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Sources of Value Creation

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Sun Frontier Philosophy



Company Policy (Credo)

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Calligraphy: Tomoaki Horiguchi, Founder and Chairman

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, with a spirit of coexistence, we aim to contribute to the evolution and development of human society and realize a sustainable 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

From the Philosophy Handbook: 1. Sun Frontier Management (Core Edition) [1] COMPASSION

The credo of Sun Frontier is "COMPASSION."

First and foremost, we work for our colleagues. On top of that, for the happiness of our colleagues, we strive to contribute tenfold to our clients with the spirit of COMPASSION (Altruism). To serve our clients, we must undertake work that fulfills our social responsibility with even greater love. Social responsibility means considering, through our work and way of life, the Earth and the plants and animals with whom we coexist with a compassionate heart.

It is a way of life in which every employee exercises ingenuity and continuously improves for people's happiness in order to contribute to society. The first step is to ask how much we can contribute to those around us. That is the value we pursue.

Purity of heart enables us to accomplish great things. With pride, affection, and a sense of closeness to the Company, and with big dreams and gratitude, we devote ourselves fully to our clients and colleagues.

With the spirit of COMPASSION, let us each help build Sun Frontier into a company of which we can be proud.

Three Core Management Pillars

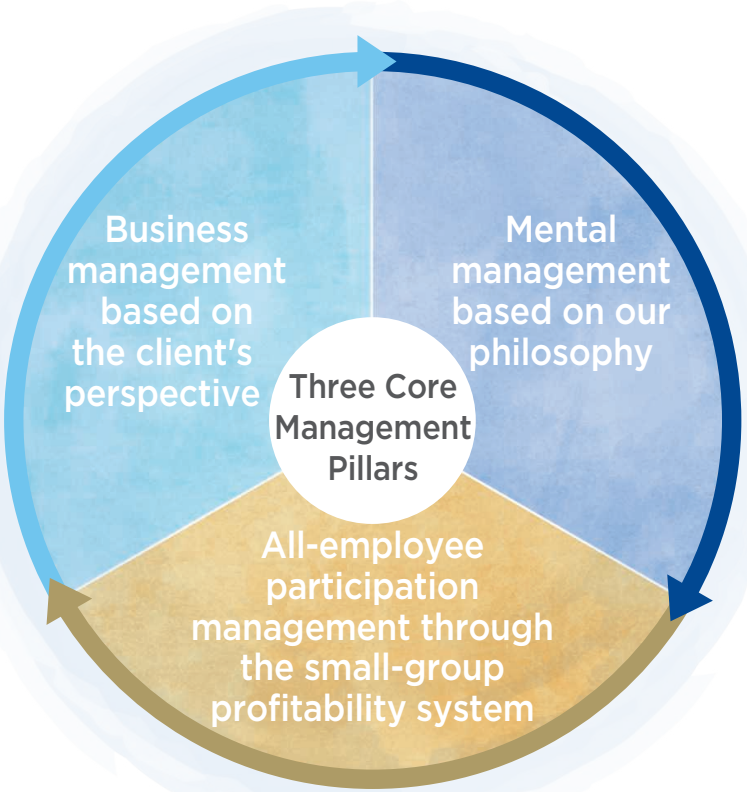
Based on this value, we cultivate people through the practice of Philosophy Management and Amoeba Management*.
By combining a thorough client-oriented approach with our “power of manufacturing” and “heart-warming services,”
we promote diversification and integration across our core businesses, creating high value-added products and services.

Sun Frontier management is structured around three pillars: mental management based on our philosophy, all-employee participation management through divisional profitability, and business management that evolves from the client’s perspective. By sharing our principles and Philosophy and emphasizing employees’ spiritual growth, we foster a corporate culture rooted in altruism. Through the small-group divisional profitability system of Amoeba Management, each employee develops a managerial mindset, encouraging initiative and strengthening the growth capabilities of the organization as a whole. By taking the client’s perspective and responding swiftly to changes in society and client needs, we continuously provide valuable services and pursue sustainable development.

Practicing these management principles enhances employees’ sense of fulfillment and trust in the Company and serves as a source of long-term value creation.

We think from the client’s perspective in all aspects, constantly changing ourselves, taking on challenges, creating, and moving forward.Based on the philosophy that serving others is the essence of business, we create high added value through a chain-compounded model, grounded in collaboration among divisions.

- Building trust with clients
- Deep understanding of client needs
- Ability to adapt to changing times
- Sharing client information



Since our founding, our credo has been COMPASSION (Altruism). We first work for our closest colleagues, and then aim to contribute tenfold to our clients by uniting our collective strength. By delivering compounded and greater happiness to our clients, we contribute to the realization of a prosperous society.

- Stakeholder happiness
- Sharing of values
- Strengthening organizational capabilities
- Gaining trust from society

By constructing and instilling the small-group profitability system (Amoeba Management*), we enhance employees’ awareness of profitability and promote all-employee participation management in which each employee works with a sense of ownership.

- Visualization of accountability
- Sense of achievement
- Fostering leaders
- Speedy decision-making

*“Amoeba Management” is a registered trademark of Kyocera Corporation.

A Letter from the Founder

～To our future colleagues～

Message from the Founder, Chairman

The Inherited Spirit of COMPASSION - Transforming Philosophy into the Strength of People and the Organization

Since its founding, Sun Frontier has placed the spirit of COMPASSION (Altruism) at the heart of its management. Serving our colleagues, our clients, and society is more than a principle we have simply proclaimed. It is a way of life and a cornerstone of management that I have gradually come to believe in more deeply through the uncertainties, struggles, and many experiences I have encountered in managing the Company. Today, this belief guides the judgment and actions of every employee and has been passed down as part of our organizational DNA. Even as times change, some things must never change. That is Sun Frontier's spirit of COMPASSION.

Tomoaki Horiguchi
Representative Director and Chairman





The Starting Point of Management Is Making Employees Happy

After founding the Company in 1999, I repeatedly encountered major obstacles and experienced anxiety and hardship as a business leader amid the difficult business environment following the collapse of Japan's bubble economy. It was during this period that I encountered the teaching that "management means making employees happy." Until then, I had focused solely on growing the Company. However, I came to understand that the true purpose of management is to bring happiness to employees, those closest to us who share the same small boat and a common destiny. When I encountered this teaching, I deeply agreed with it and became acutely aware of my own immaturity. Since then, I have placed employee happiness at the starting point of management.

To make employees happy, I myself, as the leader of the Company, must first grow. Improving my capabilities and knowledge is important, but I came to understand that acquiring and continuously refining the right way of thinking as a human being forms an even more fundamental basis for management. I am convinced that it is this commitment to constantly striving for self-improvement and practicing the right way of life that develops people, strengthens the organization, and ultimately brings happiness to employees.

It was a scene I witnessed at the age of 27 that first made me strongly conscious of serving people and society. I saw a building that had been constructed only about a year earlier being demolished for redevelopment. The building had only just been completed using the Earth's precious resources, yet it was being destroyed so easily for human convenience. The sight filled me with a strong sense of indignation. I thought, "This cannot continue. We must curb the waste of resources and pass on our blue planet to the next generation." That earnest conviction later formed the foundation for Sun Frontier's Real Estate Revitalization Business.

COMPASSION Is the Strongest Business Model

The spirit of COMPASSION, expressed in the words "We believe in helping others, as many as we can, throughout our lives." is both my purpose in life and the credo deeply rooted in our Group.

One experience in particular gave me firm conviction in this belief as the leader of the Company.

Soon after our founding, the Company was in severe financial circumstances and struggling with cash flow. Even so, I wanted to help a client in need and live with integrity. With this single-minded determination, I made a major decision. In 2000, I brokered the sale of a building in Harajuku worth approximately 200 million yen. The seller lived in the building and faced the imminent prospect of personal bankruptcy if the transaction failed. However, only ten days before closing, the buyer's financing suddenly fell through, and the transaction was cancelled under the loan contingency. As the broker, the Company had no legal responsibility and could have stepped away from the transaction at that point. Yet the seller had placed their trust in me and entrusted me with this important transaction.

"I will never betray someone who has placed their trust in me."

That was a promise I had always valued in my life. Although the Company had no previous record of borrowing from a bank at the time, I made up my mind and approached a shinkin bank, a Japanese cooperative financial institution, with which we had an established business relationship. Having developed trust in us through our work up to that point, the shinkin bank approved a loan of 150 million yen in just a

few days. Combining the loan with my own funds, the Company purchased the building, enabling us to support the seller.

At that time, the business category now known as real estate revitalization was not yet common. Although we had little financial leeway, all of our employees worked together as one, pooling their ideas to convert the vacant residential spaces into offices and revitalize the building. As a result, tenants moved in one after another, and the building reached full occupancy. We were delighted to hear people in the neighborhood say that the area had become brighter. Ultimately, we earned a profit far exceeding the brokerage fee originally anticipated.

Through this experience, I realized the importance of putting service to others first, avoiding causing trouble for others, and acting with integrity. I came to understand that the accumulation of such actions builds trust, expands business opportunities, and ultimately leads to corporate growth and contribution to society.

I became convinced that living rightly as a human being leads to a fulfilling life and the growth of a business, and that COMPASSION is the best business model for benefiting the seller, the buyer, and society.

Putting "Altruism" into Practice Through Our Daily Actions

Its true power is realized only when we translate it into action in our daily work. For this reason, since our founding, we have placed Human Resource Development at the heart of management, with the Sun Frontier Philosophy serving as its foundation.

"What is the purpose of life?" "How should we conduct ourselves as human beings?" "How should we approach our work?" While addressing these fundamental questions, we place great importance on developing people who can put the spirit of "Altruism" into practice in their daily work. Simply sharing a common way of thinking, however, is not enough. What matters most is to put into practice a spirit of "Love, Sincerity, and Contribution" and to think and act for oneself. The accumulation of such actions by each individual earns the trust of our clients, strengthens the organization, and ultimately drives corporate growth.

"The Five Ways of Living" which I have valued since my twenties, are one example. Always answer a client's call on the first ring. When a decision can be made on site, make it promptly then and there. Even when faced with a difficult task, continue to consider "how it can be done" rather than "why it cannot be done." Each of these actions may seem small. However, their steady accumulation in our daily work builds trust with our clients.

"Altruism" becomes a force that benefits people and society only when we hold it strongly in our hearts and continue to put it into practice through our daily actions. Developing people who steadily accumulate such practices has been the fundamental approach to Human Resource Development that we have valued since our founding.

Three Core Management Pillars Centered on People

To put this philosophy into practice as an organization, Sun Frontier places importance on three pillars of management.

Through Philosophy, we cultivate the mindset and state of mind with which employees approach their work and lives. Through Amoeba Management, each employee takes personal ownership of their work and approaches it with a managerial mindset. Through a thorough commitment to the client's perspective, we think deeply about the problems each customer faces and what they truly need, and create value that exceeds their expectations.

Three Core Management Pillars

- Mental management based on our philosophy
- All-employee participation management through the small-group profitability system
- Management that evolves from the client's perspective

For details, please refer to page 5 of this report.

These three pillars are not independent systems. We cultivate the mindset that shapes how we think, strengthen our awareness of how we manage, and maintain a clear perspective on whom we create value for. By putting these three pillars into practice as an integrated whole, we generate high added value through their interconnected and

The Five Ways of Living

1. Always keep your promises
2. Act immediately with overwhelming speed
3. Deliver more than expected
4. Never say no and never let the answer end with no
5. Take an overwhelming volume of action and accomplish an overwhelming amount of work

In addition, remain curious, strive for self-improvement, and actively seek out experiences in new and unfamiliar fields.

mutually reinforcing effects. This is a defining characteristic of Sun Frontier's management.

From "Locomotive-style" to "Shinkansen-style" Management

In the early years, management was "locomotive-style," with me at the front pulling the Company forward. As the Company grew and more colleagues joined, however, sustainable growth could not be achieved in that way alone. We have now evolved into a "Shinkansen-style" organization led by executives and Amoeba leaders who embody our Philosophy. Rather than relying on one person to drive the Company forward, each person demonstrates their own capabilities, and their combined strengths enable the organization as a whole to become a powerful force. This evolution has also led to the creation of new businesses and value.

Our Setup Office Business began with a desire to reduce the waste of resources associated with restoration work. Our Rental Conference Room Business began when a client consulted us about how to make effective use of vacant space. Neither was created out of an intention to develop a new business from the outset. Both emerged from addressing the challenges faced by our clients, asking ourselves what we could do to help, and turning our ideas into tangible solutions.

Under the shared value of COMPASSION, each person thinks, takes on challenges, and combines their strengths.

I believe that our evolution into such an organization is one of Sun Frontier's greatest assets as we enter our 28th year since founding.

Passing What Must Never Change to the Next Generation

Ten or twenty years from now, the people responsible for management may have changed. Technology, society, and the environment surrounding us are also likely to undergo significant change. However, no matter how much the times change, there are things that must never change.

That is the spirit of COMPASSION.

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

When someone is in need, we ask ourselves what we can do to help. We always place clients at the center, focusing on what they truly seek and the challenges they face. With a sincere desire to serve others, we take the initiative to learn and embrace challenges without fear of failure. We grow as individuals, join forces with our colleagues, and make an even greater contribution to society. I believe that Sun Frontier's future will be created by an organization of talented individuals who possess this spirit of COMPASSION and continue to gather, learn, and grow together.

I also believe that personal growth is proportional to the distance traveled. Rather than thinking about things only in one's head, people should visit worksites themselves, engage directly with clients, and gain a wide range of experiences. It is through such first-hand experiences that we find the lessons that enable us to grow significantly. I also want employees to travel actively not only throughout Japan but also around the world, and, with curiosity and a desire for self-improvement, experience diverse cultures and values and encounter beauty and history. By discovering unfamiliar worlds, broadening their perspectives, and accumulating experience, they cultivate their personal appeal and inner strength. Through these experiences, I hope they will go on to create new value that no one has ever seen before.

That is my wish for everyone who will lead the next generation.

