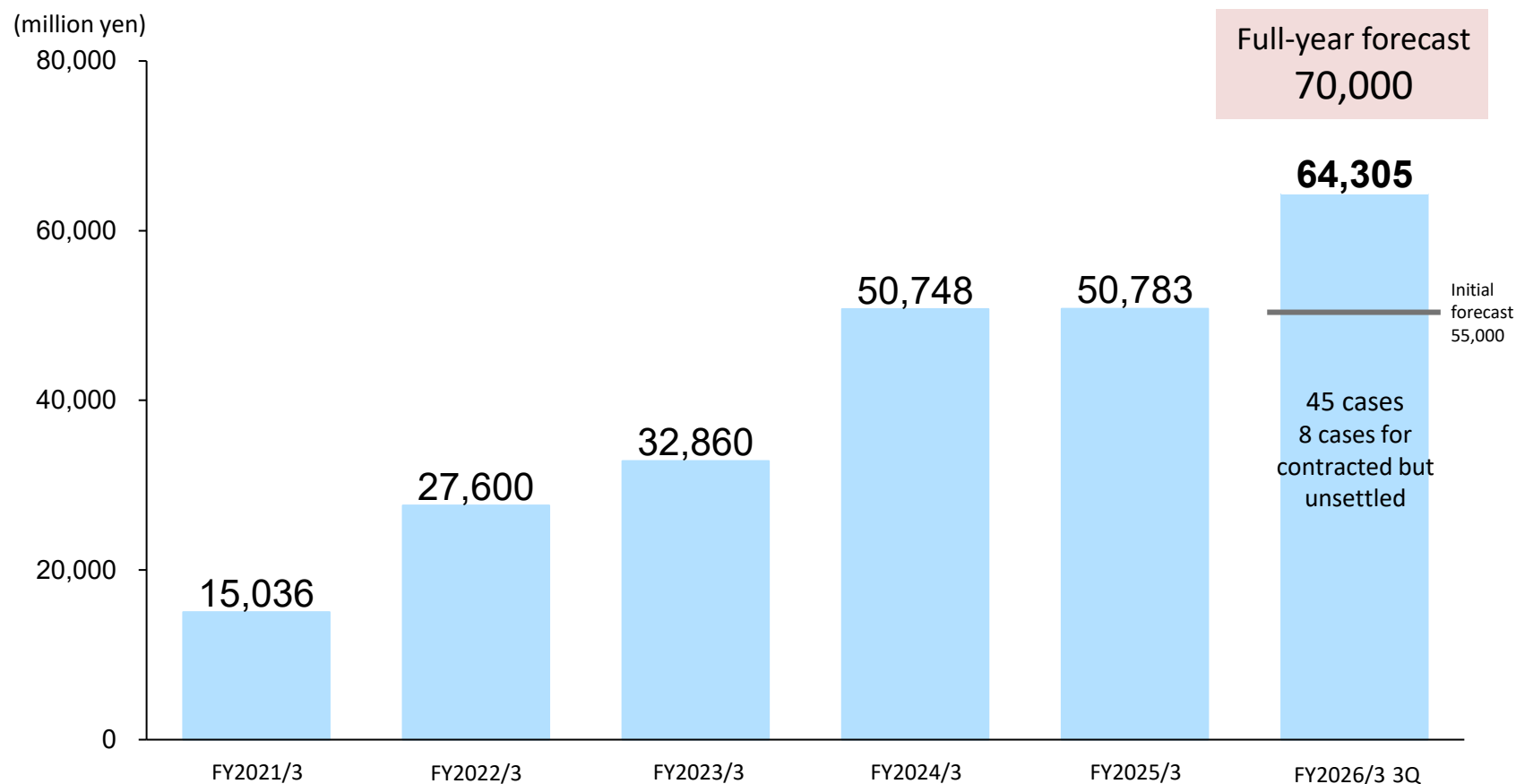
The inclusion of two newly constructed projects extended the project period slightly compared to the previous year.
- Rental Building Business**

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.

Real Estate Revitalization Business –Property Acquisition–

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

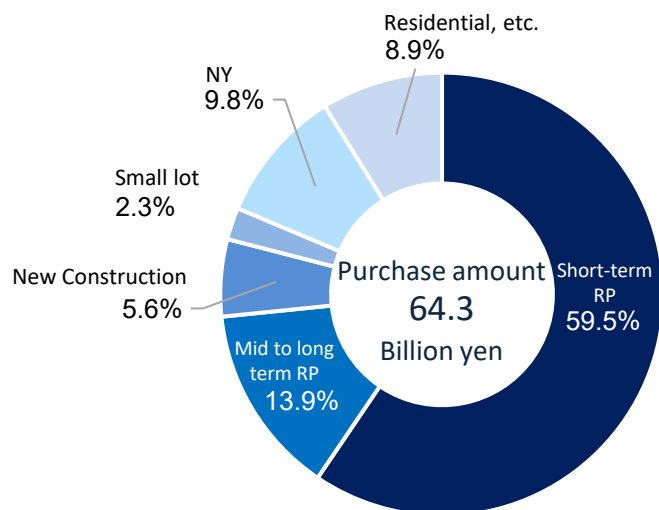
※ Including land, properties in non-current assets, small-lot real estate properties and New York properties.



Real Estate Revitalization Business –Acquisitions and Inventory Balance–

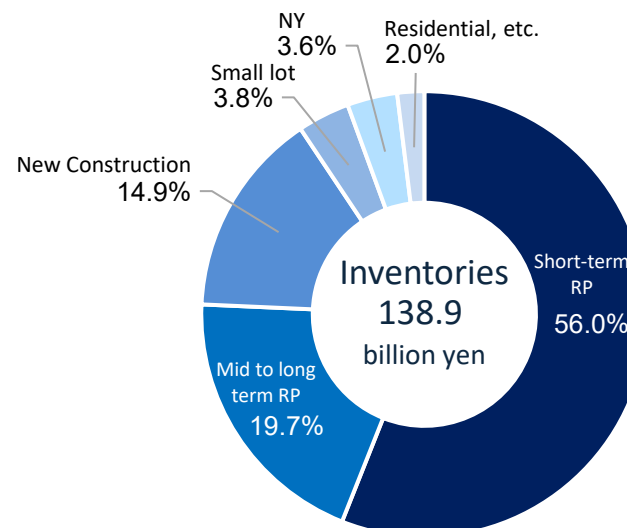
Breakdown of Property Acquisitions and Inventory Balance for the Third Quarter Cumulative Period

Breakdown of
Purchase amount for Replanning Properties



- 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).

Breakdown of
Inventories for Replanning Properties



- 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

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) | Gross profit margin (Assumed) | Net sales (Assumed) | Unrealized gains on inventories (Assumed) |
|-------------------------------------------|----------------------------------|-----------------------------|-------------------------------------------|
| 174.0~ 176.0 billion yen | 25~30% | 232.0~ 250.0 billion yen | 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.)



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 3Q | FY2026/3 3Q | YoY | | forecast for FY2026/3 | |
|--------------------------------|----------------|----------------|-------------------|-------------|-----------------------|---------------|
| | | | 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.

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 | |
|-----------------------|----------|----------|-------------------|-------------|-----------------------|---------------|
| | 3Q | 3Q | increase/decrease | change rate | forecast | progress 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

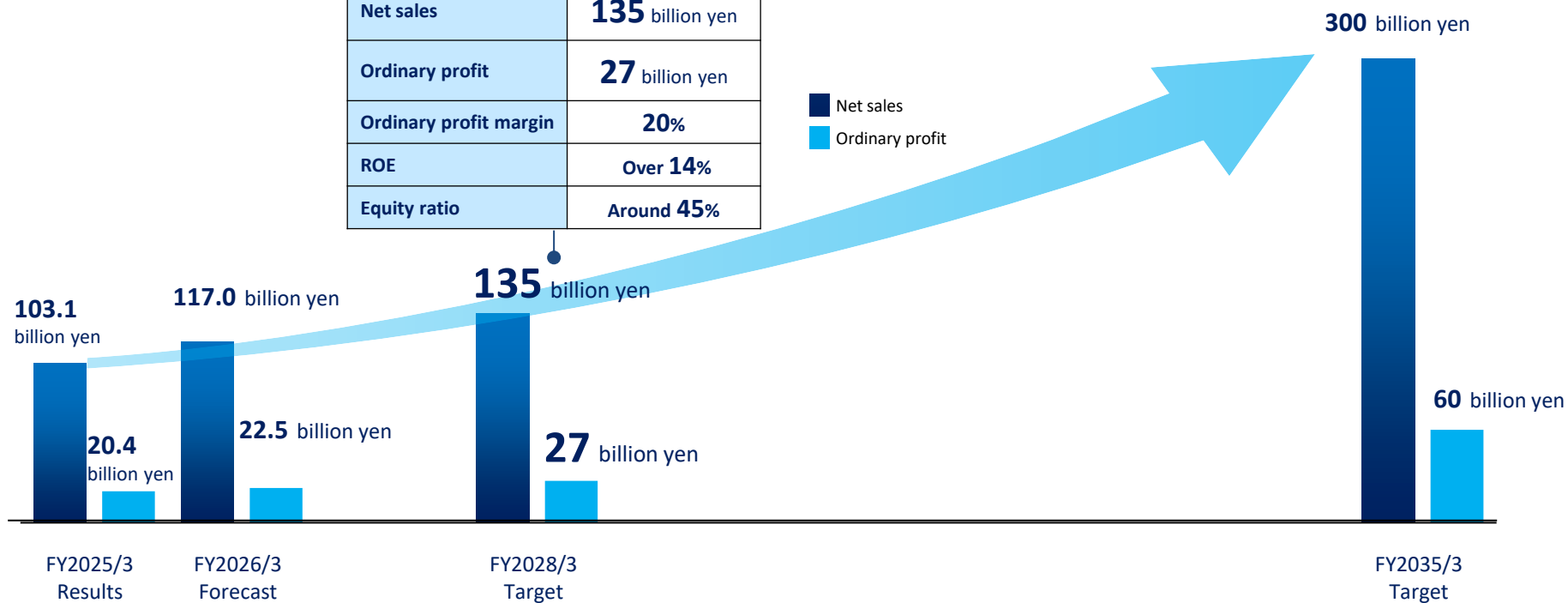
Long-term vision 2035

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% |



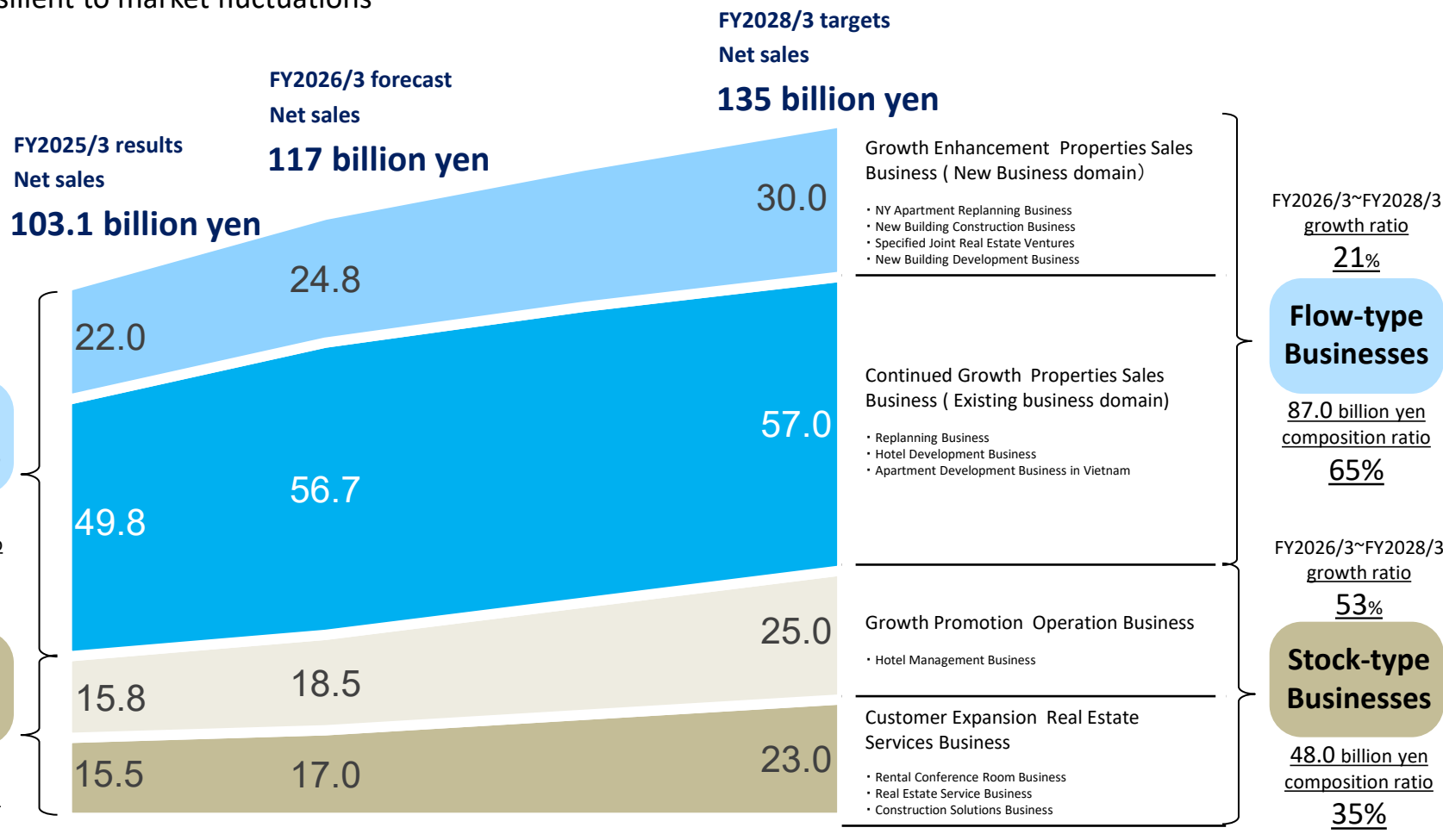
Growth Strategies

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 | Tokyo | Contribute to the realization of a sustainable society by utilizing real estate in resource recycling methods. |
| | | Business domain expansion New construction | | |
| | | Sale of small-lot (Act on Specified Joint Real Estate Ventures) | | Resolve our clients' concerns from their perspective, for their smile and excitement. |
| | Services | Real Estate Services | | |
| | Operation | Rental conference rooms | Osaka | |
| 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 | Vietnam | 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 | |
| | | | Tokyo | |

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】

| | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------|-----------------|----------------------------------------------------------------------------------------------------|
| <div>Business proceeds from sales etc. of properties</div> <div>Loans</div> <div>Cash and deposits</div> <div>322 billion yen</div> | <div>Business growth Investment</div> <div>310 billion yen</div> | 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 |
| | <div>Return to shareholders</div> | 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.

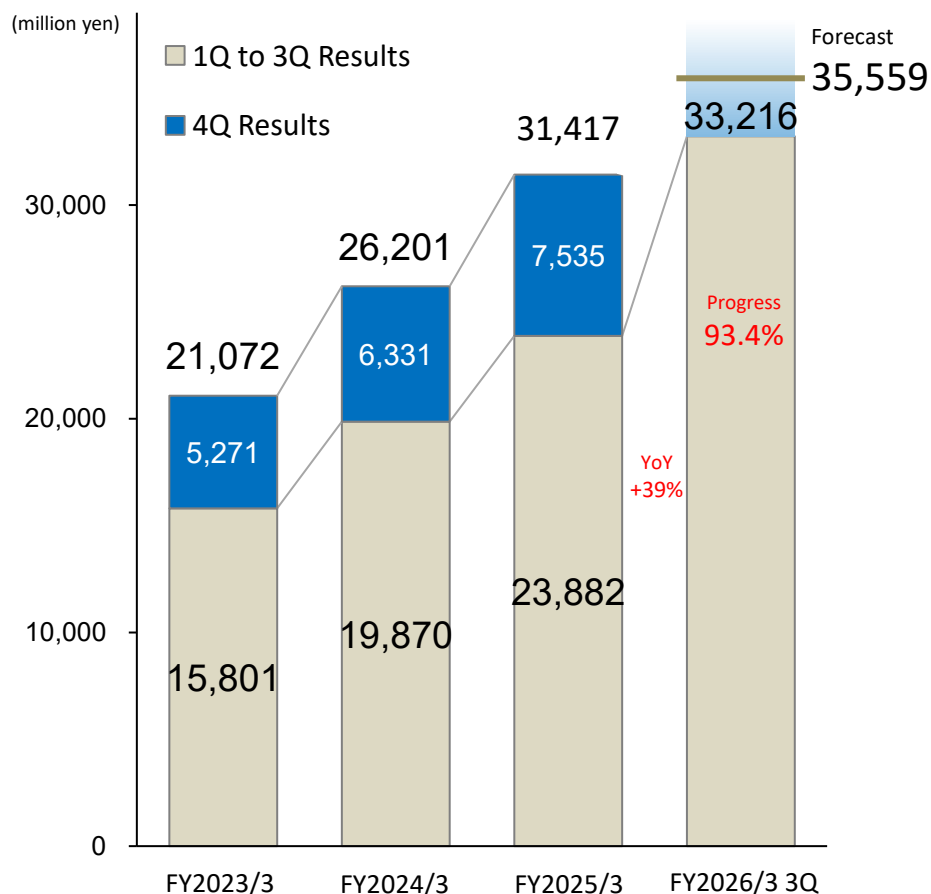
Progress of Stock-Type Businesses

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

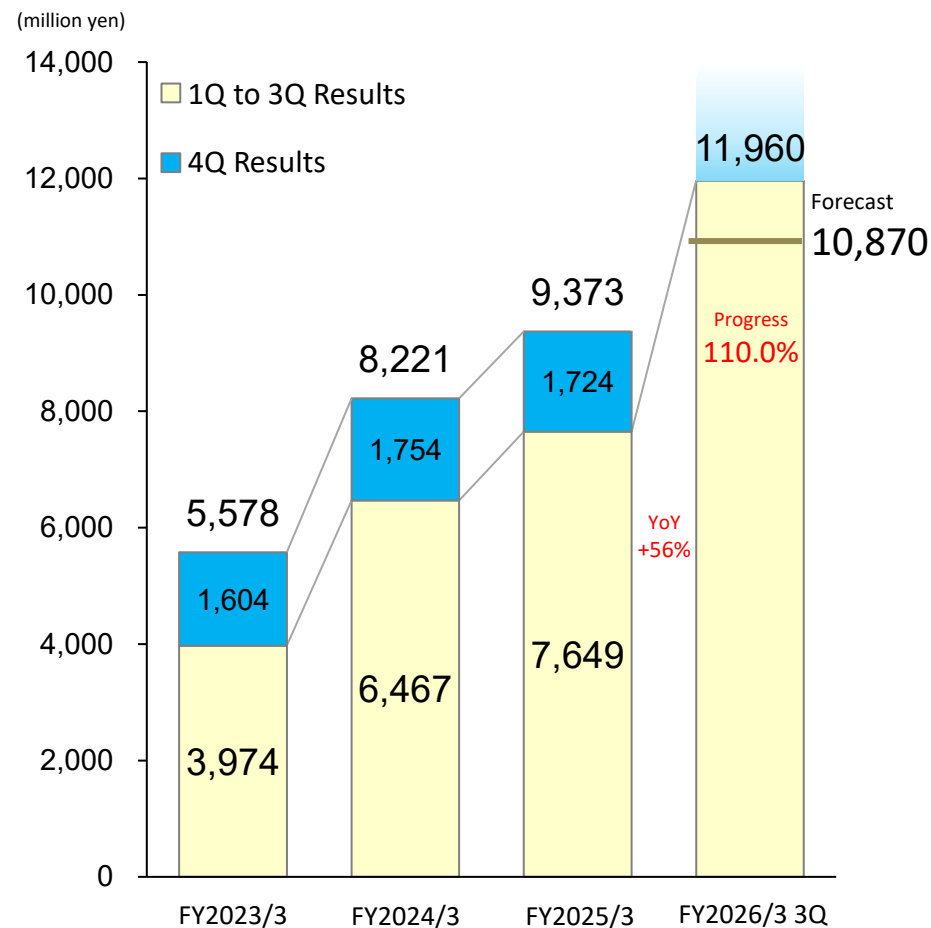


Both sales and gross profit reached record highs. The profit exceeded the full-year forecast.

Trends in Net Sales



Trends in Gross Profit

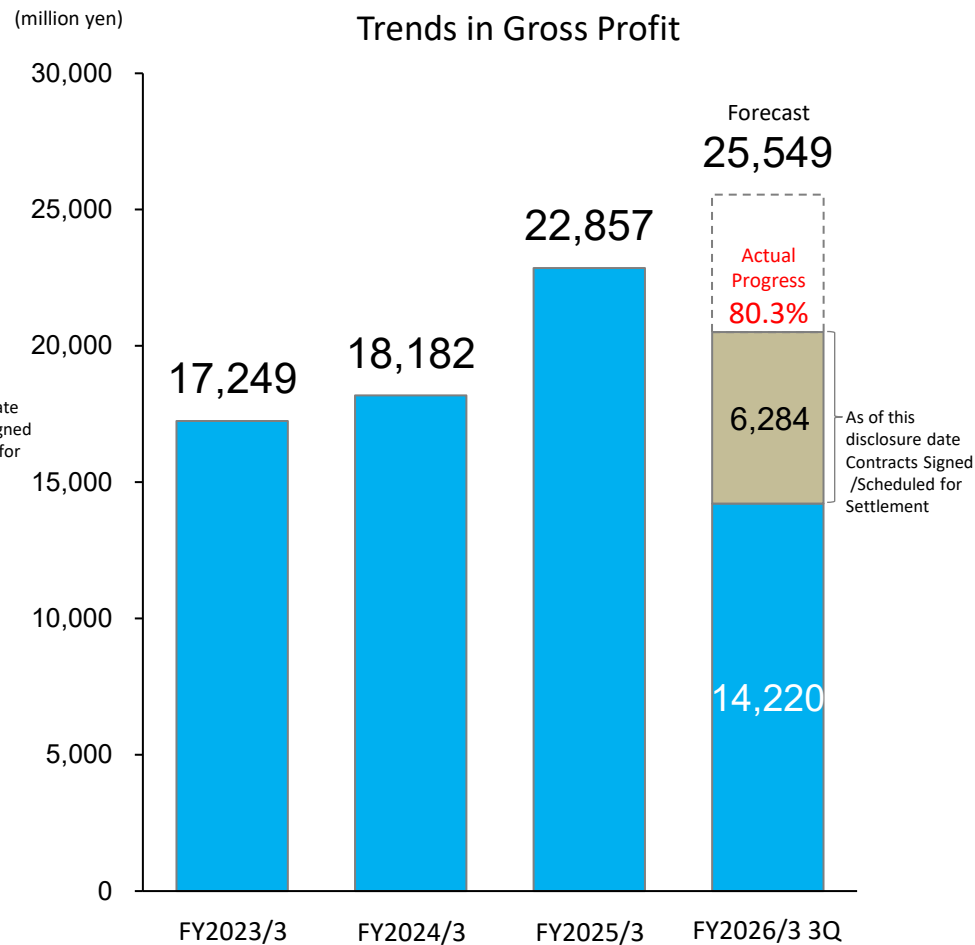
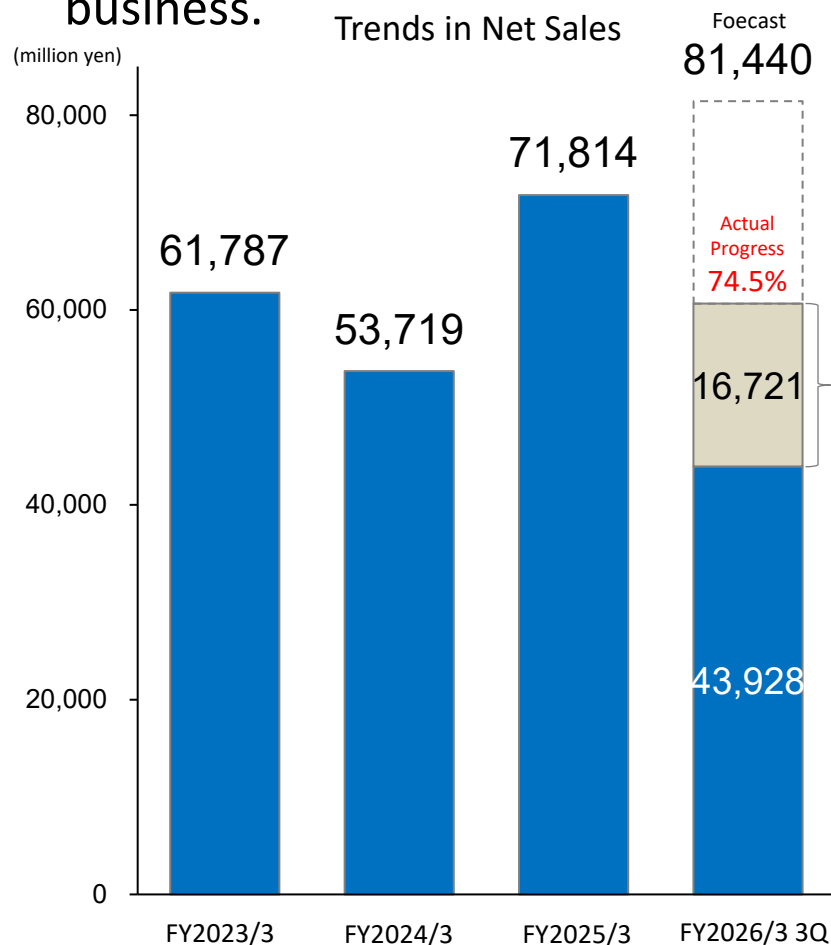


Progress of Flow-Type Businesses

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

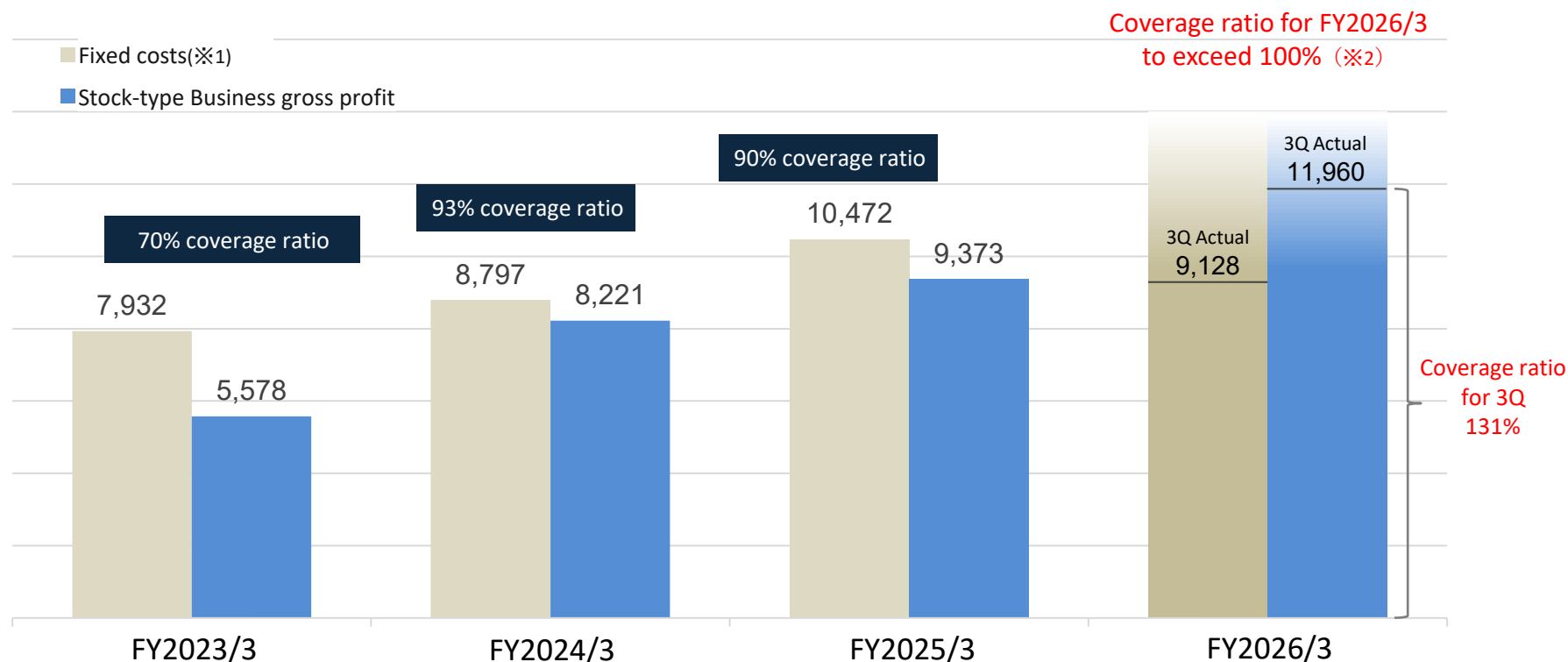


Sales progressed at a higher profit margin than the initial plan.
Sales timing is being managed flexibly, considering the progress of stock-type business.



Coverage Ratio by Stock-Type Business (Stable Businesses)

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

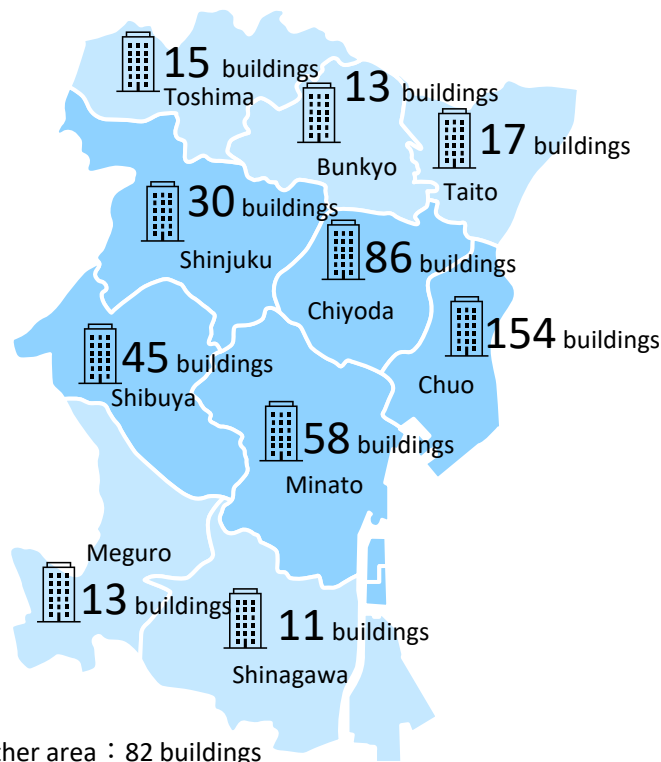


(※1) Fixed costs = SG&A expenses - sales commission + interest expenses

(※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



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

524
buildings

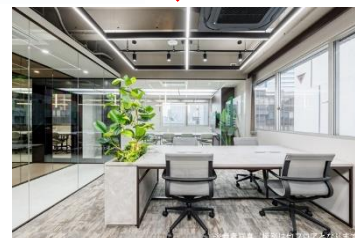


Before



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

After



[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

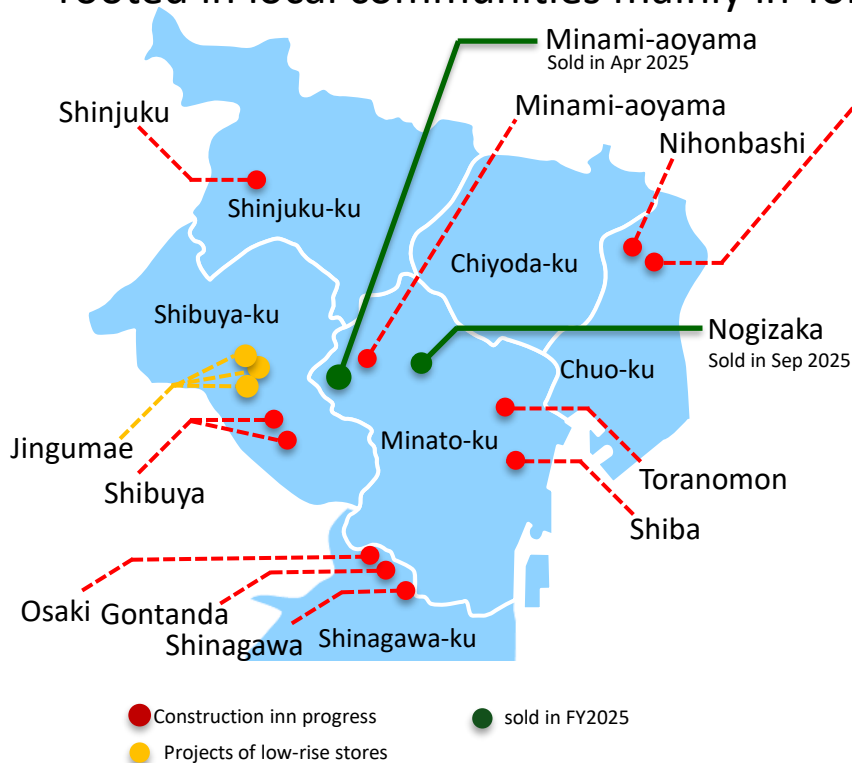


[Biz Feel KANDA]

- 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



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



Exterior



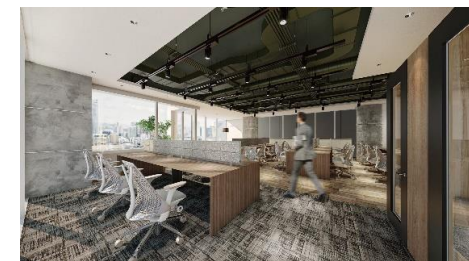
Roof top terrace



Lounge



Elevator Hall



Office

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.

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 Toyota-tama-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

Room layout / number of units 1K: 11 units, 2DK: 1 unit, 2LDK: 1 unit

[New-built]
construction
started in
Jan 2026

[Plan]
Sale
scheduled
for FY2028/3



perspective drawing

Location Nihonbashi-Kayabacho, Chuo-ku

Structure Reinforced concrete structure, 12-story building

Room layout / number of units 1LDK: 10 units, 2LDK: 10 units, Premium 3LDK: 1 unit

[New-built]
construction
start: July
2026

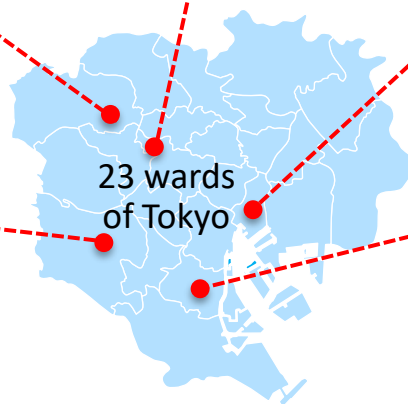
[Plan]
Sale
scheduled
for FY2029/3

An existing building on site remains

Location Funabashi, Setagaya-ku

Structure Reinforced concrete bearing wall structure, four-story building with one basement

Room layout / number of units 1DK: 10 units, 1LDK: 4 units, 2DK: 1 unit, 3LDK: 4 units



23 wards
of Tokyo

[New-built]
construction
completed in
Jul 2026

[Plan]
Sale
scheduled
for FY2027/3



perspective drawing

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

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 |

【Map of Manhattan, New York】



| | |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 |

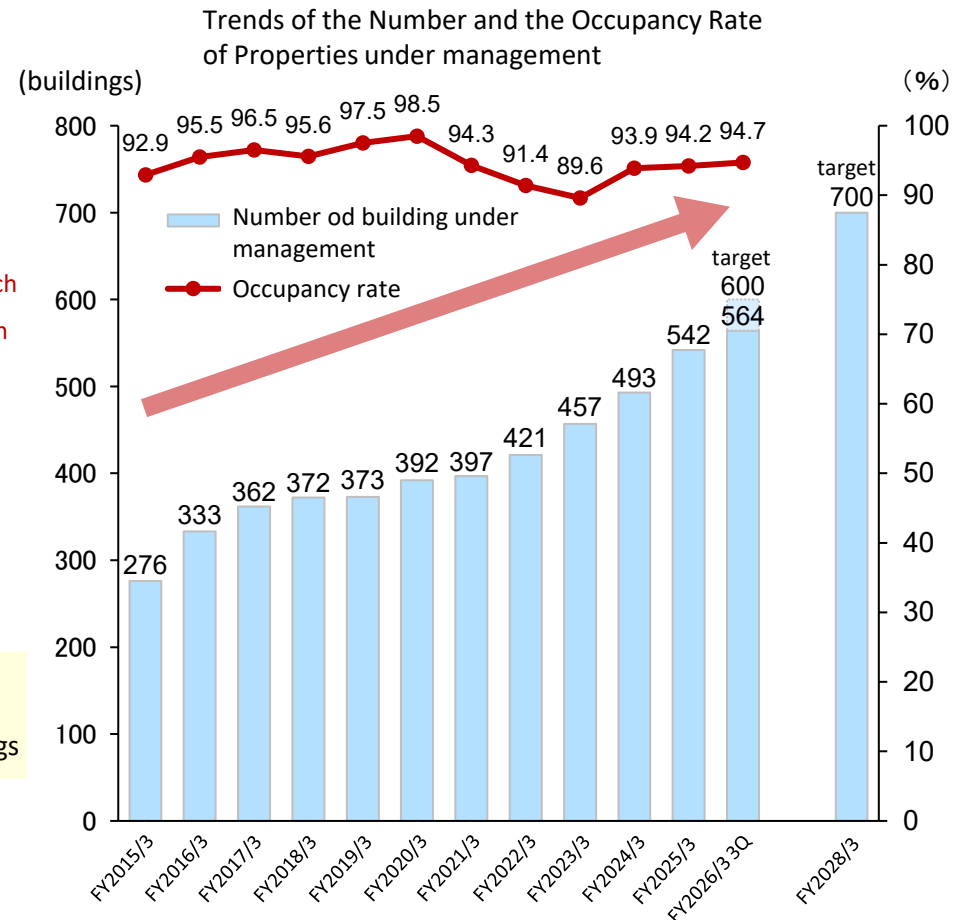
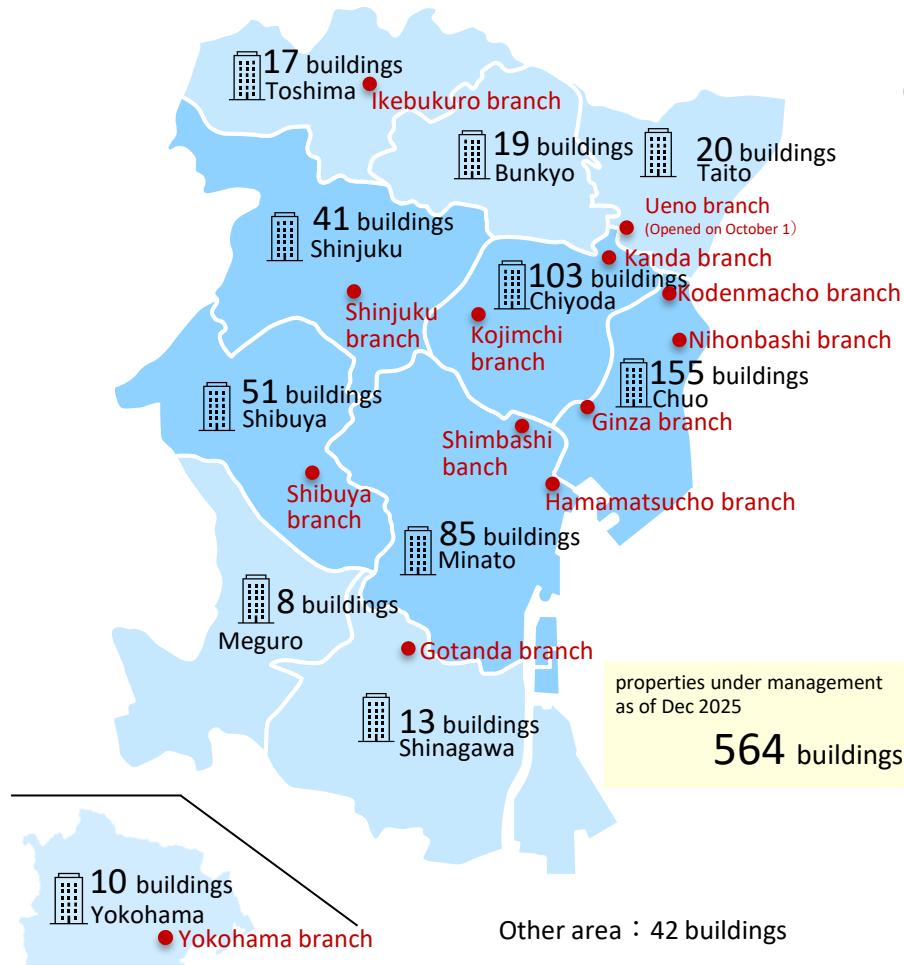
| | |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sold in Dec 2025 Sales will be accounted in 4Q |   |
| Location | Union 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.

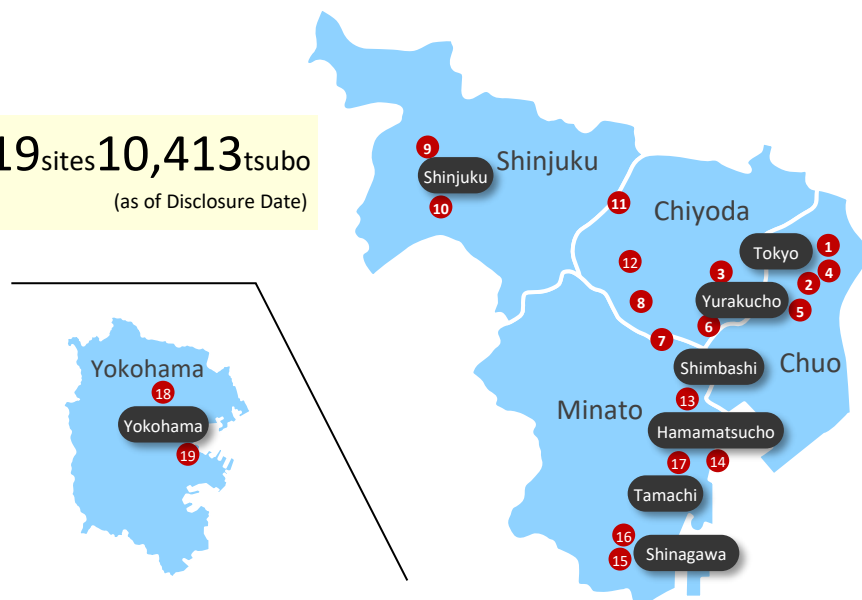
In the Property Management Business, we are leveraging our community-based network to increase the number of buildings under management and enhance our service offerings.



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.

19sites 10,413tsubo
(as of Disclosure Date)



TOKYO/YAESU/MARUNOUCHI AREA

| | |
|--------------------|----------|
| ① TOKYO EKIMAE | 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 | 501tsubo |
| ⑧ TORANOMON TAMEIKESANO | 450tsubo |

SHINJUKU AREA

| | |
|------------------------|----------|
| ⑨ SHINJUKU MAYNS TOWER | 687tsubo |
| ⑩ NISHI SHIJUKU | 789tsubo |

AKASAKA/ICHIGAYA AREA

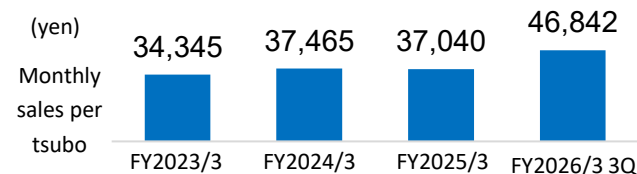
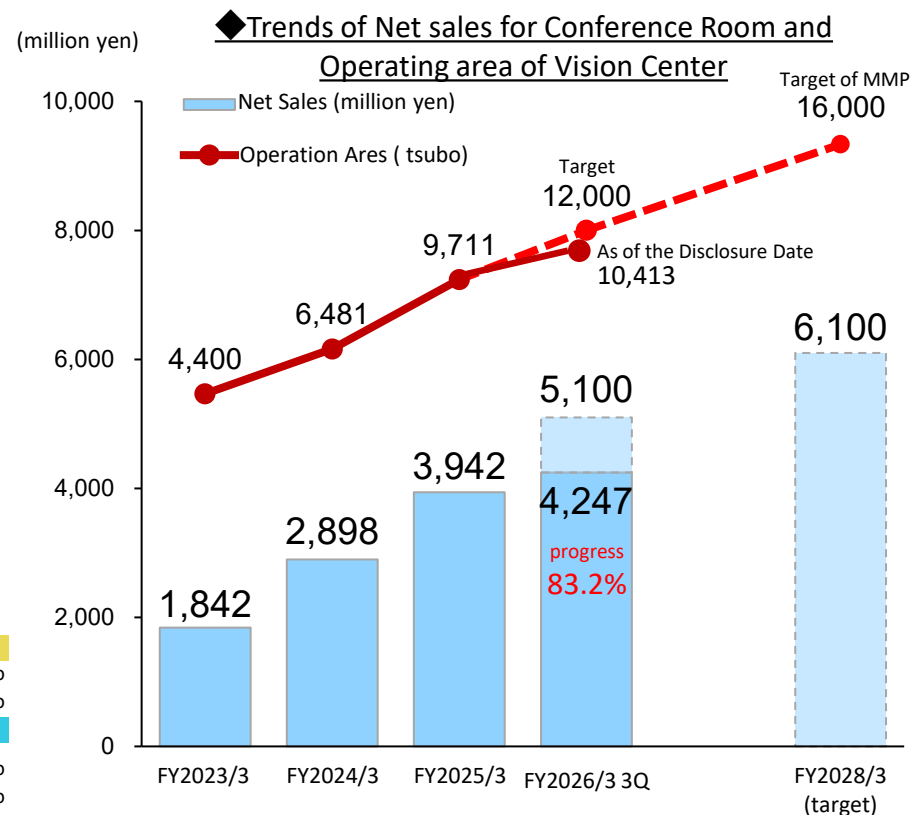
| | |
|----------------------|----------|
| ⑪ ICHIGAYA | 366tsubo |
| ⑫ AKASAKA(NAGATACHO) | 248tsubo |

TAMACHI/SHINAGAWA/HAMAMATSUCHO AREA

| | |
|-----------------------------|------------|
| ⑬ Grande TOKYO HAMAMATSUCHO | 1,456tsubo |
| ⑭ HAMAMATSUCHO | 431tsubo |
| ⑮ SHINAGAWA | 641tsubo |
| ⑯ SHINAGAWA ANNEX | 444tsubo |
| ⑰ TAMACHI | 954tsubo |

YOKOHAMA/MINATOMIRAI AREA

| | |
|------------------------|----------|
| ⑱ YOKOHAMA | 558tsubo |
| ⑲ 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 | 3,649rooms | 32hotels |
| Under construction | 1,561rooms | 9hotels |
| In planning | 978rooms | 7hotels |
| Toal | 6,188rooms | 48hotels |

⑫Renewal opened on
Feb 1 2026
HIYORI HOTEL OSAKA SHINSEKAI



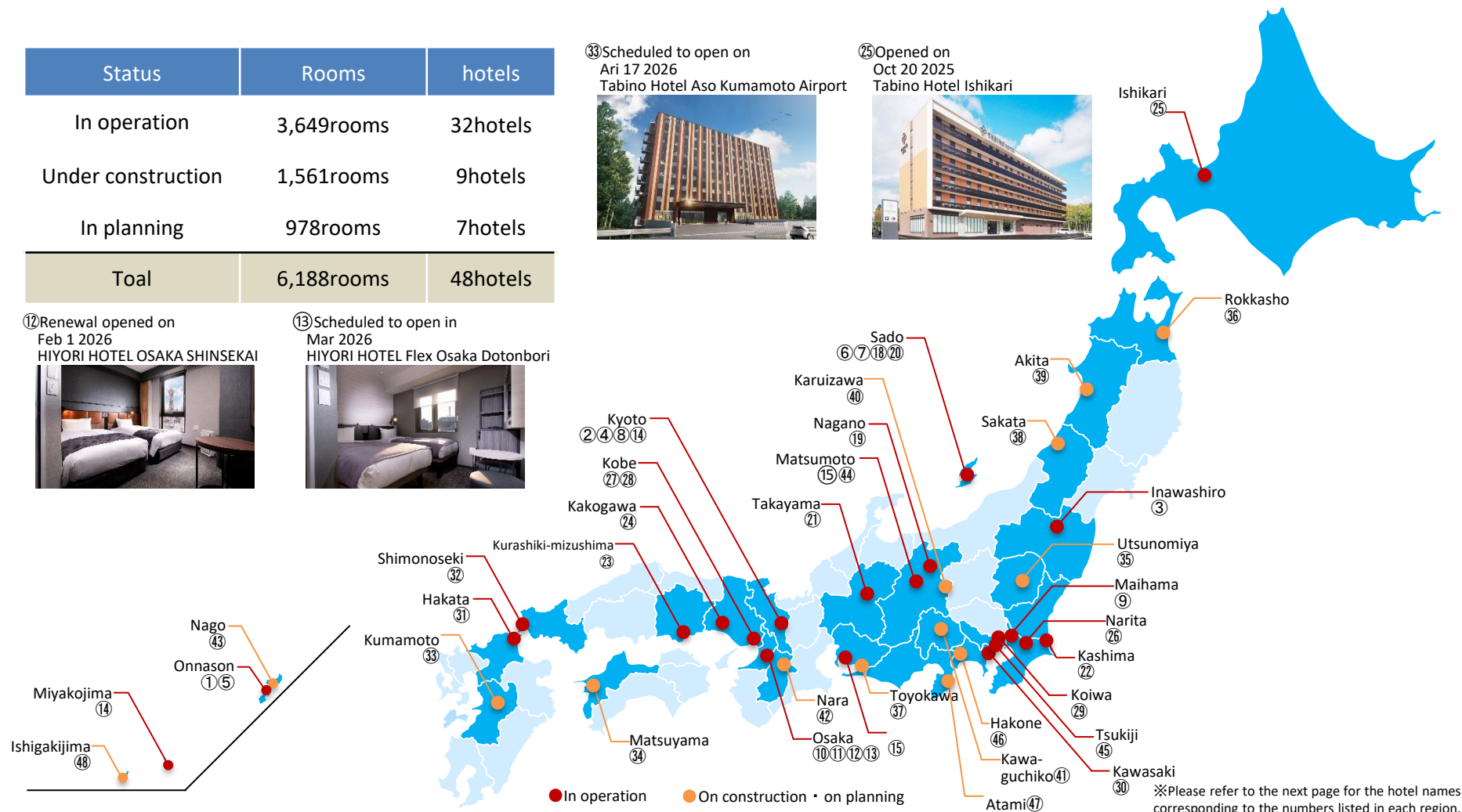
⑬Scheduled to open in
Mar 2026
HIYORI HOTEL Flex Osaka Dotonbori



③③Scheduled to open on
Ari 17 2026
Tabino Hotel Aso Kumamoto Airport



⑤Opened on
Oct 20 2025
Tabino Hotel Ishikari



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 SHINSEKI ※Reopened rebranded on Feb 1 2026 | 103rooms |
| ⑬ HIYORI HOTEL Flex Osaka Dotonbori ※Reopened rebranded Mar 1 2026 | 53rooms |
| ⑭ HIYORI Stay Kyoto Kamogawa | 38rooms |
| MIDDLE | 291rooms |
| ⑮ Tabino Hotel Iit Matsumoto | 176rooms |
| ⑯ Tabino Hotel Iit 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 ※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 | 1,392rooms |
|---------------------------------------------------|------------|
| ㉝ Tabino Hotel Aso Kumamoto Airport | 213rooms |
| ㉞ HIYORI HOTEL MATSUYAMA | 245rooms |
| ㉟ Tabino Hotel Utsunomiya Yuinomori | 201rooms |
| ㊱ Tabino Hotel Aomori Rokkashomura | 210rooms |
| ㊲ Tabino Hotel Iit Toyokawa | 112rooms |
| ㊳ Tabino Hotel Iit Sakata | 178rooms |
| ㊴ Tabino Hotel Iit Akita Ekimae | 233rooms |
| Open schedule in FY2028/3 | 678rooms |
| ㊵ HIYORI TERRACE Karuizawa Spa & Resort | 81rooms |
| ㊶ HIYORI TERRACE Fujisan Kawaguchiko Spa & Resort | 134rooms |
| ㊷ HIYORI HOTEL Kintetsu Nara | 177rooms |
| ㊸ HIYORI HOTEL Nago | 156rooms |
| ㊹ Tabino Hotel Iit Matsumoto | 130rooms |
| Open schedule in FY2029/3 | 469rooms |
| ㊺ STITCH HOTEL GINZA EAST | 36rooms |
| ㊻ Sora Niwa TERRACE Hakone Yumoto | 108rooms |
| ㊼ Atami Hotel Project | 120rooms |
| ㊽ Tabino Hotel Iit Ishigakijima | 205rooms |

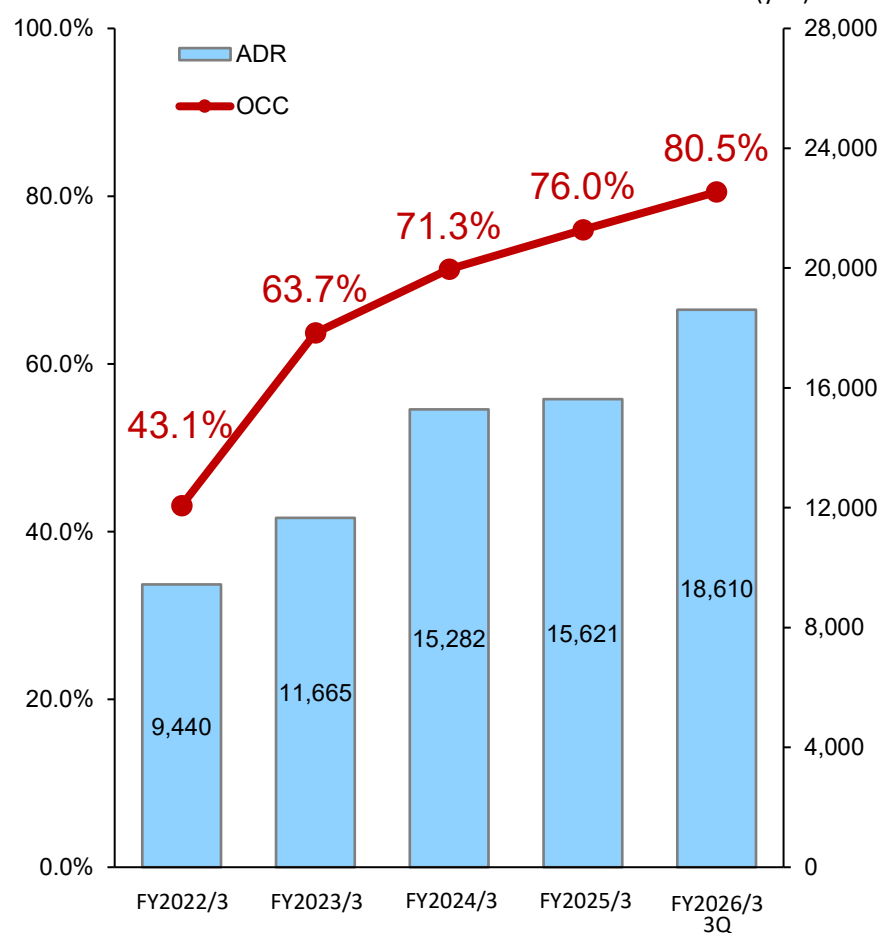
Open schedule on Apr 17 2026
 Open schedule in Apr 2026
 Open schedule in Aug 2026
 Open schedule in Oct 2026
 Open schedule in Nov 2026
 Open schedule in Dec 2026
 Open schedule in Feb 2027

| | |
|-----------------------------------------------------|------------|
| On construction and on planning subtotal | 2,539rooms |
| In operation, On construction and on planning total | 6,188rooms |

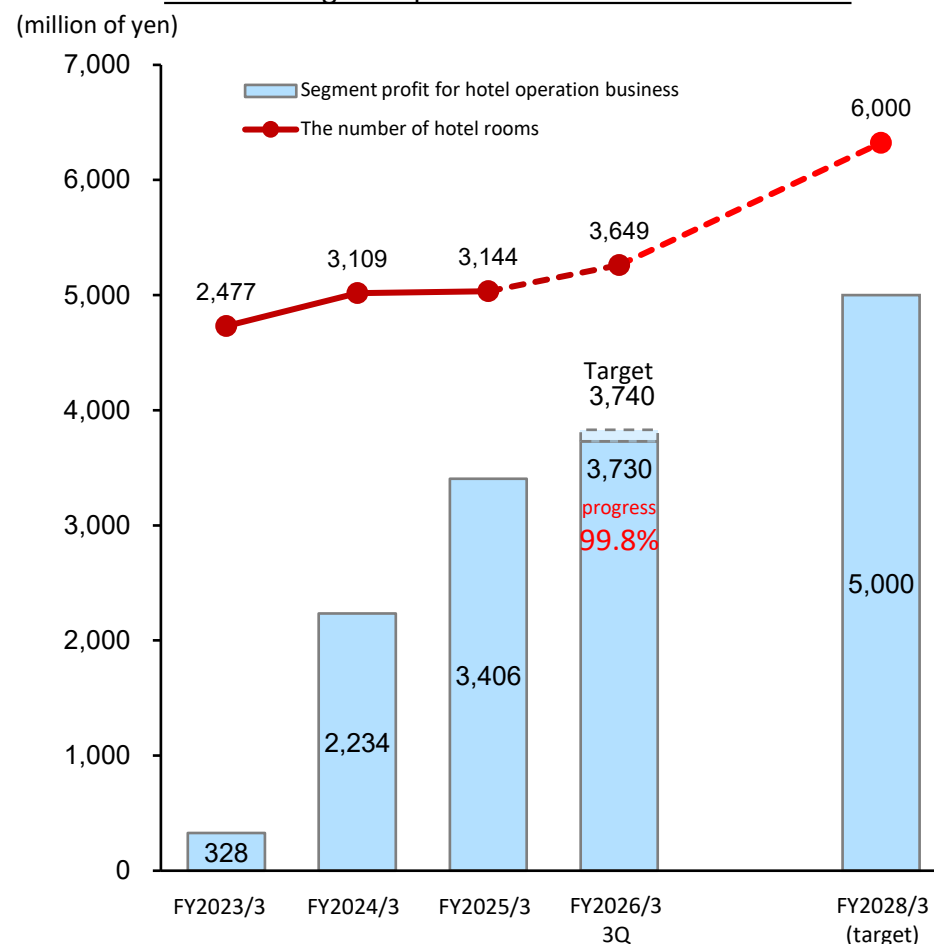
Trends in Hotel Occupancy Rate, Average Daily Rate and Segment Profit

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

Trends in occupancy rate and average daily rate (yen)



Trends in Segment profit and number of hotel rooms



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

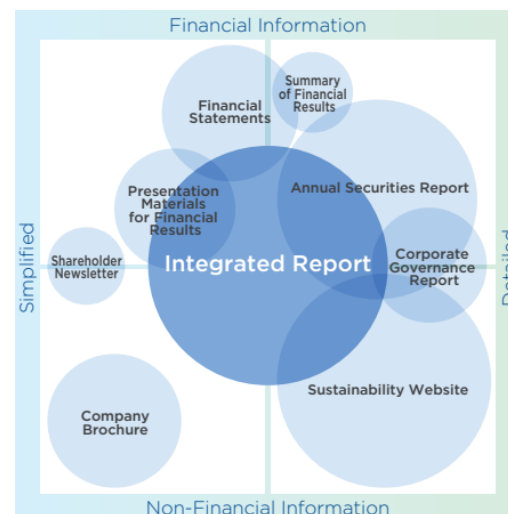
SECTION 05 Record of Value Creation

Financial and non-financial historical data

Front cover



Information disclosure system



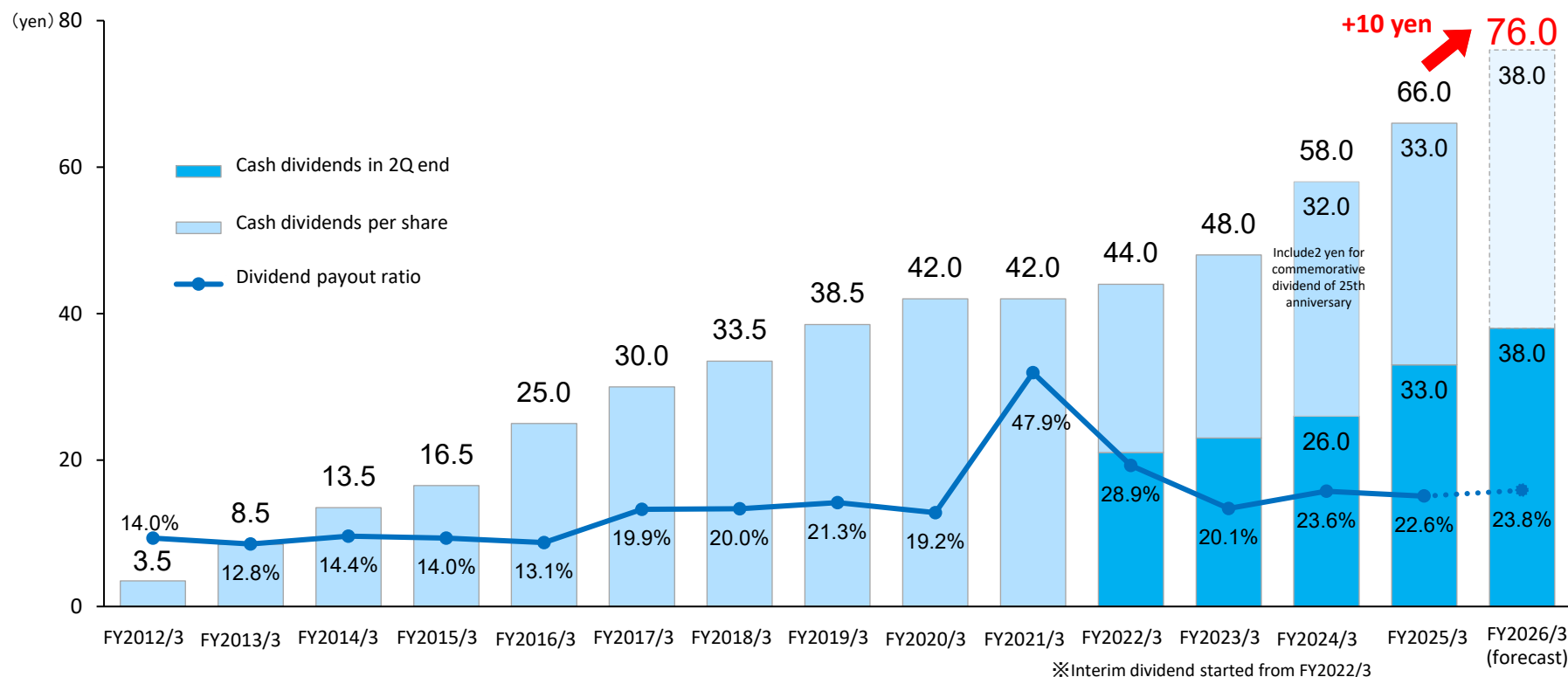


Management with a Focus on Capital Costs and Share Price

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

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

Changes in Stock Prices (2018 to 2026)

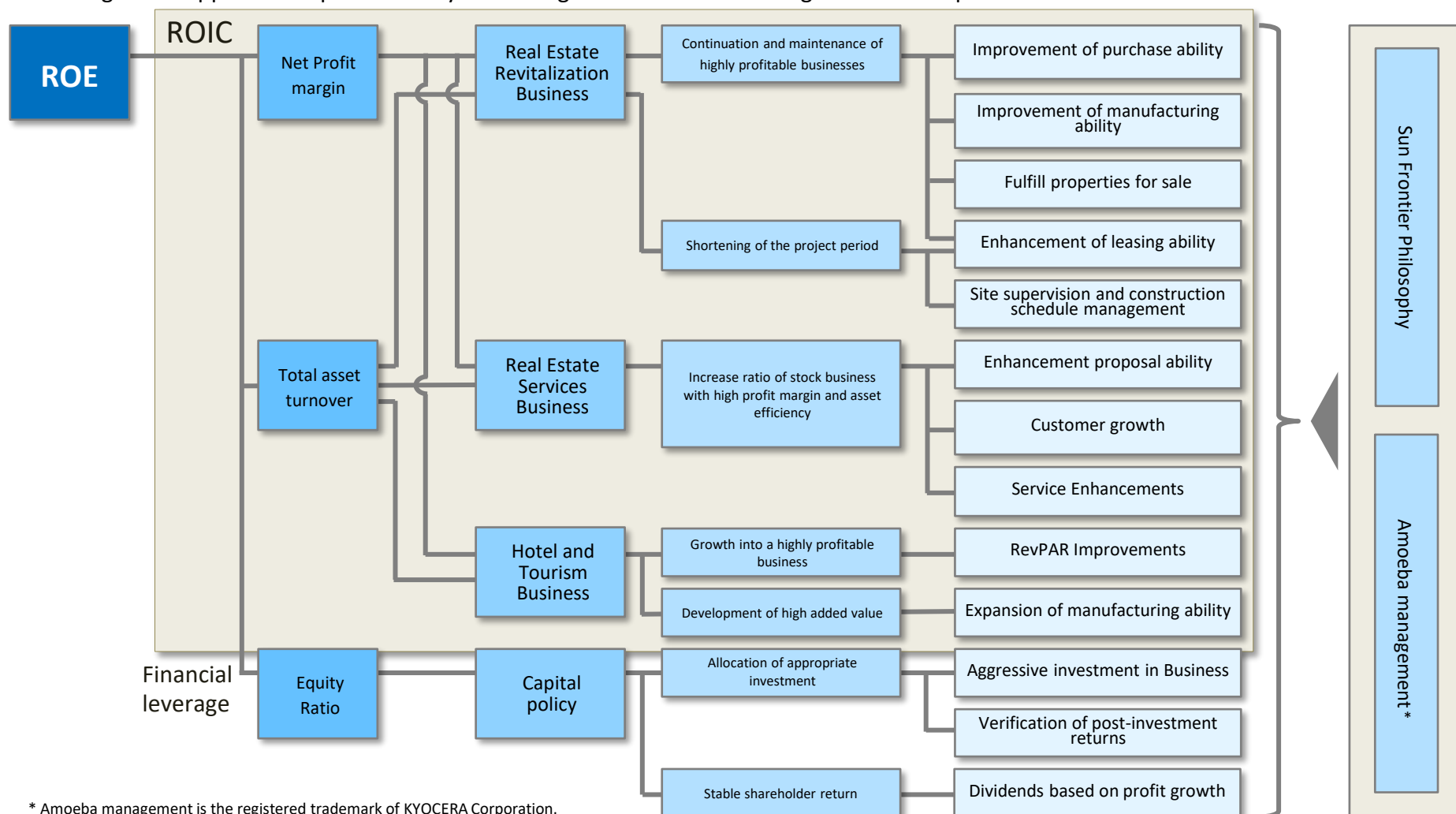


Through the sustainable growth of EPS, we will simultaneously improve shareholder value and implement a stable capital policy.



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

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

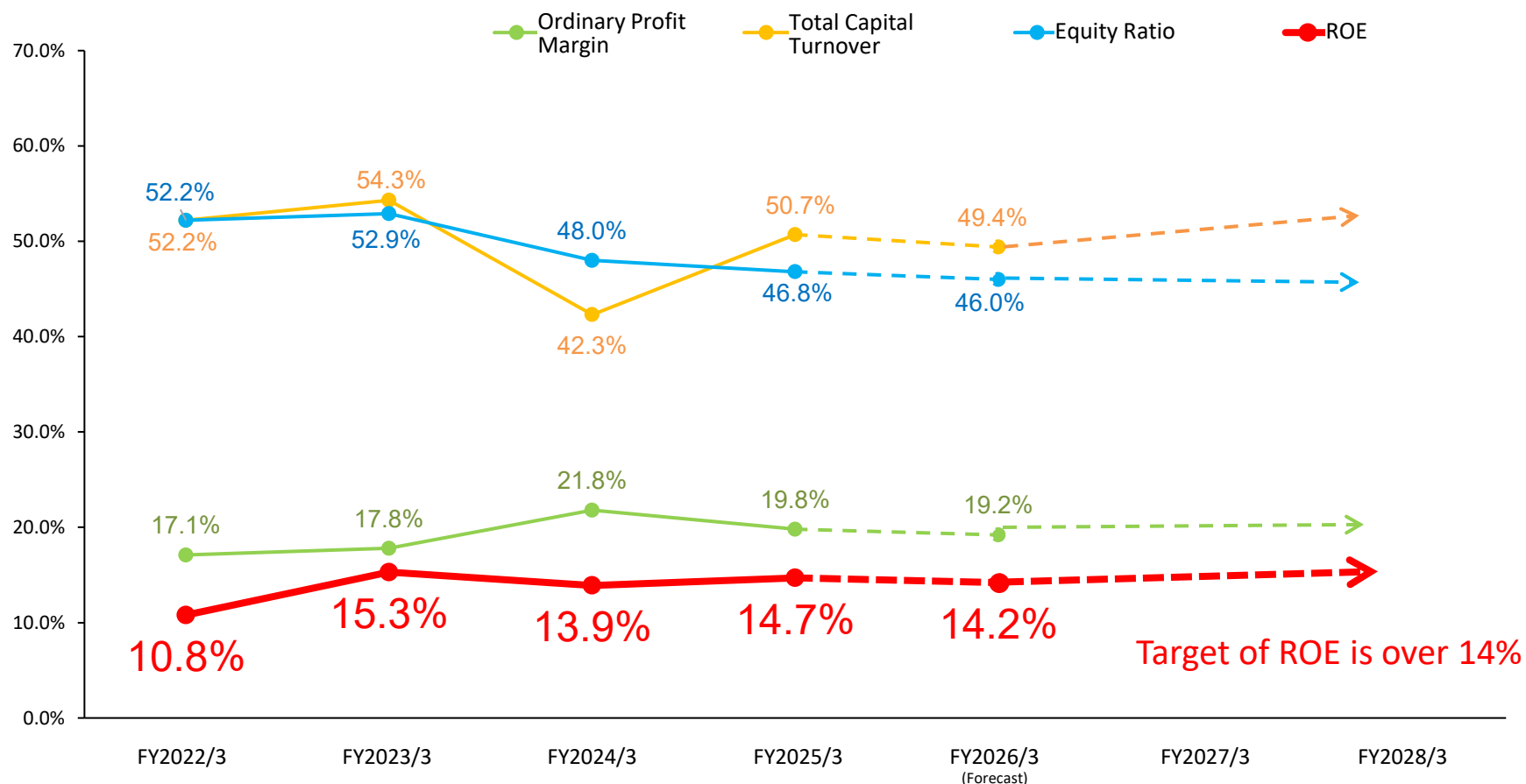
Total Capital Turnover

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

Equity Ratio

× Maintain financial soundness while promoting investment and accelerating business.

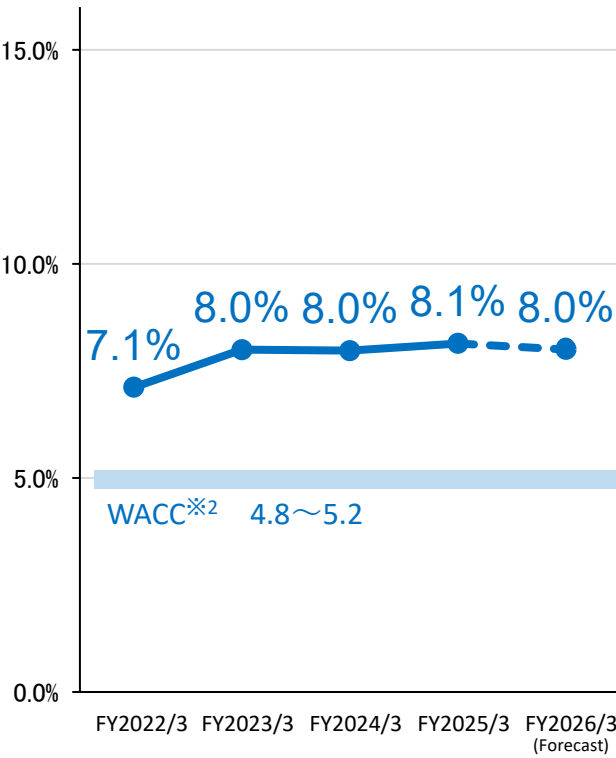
= Improving ROE



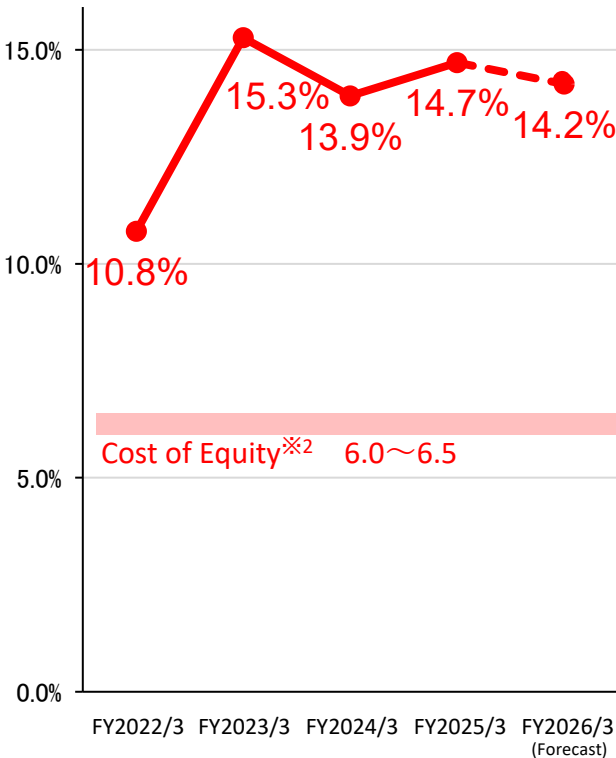
Profitability Continues to Exceed the Capital Cost

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

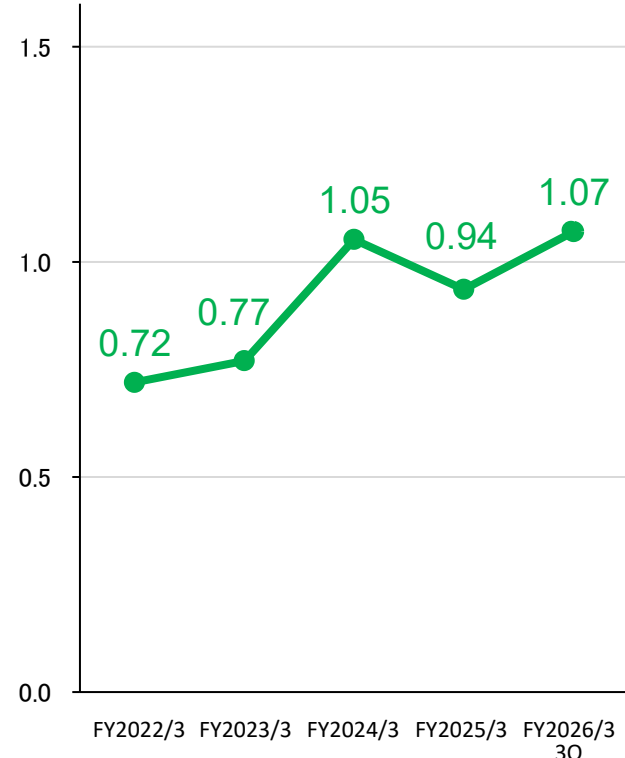
ROIC



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 | 9 times | 5 times | 3 times (3Q) |
| | 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 | <div> FISCO 【Japanese】  </div> <div> Shared Research 【Japanese】  </div> <div> 【English】  </div> |

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



Philosophy and Business Initiatives



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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

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

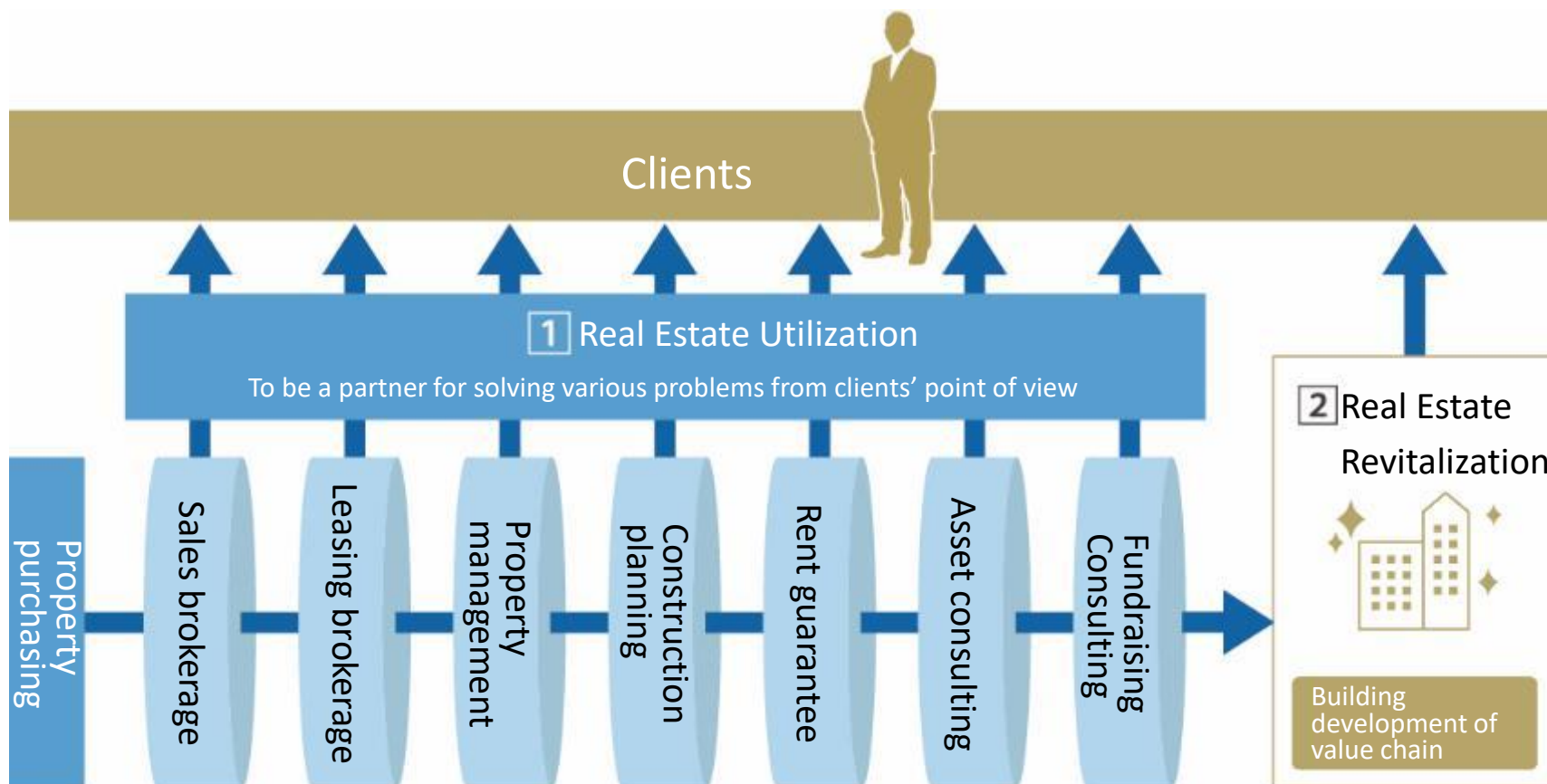


| Important Challenges | Social Issues to be Solved | Key Measures | Specific Measures | Indicators and Targets | Results for FY2024/3 | Results for FY2025/3 |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|
| 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% |
| | | | | Tenant Survey (Satisfaction Survey) (Company-owned Properties). Conducted Annually | Completed | Completed |
| | | Disaster Prevention and Mitigation through Regional Cooperation | Provision of Setup Offices Equipped with Disaster Prevention Tools and Installation Spaces | 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 Resource 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.

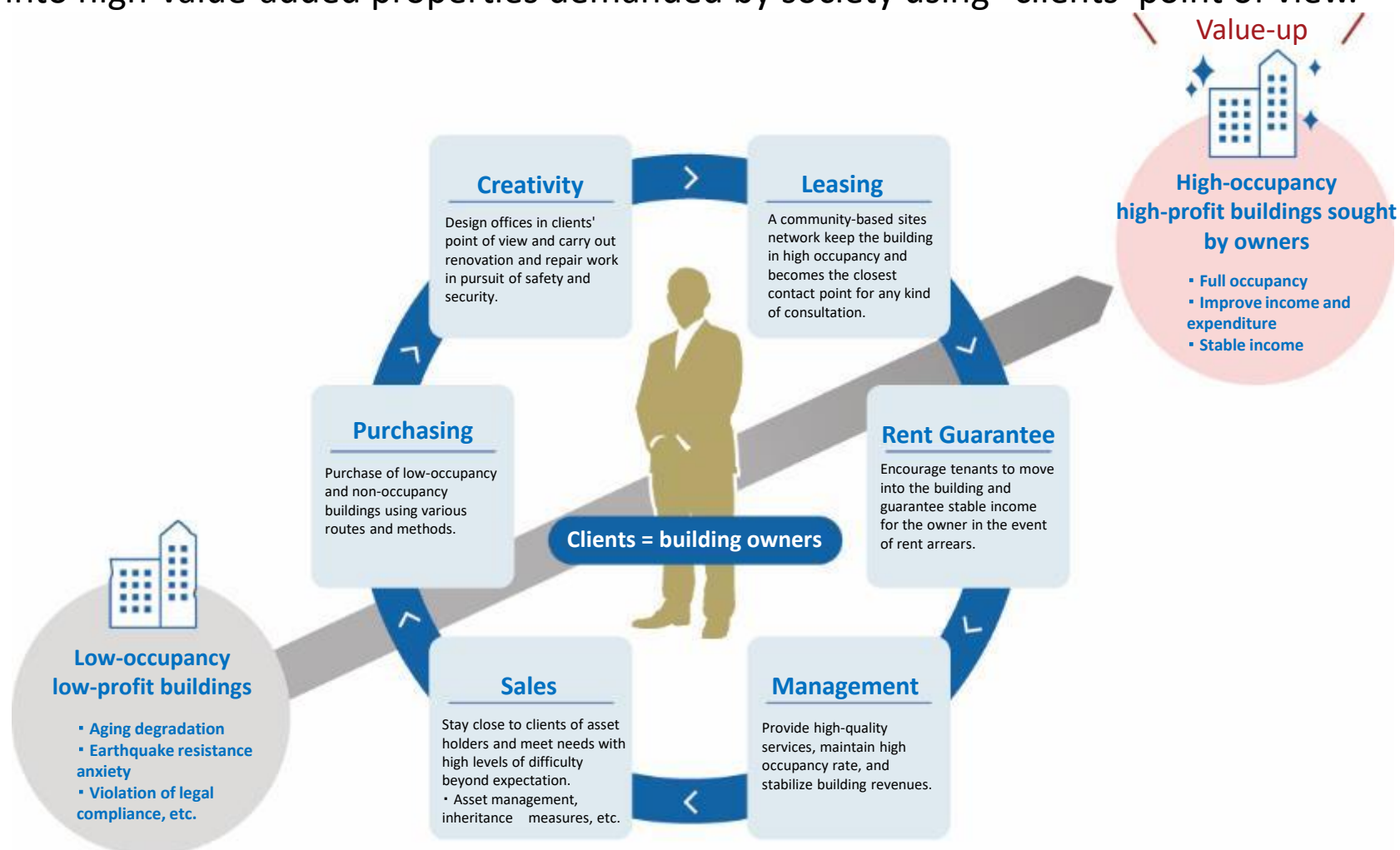


1 Real estate utilization: Get close to our clients and solve various problems. Capture the source of added value from clients' voices.

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.”



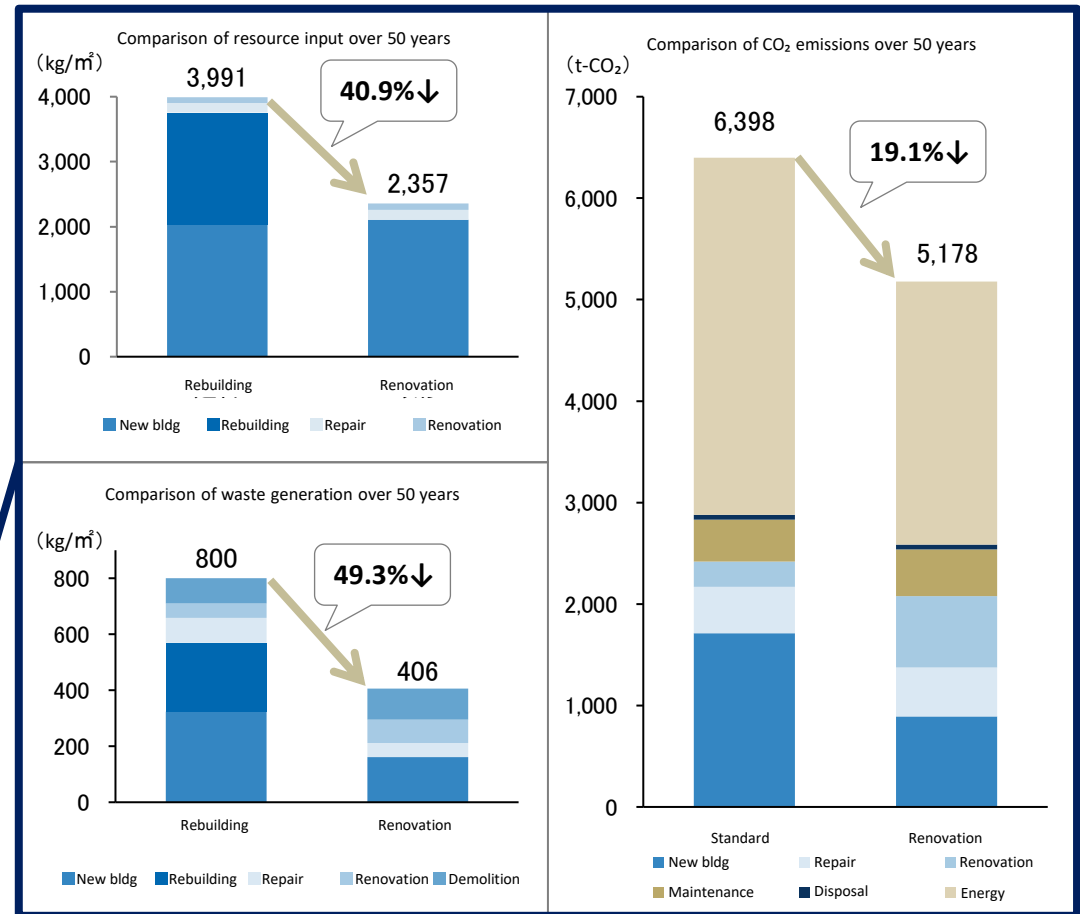
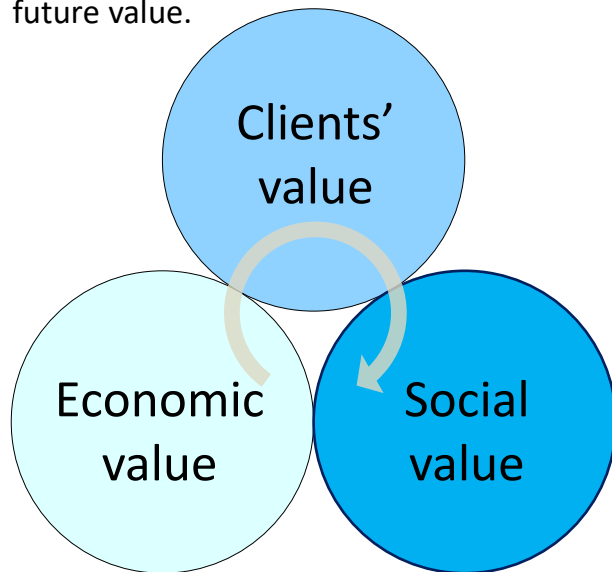
Create both Customer Value and Social Value

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.



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”

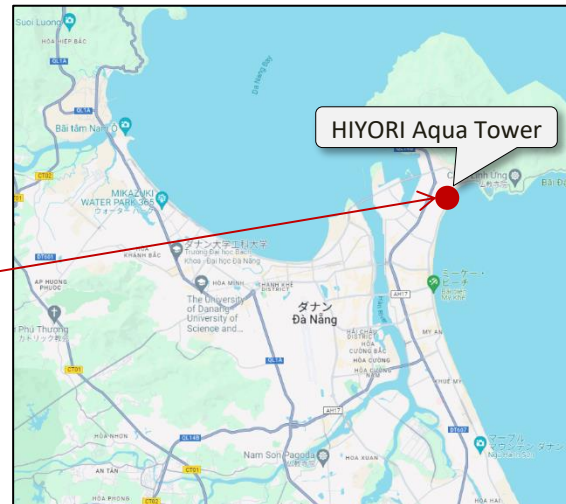
Sakata City

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

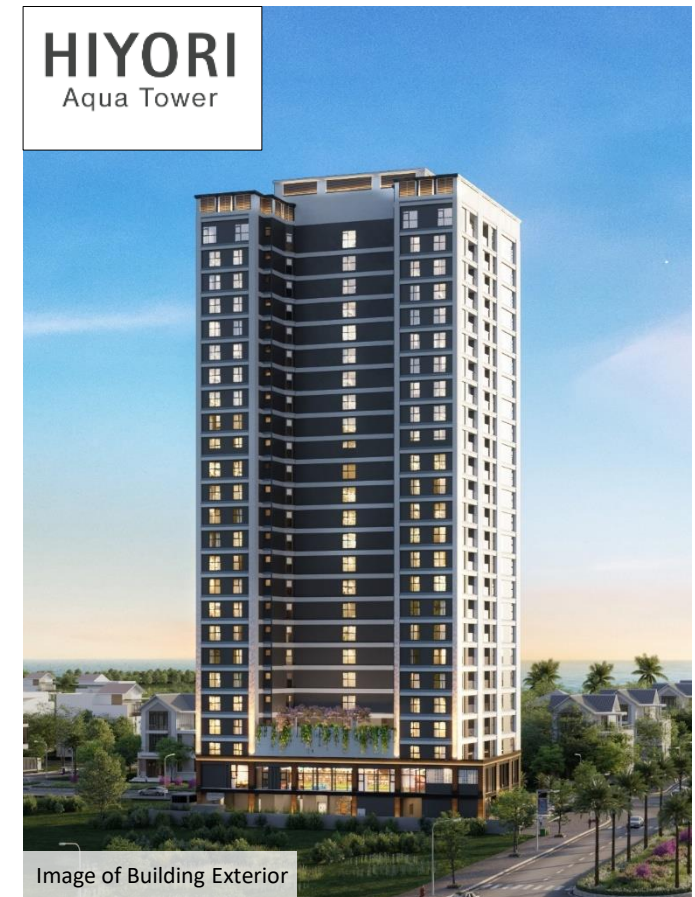
The construction of the HIYORI Aqua Tower Project in Vietnam is progressing.



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



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

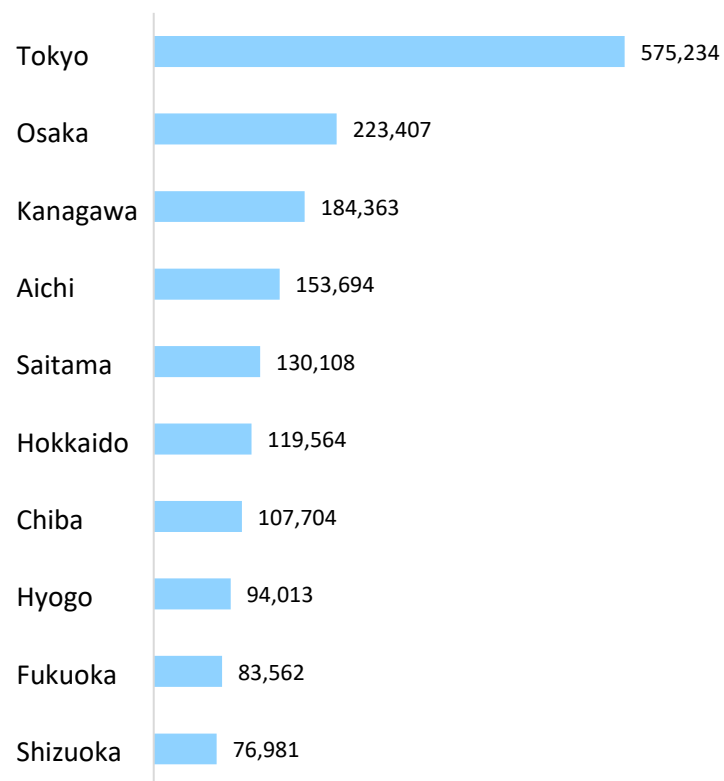


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The Number of Corporations by Prefecture and Number of Office Buildings in Tokyo's 23 wards

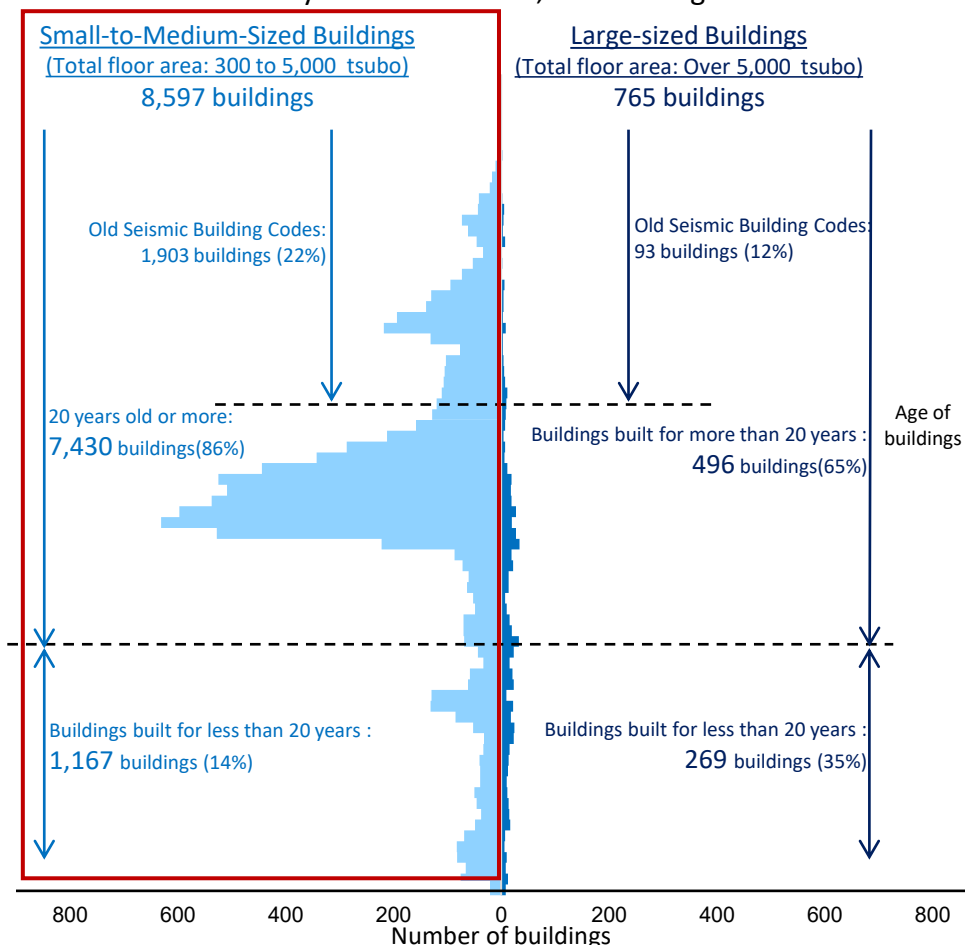
In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Top 10 Prefectures by Number of Corporations



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

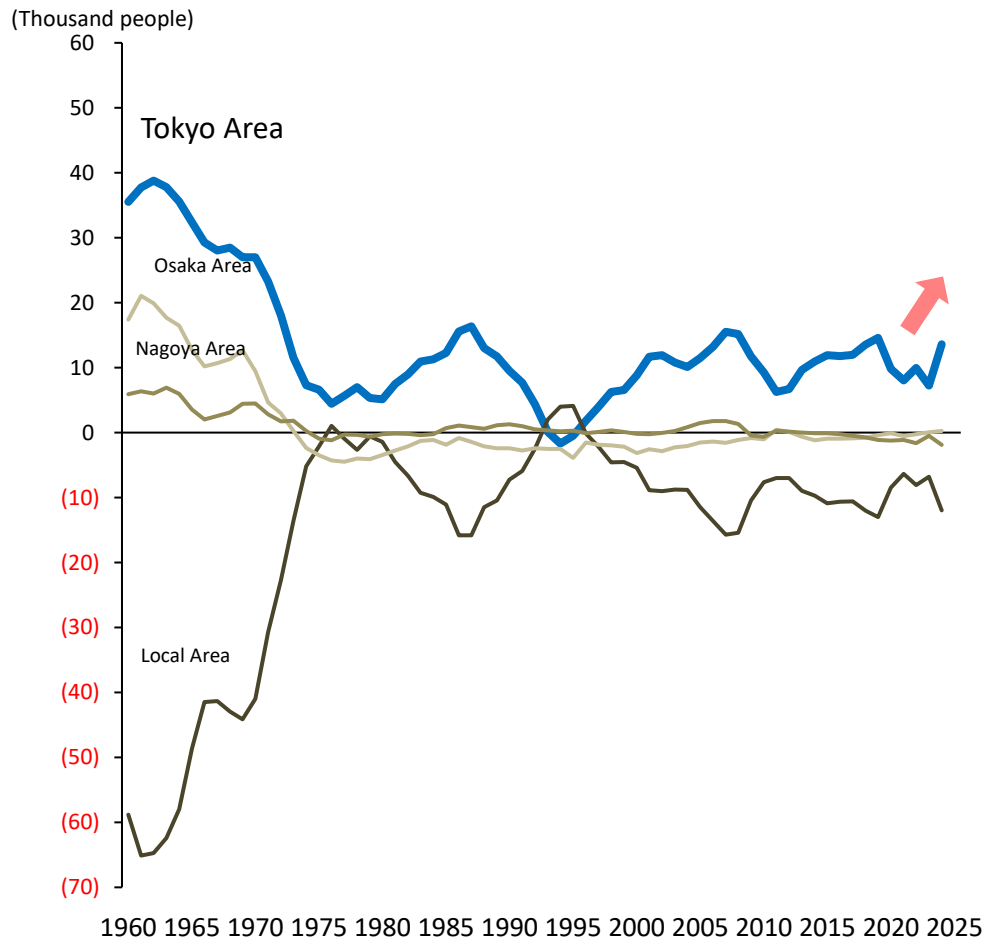
Tokyo 23 cities with 9,362 buildings



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

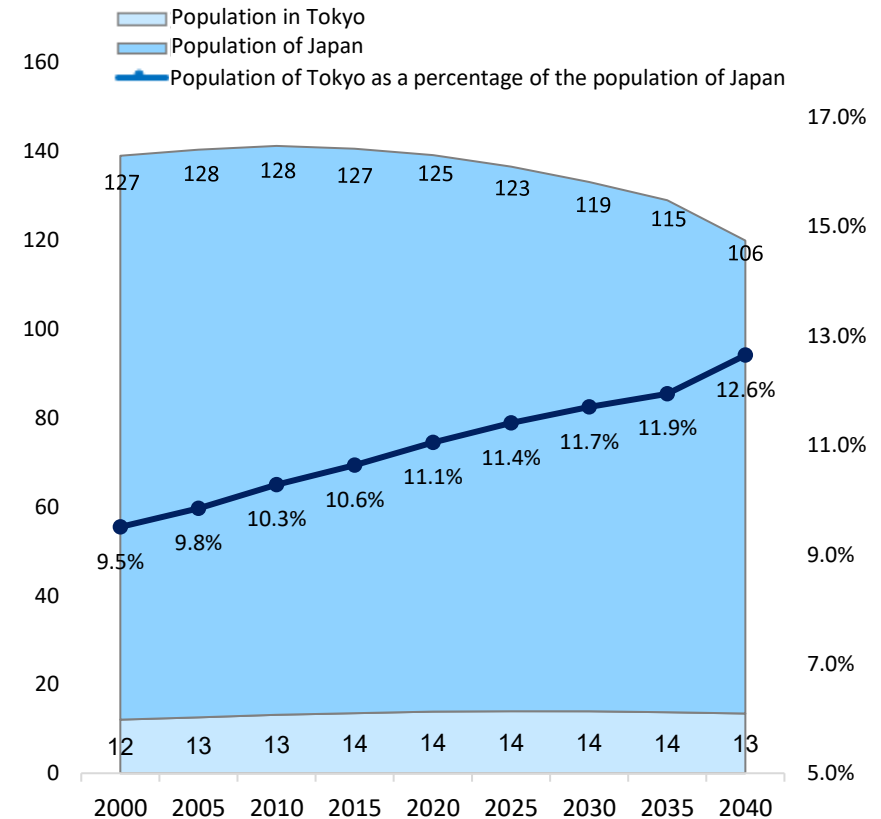
Insight for Business Environment

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"

Ratio of Tokyo population to Japanese population (estimate)



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

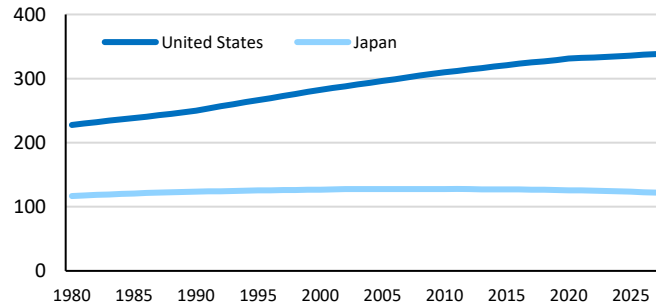
Overseas Markets (the U.S., Vietnam)

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

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

(millions of people)

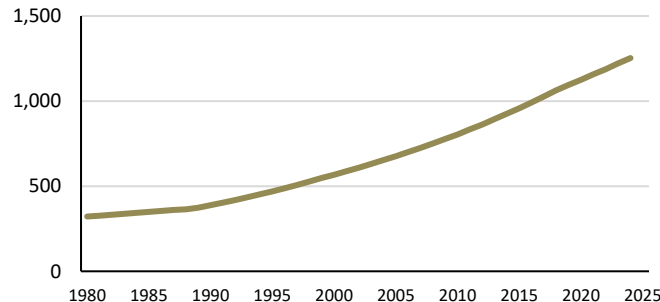
Demographics (the U.S., Japan)



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.

(thousands of people)

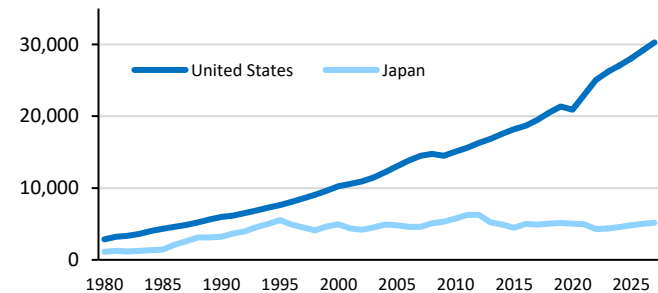
Population trends in Danang



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.

(billions of dollars)

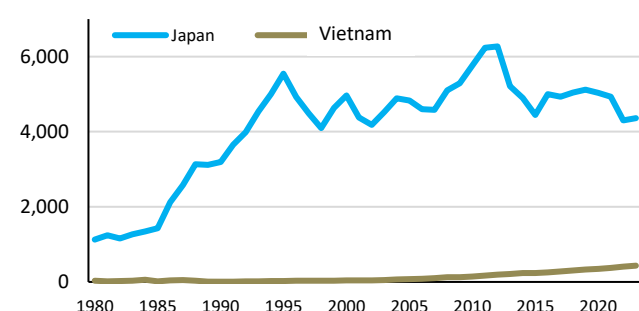
Trends in GDP (the U.S., Japan)



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.

(billions of dollars)

Trends in GDP (Vietnam, Japan)

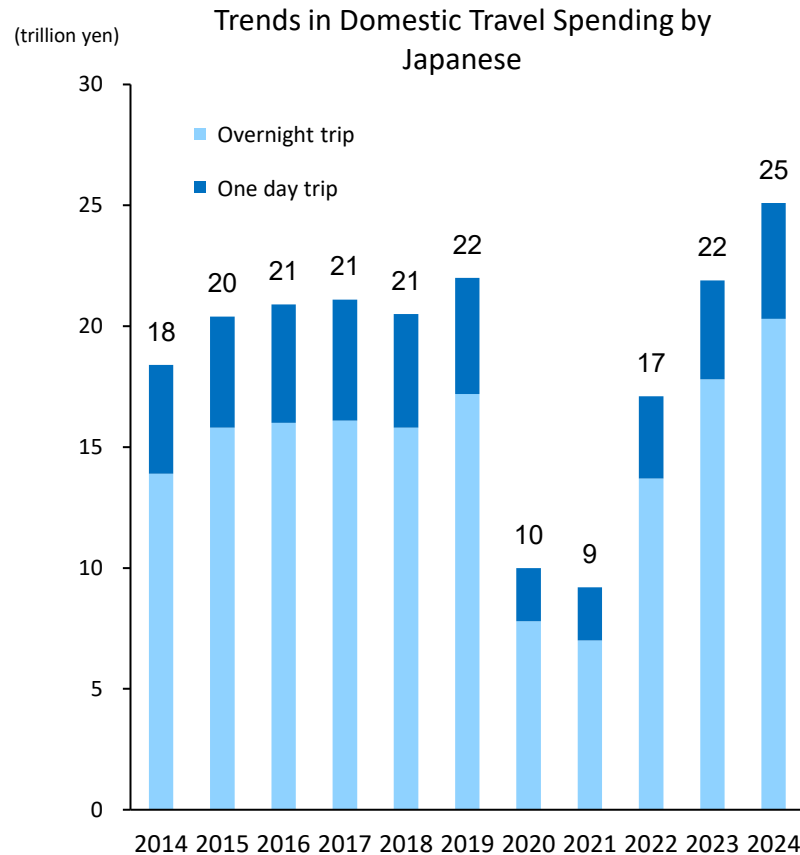


Source: IMF World Economic Outlook database (prepared by the Company)

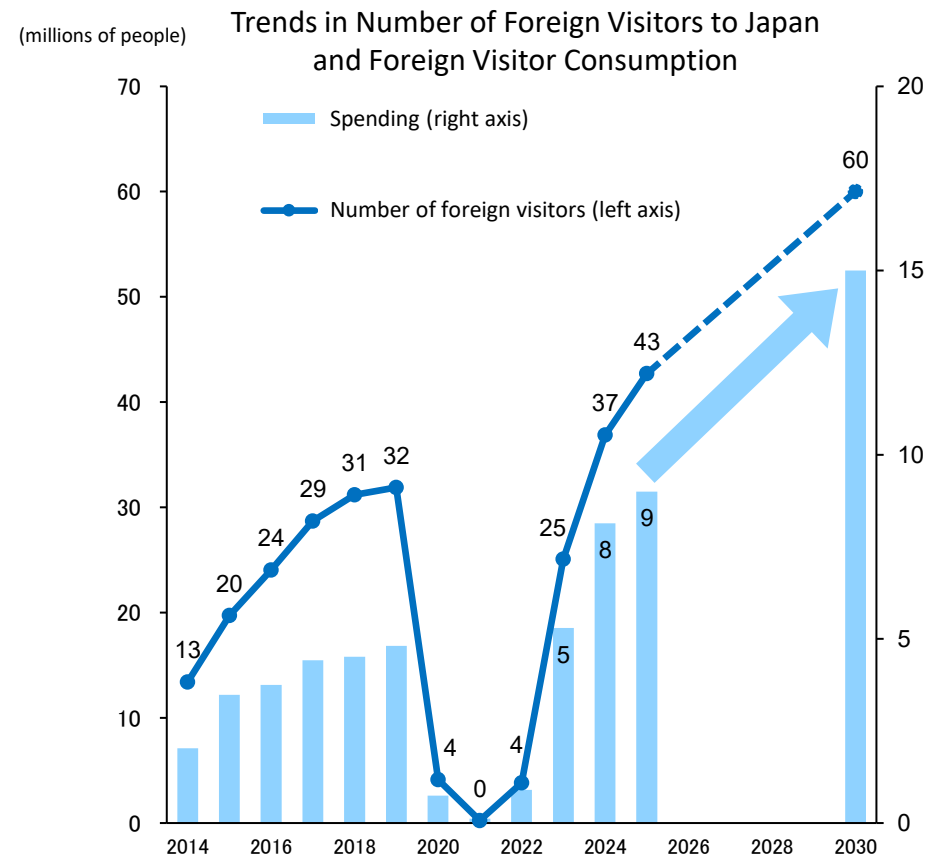
Demand recovery and growth potential in the hotel market



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



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



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

Environment

As of December 30, 2025

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



Actual number of RP buildings
Total 524 buildings

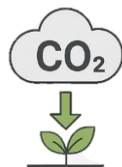
Carbon Offset
Cumulative
total **3,493t-CO2e**

RP construction
74 buildings
1,411t-CO2e



Greenhouse Gas
Emissions

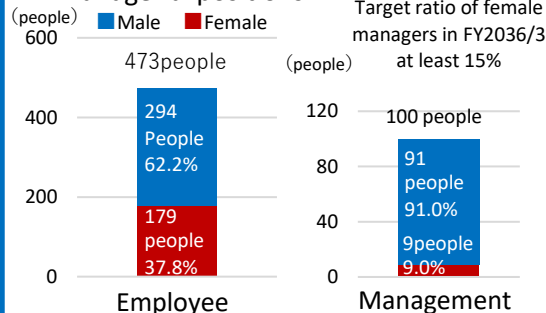
Reduction Rate: **12.7%**



Acquired BELS for
23 properties

Social

Ratio of male and female employees
in managerial positions



(as of the end of December 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

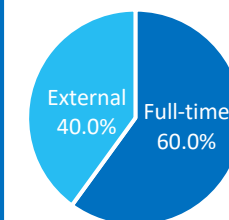
Target: Support programs, etc., account for more than 12% of prescribed working hours
Result: 12.0%
(as of the end of March 2025)



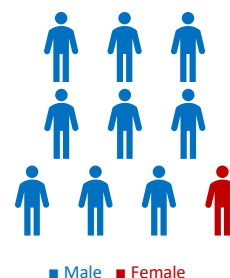
Governance

As of December 30, 2025

Ratio of Outside
Officers 1/3 or more

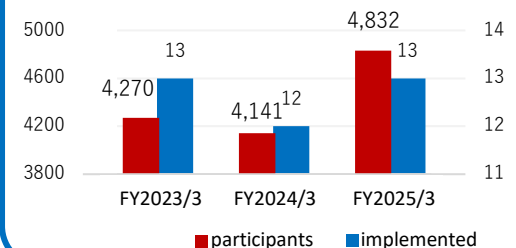


Female Directors
1 out of 10



Compliance-related training

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



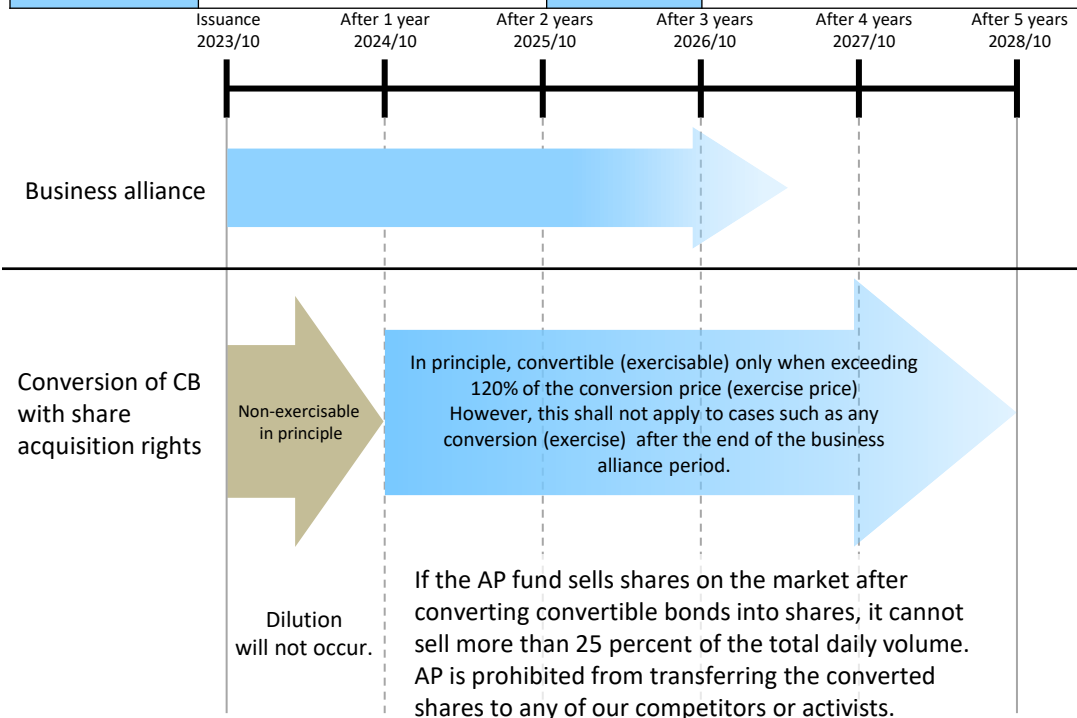
Sustainability website



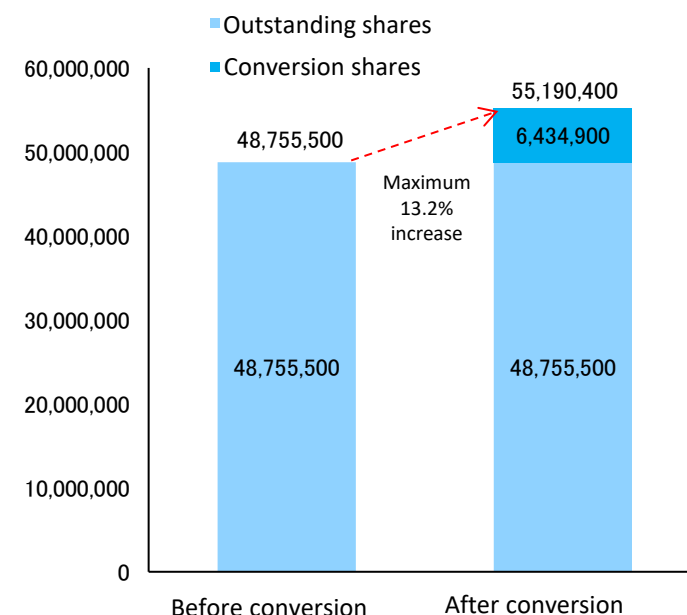
Conversion conditions of CB

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

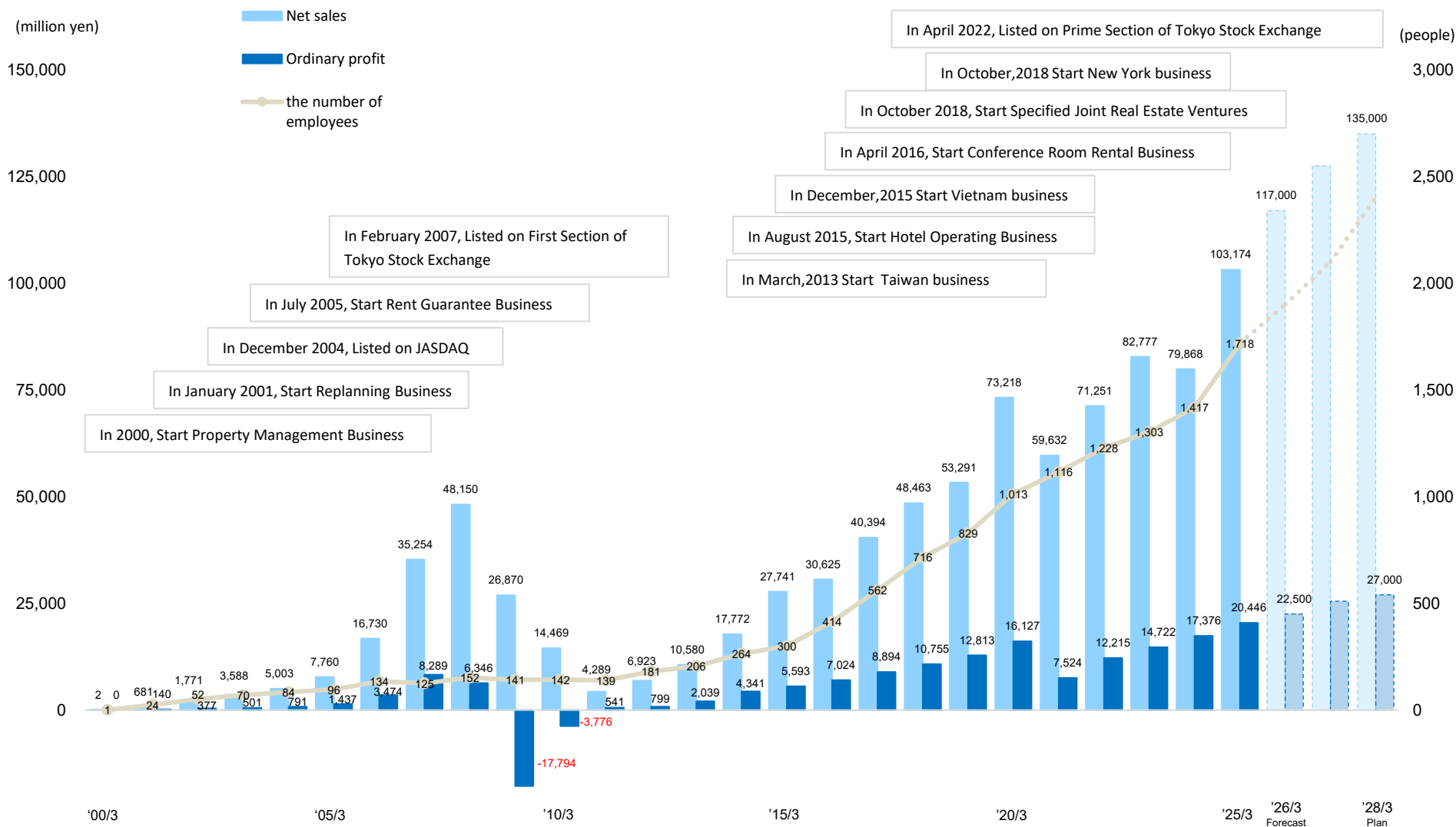
| Specific use of funds | Amount |
|------------------------------------------------------------------------------------------------|-----------------------|
| Acquisition of land in conjunction with new hotel development and construction work investment | Approx. 8 billion yen |
| M&A funds primarily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



Possibility of Share Increasing due to the Conversion



History of Sun Frontier Group



Company Profile

| | |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name | Sun Frontier Fudosan Co., Ltd. |
| Location of Head Quarters | 1-2-2, Yurakucho, Chiyoda-ku, Tokyo |
| Date of Foundation | April 8, 1999 |
| Date of Listing | February 26, 2007 (First Section of Tokyo Stock Exchange) |
| Capital Stock * | 11,965 millions yen |
| Representative | Tomoaki Horiguchi, Chairman Representative Director Seiichi Saito, President Representative Director |
| Number of Consolidated Employees * | 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.

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

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