

# Financial Results of the Fiscal Year Ended 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.

May 11, 2026



**SUN FRONTIER**

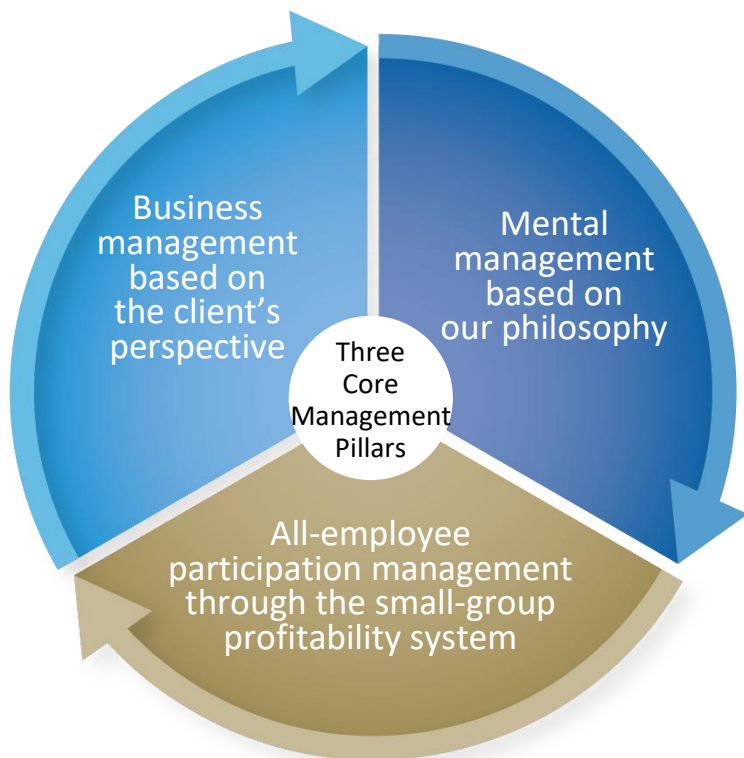
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# About Sun Frontier Group

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

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**SUN FRONTIER**

## Summary (FY2026/3)

- ◆ Net sales **reached a record high for the second consecutive year**
- ◆ Ordinary profit **reached a record high for the third consecutive year** and profit **for the fourth consecutive year**
- ◆ Results by Segment
  - The Real Estate Revitalization Business **maintained a high profit margin. Net sales and profits increased**
  - In the Real Estate Service Business, **net sales and profits increased significantly due to strong performance across all businesses**
  - In the Hotel and Tourism Business, **net sales increased on the back of strong travel demand, while profits decreased due to a lack of property sales**

## Topics

- ◆ Hotel Business: Three new hotels opened and two M&As were completed, bringing the total number of operating hotels to 34 with 3,690 rooms
- ◆ Construction Business: Otake Kenso Group joined the Group through M&A, strengthening the Office Business
- ◆ The Group issued its first **Integrated Report**
- ◆ **The capital and business alliance with ITOCHU Corporation began on April 1, 2026**

## Forecast (FY2027/3)

- ◆ The forecast for FY2027/3 is **net sales of 130 billion yen and ordinary profit of 26 billion yen, reached record highs**
- ◆ **The Medium-term Management Plan 2028 is revised upward, with net sales set at 150 billion yen and ordinary profit at 30 billion yen for FY2027/3**

# Overview of FY2026/3

Both net sales and profits increased and reached record highs

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2026/3	
	result	result	increase/decrease	change rate	forecast	achievement rate
Net sales	103,174	116,083	+12,908	+12.5%	117,000	99.2%
Gross Profit (Loss)	32,225	38,114	+5,889	+18.3%	36,420	104.7%
Selling, General and Administrative Expenses	10,945	12,758	+1,812	+16.6%	12,580	101.4%
Operating Profit (Loss)	21,279	25,356	+4,076	+19.2%	23,840	106.4%
Ordinary Profit (Loss)	20,446	23,298	+2,851	+13.9%	22,500	103.5%
Ordinary Profit Margin	19.8%	20.1%	-	+0.3%pt	19.2%	-
Profit (※)	14,163	15,986	+1,822	+12.9%	15,500	103.1%
(※) The profit attributing to owners of parent.						
	As of the End of March 2025	As of the End of March 2026	Compared to the End of March 2025		forecast for FY2026/3	
			increase/decrease	change rate		
Total Assets	218,190	264,463	+46,273	+21.2%	-	-
Equity	102,159	119,740	+17,581	+17.2%	-	-
Equity to Total Assets Ratio	46.8%	45.3%	-	-1.5%pt	-	-
ROE	14.7%	14.4%	-	-0.3%pt	14.2%	14.2%
EPS(yen)	291.58	327.76	36.18	+12.4%	319.11	319.11
Dividends per share (yen)	66	76	10	+15.2%	76	76
Dividend Payout Ratio	22.6%	23.2%	-	+0.6%pt	23.8%	23.8%

# Consolidated Income Statement

Office Business drove the performance. Hotel Operation Business also performed well

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2026/3	
	result	result	increase/decrease	change rate	forecast	achievement rate
<b>Net Sales</b>	103,174	116,083	+12,908	+12.5%	117,000	99.2%
Real Estate Revitalization Business	71,339	76,434	+5,095	+7.1%	81,340	94.0%
Real Estate Service Business	12,488	16,307	+3,819	+30.6%	14,000	116.5%
Hotel and Tourism Business	18,831	18,949	+117	+0.6%	21,490	88.2%
Other Business	1,992	5,872	+3,880	+194.8%	2,230	263.3%
Adjustments	-1,477	-1,481	-3	-	-2,060	-
<b>Gross Profit (Loss)</b>	32,225	38,114	+5,889	+18.3%	36,420	104.7%
Real Estate Revitalization Business	22,114	24,500	+2,385	+10.8%	25,560	95.9%
Real Estate Service Business	6,124	8,719	+2,595	+42.4%	6,940	125.6%
Hotel and Tourism Business	4,479	4,387	-91	-2.0%	4,340	101.1%
Other Business	498	1,479	+981	+196.9%	530	279.2%
Adjustments	-990	-971	+19	-	-950	-
<b>Selling, General and Administrative Expenses</b>	10,945	12,758	+1,812	+16.6%	12,580	101.4%
<b>Operating Profit (Loss)</b>	21,279	25,356	+4,076	+19.2%	23,840	106.4%
<b>Ordinary Profit (Loss)</b>	20,446	23,298	+2,851	+13.9%	22,500	103.5%
<b>Profit</b>	14,163	15,986	+1,822	+12.9%	15,500	103.1%

■ Real Estate Revitalization Business

The number of property sales was 24 (down 14 from the previous fiscal year). Net sales and profit surged due to the sale of large-scale properties and highly profitable properties.

■ Real Estate Service Business

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

■ Hotel and Tourism Business

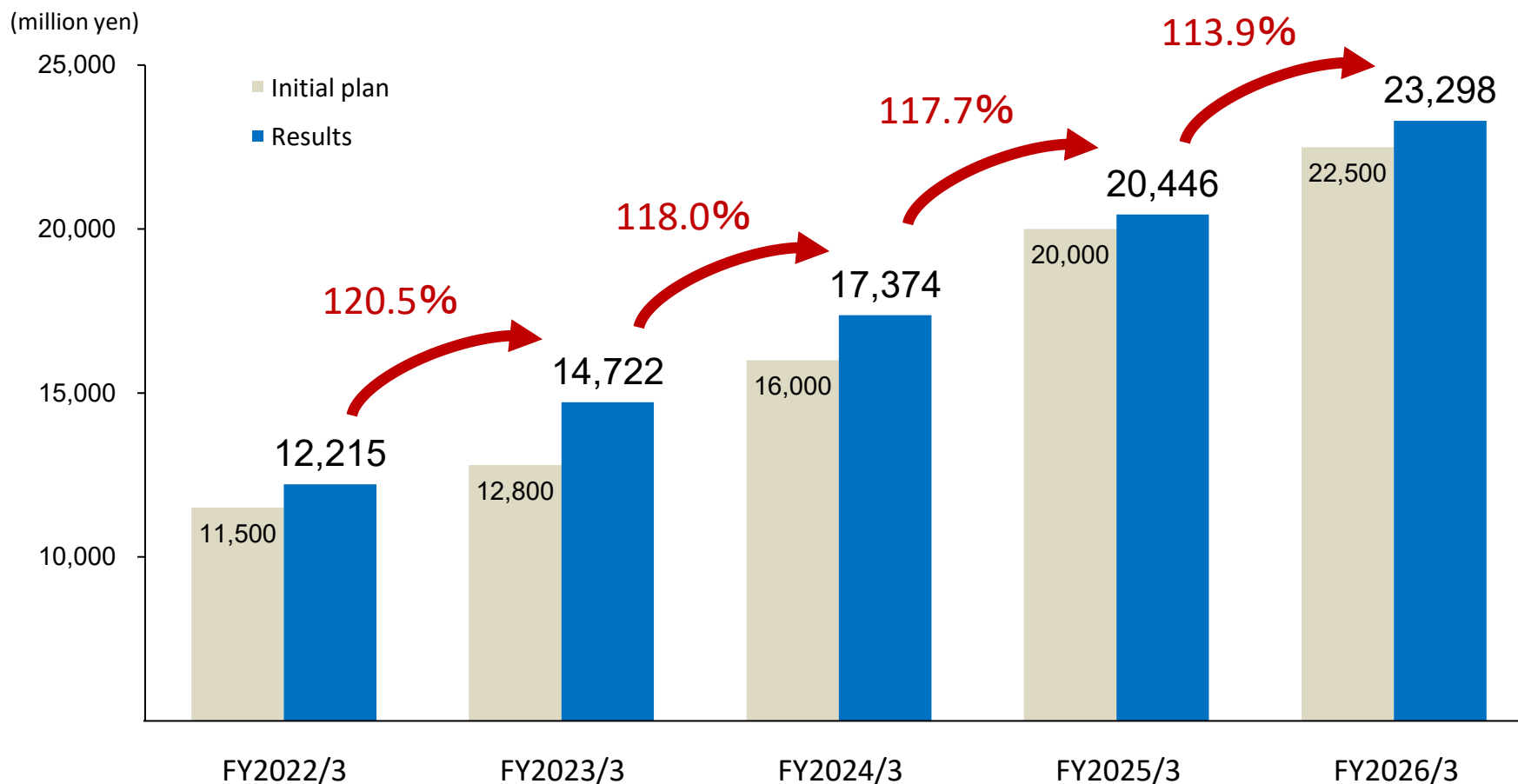
Net sales increased while the hotel operation continued to perform well on the back of strong travel demand, but profits decreased due to a lack of property sales.

■ Others

Net 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

Consistently exceeding initial forecasts each fiscal year while achieving over 10% year-on-year growth

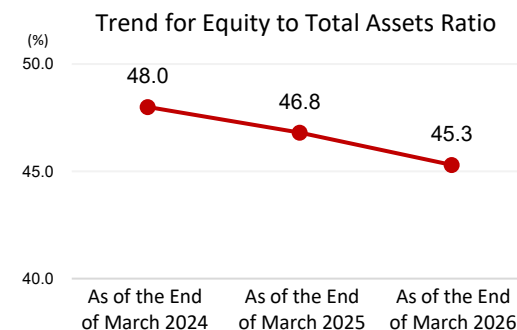
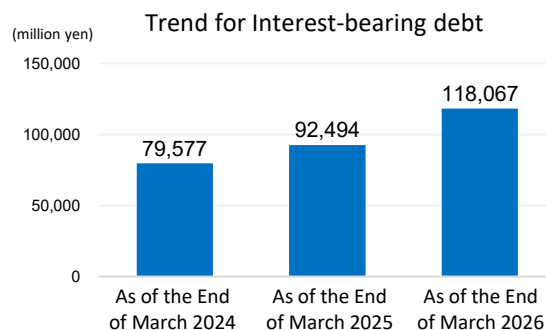
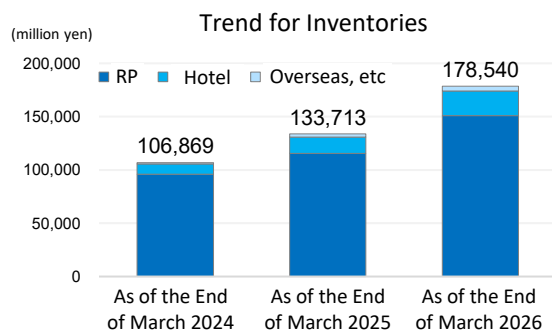


# Consolidated Balance Sheet

Inventories and interest-bearing debt increased due to the acquisition and commercialization of replanning properties and the progress of construction projects in the Hotel Development

(unit: million yen)	As of the End of March 2025	As of the End of March 2026	Increase/decrease (compared to the End of March 2025)
<b>Current Assets</b>	183,706	225,705	+41,998
Cash and Deposits	44,920	39,274	-5,645
Inventories	133,713	178,540	+44,826
Breakdown) RP	115,549	150,895	+35,345
Hotel	15,326	23,126	+7,799
Overseas, etc	2,837	4,518	+1,680
Other Current Assets	5,072	7,890	+2,817
<b>Non-current Assets</b>	34,484	38,758	+4,274
Property, Plant and Equipment	24,290	26,246	+1,955
Intangible Assets	2,288	3,342	+1,054
Investments and Other Assets	7,904	9,170	+1,265
<b>Total Assets</b>	218,190	264,463	+46,273

(unit: million yen)	As of the End of March 2025	As of the End of March 2026	Increase/decrease (compared to the End of March 2025)
<b>Current Liabilities</b>	26,663	30,703	+4,039
Short-term borrowings, etc.	10,240	10,373	+132
Other Current Liabilities	16,423	20,329	+3,906
<b>Non-current Liabilities</b>	85,634	113,375	+27,741
Long-term borrowings	72,219	102,556	+30,337
Bonds Payable	9,999	5,102	-4,897
Other Non-current Liabilities	3,415	5,716	+2,301
<b>Total Liabilities</b>	112,298	144,078	+31,780
Shareholders' Equity	100,949	118,243	+17,294
Other	4,942	2,141	-2,801
<b>Total Net Assets</b>	105,892	120,384	+14,492
<b>Total Liabilities and Net Assets</b>	218,190	264,463	+46,273



1. The global economy outlook remains uncertain due to the simultaneous slowdown in growth and resurgence of inflation caused by heightened geopolitical risks.

◆ Monetary policy in the U.S. and Europe remains cautious amid heightened geopolitical risks, with policy interest rates being held steady.

◆ The IMF lowered its global economic growth outlook to 3.1%, taking into account the impact of rising oil prices due to the situation in the Middle East, and attention must be paid to future developments.

2. Although the Japanese economy has maintained a moderate recovery trend, caution is needed regarding the potential economic slowdown caused by inflation and other factors.

◆ 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 kept its interest rate unchanged to assess the impact of the situation in the Middle East on the economy and prices.

3. In the central Tokyo office building market, rents continue to rise and the vacancy rates remain at a low level. Investment appetite stays strong as well.

◆ Although the supply of materials has become uncertain due to high oil prices caused by the situation in the Middle East, we expect the impact to be limited.

◆ Even during a period of rising interest rates, investors keep a high investment appetite. Meanwhile, they are more selective about properties and their investment decisions seem to become more cautious.

4. In the hotel and tourism market, despite the impact of China's travel restrictions, the number of visitors and their spending remain strong.

◆ The number of visitors to Japan from January to March 2026 exceeded 10 million in a quarter, as it did last year, driven by the continued depreciation of the yen.

◆ Spending from January to March 2026 was 2,337.8 billion yen, of which accommodation expenses accounted for 36.7%, an increase of 12% from the same period of the previous year.

# Forecast Summary for FY2027/3

Net sales and ordinary profit are expected to grow by over 10%. Full year cash dividend is expected to increase by 4.0 yen YoY to 80.0 yen

(unit: million yen)	FY2026/3	FY2027/3	YoY	
	result	forecast	increase/decrease	change rate
Net sales	116,083	130,000	+13,916	+12.0%
Gross Profit (Loss)	38,114	42,839	+4,724	+12.4%
Selling, General and Administrative Expenses	12,758	14,689	+1,930	+15.1%
Operating Profit (Loss)	25,356	28,150	+2,793	+11.0%
Ordinary Profit (Loss)	23,298	26,000	+2,701	+11.6%
Ordinary Profit Margin	20.1%	20.0%	-	-0.1%pt
Profit (※)	15,986	17,400	+1,413	+8.8%
(※) The profit attributing to owners of parent.				
	As of the End of March 2026	forecast for FY2027/3	Compared to the End of March 2025	
			increase/decrease	change rate
Total Assets	264,463	-	-	-
Equity	119,740	-	-	-
Equity to Total Assets Ratio	45.3%	-	-	-
ROE	14.4%	13.1%	-	-1.3%pt
EPS(yen)	327.76	304.27	-23.49	-7.2%
Dividends per share (yen)	76.00	80.00	+4.00	+5.3%
Dividend Payout Ratio	23.2%	26.3%	-	+3.1%pt

# Forecast for FY2027/3

(unit: million yen)	FY2026/3 result	FY2027/3 forecast	YoY increase/decrease	change rate
<b>Net Sales</b>	116,083	130,000	+13,916	+12.0%
Real Estate Revitalization Business	76,434	85,300	+8,865	+11.6%
Real Estate Service Business	16,307	17,270	+962	+5.9%
Hotel and Tourism Business	18,949	21,950	+3,000	+15.8%
Other Business	5,872	7,480	+1,607	+27.4%
Adjustments	-1,477	-2,000	-522	-
<b>Gross Profit (Loss)</b>	38,114	42,839	+4,724	+12.4%
Real Estate Revitalization Business	24,500	27,450	+2,949	+12.0%
Real Estate Service Business	8,719	9,060	+340	+3.9%
Hotel and Tourism Business	4,387	5,040	+652	+14.9%
Other Business	1,479	1,989	+509	+34.4%
Adjustments	-971	-700	+271	-
<b>Selling, General and Administrative Expenses</b>	12,758	14,689	+1,930	+15.1%
<b>Operating Profit (Loss)</b>	25,356	28,150	+2,793	+11.0%
<b>Ordinary Profit (Loss)</b>	23,298	26,000	+2,701	+11.6%
<b>Profit</b>	15,986	17,400	+1,413	+8.8%

■ Real Estate Revitalization Business

Maintain high profit margin. In addition to existing RP properties, new buildings, New York properties, small-lot properties, residential properties, etc., are scheduled to be sold

■ Real Estate Service Business

In addition to opening new sites for rental conference rooms, all businesses are expected to grow steadily by strengthening cross-divisional collaborations

■ Hotel and Tourism Business

Plan to open 10 hotels. Improve occupancy rate and average daily rate

■ Others

Each Group company acquired through M&As contributes to segment performance

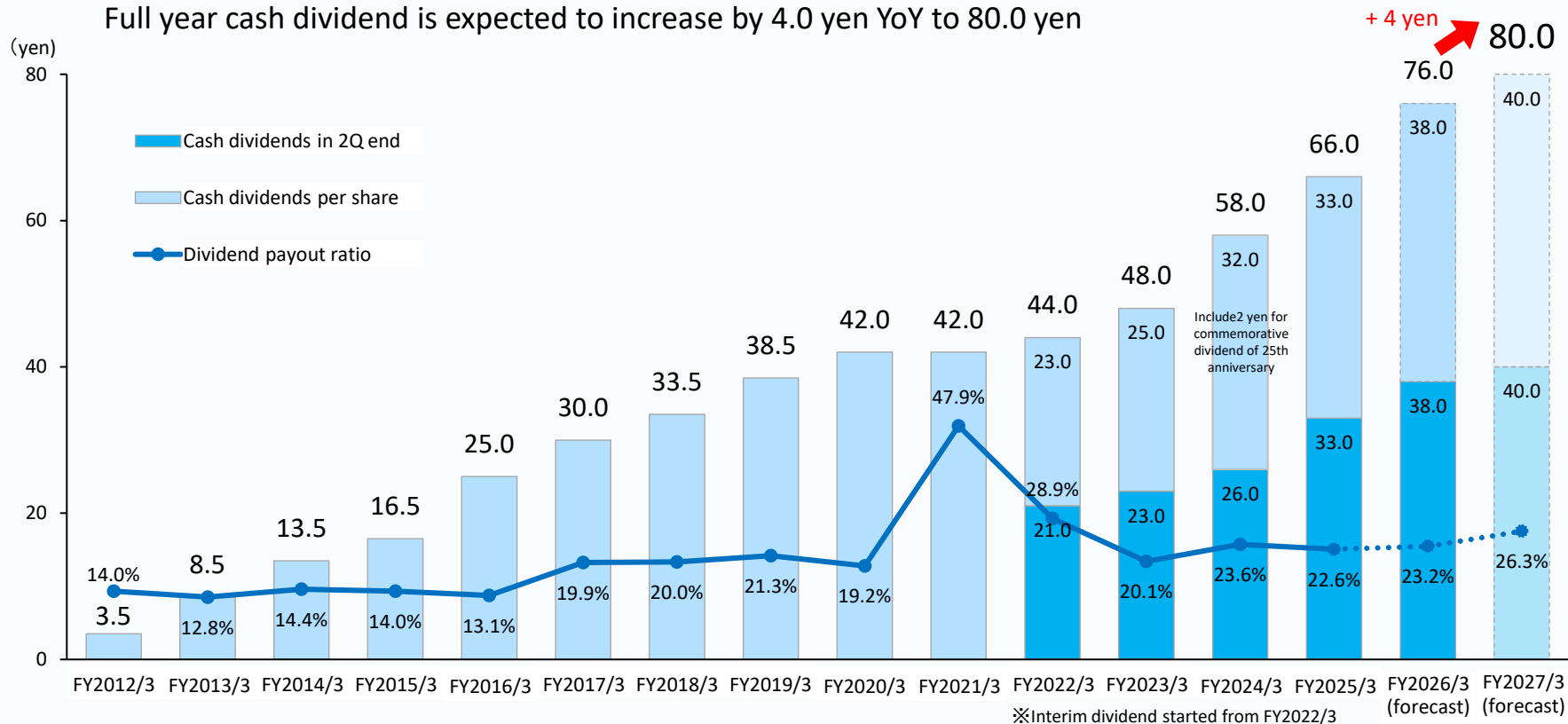
■ Selling, General and Administrative Expenses

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

# Dividend Forecast

With the exception of maintaining the same dividend in FY2021/3, we expect to increase dividends for 14 consecutive years

Full year cash dividend is expected to increase by 4.0 yen YoY to 80.0 yen



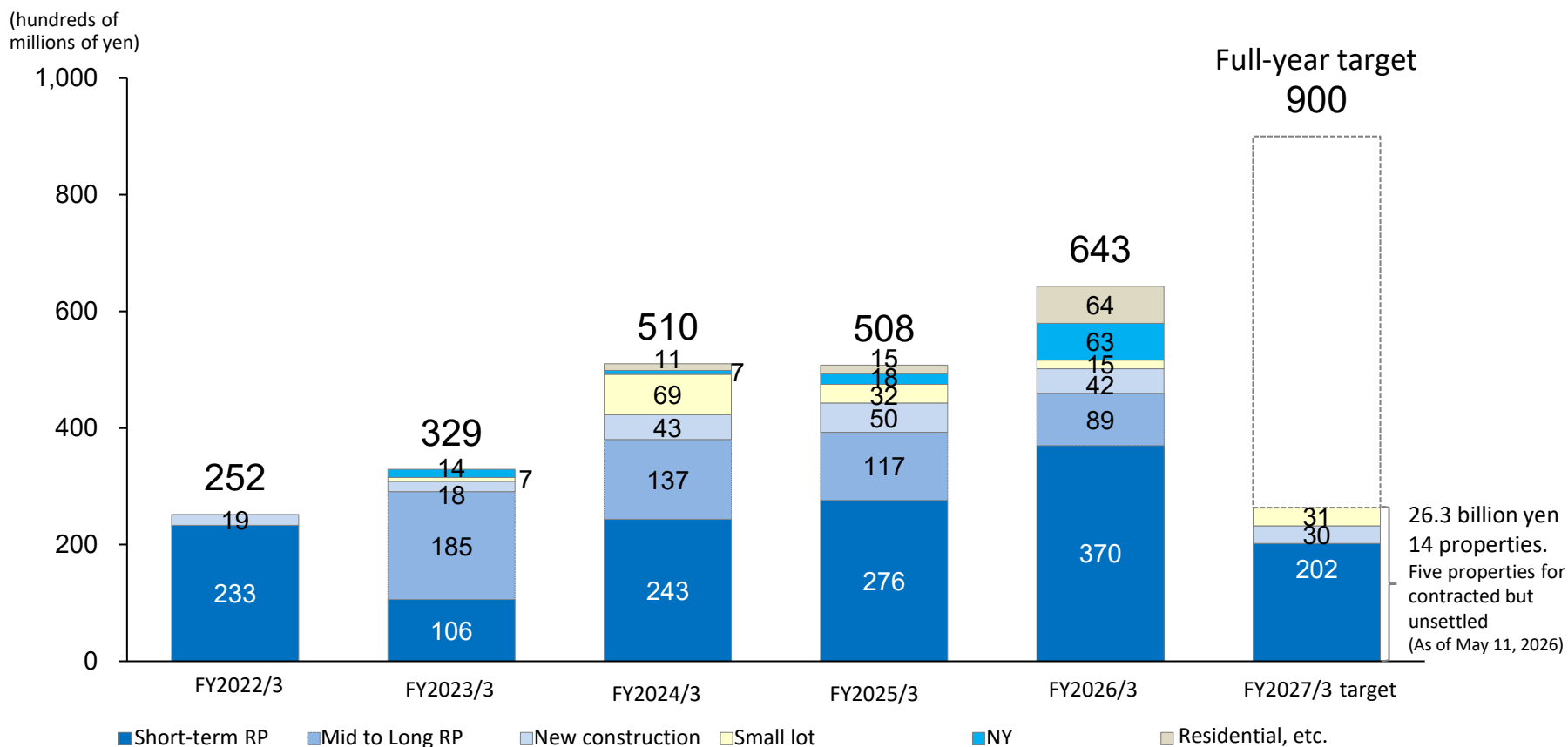
## Basic Policy for Shareholder Return

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

# Property Acquisition - Office • Residential -



Achieved acquisition of 64.3 billion yen (71.2 billion yen including contracted but unsettled properties), an increase of 13.6 billion yen from the previous fiscal year. Aim for 90 billion yen this fiscal year by promoting joint investment with ITOCHU Corporation



## Real Estate Revitalization Business

We maintained a high profit margin. Net sales and profits increased. Sales of newly constructed properties and others contributed to performance growth

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2027/3	
	result	result	increase/decrease	change rate	forecast	YoY
Net Sales	71,339	76,434	+5,095	+7.1%	85,300	+11.6%
Replanning Business	68,684	72,479	+3,794	+5.5%	81,100	+11.9%
Rental Building Business	2,654	3,955	+1,300	+49.0%	4,200	+6.2%
Gross Profit (Loss)	22,114	24,500	+2,385	+10.8%	27,450	+12.0%
Replanning Business	21,860	23,488	+1,628	+7.4%	26,350	+12.2%
Rental Building Business	253	1,011	+757	+298.2%	1,100	+8.8%
Segment Profit (※)	20,104	22,148	+2,043	+10.2%		
Replanning Business	19,850	21,136	+1,286	+6.5%		
Rental Building Business	253	1,011	+757	+298.2%		
Segment Profit Margin	28.2%	29.0%	-	+0.8%pt		
Replanning Business	28.9%	29.2%	-	+0.3%pt		
Rental Building Business	9.6%	25.6%	-	+16.0%pt		

### ■ Replanning Business

The number of property sales decreased, but net sales and profits increased due to the sales of large-scale properties and newly constructed properties with high profitability.

(Properties sold) 24 (including 3 small-lot properties, 3 new constructions, 2 NY properties). A decrease of 14 properties compared to the previous fiscal year.

(Average project period) 874 days (up 91 days compared to the previous fiscal year). Except for the three newly constructed projects (2,095 days), the period was 645 days.

In FY2027/3, we plan to diversify asset types and sell new buildings, New York properties, small-lot properties, residential properties, etc., in addition to existing RP properties.

### ■ Rental Building Business

Sales and profits soared due to a decrease in lease related expenses compared to the previous fiscal year, in addition to progress in property acquisitions.

(※) 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)

# Performance for Each Business Segment

## Real Estate Services Business

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



Each division performed well. Net sales and profits increased significantly

(unit: million yen)	FY2025/3	FY2026/3	YoY		forecast for FY2027/3	
	result	result	increase/decrease	change rate	forecast	YoY
Net Sales	12,488	16,307	+3,819	+30.6%	17,270	+5.9%
PM/BM/Brokerage Business, etc.	8,511	10,916	+2,405	+28.3%	11,250	+3.1%
Rental Conference Room	3,976	5,390	+1,414	+35.6%	6,020	+11.7%
Gross Profit (Loss)	6,124	8,719	+2,595	+42.4%	9,060	+3.9%
PM/BM/Brokerage Business, etc.	5,536	7,151	+1,614	+29.2%	7,540	+5.4%
Rental Conference Room	587	1,567	+980	+166.9%	1,520	-3.0%
Segment Profit (※)	6,112	8,703	+2,590	+42.4%		
PM/BM/Brokerage Business, etc.	5,536	7,151	+1,614	+29.2%		
Rental Conference Room	576	1,552	+976	+169.4%		
Segment Profit Margin	49.0%	53.4%	-	+4.4%pt		
PM/BM/Brokerage Business, etc.	65.0%	65.5%	-	+0.5%pt		
Rental Conference Room	14.5%	28.8%	-	+14.3%pt		

■ PM/BM/Brokerage Business, etc.  
(Property Management)

Net sales and profit increased due to an increase of 17 buildings under management compared to the end of the previous fiscal year. In FY2027/3, we aim to increase the number of entrusted buildings to 600 by providing prompt and high-quality services

(Building Management)

Net 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)

Net sales and profit increased due to steady growth in both new guarantee contracts and renewal guarantee contracts

■ Rental Conference Room

Net 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. In FY2027/3, we aim to expand our business, targeting an operation area of 13,000 tsubo

## Hotel and Tourism Business

Net 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 FY2027/3	
	result	result	increase/decrease	change rate	forecast	YoY
Net Sales	18,831	18,949	+117	+0.6%	21,950	+15.8%
Hotel Development Business	3,071	0	-3,071	-	0	-
Hotel Operation Business, etc.	15,760	18,949	+3,189	+20.2%	21,950	+15.8%
Gross Profit (Loss)	4,479	4,387	-91	-2.0%	5,040	+14.9%
Hotel Development Business	991	-62	-1,054	-	0	-
Hotel Operation Business, etc.	3,487	4,450	+962	+27.6%	5,040	+13.3%
Segment Profit (※)	4,072	3,817	-255	-6.3%		
Hotel Development Business	779	-303	-1,083	-		
Hotel Operation Business, etc.	3,293	4,120	+827	+25.1%		
Segment Profit Margin	21.6%	20.1%	-	-1.5%pt		
Hotel Development Business	25.4%	-	-	-		
Hotel Operation Business, etc.	20.9%	21.7%	-	+0.9%pt		

### ■ Hotel Development Business (New development)

A total of 16 hotels with 2,158 rooms are currently under construction or in the planning stage.

In FY2027/3, 10 hotels are scheduled to open, and the number of hotels under operation will increase to 44 hotels with 5,161 rooms.

### ■ Hotel Operation Business (New openings and acquisitions)

three new openings: Shijo (16 rooms), Kakogawa (172 rooms), Ishikari (175 rooms)

two through M&A: Nagano (136 rooms), Kinugawa (41 rooms)

### (Operations)

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

In FY2027/3, although occupancy rates and average daily rates will decrease due to the impact of new openings, etc., net sales and profits are expected to increase.

# Performance for Each Business Segment



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

Net 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 FY2027/3	
	result	result	increase/decrease	change rate	forecast	YoY
Net Sales	1,992	5,872	+3,880	+194.8%	7,480	+27.4%
Gross Profit (Loss)	498	1,479	+981	+196.9%	1,989	+34.4%
Segment Profit (※)	435	1,177	+741	+170.2%		
Segment Profit Margin	21.9%	20.0%	-	-1.8%pt		

- Construction Business

Net 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.  
Net 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 condominium project, HIYORI Aqua Tower, which commenced in August 2024, started the sales activity in February 2026, and is currently progressing toward completion in the first half of FY2027

# 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

	FY2023/3 (Results)	FY2024/3 (Results)	FY2025/3 (Results)	FY2026/3 (Results)	FY2027/3 (Forecast)
Sales of properties	61.7 billion yen	53.7 billion yen	71.7 billion yen	72.4 billion yen	81.1 billion yen
Cost of property sales	44.9 billion yen	36.1 billion yen	50.3 billion yen	49.0 billion yen	54.7 billion yen
<b>Business profit</b> ※	<b>16.8 billion yen</b> RP 15.3 billion yen Hotel 1.5 billion yen	<b>17.6 billion yen</b> RP 15.5 billion yen Hotel 2.1 billion yen	<b>21.4 billion yen</b> RP 20.5 billion yen Hotel 0.9 billion yen	<b>23.4 billion yen</b> RP 23.4 billion yen Hotel 0 billion yen	<b>26.3 billion yen</b> RP 26.3 billion yen Hotel 0 billion yen
Profit margin	27.2%	32.8%	29.8%	32.3%	32.4%
Acquisitions during the fiscal year, construction work, etc.	47.7 billion yen	62.8 billion yen	77.2 billion yen	93.8 billion yen	105.0~ 110.0 billion yen
Ending balance of the inventory	80.1 billion yen	106.8 billion yen	133.7 billion yen	178.5 billion yen	228.8~ 233.8 billion yen

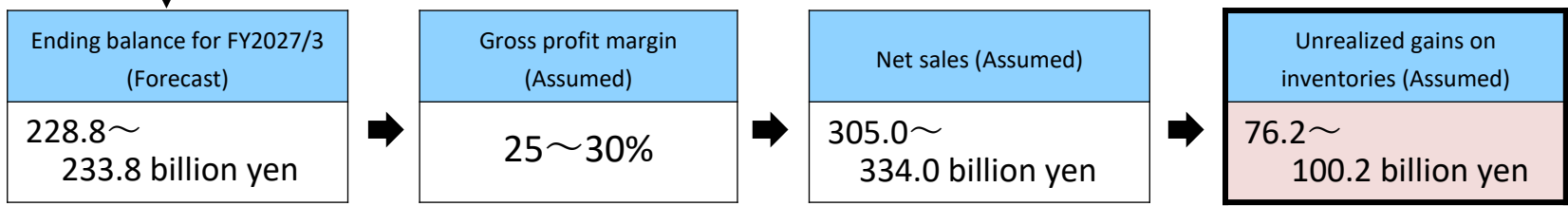
Sales remained strong. The results of strengthening purchase emerged, leading to the increase of the balance of inventories

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

While promote joint investment with ITOCHU Corporation, keep expanding scale of properties and diversifying asset types

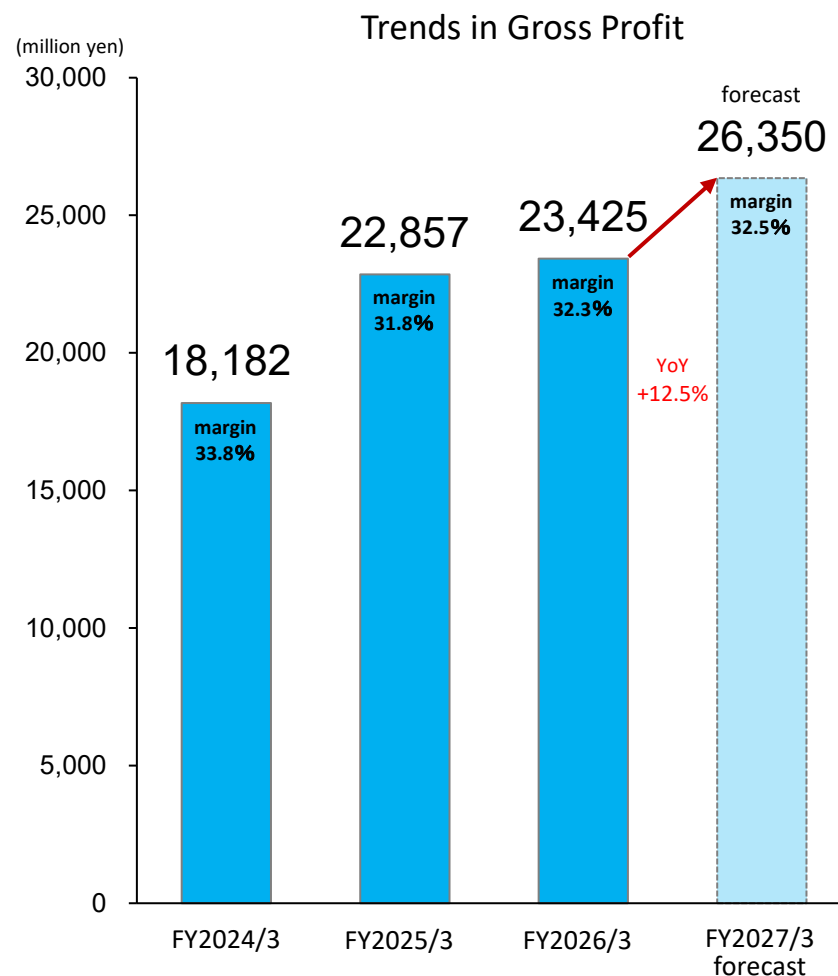
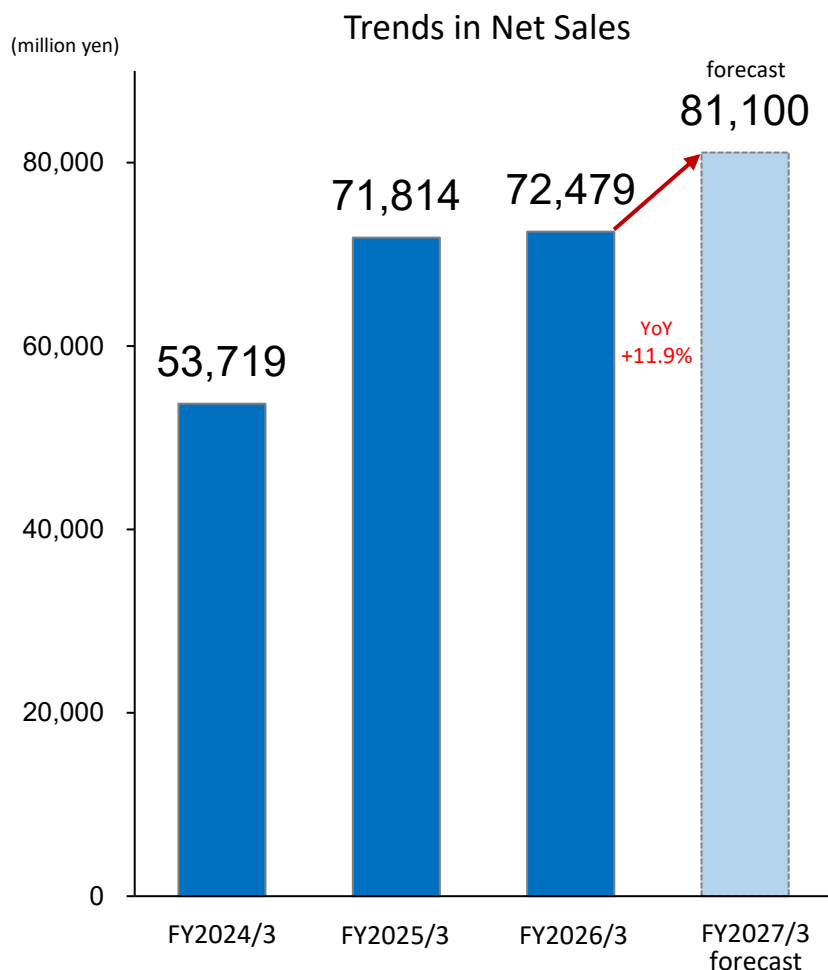


※ Business profit = gross profit - sales commissions

# Progress of Flow-Type Businesses

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

## Maintain high profitability and accelerate growth through core business synergies and diversification

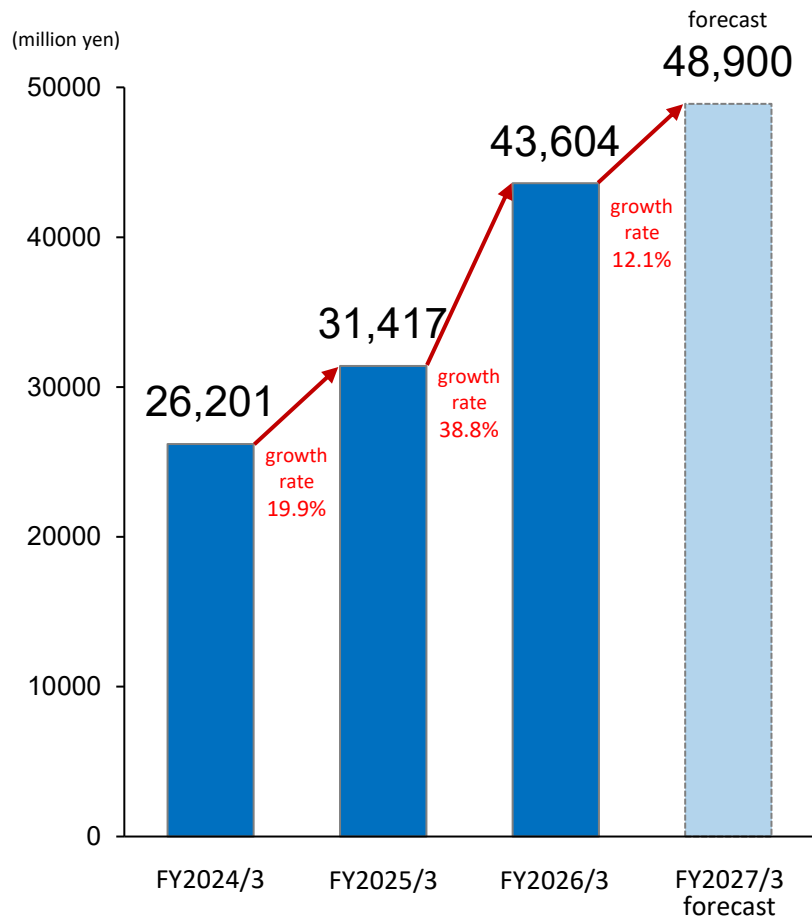


# Progress of Stock-Type Businesses

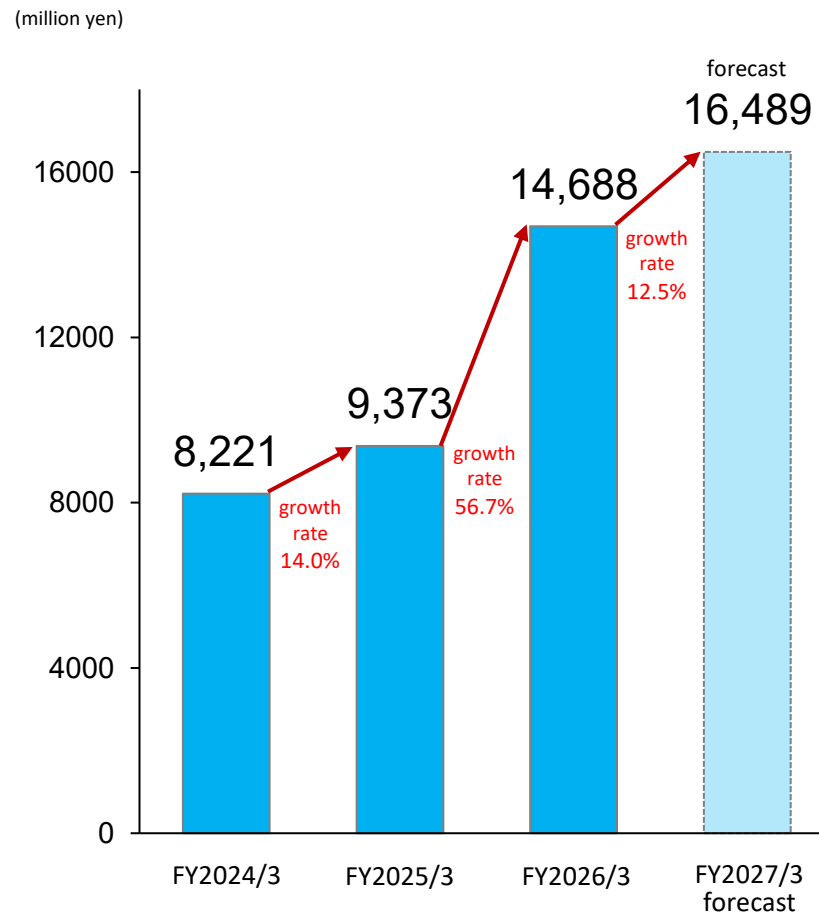
(All businesses other than sale of properties such as Real Estate Services, Hotel Operation Business, etc.)

## Net sales and gross profit hit record highs, sustaining strong growth and business expansion

### Trends in Net Sales

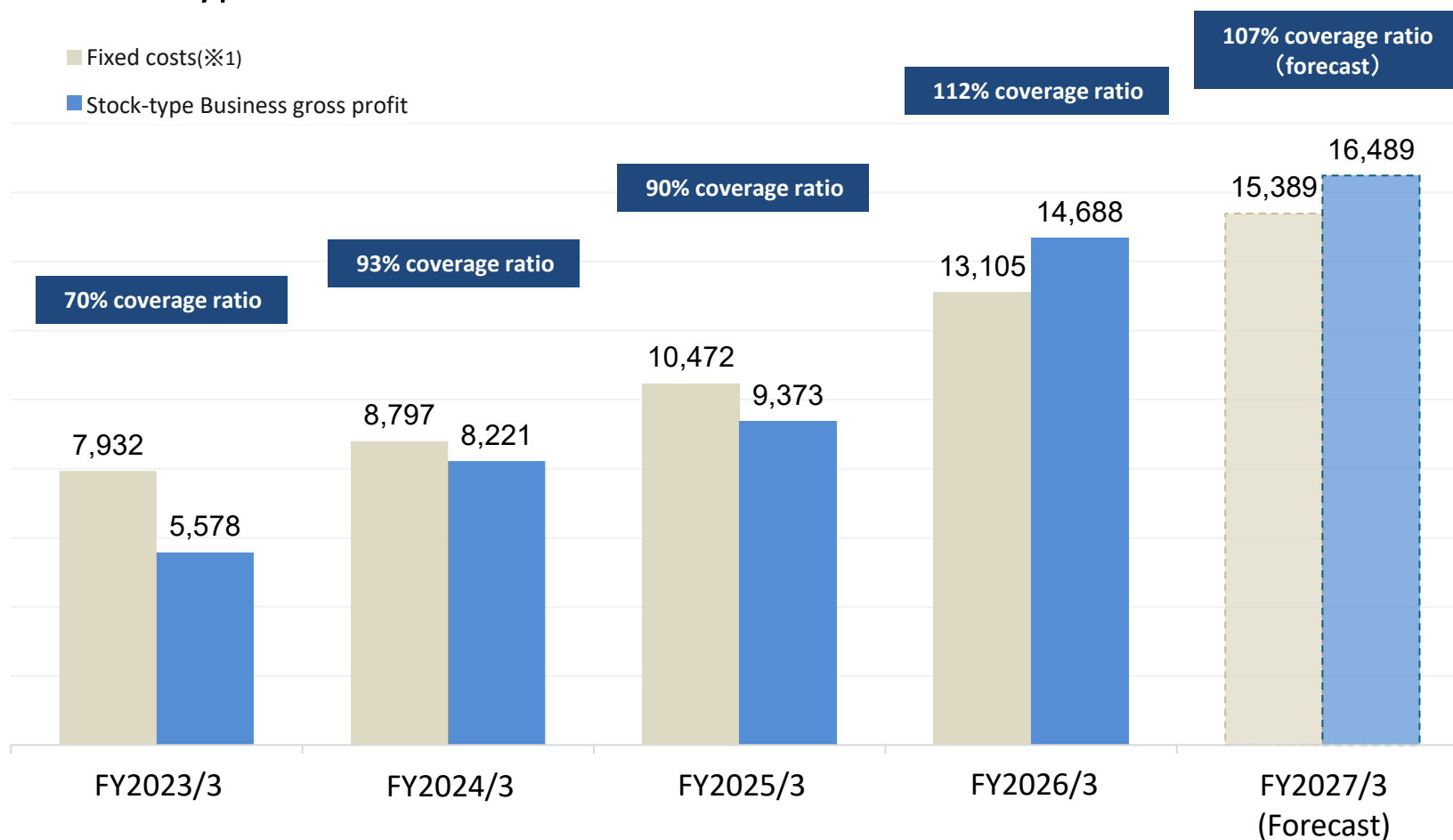


### Trends in Gross Profit



# 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



# Growth Strategies

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**SUN FRONTIER**

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

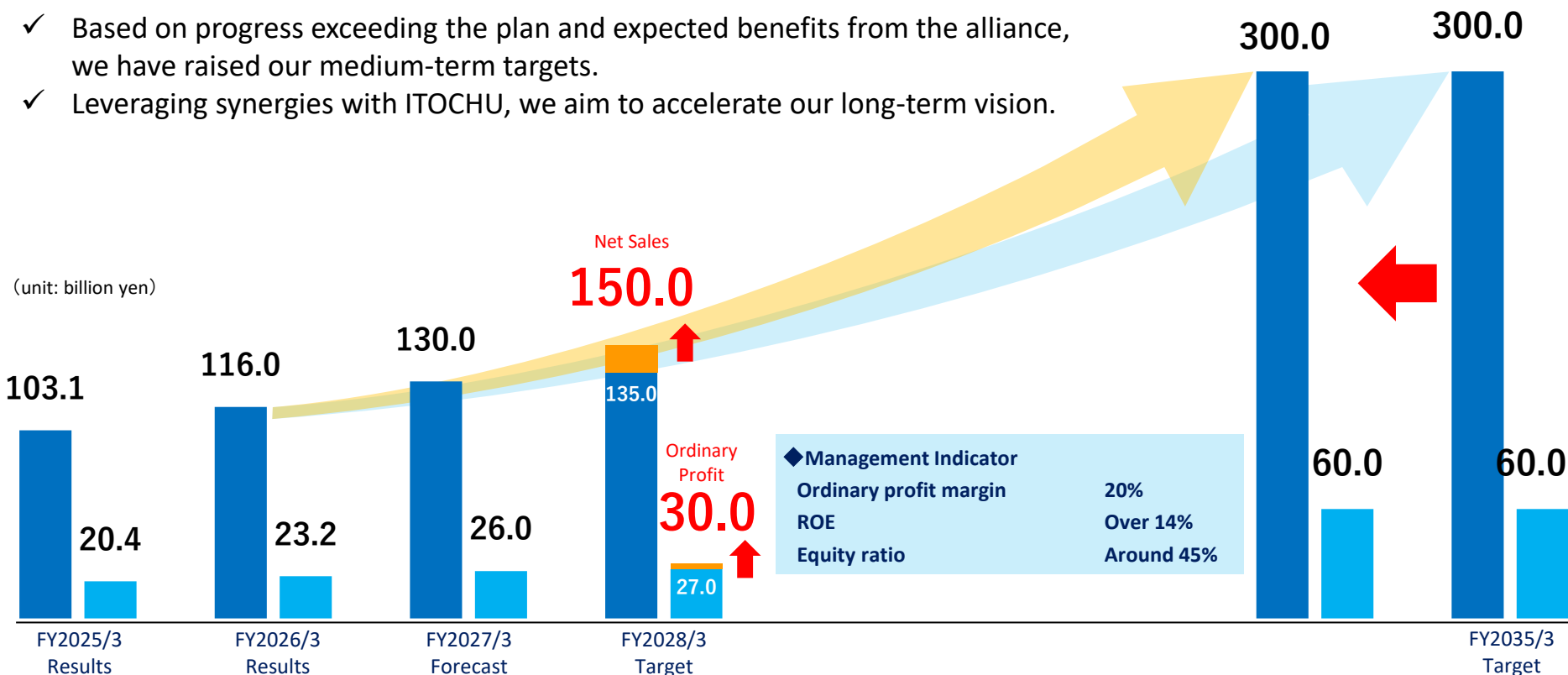
Long-term vision  
2035

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.

- ✓ Based on progress exceeding the plan and expected benefits from the alliance, we have raised our medium-term targets.
- ✓ Leveraging synergies with ITOCHU, we aim to accelerate our long-term vision.



# Purpose and Background of the Capital and Business Alliance

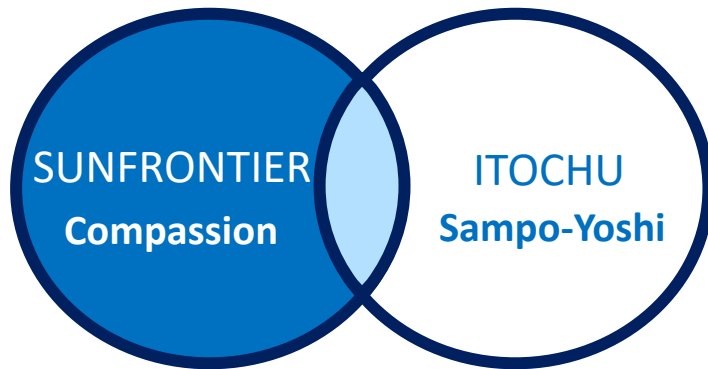


## Purpose

To realize our management philosophy by accelerating business growth and achieving a step-change in medium to long term corporate value through a strategic capital and business alliance

## Background

### Shared Corporate Culture



A strong affinity in management philosophies, enabling the building of a long-term and robust relationship of trust.

### Strategic Alignment

#### SUNFRONTIER

High value-added services driven by strong on-the-ground execution and agility

Expertise in office building revitalization and hotel development and operations

#### ITOCHU

Extensive business network and financial strength as a leading general trading company

Strong capabilities in development and asset management across residential, logistics, and infrastructure assets

×

×

Underpinned by shared values in management philosophy, the two companies will leverage their respective strengths and managerial autonomy to deepen existing businesses while expanding into new growth areas as long-term strategic partners.

# Create Synergies by Complementing Each Other

## Strengths of Sun Frontier Fudousan

Planning capabilities and creativity for set-up offices

Management record for small and medium-sized office buildings in central Tokyo

Comprehensive in-house real estate service

Tenant leasing capabilities through close ties with local communities in central Tokyo

Hotel operation capabilities with heartwarming services

×

## Strengths of ITOCHU

Fund management capabilities through REITs and private funds

Condominium management record all over the country

Supply capacity for a variety of materials

Nationwide network of business sites

Development capabilities with a general contractor function

=

## Business synergies

- **Expand investment and business opportunities utilizing capital strength**
- **Deepen the value creation process by combining the strengths of both companies**
- **Expand business domains and rapidly diversify business fields**

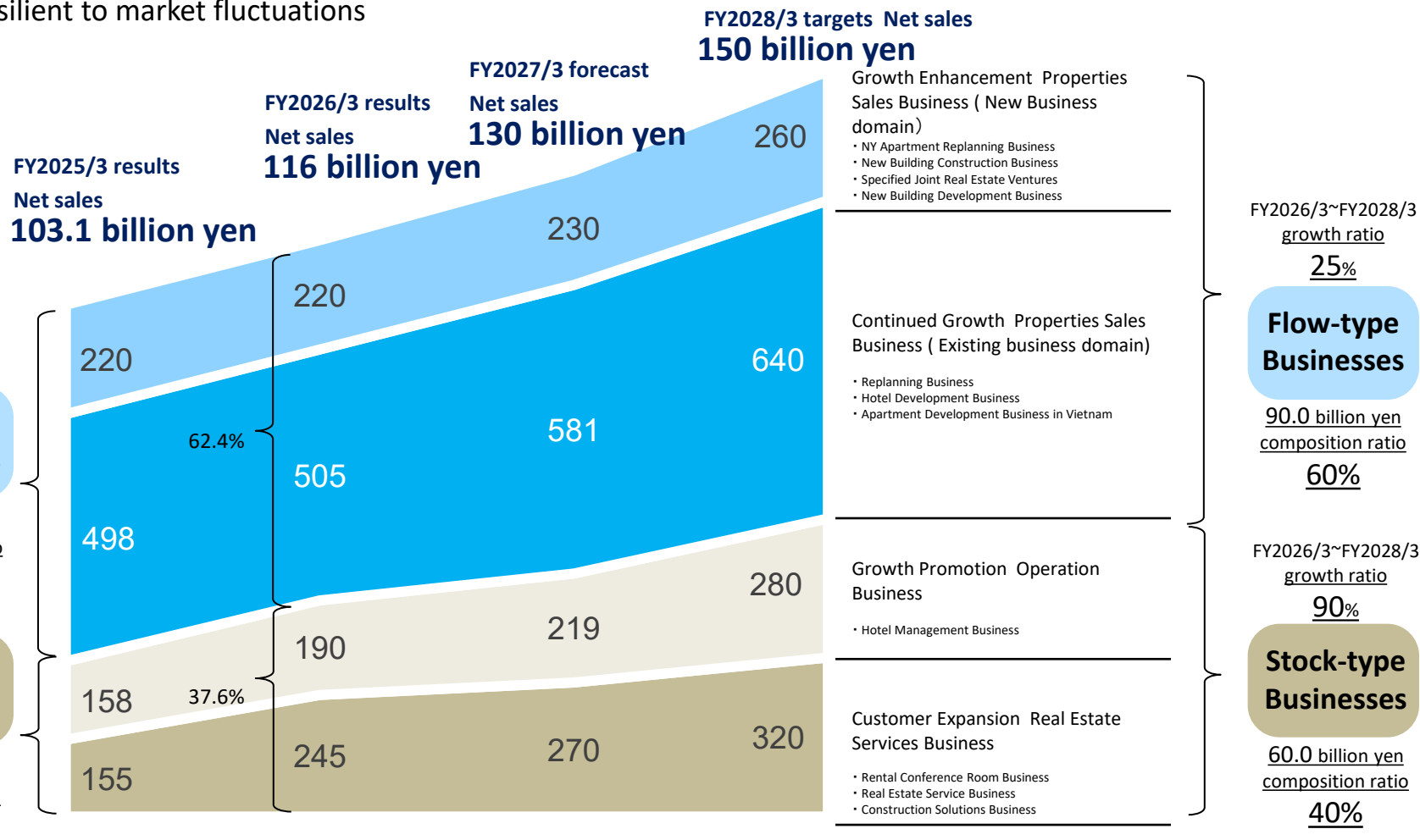
# Growth Strategies

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	Benefits of the Capital and Business Alliance		
Office	Development	Renovation	Tokyo	Osaka	<ul style="list-style-type: none"> <li>• Increase in the number of projects</li> <li>• Expansion in the scale of properties handled</li> <li>• Further expansion of regional presence</li> </ul>	
		Business domain expansion New construction				Area expansion
		Sale of small-lot <small>(Act on Specified Joint Real Estate Ventures)</small>				
	Services	Real Estate Services				
Operation	Rental conference rooms					
Hotel	Development	New construction	Nationwide			
		Renovation				
	Operation	Hotel operation				
Residential	Development	New construction	Vietnam	Tokyo		
		Business domain expansion Renovation	Area expansion New York			
	Services	Real Estate Services	Vietnam New York			

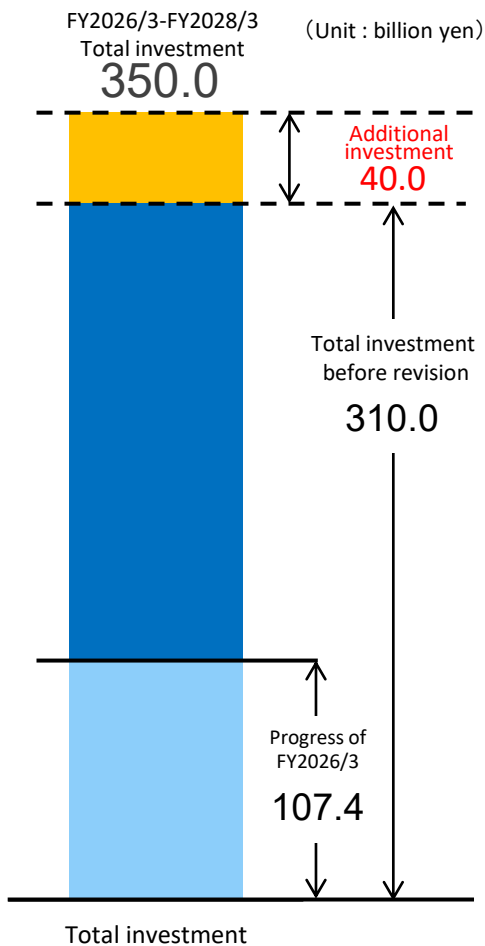
# Strengthening business growth and sales structure

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

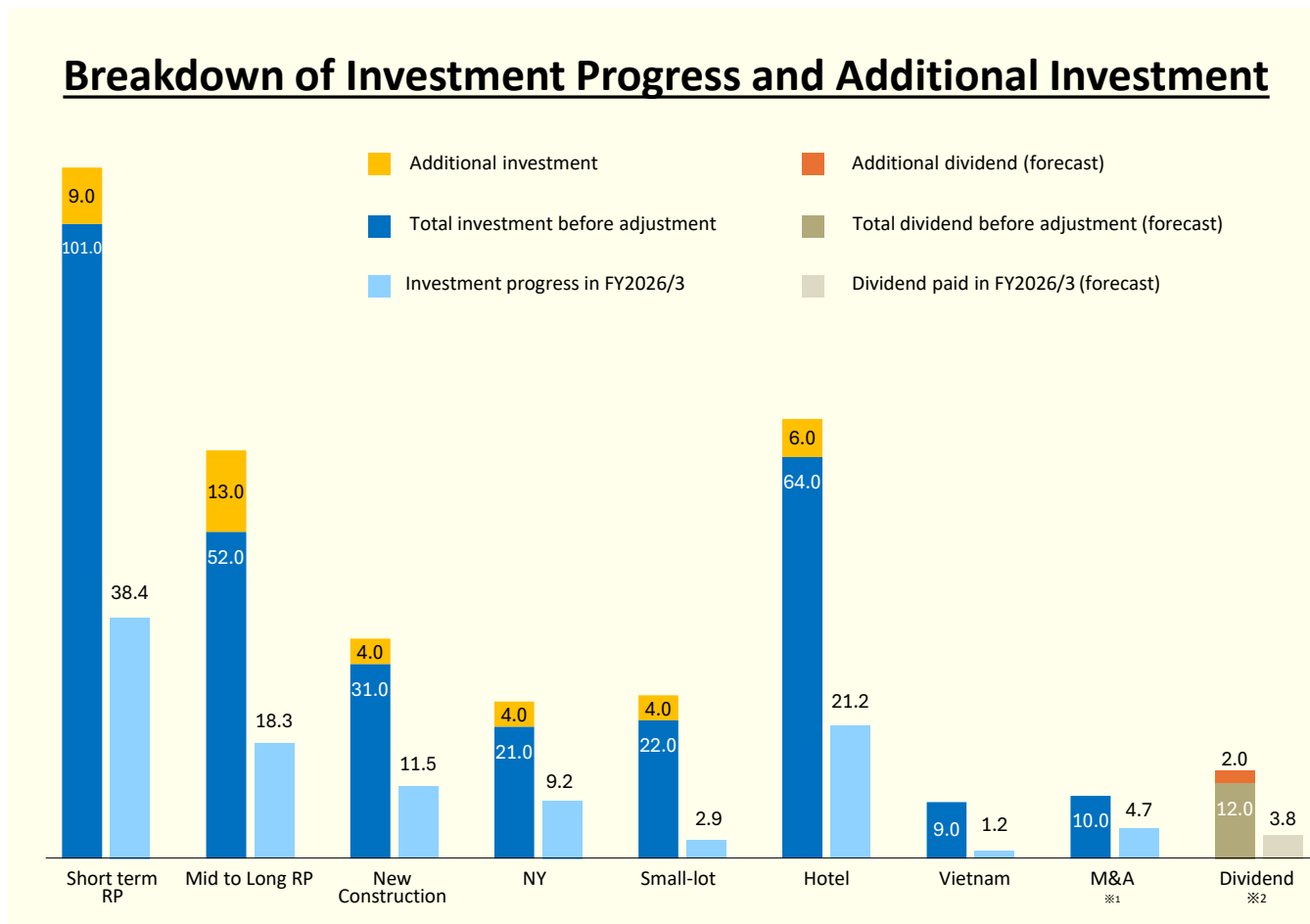


# Allocation of Funds

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 2028 (FY2026/3-FY2028/3) has been revised upward to 350 billion yen



## Breakdown of Investment Progress and Additional Investment



※1 Except for M&A of property acquisition

※2 Conversion of convertible bonds into shares is expected to progress by the end of FY2028/3, resulting in increased number of shares.



# Business Initiatives

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**SUN FRONTIER**

## Taking on the Challenge of Creating Real Estate Value that Contributes to Urban Revitalization

Drawing out the hidden value of properties and maximizing the value of assets through renovations and new construction

### [Replanning Business]

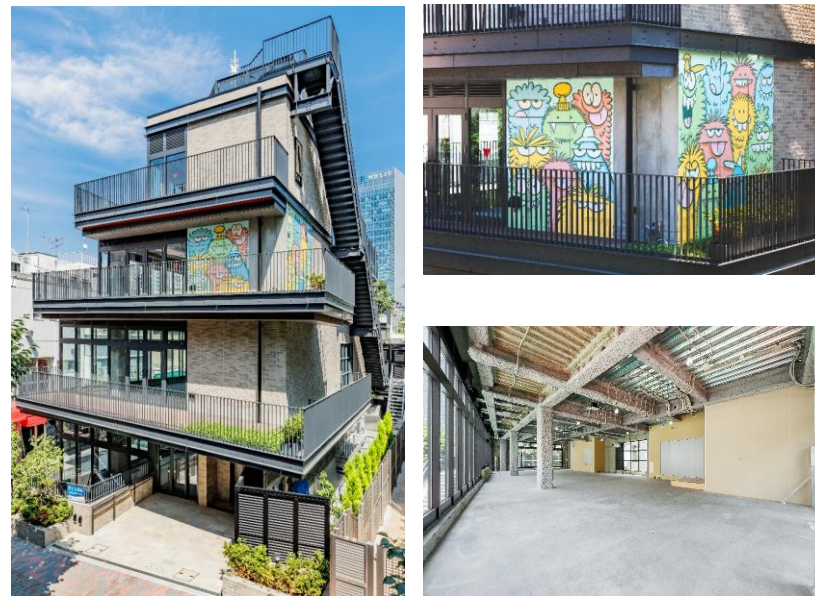


#### [Income-yielding property in Higashi, Shibuya-ku]

Steel-framed reinforced concrete structure with flat roof, 8 stories

- Achieve high environmental performance with CASBEE S Rank Certification.
- Convert residential areas and parking lots to offices and improve profitability.
- Create a comfortable work environment by improving sound insulation through the installation of secondary glazing.

### [New Building Development Business]



#### [Income-yielding property in Jingumae, Shibuya-ku]

Steel-framed reinforced concrete structure with flat roof, 4 stories with 1 basement floor

- Building a circular route creates a flow of people and improves the value of the entire town.
- Create a lively atmosphere and improve the charm of the town by installing wall art.
- Ensure safety by rebuilding a property built under old earthquake resistance standards and create value that will become a symbol of the town.

## Promoting Development of Diverse Small-lot Real Estate Products

Continue development in Tokyo and Greater Osaka to provide products that meet the diversified investment needs of clients



Newly-built Medical Mall in Minoh, Osaka  
Steel structure with flat roof, 5 stories  
Started selling in Jan 2026



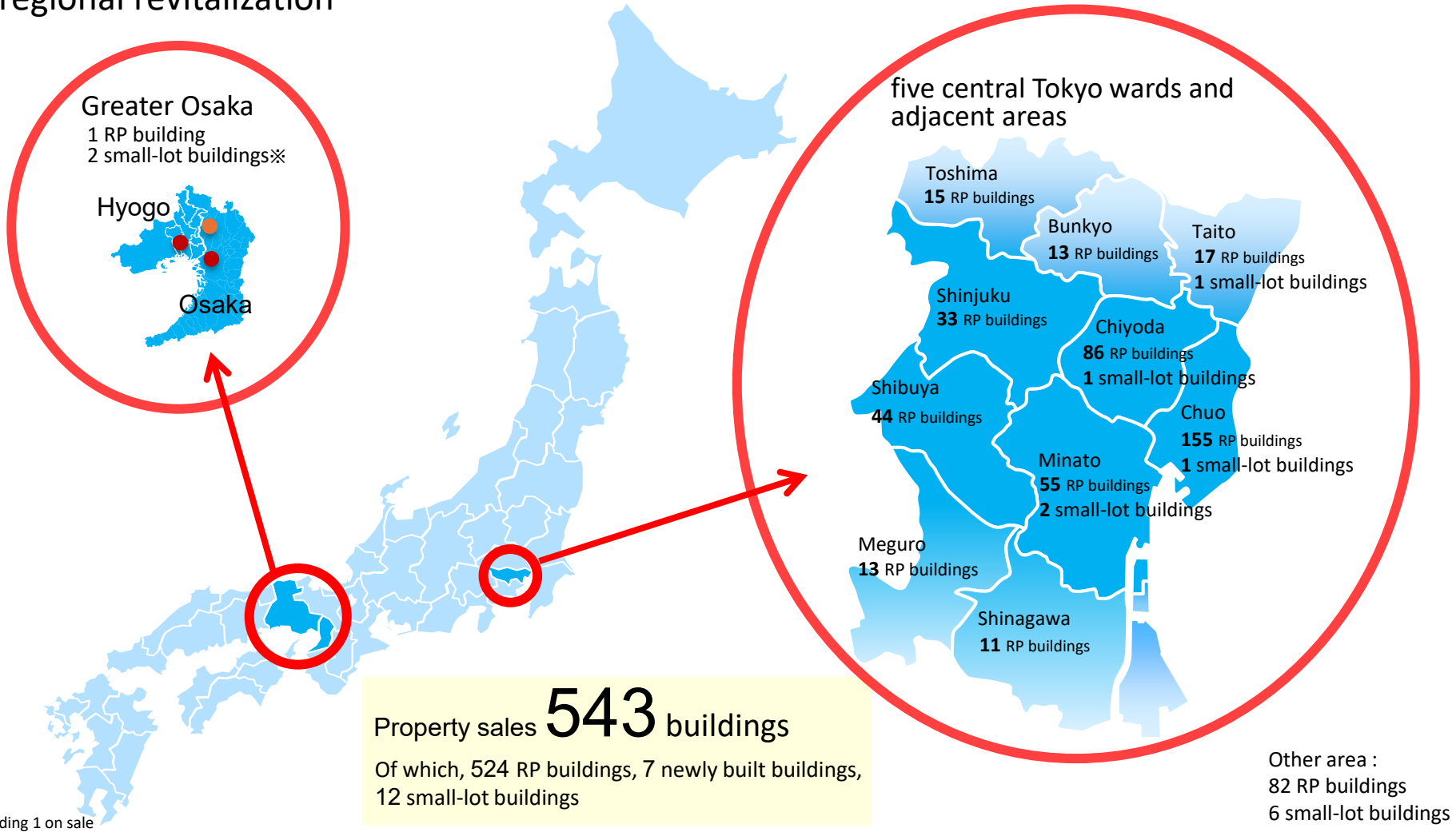
Newly-built Medical Mall in Nishinomiya, Hyogo  
Steel structure with flat roof, 5 stories  
Sold out in Dec 2025



Land Owner Project in front of Keio University  
Mita Area, Minato-ku, Tokyo,  
Land area 83.27 tsubo  
Sold out in Jul 2025

# Regional Expansion of the Office Business

Expanding into the greater Osaka area while deepening urban core operations to support regional revitalization

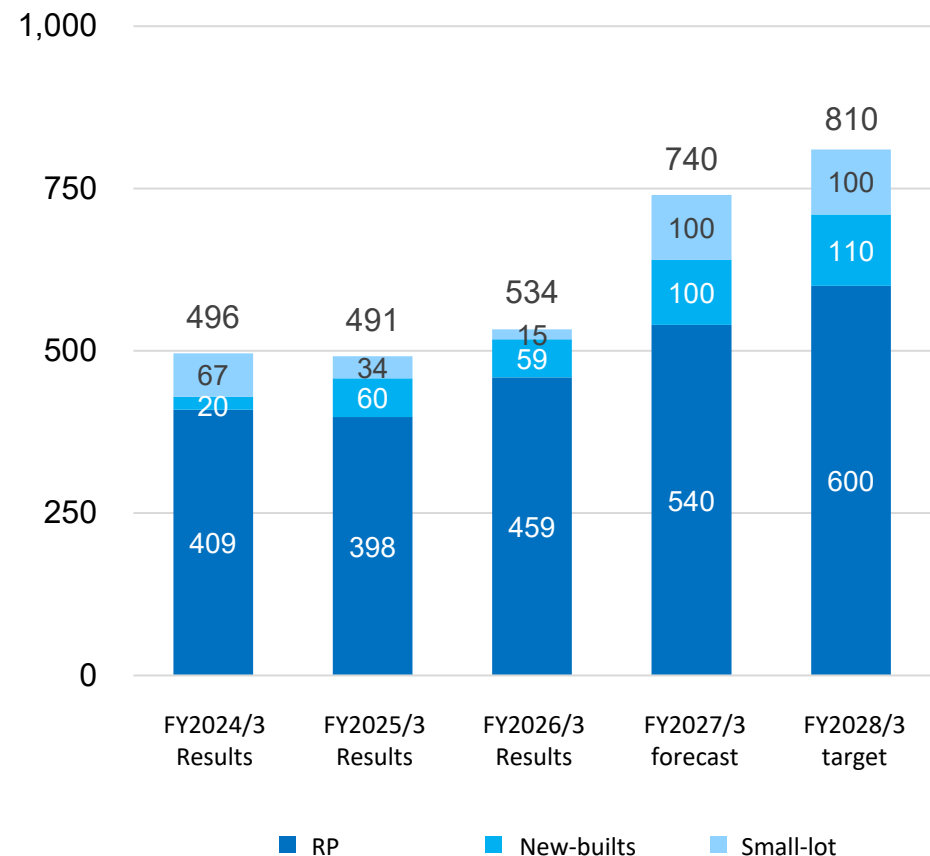


## Expand Asset Types and Scale of Sales in the Office Business

Expand the scale of business through active property acquisition while diversifying asset types

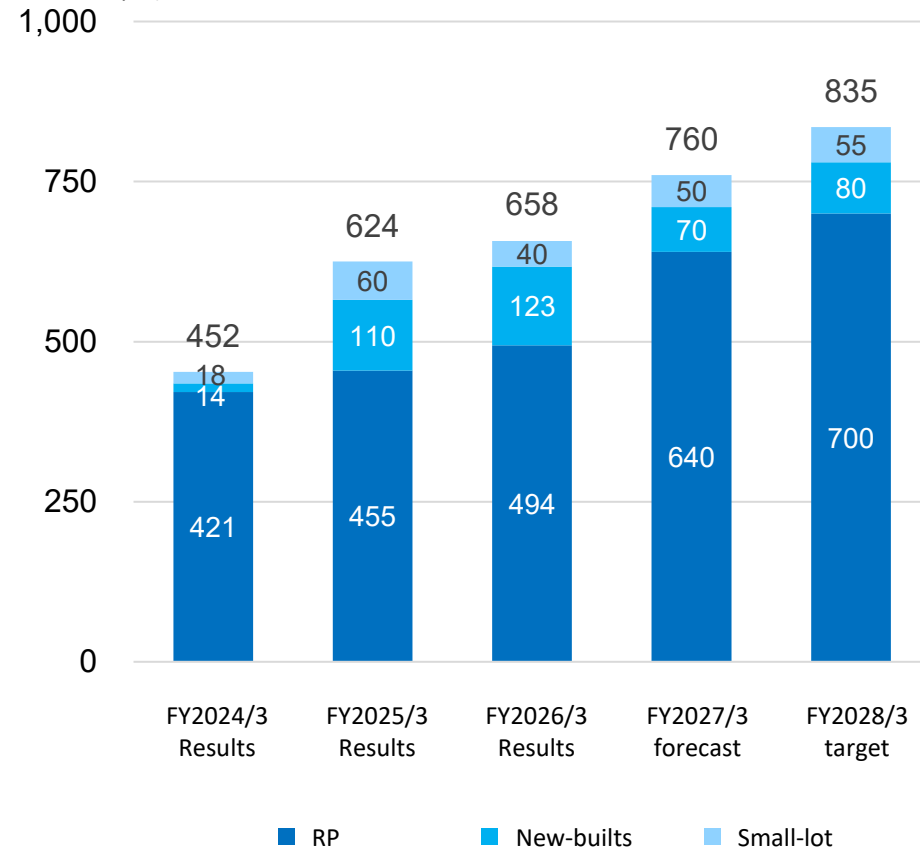
### Purchase amount by asset type

(hundreds of millions of yen)



### Net sales by asset type

(hundreds of millions of yen)

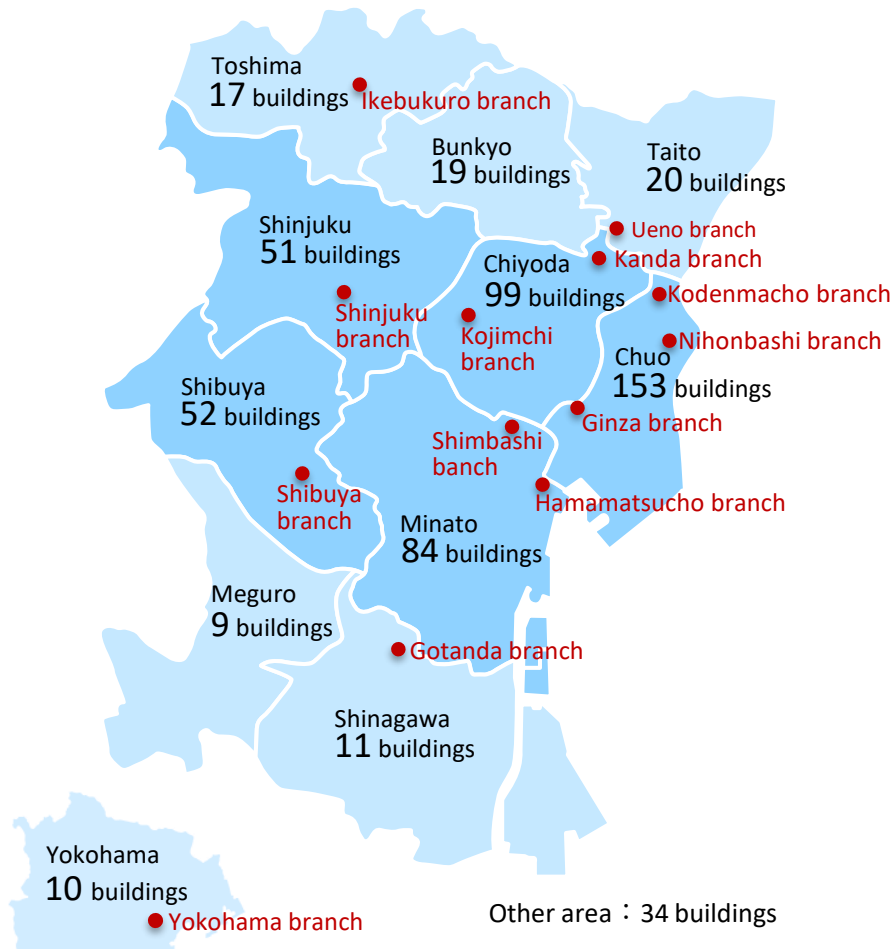


※exclude NY and Residential Business

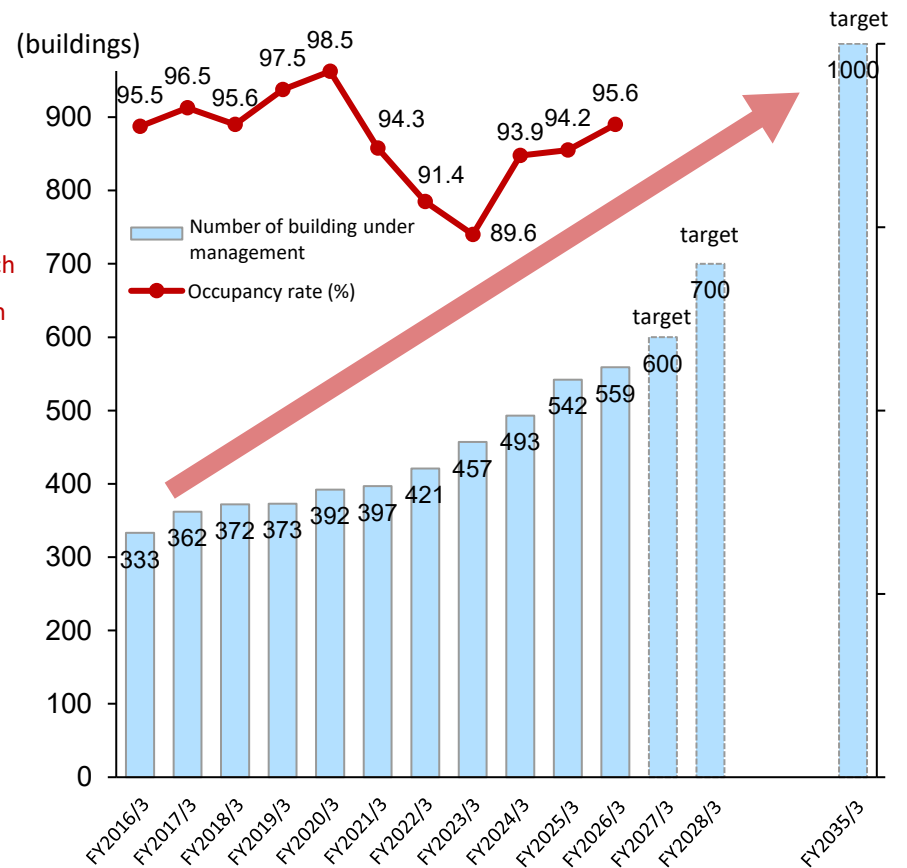
# Strengthening Cooperation Among Business Divisions to Expand the Client Base

Expand services through our branch office network with close ties to local communities to increase the properties under management

Distribution of Branches and Number of properties under management



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

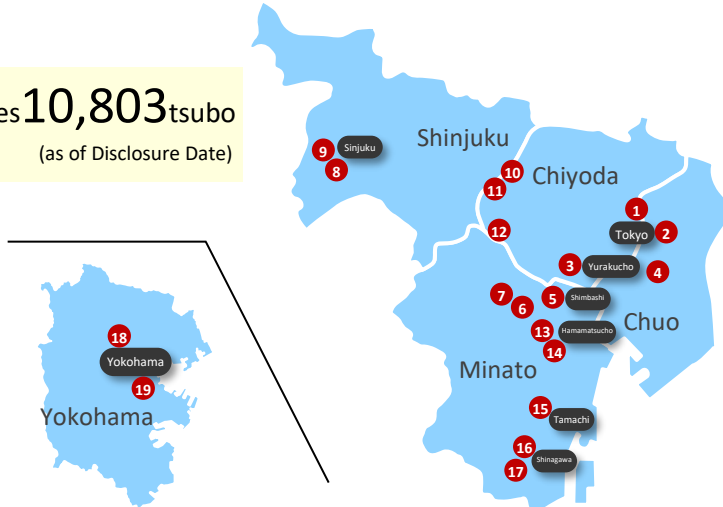


# Expand Operations by Developing New Sites and Strengthening the Client Base

Active development of new sites. Strengthen the client base through proposals and heartwarming services to meet diverse needs

### ◆ Vision Center site distribution

**19sites 10,803tsubo**  
(as of Disclosure Date)



#### TOKYO/YAESU/MARUNOUCHI AREA

- ① TOKYO YAESU 324tsubo
- ② TOKYO EKIMAE 353tsubo  
\*Expansion in Apr 2026
- ③ YURAKUCHO 138tsubo
- ④ TOKYO KYOBASHI 782tsubo

#### SHIMBASHI/TORANOMON AREA

- ⑤ SHIMBASHI 390tsubo
- ⑥ TOKYO TORANOMON 776tsubo
- ⑦ TORANOMONTAMEIKESANO 443tsubo

#### SHINJUKU AREA

- ⑧ SHINJUKU MAYNS TOWER 687tsubo
- ⑨ NISHI SHIJUKU 789tsubo

#### AKASAKA/ICHIGAYA AREA

- ⑩ ICHIGAYA 613tsubo  
\*Expansion in Apr 2026
- ⑪ ICHIGAYA EKIMAE 349tsubo  
\*Opened in Apr 2026
- ⑫ AKASAKA(NAGATACHO) 248tsubo

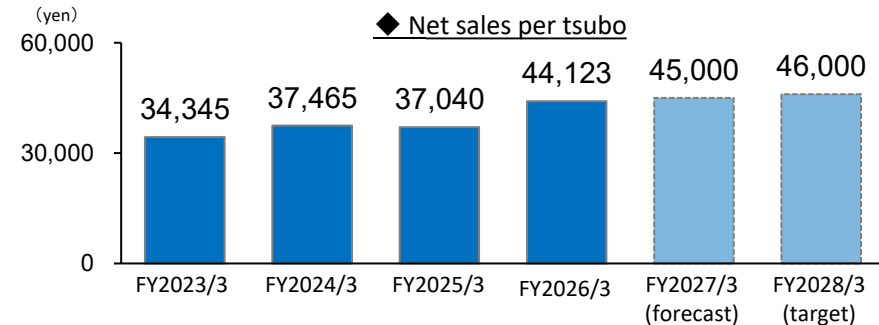
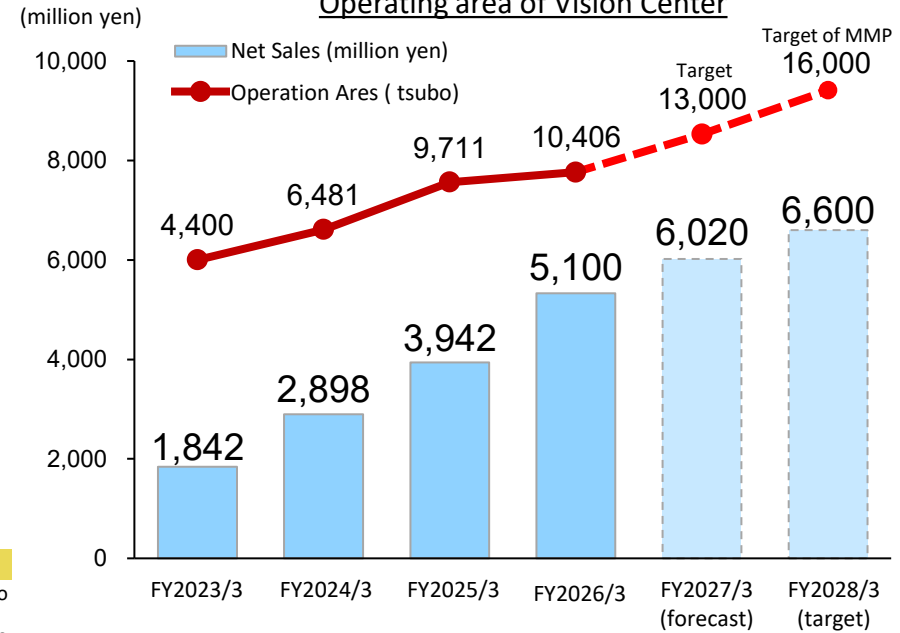
#### TAMACHI/SHINAGAWA/HAMAMATSUCHO AREA

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

#### YOKOHAMA/MINATOMIRAI AREA

- ⑱ YOKOHAMA 558tsubo
- ⑲ YOKOHAMA MINATOMIRAI 427tsubo

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



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

# The Only Hotel in the World with Heartwarming Hospitality Services

Turn a single stay into a lifelong relationship!

Provide heartwarming services to guests and expand the number of rooms under operation by actively promoting development and M&A

- ◆ Luxury
- ◆ Executive
- ◆ HIYORI Hotel
- ◆ Tabino Hotel
- ◆ Original Collection
- ◆ SKY HEART Hotel
- ◆ Under Construction/ In Development

### Chubu

- ◆ HOTEL OOSADO
- ◆ HOTEL AZUMA
- ◆ Tabino Hotel Hida Takayama
- ◆ Tabino Hotel Sado(Main・Annex・Live I・Live II)  
(Annex is opened in 2026.4)
- ◆ Tabino Hotel lit Matsumoto
- ◆ Sunrise Jyogahama (2026.4)
- ◆ Mizubasyo (2026.4)
- ◆ Nagano Linden Plaza Hotel
- ◆ Spring Sunny Hotel Nagoya Tokoname Station
- ◆ DONDEN Highland
- ◆ Tabino Hotel lit Toyokawa (2026.11)
- ◆ HIYORI HOTEL Katsuyama
- ◆ HIYORI TERRACE Karuizawa Spa&Resort
- ◆ HIYORI TERRACE Fujisan Kawaguchiko Spa&Resort
- ◆ Sora Niwa TERRACE Hakone Yumoto
- ◆ Atami Hotel Project

### Chugoku & Shikoku

- ◆ HIYORI HOTEL MATSUYAMA (2026.4)
- ◆ Tabino Hotel Kurashiki Mizushima
- ◆ SKY HEART Hotel Shimonoseki

### Kyusu & Okinawa

- ◆ Oriental Hills Okinawa
- ◆ Hiyori Ocean Resort Okinawa
- ◆ Tabino Hotel lit Miyakojima
- ◆ Tabino Hotel Villa Miyakojima
- ◆ Tabino Hotel Aso Kumamoto Airport (2026.4)
- ◆ SKY HEART Hotel Hakata
- ◆ HIYORI HOTEL Okinawa Nago
- ◆ HIYORI TERRACE Ishigakijima Spa & Resort

### Hokkaido

- ◆ Tabino Hotel Ishikari

### Tohoku

- ◆ Seifutei
- ◆ Tabino Hotel Aomori Rokkashomura (2026.10)
- ◆ Tabino Hotel lit Sakata (2027.1)
- ◆ Tabino Hotel lit Akita Station (2027.2)

### Kanto

- ◆ Kinugawa Spa Nanaeyae
- ◆ HIYORI HOTEL MAIHAMA
- ◆ Tabino Hotel EXpress Narita
- ◆ Tabino Hotel Kashima
- ◆ SKY HEART Hotel Keisei Koiki Station
- ◆ SKY HEART Hotel Kawasaki
- ◆ Tabino Hotel Utsunomiya Yuinomori (2026.8)
- ◆ STITCH HOTEL GINZA EAST

### Kinki

- ◆ Sora Niwa Terrace Kyoto Bettei
- ◆ Sora Niwa Terrace Kyoto
- ◆ STITCH HOTEL KYOTO
- ◆ HIYORI HOTEL OSAKA NAMBA STATION
- ◆ HIYORI HOTEL OSAKA SUMINOEKOEN STATION
- ◆ Hiyori Hotel Osaka Shinsekai
- ◆ HIYORI Stay Kyoto Kamogawa
- ◆ Hiyori Hotel Flex Osaka Dotonbori
- ◆ Tabino Hotel Kakogawa Befu Station
- ◆ Kobe Plaza Hotel
- ◆ Kobe Plaza Hotel West
- ◆ HIYORI HOTEL Kintetsu Nara

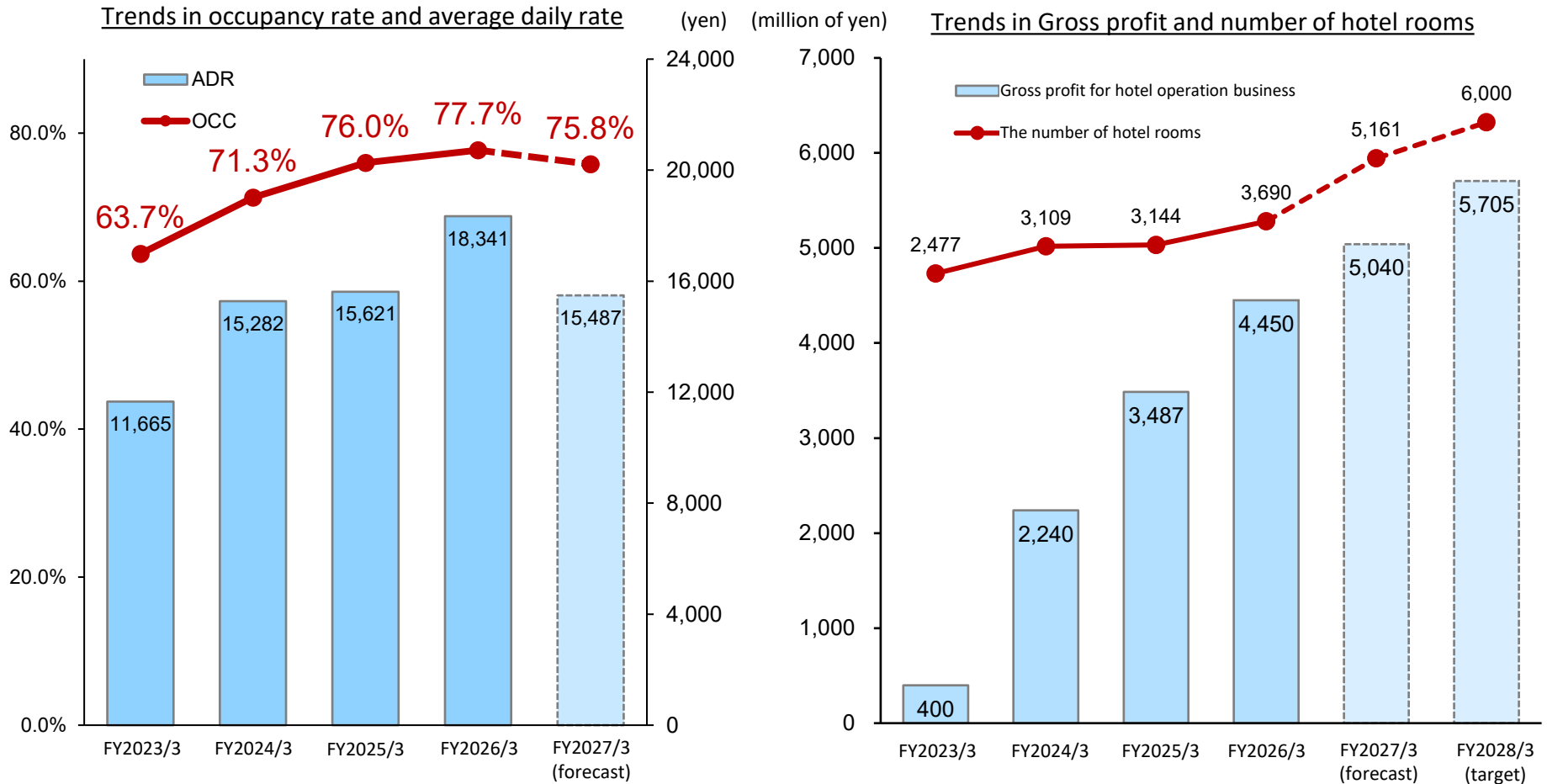
Status	Rooms	hotels
In operation	4,217rooms	38hotels
Under construction	1,400rooms	9hotels
In planning	758rooms	7hotels
<b>Total</b>	<b>6,375rooms</b>	<b>54hotels</b>

(As of May 11, 2026)



## Trends and Targets in OCC, ADR and Gross Profit

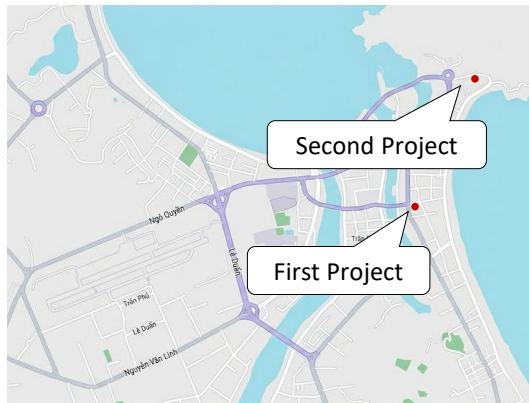
Although occupancy rate and average daily rate have been on a downward trend year on year due to the slowdown in Chinese inbound tourism and the impact of the new openings, we plan to strengthen our operations under the theme of "a heartwarming and fun hotel."



# Expanding the Residential Business by Developing Rental Apartments in Urban Areas

Develop a residential business tailored to the characteristics of each country and region with continuing population growth

[Vietnam Condominium Development Business]  
Meeting the growing demand for housing in the region by providing good quality housing that meets Japanese specifications on high quality and planning.



Reinforced concrete structure, 25 Stories with 2 basement floor  
1LDK: 22Units, 2LDK: 176Units, 3LDK: 4Units

[New York Apartment Replanning Business]  
Replanning of interior equipment, etc. of an apartment building over 100 years old and sale to domestic investors.



Brick Structure, 6 stories with 1 basement floor  
2LDK: 3Units, 3LDK: 15Units, 4LDK: 1Unit

[Tokyo Residential Business]  
Meeting the diverse needs of clients by combining the development of new soundproof condominiums with the revitalization of existing residences.



Reinforced concrete bearing wall structure, 4 Stories  
1K : 11Units, 2DK : 1Unit, 2LDK : 1Unit

# Strengthen M&A to Accelerate Business Growth and Create Synergies

Actively utilize M&A to expand business domains and strengthen existing businesses

		Real Estate	Hotel	Construction
2010	Just as it is OFFICE !	Set-up office		
2012	(current) SF Building Maintenance	Building cleaning		
2016	Vision Center and Vision Office	Rental Meeting Room		
	Spring Sunny Hotel Nagoya Tokoname		hotel operation	
	(current) Sky Heart Hotel		Condominium hotel operation	
2018	(current) HOTEL AZUMA		hotel operation	
	(current) SKY HEART Hotel Shimonoseki		hotel operation	
2019	(current) SF Engineering			Interior finishing
2021	(current) SF Communication			Telecommunications
	(current) HOTEL OOSADO		hotel operation	
	Japan System Service	Building cleaning		
2024	Nihon Toshi Hotel Kaihatsu		5 hotels operation in Kansai	
	Seifutei		hotel operation	
	Oriental Hills Okinawa		hotel operation	
2025	Nagano Linden Plaza Hotel		hotel operation	
	Otake Kenso Group			Sash processing and installation
	Nanaeyae		hotel operation	
	Katsuyama Onsen Center Mizubasho		Spa facilities	

\*Major initiatives are listed, some M&As are not included.



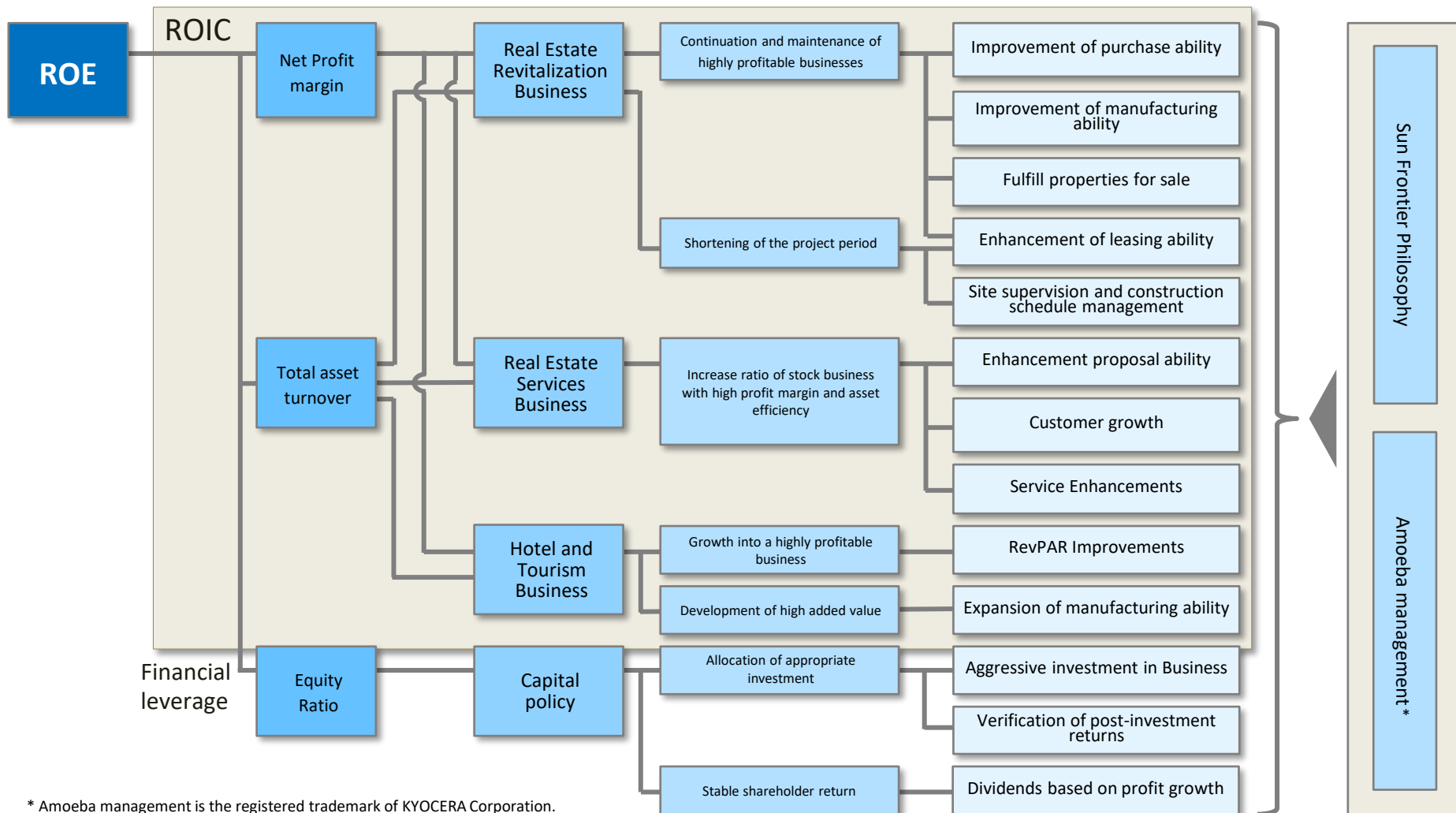
## Management with a Focus on Capital Costs and Share Price

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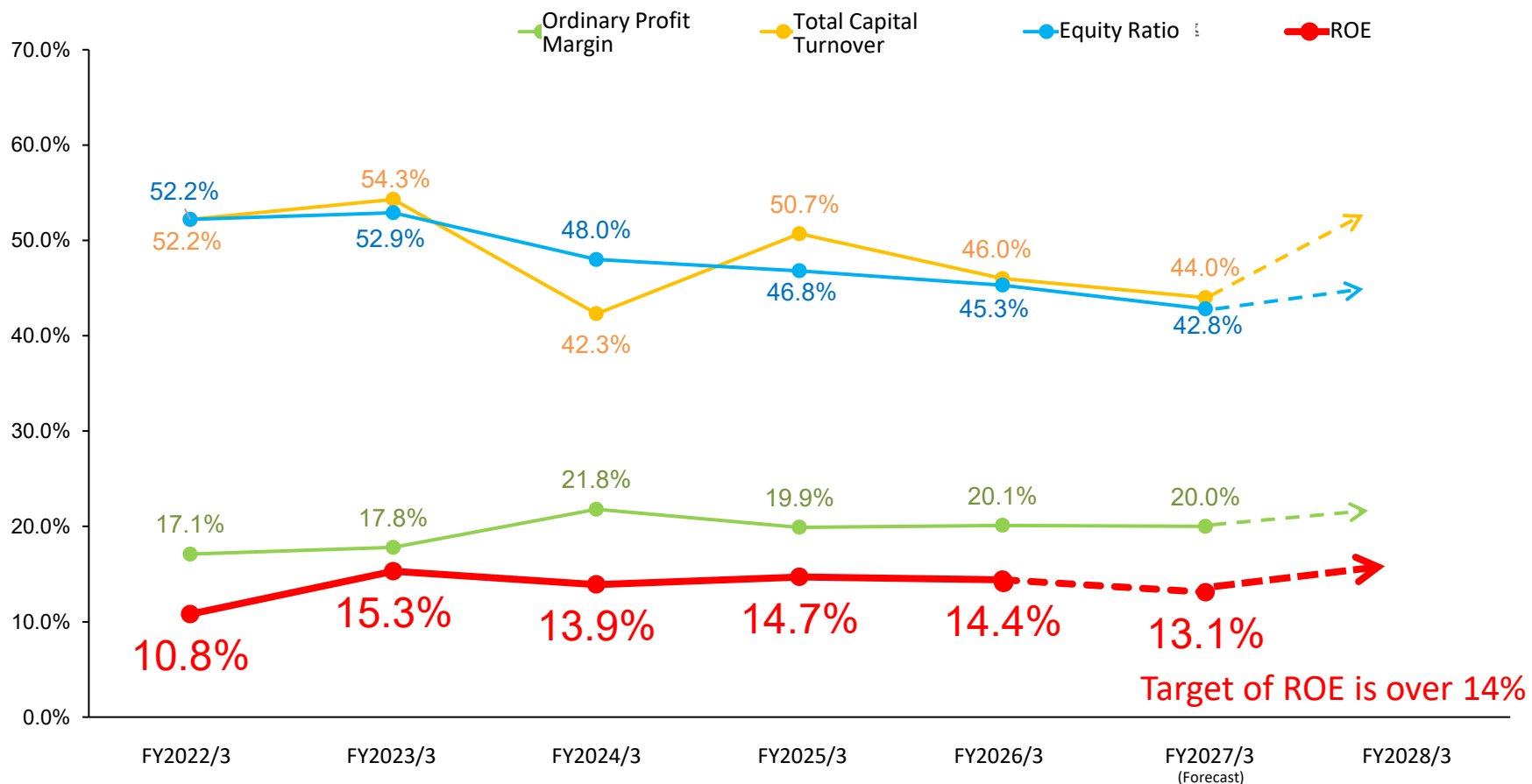
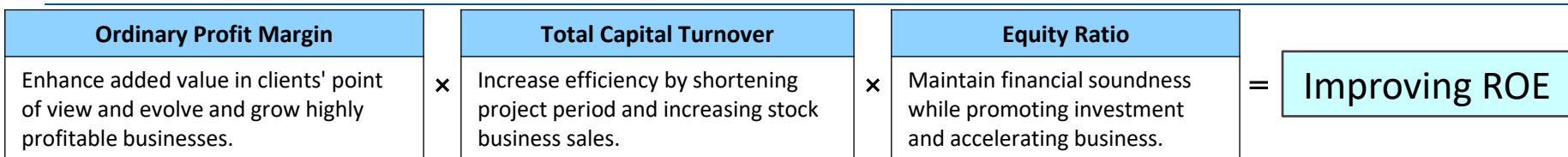
# Drivers to improve ROE

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



\* Amoeba management is the registered trademark of KYOCERA Corporation.

# Trends of ROE and each indicator



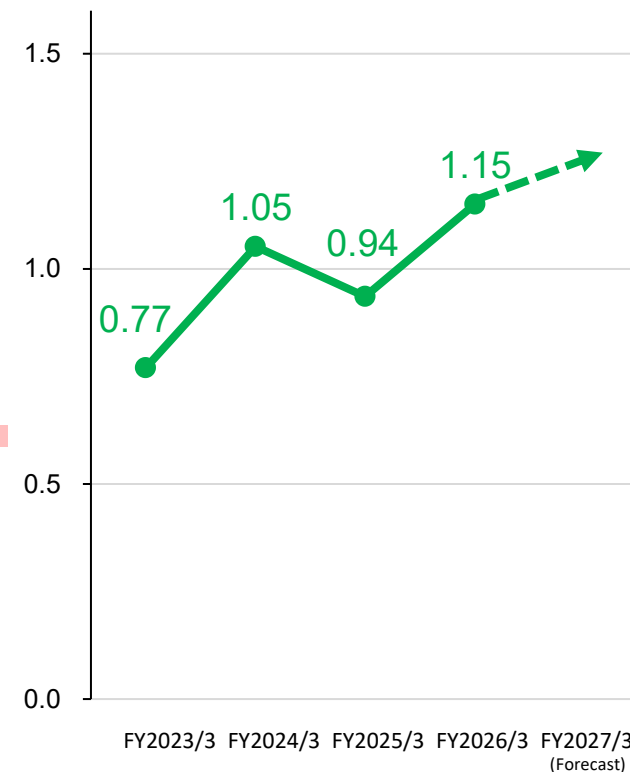
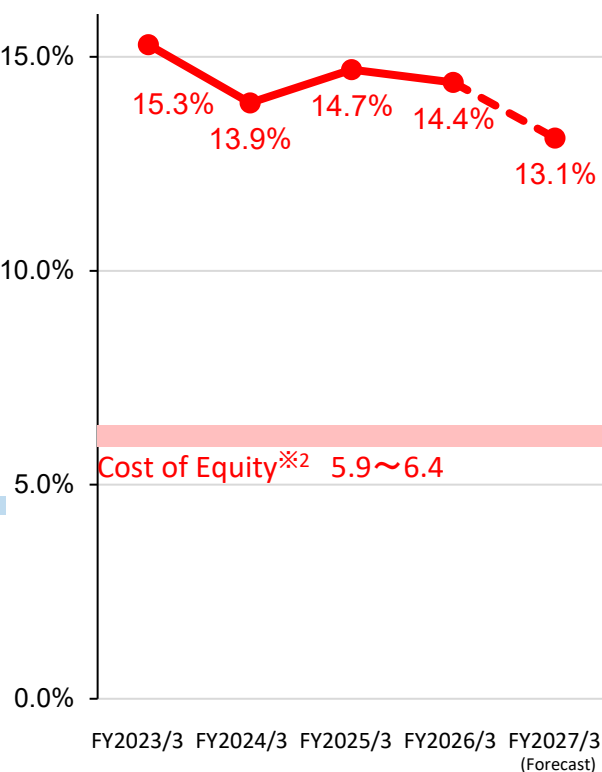
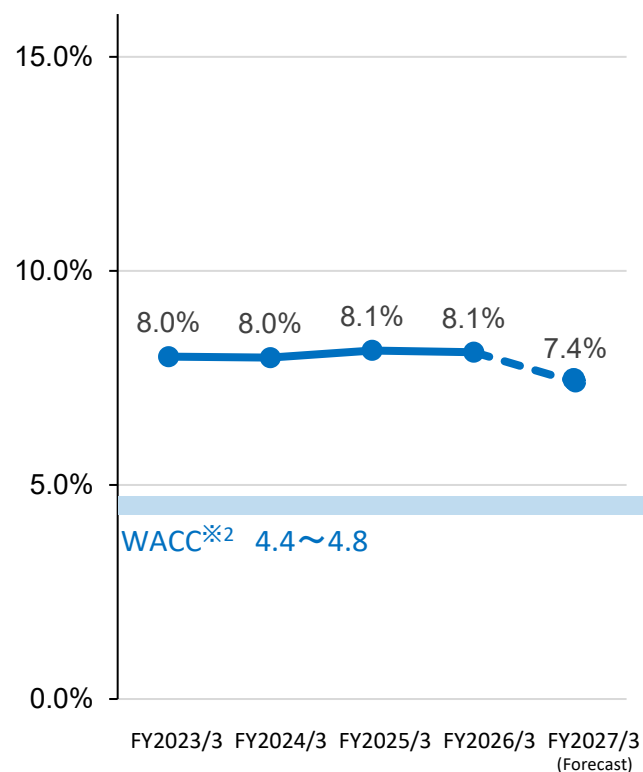
# Profitability Continues to Exceed the Capital Cost

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

## ROIC

## ROE

## PBR<sup>※1</sup>




※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 5.9% to 6.4%, 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 4.4% to 4.8%, based on the median of the past five 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	84 times
Individual investor briefing	For the fiscal year ending March 2025, it will be conducted through an online briefing hosted by Daiwa IR	1 time	1 time	1 time on Mar 7, 2026
Property visit ※for analysts and institutional investors	Invite to RP properties	9 times	5 times	5 times
	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 style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>FISCO 【Japanese】</p>  </div> <div style="text-align: center;"> <p>Shared Research 【Japanese】</p>  </div> <div style="text-align: center;"> <p>【English】</p>  </div> </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	<p>For the details, please review to the website of Shareholder benefit program.</p> <p><a href="https://www.sunfrt.co.jp/ir_info/stockholder_benefit_plan/">https://www.sunfrt.co.jp/ir_info/stockholder_benefit_plan/</a></p> 

# 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

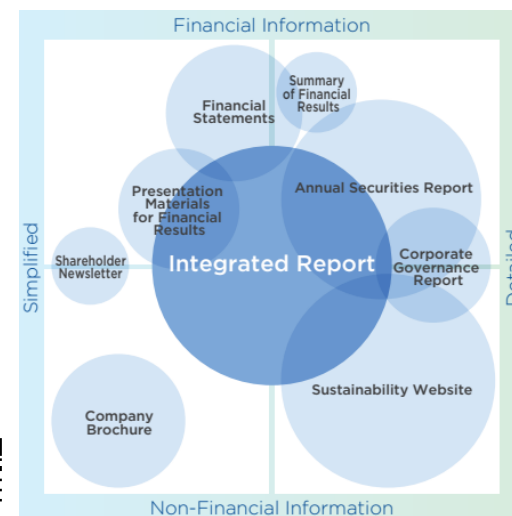
Full text of  
Integrated Report



Front cover



Information disclosure system





# Philosophy and Business Initiatives

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**SUN FRONTIER**

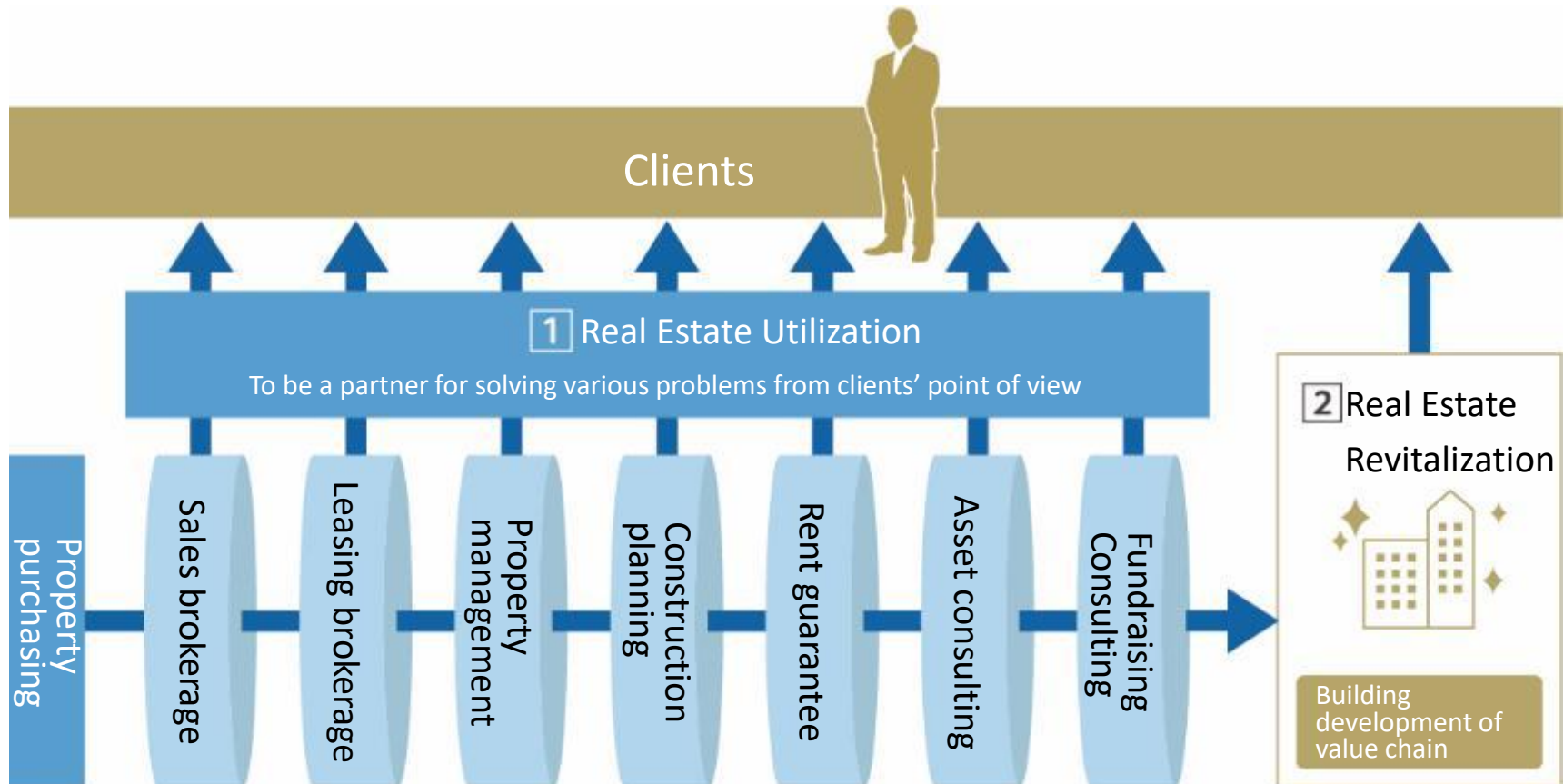
# Business Model for Replanning Business

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.”



# 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.

# 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.

Results for FY2026/3 is planned to be disclosed in early June on Sustainability Report Site

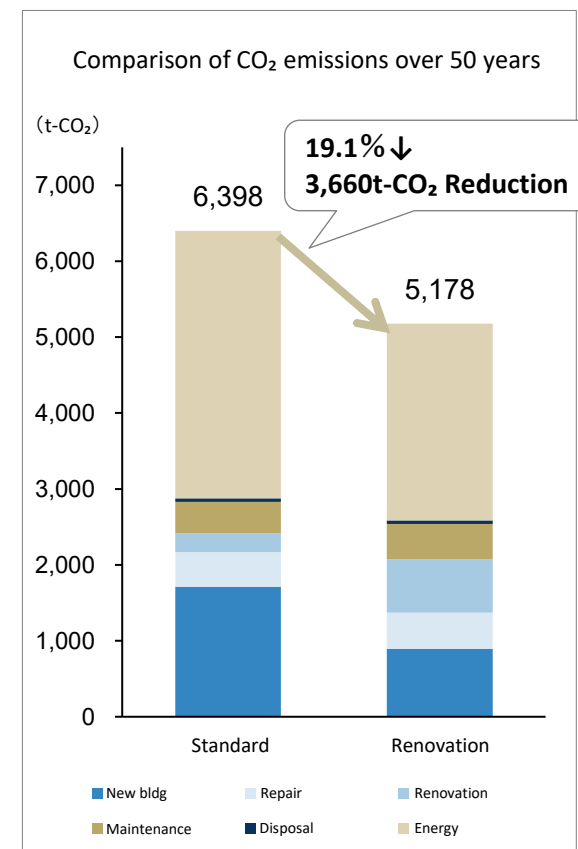
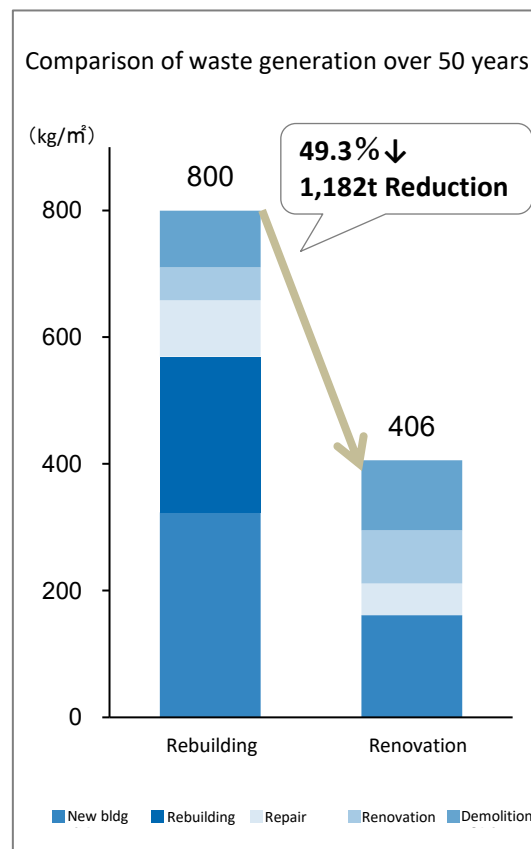
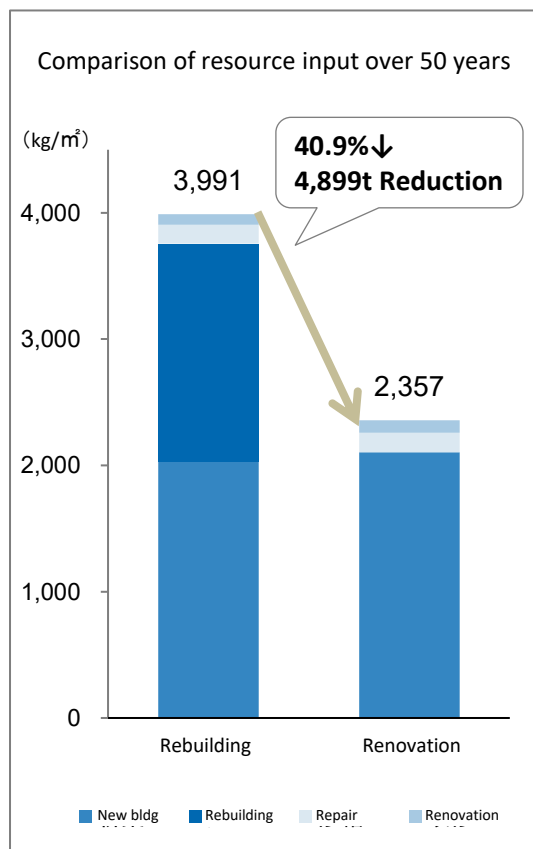


Important Challenges	Social Issues to be Solved	Key Measures	Specific Measures	Indicators and Targets	Results for FY2024/3	Results for FY2025/3
Environmental Protection	Global Warming Caused by Greenhouse Gas Emissions	Reduction of Greenhouse Gas Emissions from Business Activities	Suppression of Greenhouse Gas Emissions from Construction through Real Estate Revitalization	CO <sub>2</sub> 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 Building Management Continuation Rate to Achieve the Above (Occupancy Rate of Buildings Over 30 Years Old). Building Management Continuation Rate: 90% or more	93.8% 98.0%	92.8% 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

# Create both Customer Value and Social Value

Solving social issues through supporting our clients' business.



## <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. As interest in destinations across Japan continues to grow, our Group will contribute to the revitalization of local economies by entering into agreements with municipalities and working closely with local communities through the development and operation of hotels rooted in each region.



Tabino Hotel Live Sado



Tabino Hotel Sado Annex



Donden Kogen Lodge



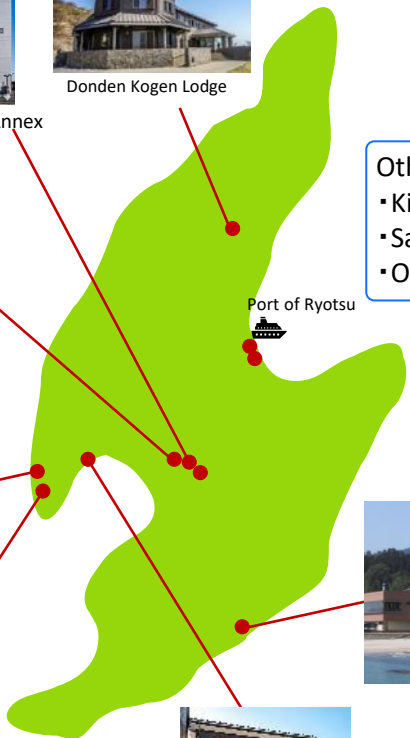
Tabino Hotel Sado



HOTEL OOSADO



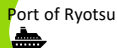
HOTEL AZUMA



## Sado Island, Niigata Prefecture

### Other Business

- Kigaruni Rent a Car
- Sado Outdoor Base
- Okesa Kanko Taxi



Port of Ryotsu



Sunrise Jogahama



LE BLUE SADO SAWANE

### 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”

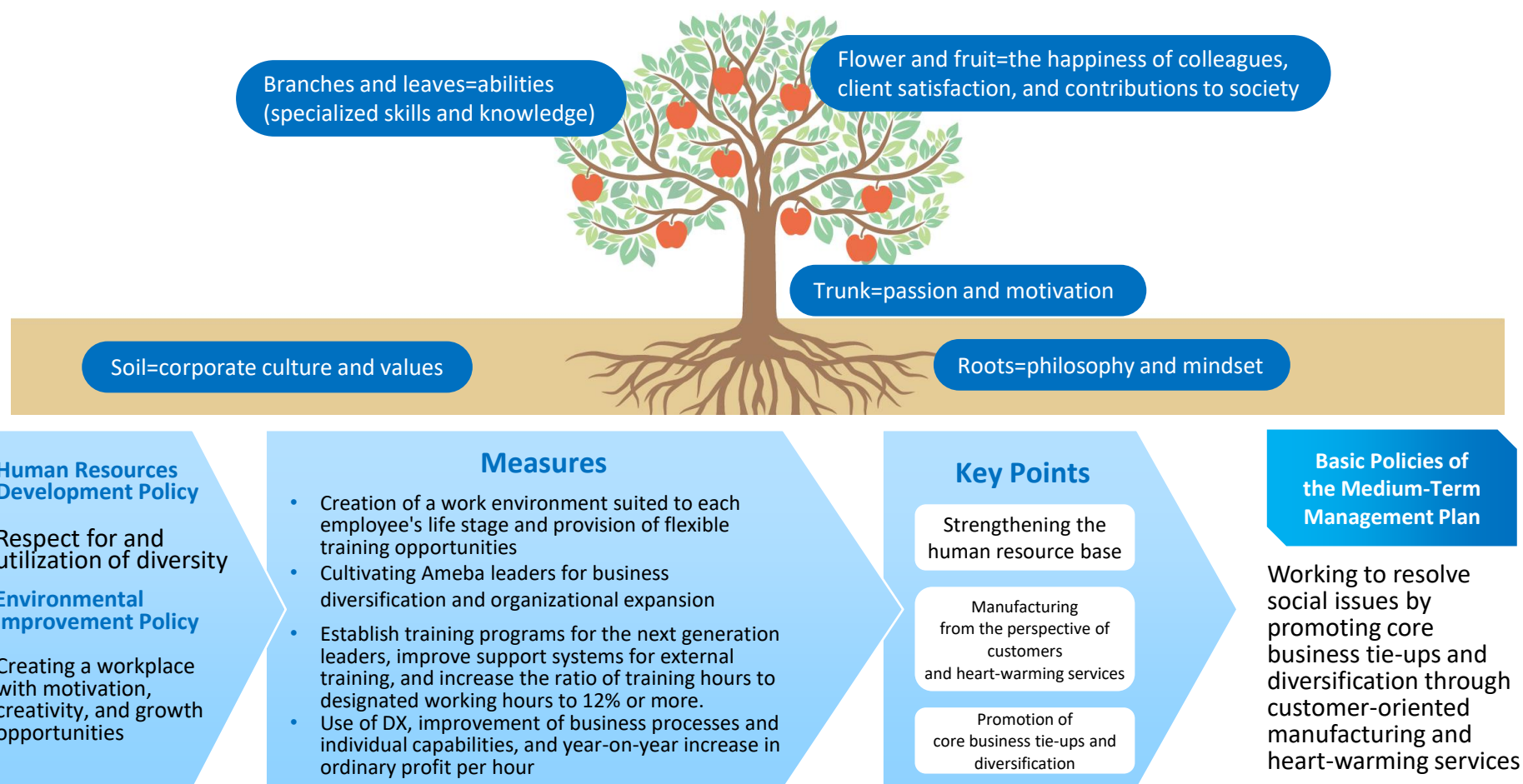
### Sakata City

- Tabino Hotel lit Sakata (scheduled to open in Jan 2027)
- Concluded a “Partnership Agreement for Regional Development”

# Human Resource Development

## Thoughts on Human Resource Development

Together with colleagues who share the company's core value of 'altruism,' we aim to cultivate individuals who, with a pioneering spirit, can explore new frontiers and contribute to the realization of a sustainable and prosperous society.



## Environment

As of March 30, 2026

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**

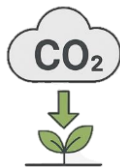
Carbon Offset  
Cumulative total **3,896t-CO2e**

RP construction  
**81 buildings**  
**1,655t-CO2e**



Greenhouse Gas  
Emissions

Reduction Rate: **12.7%**

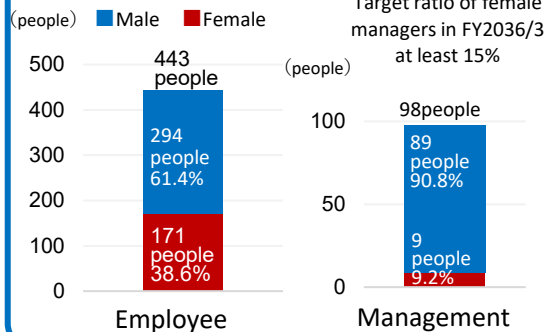


Acquired BELS for **29 properties**

## Social

As of March 30, 2026

Ratio of male and female employees in managerial positions



Childcare leave

acquisition rate for male : 45.5% (YoY +24.1pt)  
Including our own childcare leave system : 72.7%  
Return to work for female : 50.0%

Human resource development

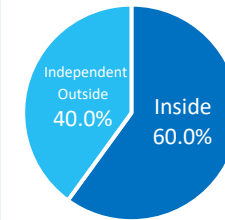
Target: Support programs, etc., account for more than 12% of prescribed working hours  
Result: 12.0%



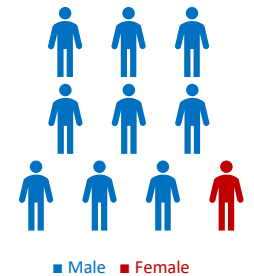
## Governance

As of March 30, 2026

Ratio of Outside Officers 1/3 or more

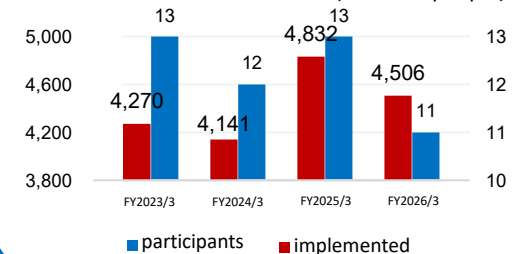


Female Directors 1 out of 10



Compliance-related training

Number of times implemented : 11  
Cumulative number of participants : 4,506people (YoY -326 people)



Sustainability website





# References Materials

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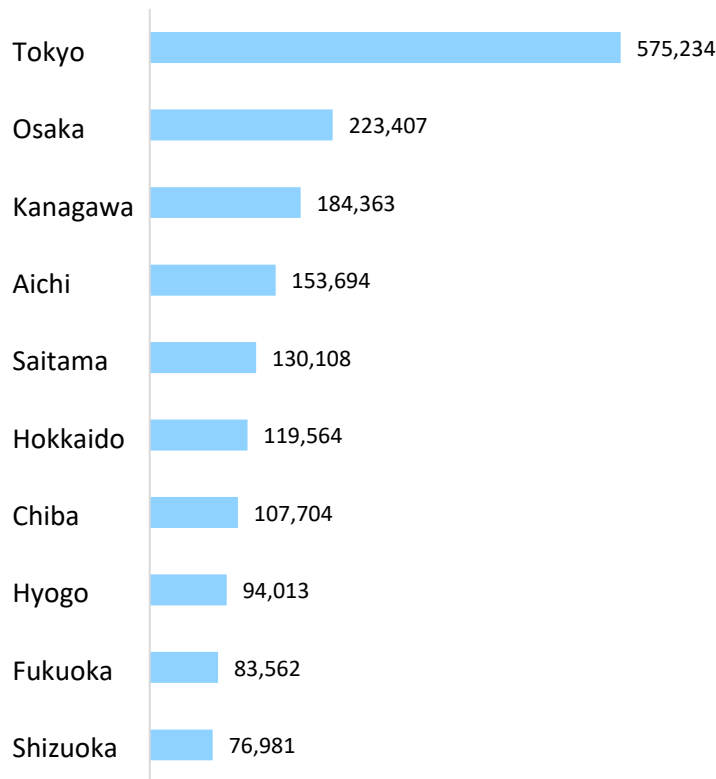
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# The Number of Corporations by Prefecture and Number of Office Buildings in Tokyo's 23 wards

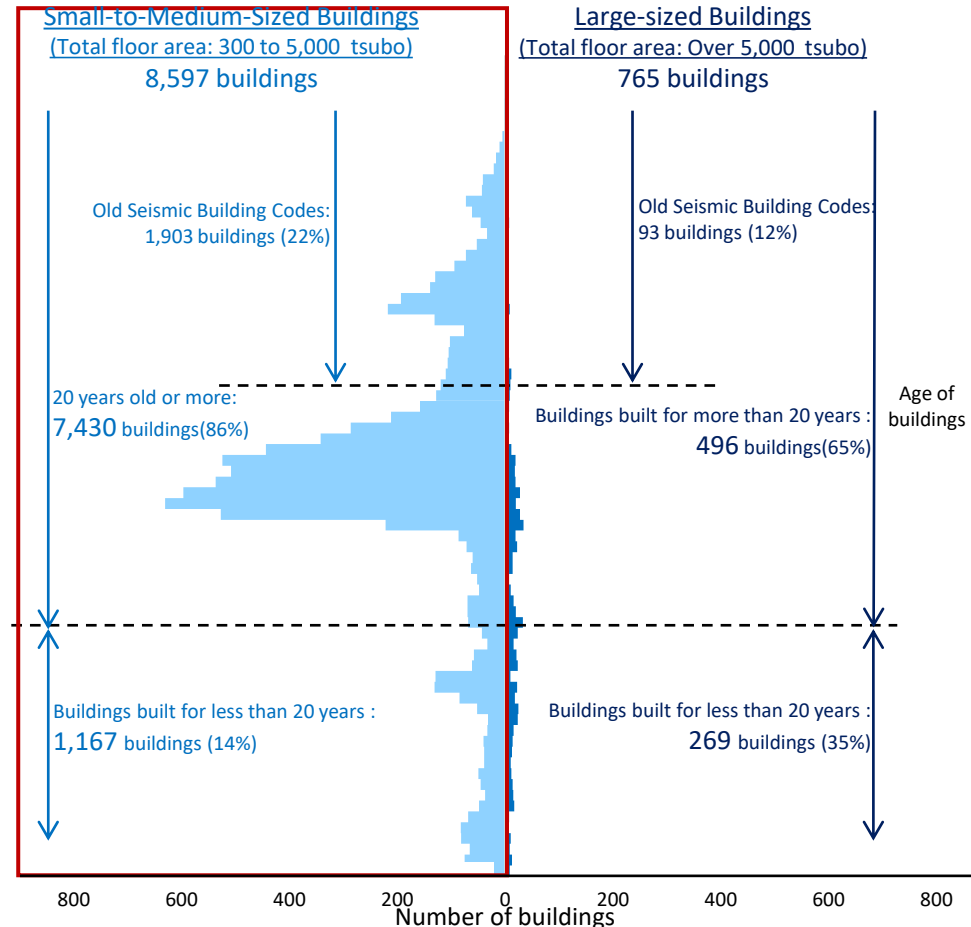
In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Tokyo 23 cities with 9,362 buildings

Top 10 Prefectures by Number of Corporations



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

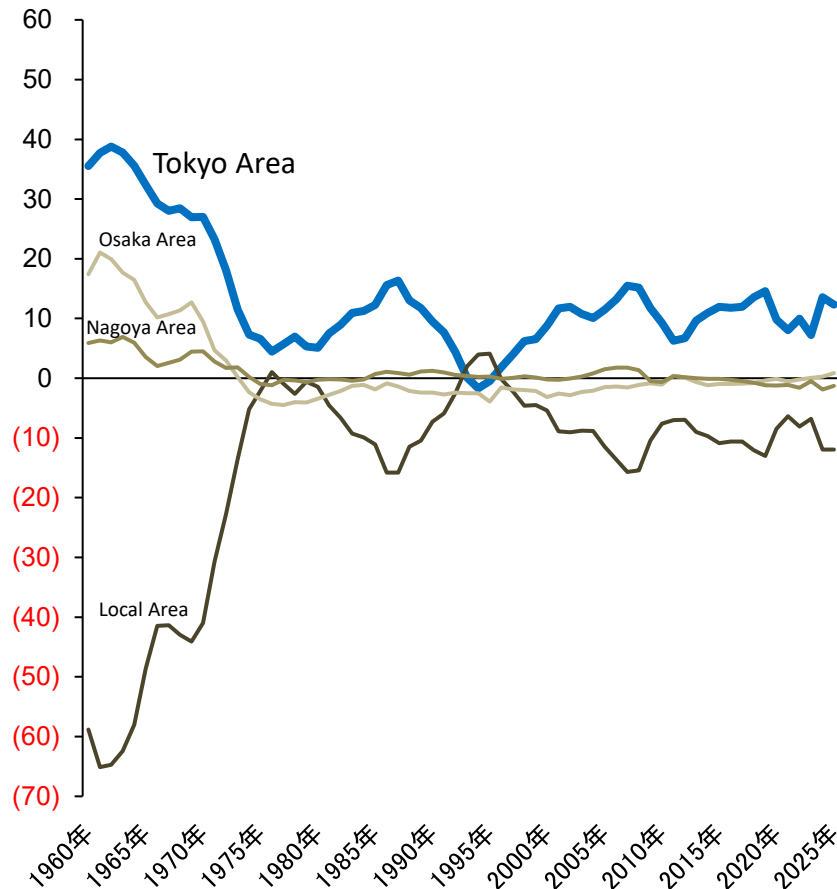


Source : Created by us based on "Tokyo 23 cities Office Pyramid 2026 (based on the number of buildings)" (Xymax Real Estate Institute)

# Insight for Business Environment

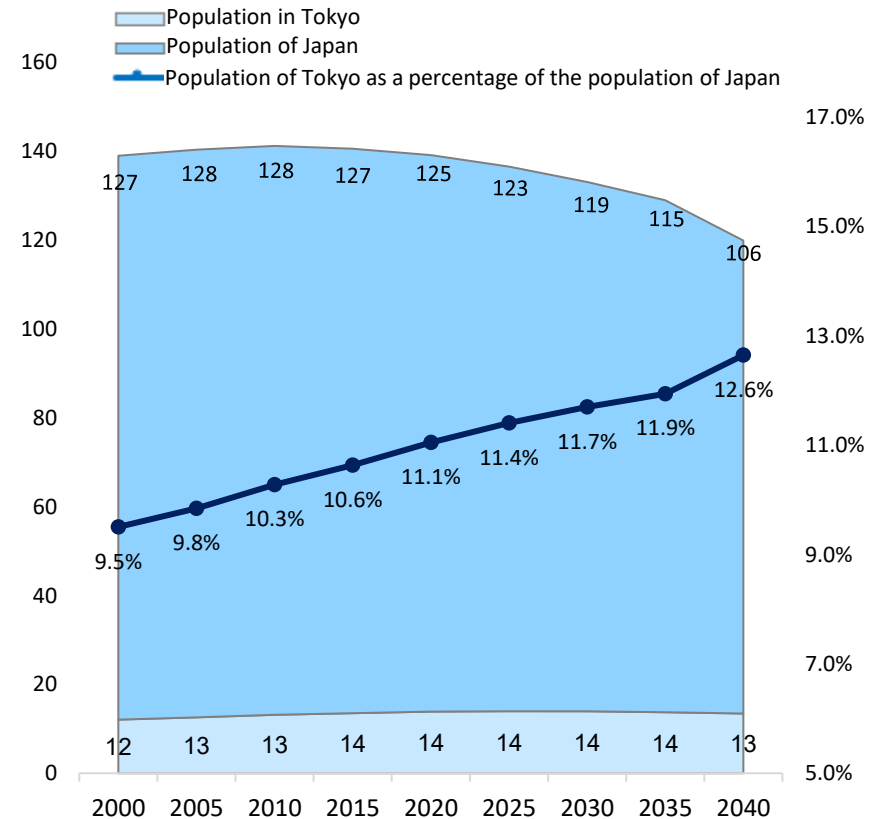
While the population of Japan is decreasing, the population of Tokyo is increasing as more people are moving into the Tokyo area.

(Thousand people)



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

Ratio of Tokyo population to Japanese population (estimate)

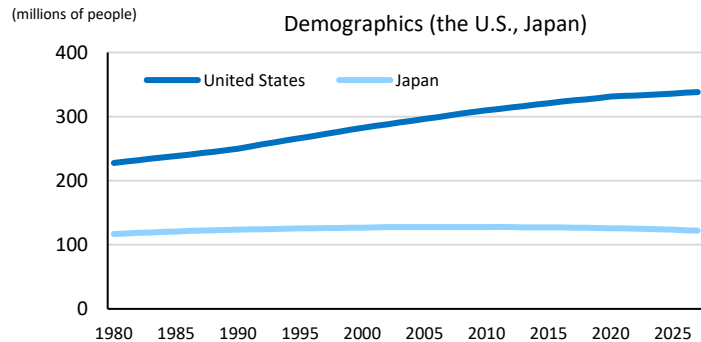


Source: Compiled by the Company based on Tokyo Metropolitan Government statistics - "Population of Tokyo (Estimate)."

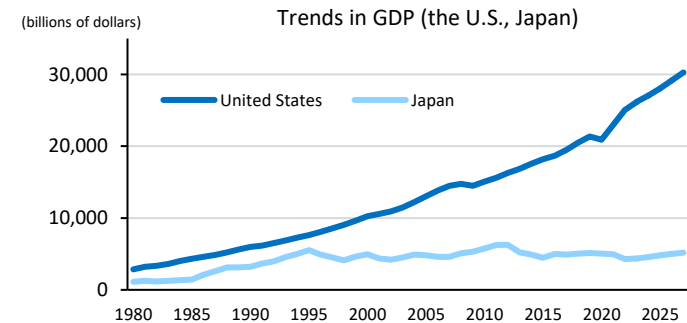
# Overseas Markets (the U.S., Vietnam)

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

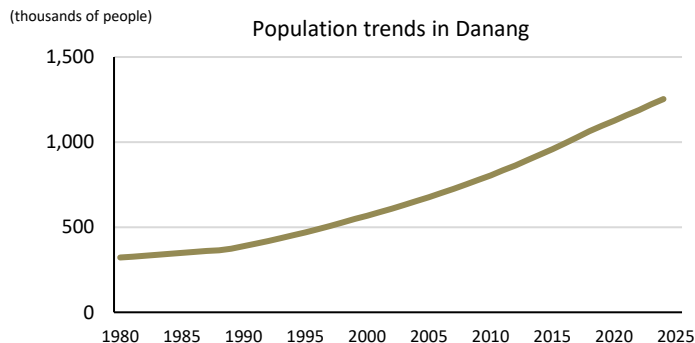
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



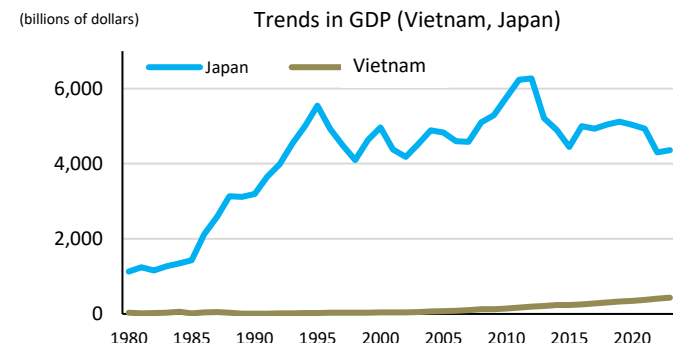
In contrast to Japan, where the growth rate is flat, the U.S. has a very high growth rate, has many jobs, and is expected to continue to have a high demand for real estate.



Da Nang is the third largest city in Vietnam. The population exceeded 1 million in 2017 and has continued to increase since then, and high housing demand is expected in the future.



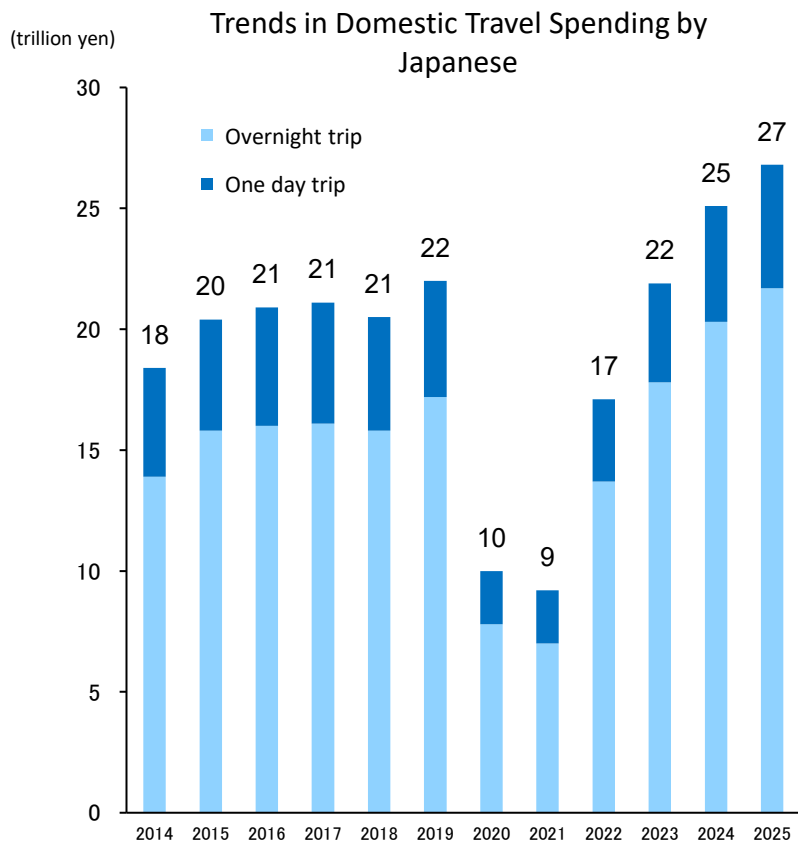
Although the GDP of Vietnam is lower than that of Japan, the growth rate is higher than that of Japan, and Vietnam is considered to have a high potential for future.



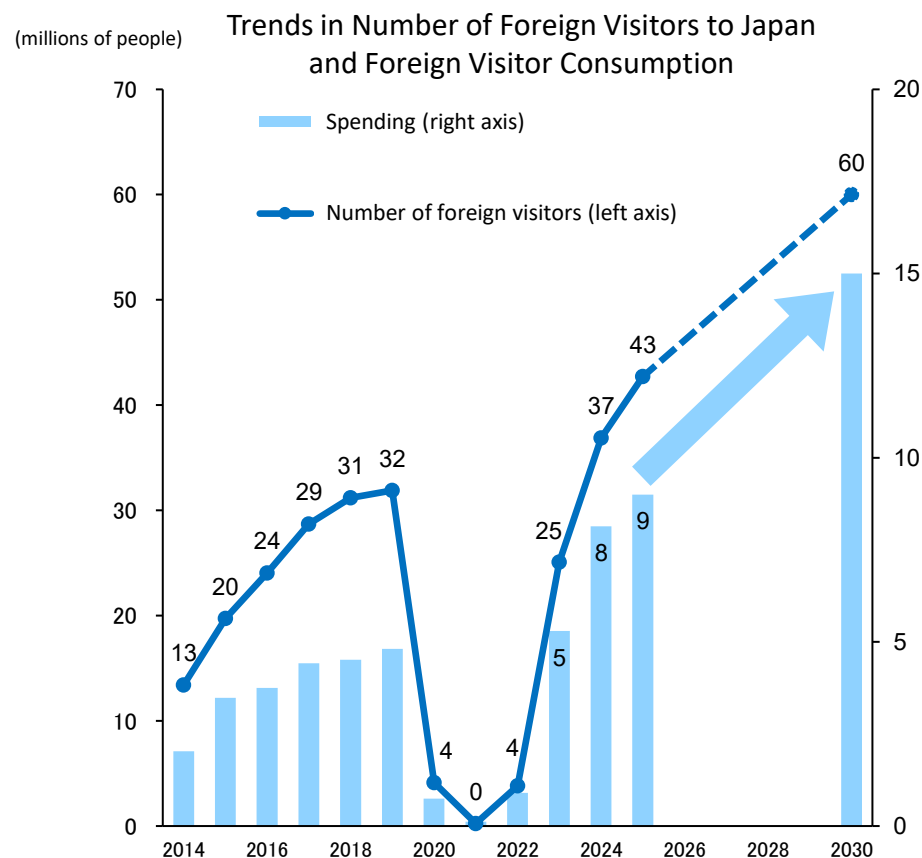
Source: IMF World Economic Outlook database (prepared by the Company)

# Demand recovery and growth potential in the hotel market

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

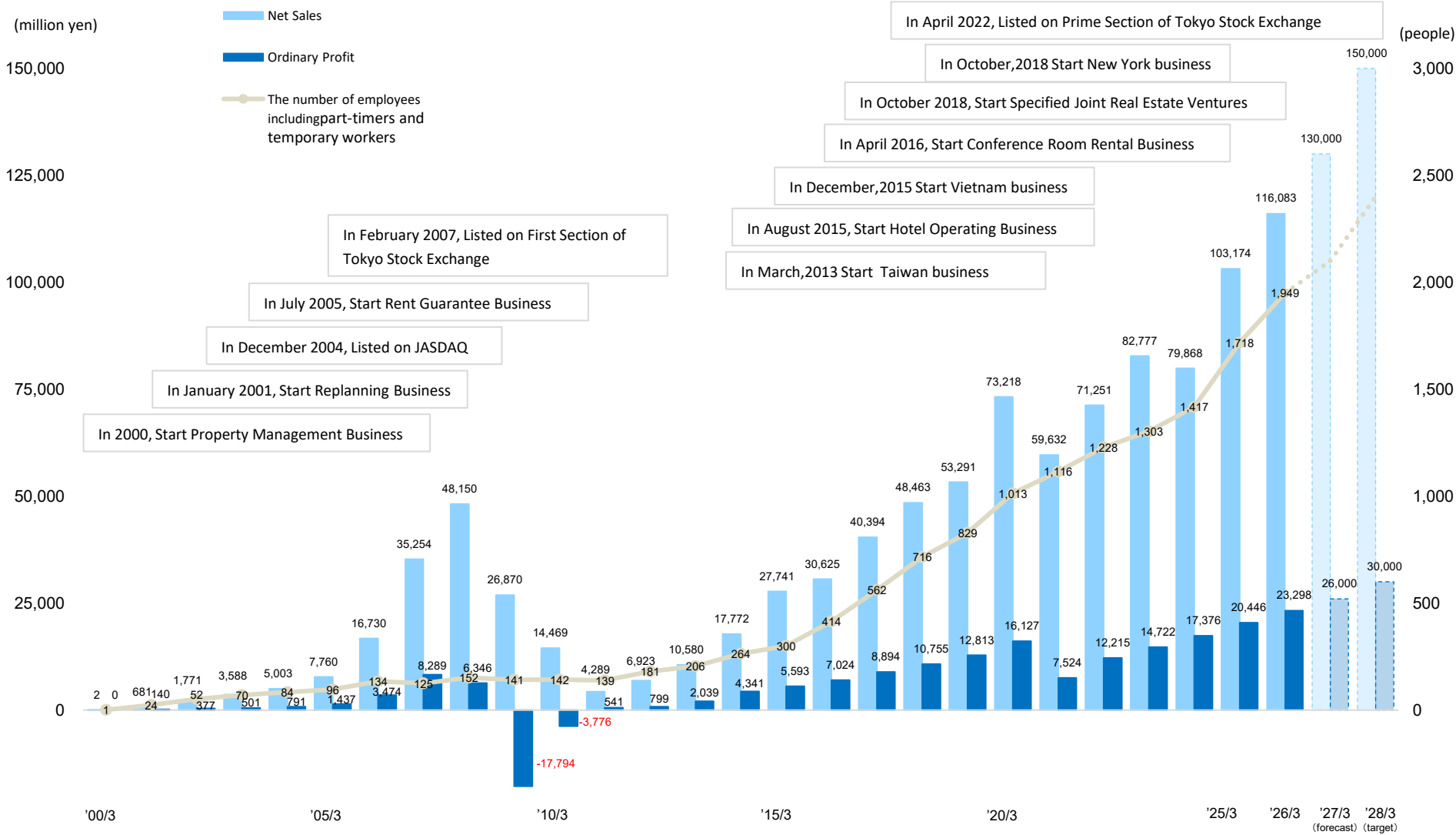


Source: Compiled by the Company based on the Japan Tourism Agency's Travel and Tourism Consumption Trend Survey "Domestic Travel Spending of Japanese"



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

# History of Sun Frontier Group



# Company Profile

<b>Company Name</b>	Sun Frontier Fudosan Co., Ltd.
<b>Location of Head Quarters</b>	1-2-2, Yurakucho, Chiyoda-ku, Tokyo
<b>Date of Foundation</b>	April 8, 1999
<b>Date of Listing</b>	February 26, 2007 (First Section of Tokyo Stock Exchange)
<b>Capital Stock</b>	21,118 millions yen (As of May 11, 2026)
<b>Representative</b>	Tomoaki Horiguchi, Chairman Representative Director Seiichi Saito, President Representative Director
<b>Number of Consolidated Employees</b>	1,076 employees (1,949 including part-timers and temporary workers)
<b>Average Age of Employees</b>	36.0 years old
<b>Business Profile</b>	<p>Real Estate Revitalization</p> <p>Real Estate Service ( Properties Management, Brokerage, Construction Planning, Rent Guarantee, Rental Conference Room, Building Operations, Asset Consultation )</p> <p>Hotel Development and Operation</p> <p>Others</p>
<b>Accounting Month</b>	March
<b>Listed Market</b>	Tokyo Stock Exchange Prime (Code number: 8934)

\* As of the end of March 2026

# 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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