Forecast for FY2026/3

SUN FRONTIER

Now, I will provide an overview of the performance forecast for this fiscal year and discuss our future growth strategy.

Review of Medium-term Management Plan (FY2022/3～FY2025/3)

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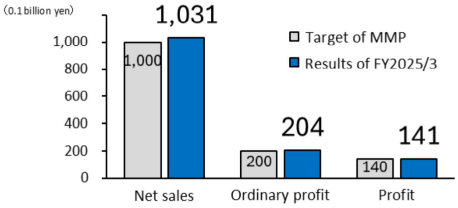
Achieve Medium-term Management Plan targets and strengthen the foundation for business, human resources, and finance for sustainable growth.

Quantitative target	MMP (disclosure in May 2021)	Results of FY2025/3
Net sales	100 billion yen	103.1 billion yen
Ordinary profit	20 billion yen	20.4 billion yen
Profit	14 billion yen	14.1 billion yen
Ordinary profit rate	20.0%	19.8%
Equity ratio	Around 50%	46.8%
ROE	Over 10%	14.7%

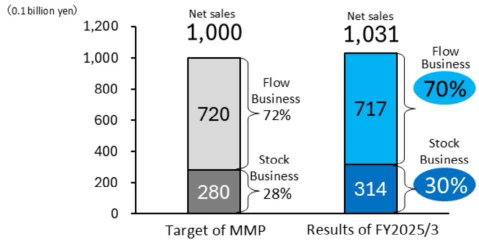
Business expand	Results of FY2021/3	Results of FY2025/3
Properties purchase amount	15 billion yen	50.7 billion yen
Buildings under management	397 buildings	542 buildings
Hotels under operation	17 hotels 2,369 rooms	28 hotels 3,144 rooms

Other initiatives (FY2022/3 - FY2025/3)	
Increased revenue & profit in stock-type businesses	The gross profit from the stock-type business has grown to a level that almost covers SG&A expenses.
Growth through M&A	Three hotels became consolidated subsidiaries and the number of operating rooms increased by 637 rooms.
Diversification of funding sources	Issued zero coupon private placement CB and conducted a business tie-up with AA.
Diversity of human resources	Promoting the active participation of women and the elderly. Strengthening recruitment of foreign workers.
Accelerate decision making	Shifted to a company with Audit and Supervisory Committee and established a full-time Board of Directors.
Value-creation-minded management enhancement	Expanding the allocation of restricted stock to the amoeba leader level.

Quantitative target	Achieved sales and profit exceeding the Medium-term Management Plan targets through businesses with high profitability based on high added value



Composition of net sales	Stock-type businesses were beyond the targets of the Medium-term Management Plan, improving the balance of business composition



First, let me briefly review the medium-term management plan, which concluded in the previous fiscal year.

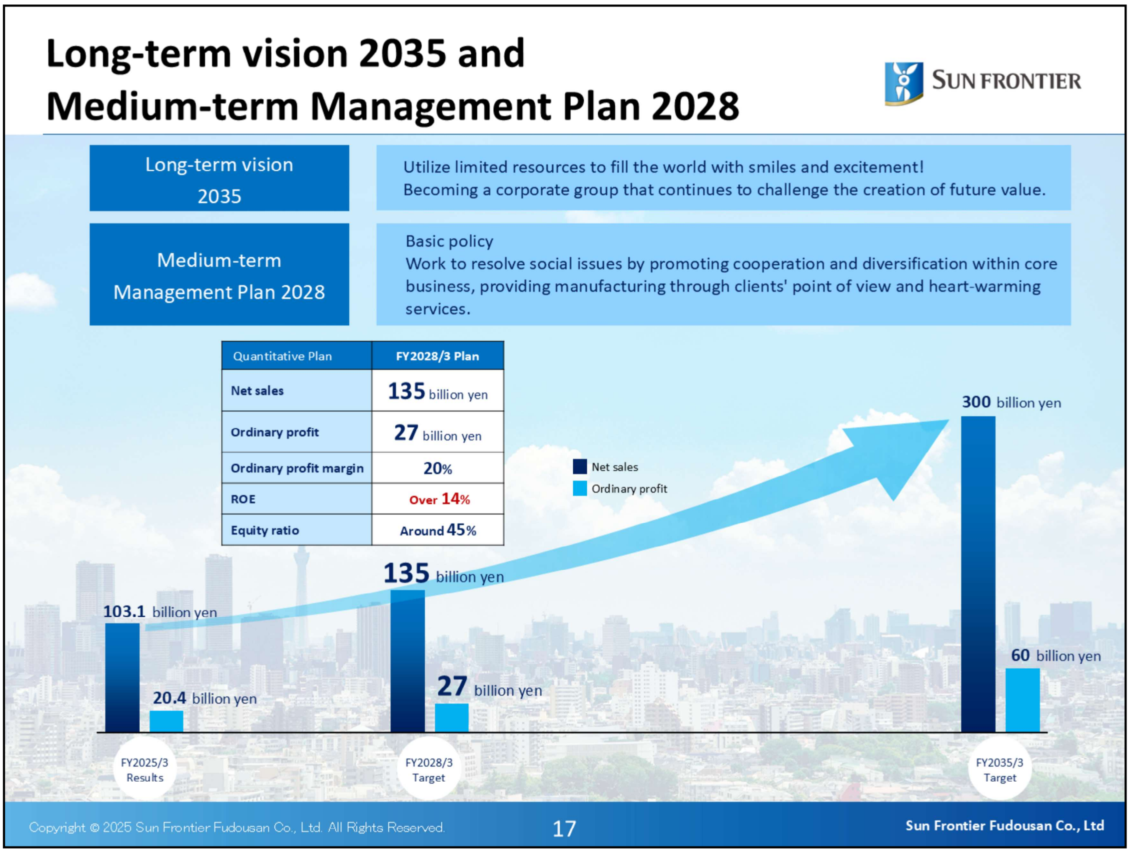
This plan initially started as a "five-year plan" from fiscal year 2018, but faced the COVID-19 pandemic, leading to a revision in May 2021. At that time, we did not change any quantitative targets but extended the final year by two years and worked towards achieving the goals.

The results are shown in the table at the top left. We achieved the targets of 100 billion yen in sales, 20 billion yen in ordinary profit, and 14 billion yen in net profit for the period.

On the financial indicators side, the ordinary profit margin was 19.8%, slightly below the 20% target, but we believe we have achieved the level aimed at for a high-profit structure. Additionally, we maintained an equity ratio of 50% and increased ROE to 14.7%.

As shown in the table in the middle, we significantly exceeded the plan in terms of properties purchase amount, the number of buildings under management, and the number of hotels under operation.

Furthermore, the qualitative shift in our revenue structure, such as strengthening the stable revenue base through the expansion of stock-based businesses, has been steadily advancing.



And from this fiscal year, a new Medium-term Management Plan will begin.

As announced last May, this plan outlines how we will grow our management over the next three years to realize our long-term vision for the next ten years.

In the Medium-Term Management Plan 2028, we will work to resolve social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heart-warming services.. This will be our basic policy as we execute the plan.

The quantitative targets for the final year, fiscal year ending March 2028, are sales of 135 billion yen and ordinary profit of 27 billion yen.

Additionally, we aim to maintain an ordinary profit margin of 20%, an equity ratio of 45%, and a ROE over 14%. When we announced this last year, the target for ROE was “over 10%," but based on the previous fiscal year's results, we have now raised the lower limit of the target to "over 14%."

Progress for FY2026/3 Forecast

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(Unit: million yen)

	FY2025/3	FY2026/3	YoY increase/decrease	YoY change rate
Net sales	103,174	117,000	+13,825	13.4%
Real Estate Revitalization Business	71,339	81,340	+10,000	14.0%
Replanning Business	68,684	78,440	+9,755	14.2%
Rental Buildings Business	2,654	2,900	+245	9.2%
Real Estate Service Business	12,488	14,000	+1,511	12.1%
Hotel and Tourism Business	18,831	21,490	+2,658	14.1%
Hotel Development Business	3,071	3,000	-71	-2.3%
Hotel Operation, etc.	15,760	18,490	+2,729	17.3%
Other Business	1,992	2,230	+237	11.9%
Adjustments	-1,477	-2,060	–	–
Gross Profit (Loss)	32,225	36,420	+4,194	13.0%
Real Estate Revitalization Business	22,114	25,560	+3,446	15.6%
Replanning Business	21,860	25,160	+3,299	15.1%
Rental Buildings Business	253	400	+147	58.1%
Real Estate Service Business	6,124	6,940	+816	13.3%
Hotel and Tourism Business	4,479	4,340	-139	-3.1%
Hotel Development Business	991	520	-471	-47.5%
Hotel Operation, etc.	3,487	3,820	+333	9.5%
Other Business	498	530	+32	6.4%
Adjustments	-990	-950	–	–
Selling, General and Administrative Expenses	10,945	12,580	+1,635	14.9%
Operating Profit (Loss)	21,279	23,840	+2,561	12.0%
Ordinary Profit (Loss)	20,446	22,500	+2,054	10.0%
Profit	14,163	15,500	+1,337	9.4%
EPS	291.58 yen	319.11 yen	+27.53 yen	9.4%

Keynotes of Income Statement

The first year of Medium-term Management Plan 2028 toward Long-term Vision 2035. Continue to invest aggressively in our businesses and human resources, aiming for sustainable growth through diversification and improved productivity.

<Real Estate Revitalization Business>
Maintained high profitability with gross profit margin of over 30%. In addition to existing Replanning Business, properties for New Construction Business, New York Replanning Business, and Specified Joint Real Estate Ventures are scheduled to be sold.

<Real Estate Service Business>
In addition to planning to increase new sites for rental conference rooms and the number of entrusted buildings under PM, all businesses are expected to grow steadily while promoting the introduction of CRM systems in sales activities and client services.

<Hotel and Tourism Business>
In addition to improving occupancy rate and average daily rate, Hotel Operation plans to construct and open 3 hotels, aiming to make an early contribution to its earnings. In addition, it plan to sell hotel properties on the premise of continuing operations.

<Selling, General and Administrative Expenses>
Improve productivity through system investment and promote human resource development by investing in human resources.

Here are the performance forecasts for this fiscal year, which is the first year of the new Medium-term Management Plan.

Sales are expected to be 117 billion yen, a 13.4% increase from the previous year, and ordinary profit is expected to be 22.5 billion yen, a 10.0% increase.

Additionally, net profit per share is expected to be 319 yen, a 9.4% increase. All of these figures are planned to surpass the previous year's record highs.

In the real estate revitalization business, in addition to regular Replanning properties, we plan to sell a total of 34 properties, including new construction projects, NY projects, and Specified Joint Real Estate Ventures. The overall gross profit margin is expected to remain at a level of over 30%.

Furthermore, Real Estate Services Business and Hotel Operations Business are expected to continue performing well this fiscal year, with both sales and profits reaching record highs.

On the other hand, in Hotel Development Business, construction is progressing smoothly towards the opening of new hotels. We plan to sell one hotel and, as part of related business activities, one rental apartment building.

Forecast for Cash Dividend

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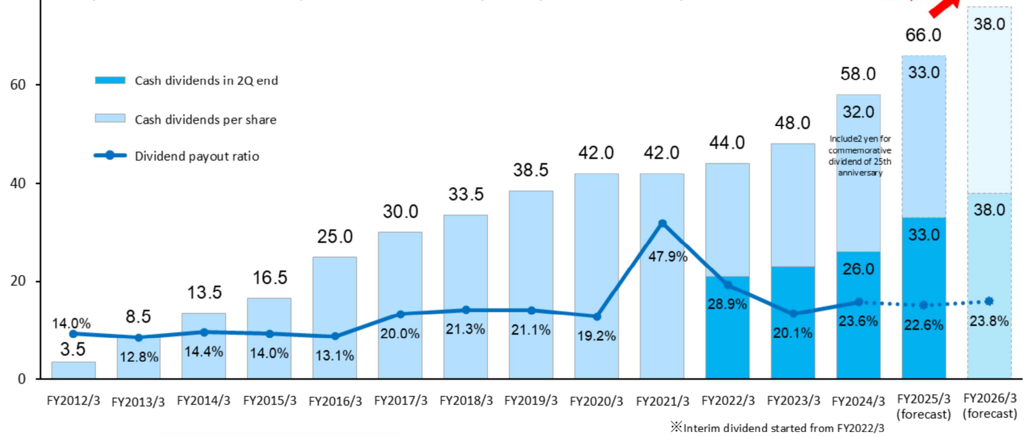
With the exception of maintaining the same dividend in FY2021/3, we expect to increase dividends for 13 consecutive years.

Full year cash dividend is expected to increase by 10.0 yen YoY to 76.0 yen



※Interim dividend started from FY2022/3

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

For the full-year dividend forecast, we project an increase of 10 yen from the previous year, resulting in a dividend of 76 yen per share.

This would mark the 13th consecutive year of dividend increases, excluding the fiscal year ended March 2021, when the dividend was maintained due to the COVID-19 pandemic.

Going forward, we remain committed to delivering long-term and stable shareholder returns in line with our basic policy on shareholder returns.

Business Environment Awareness

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1. The global economy faces uncertainty due to the U.S. tariff policy, the slowdown of the Chinese economy, and geopolitical risks.

◆IMF expects the real growth rate of the world economy to be 2.8% in 2025. All regions are revised downward due to the impact of the U.S. administration's tariff policy.

◆In the U.S. financial market, stock prices and bonds have fallen and the dollar has weakened due to the policies of the Trump administration.

2. The Japanese economy is expected to grow due to the virtuous cycle of wages and inflation, but caution is needed regarding the global economic slowdown.

◆The Bank of Japan kept its interest rate unchanged at its Monetary Policy Meeting in April, taking a wait-and-see stance under the influence of the U.S. administration's policies.

◆With continued price increases, fears of an economic growth slowdown have heightened, raising concerns about whether the virtuous cycle between wages and inflation can be maintained.

3. In the central Tokyo office building market, a high investment appetite continues as rents continue to rise and the vacancy rate continues to improve.

◆ Although the number of new and completed office buildings is expected to increase from the previous year, the increase in rents and the improvement in vacancy rate are expected to continue.

◆Wealthy individuals and institutional investors, particularly in Asian countries, keep a high investment appetite, but attention must be paid to interest rate trends.

4. In the hotel and tourism market, both visitors and their spending remain at a high level, but the global economic slowdown is a concern.

◆ The number of visitors to Japan from January to March 2025 exceeded 10 million for the first time in a quarter, driven by the recovery of Chinese visitors.

◆Spending from January to March 2025 was 2,272 billion yen, slightly decreasing from the previous quarter, but remaining at a high level.

Next, we turn to the business environment.

In the macro environment, risk factors such as U.S. tariff policies, the slowdown of the Chinese economy, and geopolitical issues are prominent, leading to continued uncertainty about the future.

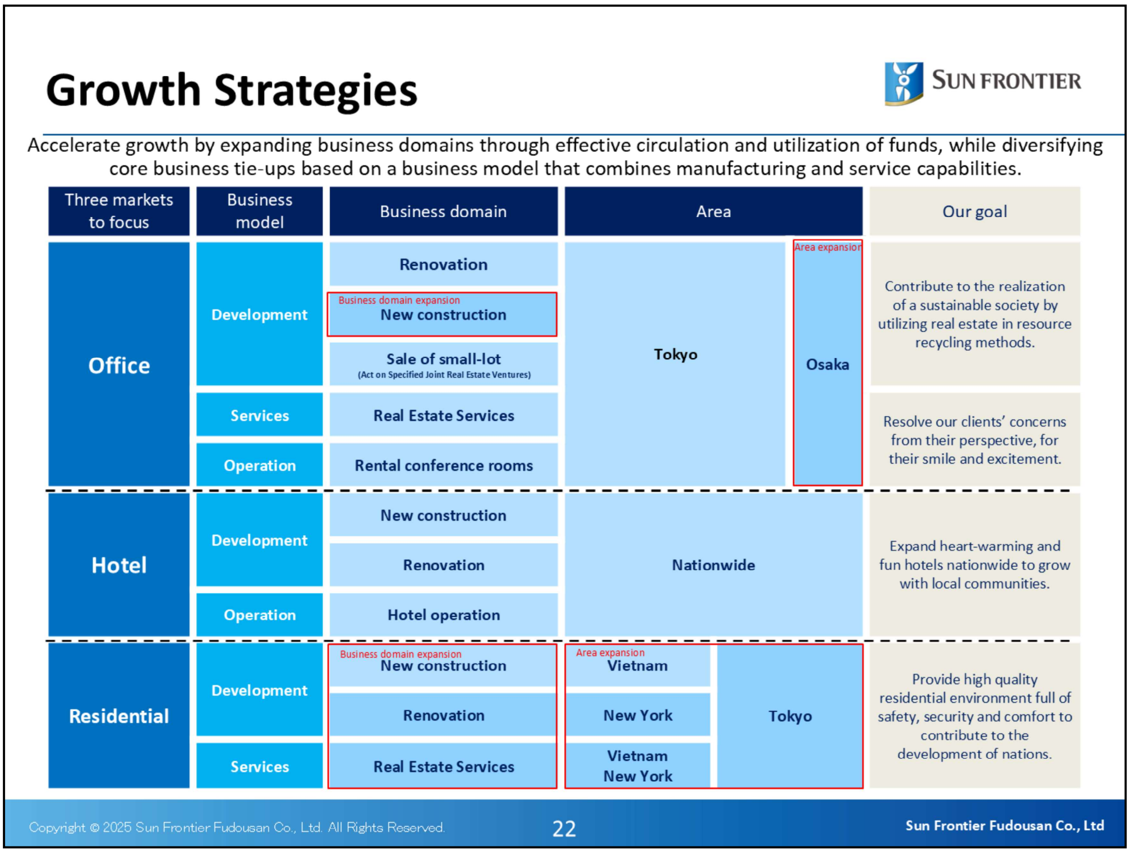
In addition, careful attention is required regarding the timing of Japan’s policy rate hikes and trends in long-term interest rates..

Under these conditions, demand continues to be solid, supported by the return to office work and increased foot traffic. We expect the upward trend in occupancy rates and pricing in both the office and hotel markets to continue for the time being.

While paying close attention to the unstable global economy and sudden changes in the financial environment, we will steadily proceed with our business in accordance with the plan.

Growth Strategies

Next, I will explain our future growth strategy.



We are pursuing a business model that integrates physical development with services.

By promoting diversification in line with our core business and making effective use of capital, we aim to expand our business domains and accelerate growth.

First, in the office sector, we are actively working on new construction projects in addition to our existing revitalization initiatives. We are also expanding into Osaka with new projects in building revitalization (Replanning®) and fractional real estate ownership.

In the hotel sector, we will continue to grow the number of hotels we operate through a combination of new development, renovation, and strategic M&A..

In the residential sector, we are advancing condominium development in Vietnam, revitalization of apartment buildings in New York, and new development of rental apartment buildings in Tokyo.

Next, I will highlight some specific initiatives underway in these three focus markets..

First, let’s take a look at our Replanning business.

This core business focuses on revitalizing small to mid-sized office buildings in central urban areas to enhance their value and occupancy. Since our founding, we have completed a total of 512 such projects..

This slide presents two recent examples. Both buildings were over 30 years old, with aging facilities and outdated layouts and designs that no longer suited modern needs, resulting in diminished profitability. Some properties also had legal compliance issues, such as unauthorized extensions and exceeding permitted floor area ratios.

After acquiring the properties, we conducted renovations to resolve these issues and converted them into modern office spaces with well-design interiors. As a result, we were able to raise rental income and sell them as high-yield properties.

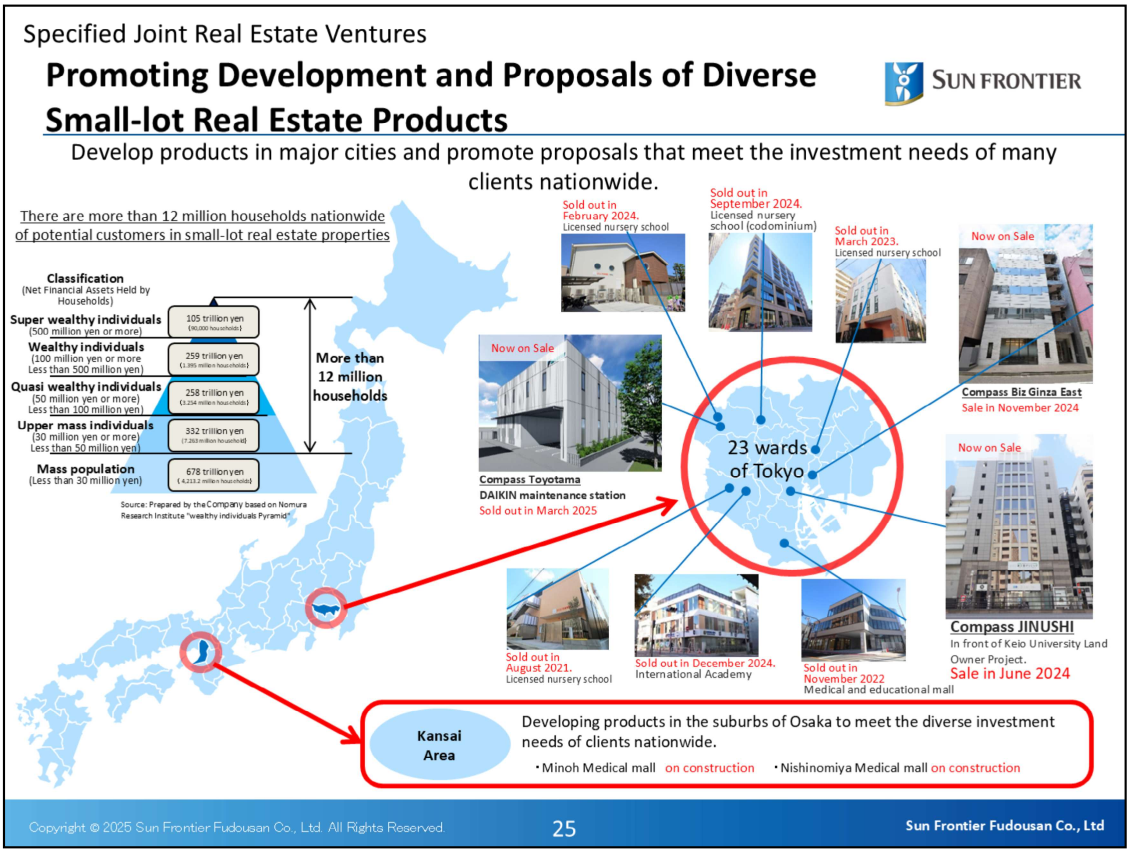
Next, the new building development business.

Leveraging the urban-focused strategy and high-occupancy, high-value-added revitalization techniques cultivated through our Replanning business, we are also focusing on the development of new buildings.

The photo on the right side of the slide shows a recent example, a new building in Minato Ward. It is an 11-story office building with a total floor area of over 500 tsubo. Each floor is equipped with setup offices. The building was completed last October, and tenant occupancy progressed smoothly, allowing us to sell it this March. The project duration was exactly three years.

By combining these new projects, Replanning projects with high asset turnover, low-rise retail buildings, and Specified Joint Real Estate Ventures, we aim to create a long-term, stable sales plan.

In our office building business, our basic policy is to focus on renovation and revitalization from the perspective of decarbonization and resource conservation. However, for buildings with seismic issues or severe deterioration that cannot be adequately addressed through renovation, we take the approach of rebuilding or constructing new buildings.



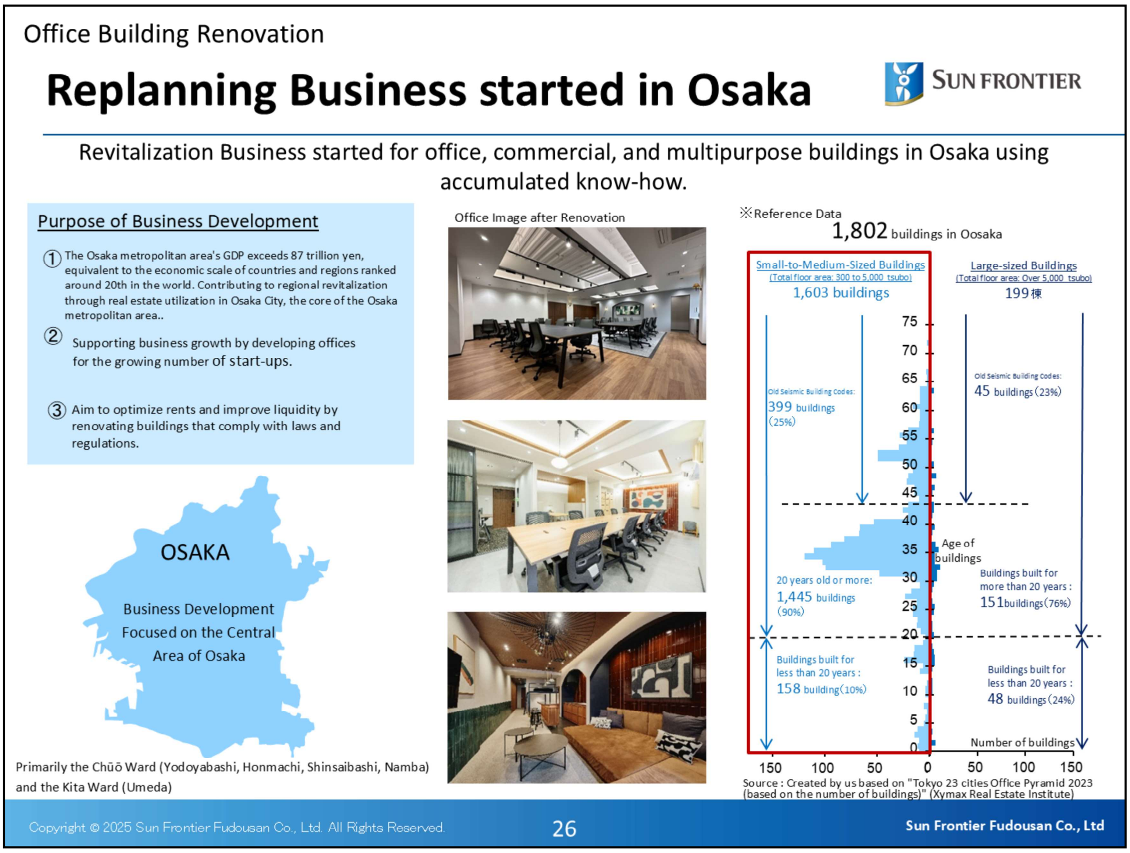
Next, regarding our Specific Joint Real Estate Business and Specified Joint Real Estate Ventures.

Our company primarily creates buildings for long-term rental operations, with tenants such as educational and medical service providers closely tied to daily life, like daycare centers and clinics, and sells them as fractional real estate ownership products.

Given the nature of these uses, we are expanding our business areas to residential zones such as Nerima Ward and Setagaya, which differ from typical office buildings.

Additionally, in response to customer requests for geographically diversified investments, we have also started projects in the Kansai area. Currently, two new medical malls are under construction in Minoh City and Nishinomiya City.

Both are scheduled for completion and sale within this fiscal year.



Additionally, we plan to launch a project in Osaka within our Replanning Business and are currently focusing on property procurement.

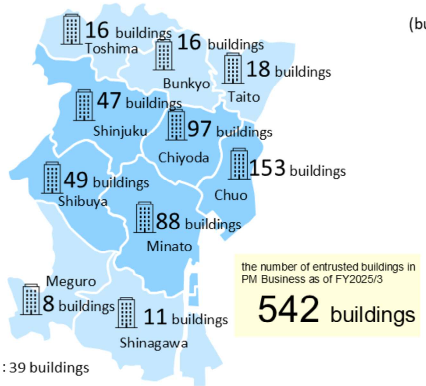
Osaka boasts an urban GDP of 87 trillion yen, equivalent to the economy of a country ranked around 20th in the world.

We aim to contribute to the development of the regional economy through real estate utilization in Osaka City, the core of this economic area.

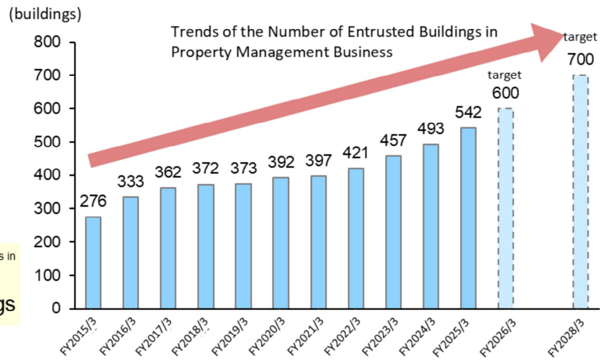
Real Estate Service Business

More Number of Buildings Under Management and Better Services

Expanding measures to improve owner and tenant satisfaction as a platform for business growth.



Other area：39 buildings



【 Owner's Club 】

This service is designed to build closer relationships with members' families and deepen friendship between owners.
We hold exchange events such as seminars, social gatherings, and stays at Company-owned hotels. It is well-received by the members as a precious place for interaction among building owners.

*As of March 31, 2025, the number of members is 103.

[Tenant My Page]

This is a service aimed at improving customer experience and revitalizing tenant companies.
For tenants of PM properties, disaster prevention and management notices are given, and seminars inviting outside lecturers are held. Many tenants have commented that it was a good opportunity to store disaster prevention supplies.

As of March 31, 2025, out of 3,441 tenants, the registration rate is 91.9%

Next, the Real Estate Services Business.

We will continue to focus on the central Tokyo area, further enhancing our expertise and strengthening our customer base.

The number of buildings under management has increased by 49 from last year, bringing the total to 542. We plan to expand to 700 buildings within three years.

Currently, we have approximately 900 building owner clients and over 3,000 tenant companies.

To enhance interaction with these clients and expand our services, we have started new initiatives such as launching the "Owners Club" and offering "Tenant My Page."

Rental Conference Room Business

Aggressively expand business by stabilizing newly opened locations and promoting the development of new ones

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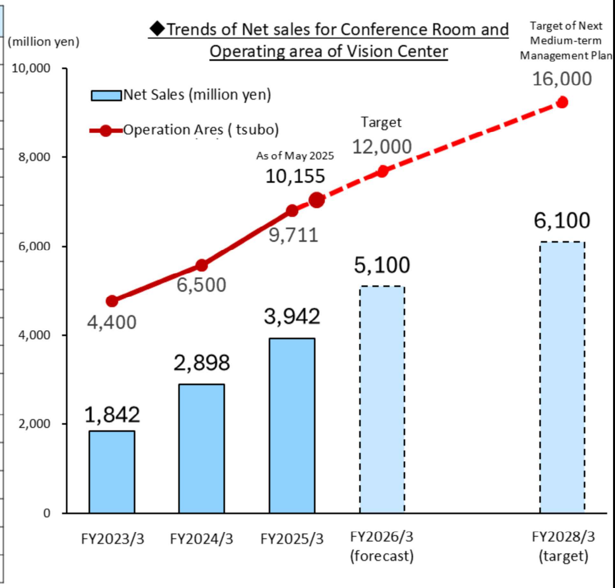
To be chosen by our customers, we provide warm-hearted service as a partner in ensuring the success of events. While continuing to strengthen our presence around major terminal stations, we also aim to enhance our customer base.

	Area	Name	Operation Area
1	Tokyo Yaesu Marunouchi	Vision Center Tokyo Ekimae	209 tsubo
2		Vision Center Tokyo Nihonbashi	343 tsubo
3		Vision Center Tokyo Yaesu	324 tsubo
4		Vision Center Tokyo Kyobashi	782 tsubo
5		Vision Center Nihonbashi (Mitsukoshimae)	467 tsubo
6		Vision Center Yurakucho	138 tsubo
7	Shinbashi Toranomon	Vision Center Shinbashi	390 tsubo
8		Vision Center Tokyo Toranomon	501 tsubo
9	Shinagawa Tamachi Hamamatsucho	Vision Center Tokyo Hamamatsucho	1,456 tsubo
10		Vision Center Hamamatsucho	431 tsubo
11		Vision Center Tamachi	954 tsubo
12		Vision Center Shinagawa	641 tsubo
13		Vision Center Shinagawa ANNEX Open in April 2025	444 tsubo
14	Shinjuku	Vision Center Shinjuku Minds Tower	687 tsubo
15		Vision Center Hishishinjuku	789 tsubo
16	Akasaka Ichigaya	Vision Center Ichigaya	366 tsubo
17		Vision Center Akasaka (Nagatacho)	248 tsubo
18	Yokohama Minatomirai	Vision Center Yokohama (Nishiguchi)	558 tsubo
19		Vision Center Yokohama Minatomirai	427 tsubo



Next, the Rental Conference Room Business.

Backed by strong performance, we have been actively opening new locations and expanding our operational area.

In addition to the three relatively large new locations opened last year, we also opened the Vision Center Shinagawa Annex, with an floor area of 444 tsubo, in April of this fiscal year.

Currently, our operational area exceeds 10,000 tsubo, and we are steadily expanding and growing towards the Medium-term Management Plan target of 16,000 tsubo in three years.

Hotel and Tourism Business

Aggressively expand the business by advancing both development and new openings.

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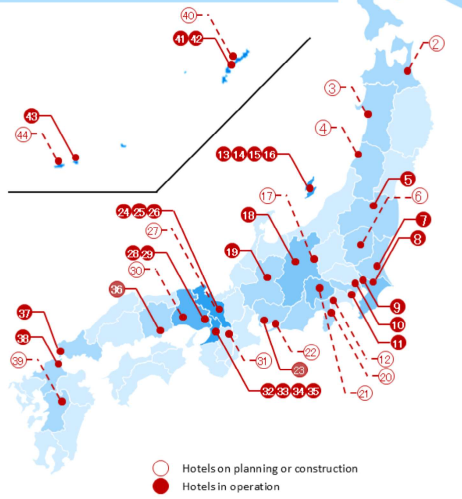
<Number of hotel rooms>

In operation	3,144 rooms	28 hotels
On construction	1,061 rooms	7 hotels
On planning	1,441 rooms	9 hotels
Total	5,646 rooms	44 hotels



Grand Opened on April 1, 2025
㉟HIYORI HOTEL OSAKA SUMINOEKOUEN STATION

Building Exterior

Finished construction in FY2026/3
①Tabino Hotel Ishikari

Image of Building Exterior

Finished construction in FY2026/3
㉚Tabino Hotel Kakogawa

Image of Building Exterior

Finished construction in FY2026/3
㉗STITCH HOTEL Kyoto

Image of Building Exterior

(As of May 2025)

	Name of Hotels	Rooms	Progress
1	Tabino Hotel Ishikari	175	※on construction
2	Tabino Hotel Rokkashomura	202	※on construction
3	Tabino Hotel lit Akita Ekimae	230	※on planning
4	Tabino Hotel lit Sakata	173	※on construction
5	Seifutei	11	※M&A
6	Tabino Hotel Utsunomiya Yuinomori	202	※on planning
7	Tabino Hotel Kashima	194	
8	Tabino Hotel EXpress Narita	91	
9	HIYORI HOTEL MAIHAMA	80	
10	SKY HEART Hotel Koiwa	102	
11	SKY HEART Hotel Kawasaki	197	
12	Sora Niwa TERRACE Hakone Yumoto	108	※on planning
13	HOTEL AZUMA	52	
14	HOTEL OOSADO	72	
15	Tabino Hotel Sado･Live Sado	129	
16	DONDEN Highland	12	
17	HIYORI Hotel Karuizawa Spa & Resort	81	※on planning
18	Tabino Hotel lit Matsumoto	176	
19	Tabino Hotel Hida Takayama	80	
20	Atami Hotel Project	150	※on planning
21	HIYORI TERRACE Kawaguchiko (Fuji)	142	※on planning
22	Tabino Hotel lit Toyokawa	110	※on construction
23	Spring Sunny Hotel Nagoya Tokoname Station	194	
24	Sora Niwa Terrace Kyoto	102	
25	Sora Niwa Terrace Kyoto Bettei	32	
26	HIYORI Stay Kyoto Kamogawa	38	
27	STITCH HOTEL Kyoto	16	※on construction
28	Kobe Plaza Hotel	107	※M&A
29	Kobe Plaza Hotel West	120	※M&A
30	Tabino Hotel Kakogawa	172	※on construction
31	HIYORI HOTEL Kintetsu Nara	177	※on planning
32	HIYORI HOTEL OSAKA NAMBA STATION	224	
33	Joytel Hotel Namba Dotonbori	53	※M&A
34	Joytel Hotel Shinsekai Sakaisujidori	103	※M&A
35	HIYORI HOTEL OSAKA SUMINOEKOUEN STATION	229	※M&A
36	Tabino Hotel Kurashiki Mizushima	155	
37	SKY HEART Hotel Shimonoseki	102	
38	SKY HEART Hotel Hakata	157	
39	Tabino Hotel Kumamoto Ozu	213	※on construction
40	HIYORI HOTEL Nago	164	※on planning
41	Hiyori Ocean Resort Okinawa	203	
42	Oriental Hills Okinawa	14	※M&A
43	Tabino Hotel lit Miyakojima･Tabino Hotel Villa Miyakojima	115	
44	Tabino Hotel lit Ishigakijima	230	※on planning

Next, let's discuss our Hotel and Tourism Business.

The development and opening of new hotels is ongoing, and this business is also expanding smoothly. Currently, we are operating 28 hotels with a total of 3,144 rooms.

Looking ahead, in June, we will open the “STITCH HOTEL Kyoto,” which has been renovated and revitalized property converted from an existing hotel.

Additionally, as newly constructed hotels, "Tabino Hotel Kakogawa“ and "Tabino Hotel Ishikari" are scheduled to open in September and in October, respectively.

Furthermore, including those currently under construction and those with acquired land and plans in progress, we expect to expand to 44 hotels with a total of 5,646 rooms over the next three years.

Hotel and Tourism Business

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

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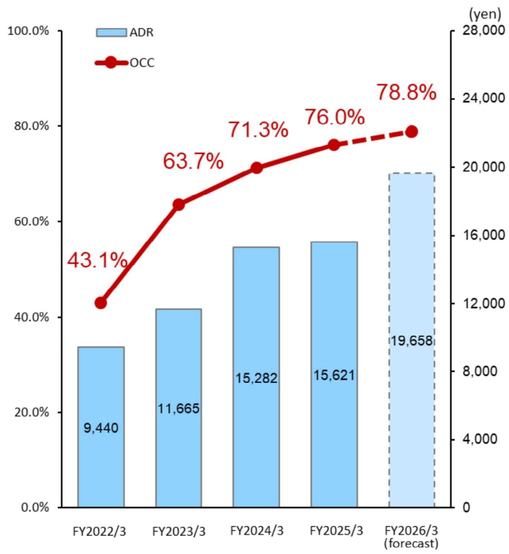
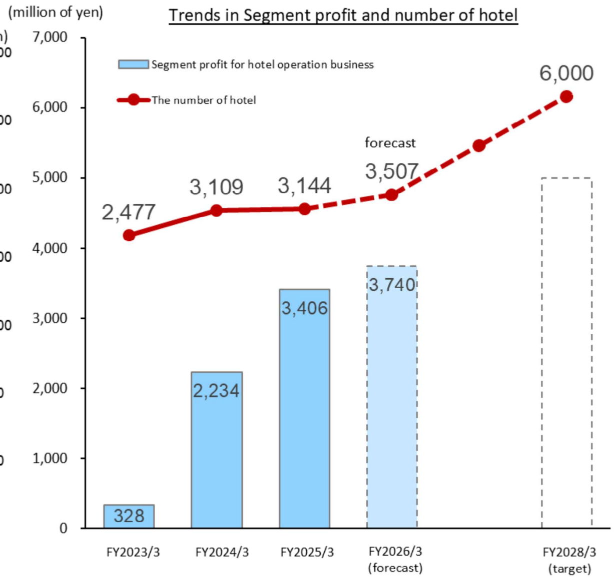
High occupancy rate will continue due to the effect of inbound tourism, and average daily rate is expected to rise mainly in luxury hotels. The newly opened hotels aim to be the hotel of choice for clients with its heart-warming services.

Trends in occupancy rate and average daily rate



Trends in Segment profit and number of hotel



Additionally, the performance of our Hotel Operations has been very strong.

While we have benefited from robust inbound demand and recovering domestic travel, we continue to receive high praise from our customers even as we actively expand our room count.

A strong market, an increase in room count, and our customers' appreciation for our heart-warming service have created a virtuous cycle, leading to significant business growth.

Moving forward, under our hotel management policy of “heart-warming and fun hotels," we will continue enhancing our service capabilities to exceed customer expectations and deliver emotional impact, further expanding our business.

Residential Business

Develop rental apartment projects in suburban areas near urban centers

SUN FRONTIER

Develop high-value-added condominiums in central Tokyo and surrounding area, and sell as stable income-generating assets.

Purpose of Business Development

① Enhancing the attractiveness of cities and contributing to their revitalization by providing "homes where people can live with a smile."

② Proposing the value of new housing through housing development in response to diversifying lifestyles.

③ Leveraging know-how from office revitalization to create asset value for residences and stabilize profits.

[Major Business Areas]

5 wards of Central Tokyo, Meguro-ku, Shinagawa-ku, Nakano-ku,

Setagaya-ku, Toshima-ku, Bunkyo-ku, Taito-ku, Nerima-ku, Itabashi-ku, Ota-ku

[Current status] Foundation work in progress [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
Feature	All rooms are soundproof, and it is expected that tenants whose purpose is met will live continuously.

[Current status] Purchase contracted Purchase decision in May 2025	[Plan] Sale scheduled for FY2028/3
Location	Nihonbashi-Kayabacho, Chuo-ku
Structure	Reinforced concrete structure, 12-story building
Room layout / number of units	2LDK+S: 11 units
Feature	High demand is expected for a room with a large floor space of over 60m², which is a small supply in the neighborhood.

[Current status] Demolished Vacant lot [Plan] Sale scheduled for FY2027/3	
Location	Nishi-Oi, Shinagawa-ku
Structure	Reinforced concrete bearing wall structure, five-story building
Room layout / number of units	1K: 18 units, 2DK: 1 unit
Feature	All rooms are soundproof, and it is expected that tenants whose purpose is met will live continuously.

Next, we turn to our Residential Business.

In our housing sector, we have been involved engaged in New York. Since the previous fiscal year, we have also started new construction of "single-unit rental apartments" in Tokyo.

Our main areas of focus are the five central wards and the seven adjacent wards of Tokyo. Currently, we are progressing with projects in three locations.

The Apartment Replanning Business in New York has been progressing steadily.

We started this business in 2019, and although there was a slight pause due to the COVID-19 pandemic, we have acquired 10 buildings and undertaken renovation and revitalization efforts, selling 6 buildings so far. Additionally, we plan to sell 3 buildings this fiscal year.

Residential Development Business

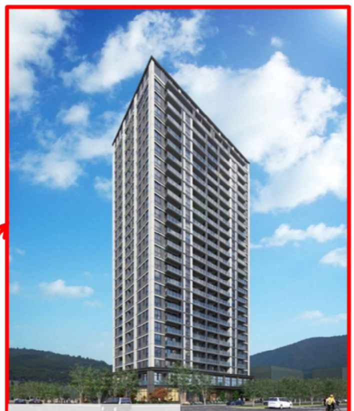
Construction of the HIYORI Aqua Tower PJ in Vietnam Progressing Smoothly

SUN FRONTIER

The construction of 2nd condominium project (202 units) started in August 2024.
It is estimated to be completed in Autum 2026.

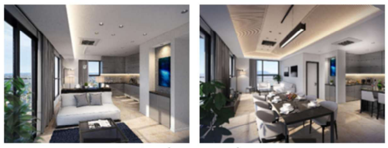
Project Overview

Location	Lot 3-A2-1, Son Tra-Dien Ngoc Complex Center, Tho Quang Ward Son Tra Area, Da Nang City, Vietnam
Area size	Land area 1,850㎡ Building area 1,062㎡ Total floor area 24,498㎡
Building structure	Reinforced concrete construction 25 floors with 2 basement floors
Facilities	202 residences, stores, kindergarten, swimming pool, fitness gym, community room, car parking lot, motorcycle parking lot



Appearance perspective

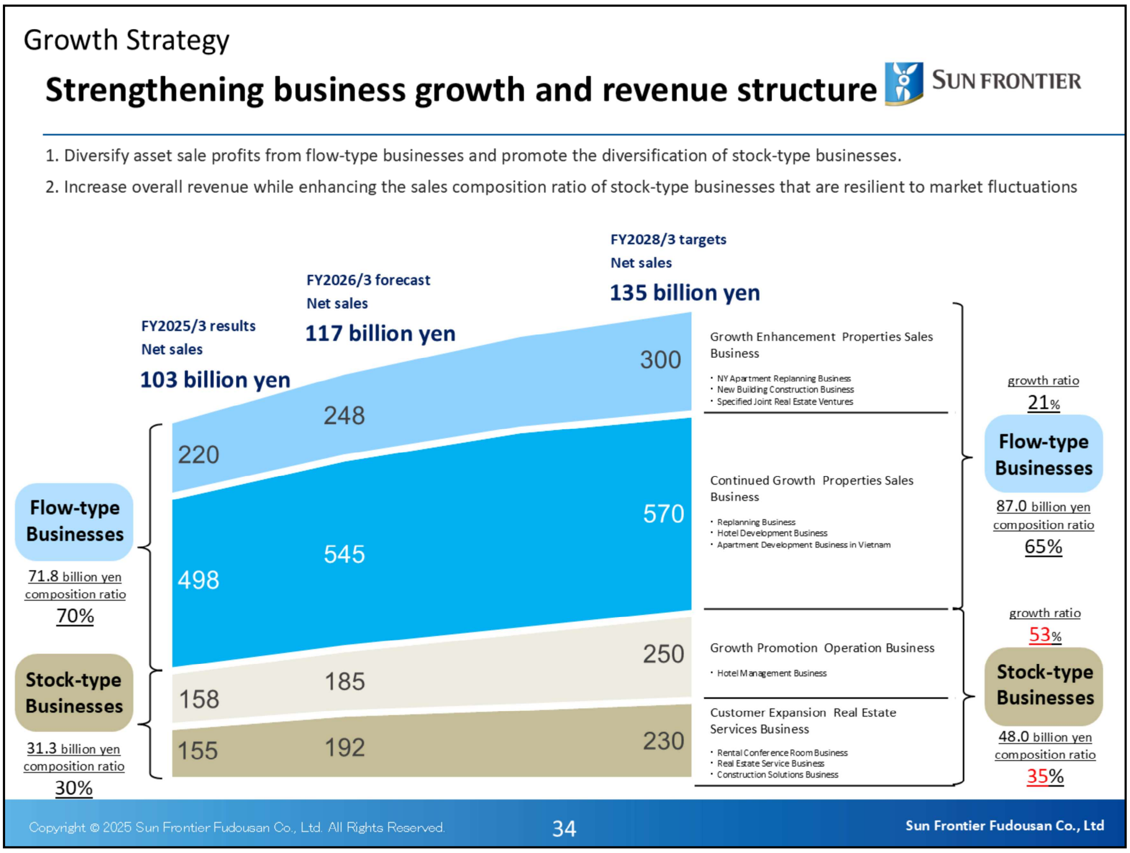
HIYORI Garden Tower
Completed in December 2019
306 houses sold
2 blocks of stores



Interior perspective

In Vietnam, construction of our second condominium project—the Hiyori Aqua Tower with 202 for-sale residential units—is underway.

Pictured here is our second project, the Hiyori Aqua Tower, which broke ground in August last year and is scheduled for completion in the fall of 2026.



These are the specific details of each business. As we expand and grow these businesses, we will also work on transforming our revenue structure.

In our flow-based business, which involves property sales, we will diversify asset types. In our stock-type business, we will pursue diversification in related fields. While steadily increasing overall sales, we will enhance the proportion of stock-based businesses that are resilient to market fluctuations.

In this three-year Medium-term Management Plan, we anticipate a sales growth rate of 21% for flow-based businesses and a high growth rate of 53% for stock-based businesses. Consequently, we will increase the proportion of stock-type businesses in our total sales from the current 30% to 35%.

Allocation of funds

Aggressive Investment for Future Business Growth

SUN FRONTIER

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

【Cumulative capital income】

Business proceeds from sales etc. of properties

Loans

Cash and deposits

322 billion yen

【Cumulative capital expenditure】

Business growth Investment

310 billion yen

Return to shareholders

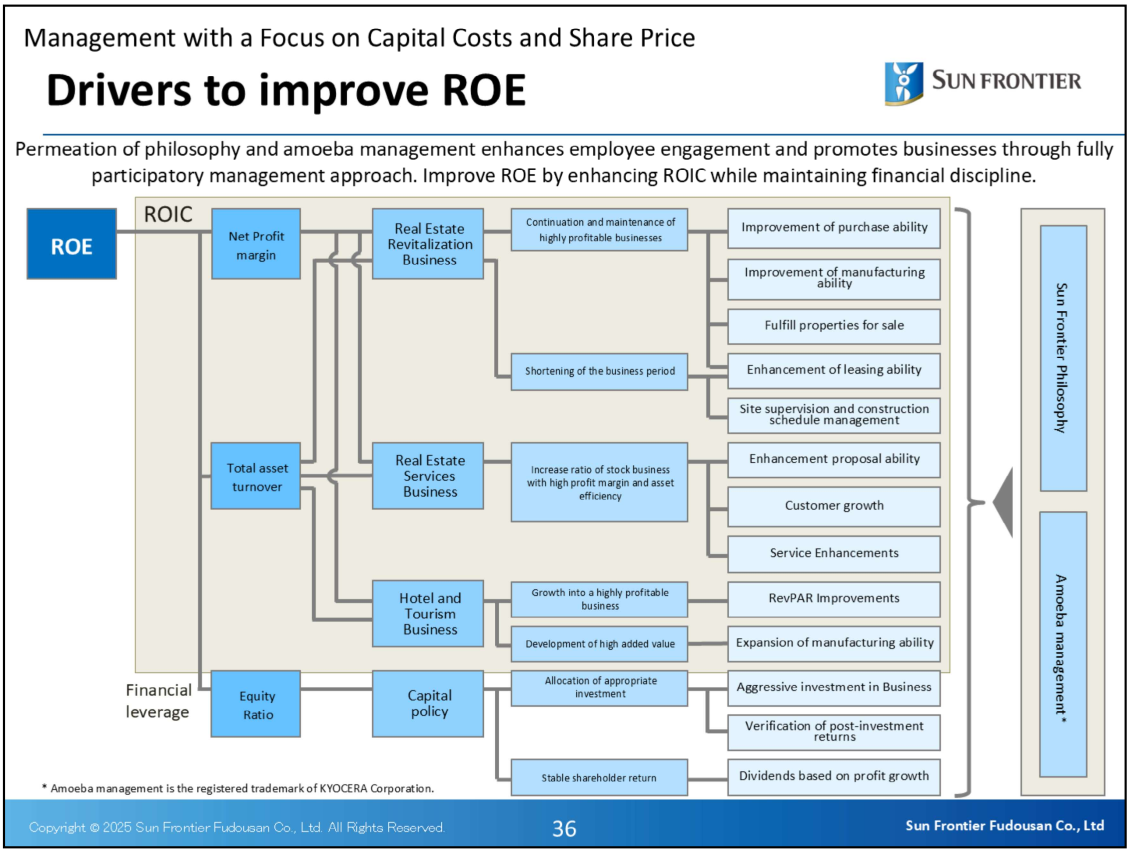
Short-term Replanning	100 billion yen	Continue to actively invest in small and medium-sized buildings in the five central wards of Tokyo
Mid- to long-term Replanning	50 billion yen	Invest in buildings that can be developed on a relatively large scale
New construction development	30 billion yen	Expanding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

* From FY3 / 25 to end-FY3 / 27, conversion of convertible bonds into shares is expected to progress at the end of each fiscal year, resulting in increased number of shares issued and outstanding.

Next, regarding our financial plan, we are planning a total investment of 310 billion yen over the three-year Medium-term Management Plan.

For the Replanning Business, we anticipate 200 billion yen, for real estate fractional ownership, 21 billion yen, and for hotel development, 70 billion yen. Additionally, we plan to invest 10 billion yen in M&A-related activities.

When executing these investments, we will remain committed to thoroughly evaluating capital costs while proactively pursuing opportunities for future growth.

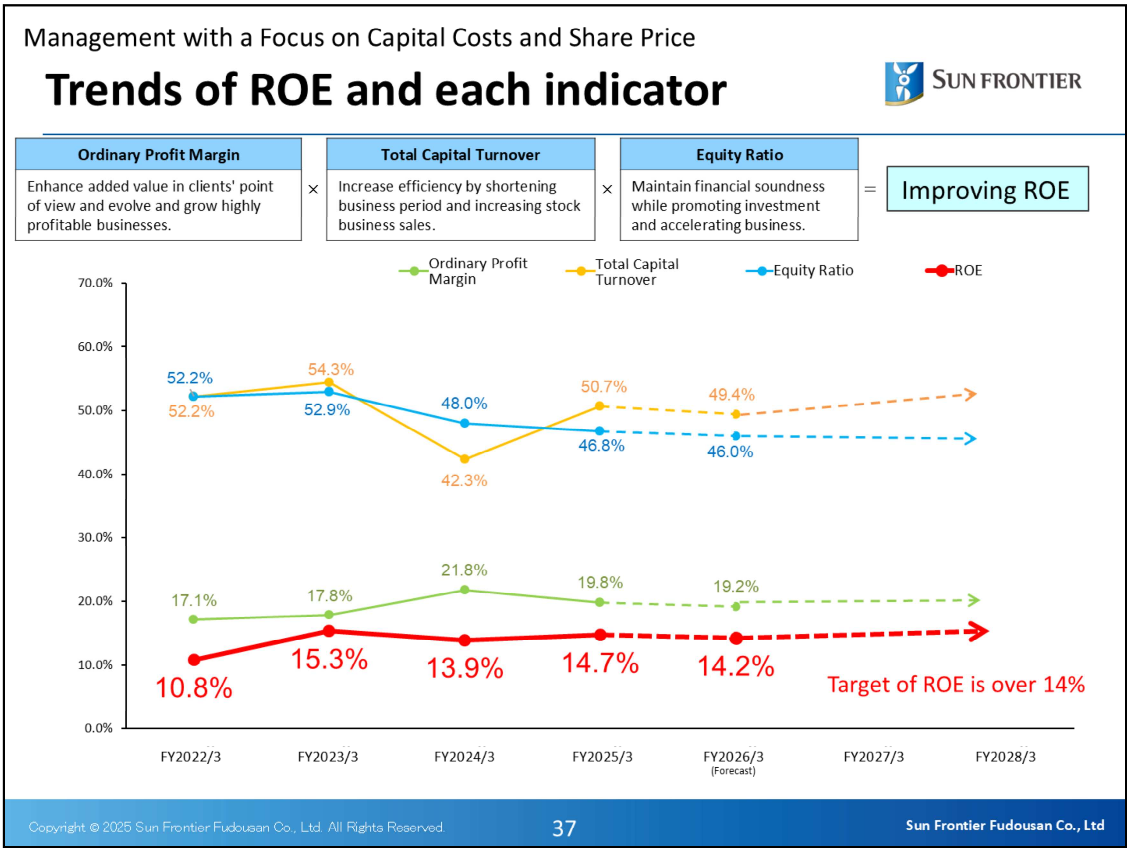


Next, from the perspective of “management with a Focus on Capital Costs and Share Price," I would like to explain our focus on ROE.

This slide summarizes the key items on how we will work to improve ROE.

First, based on our corporate culture and management system, which we consider our strengths, namely "Philosophy and Amoeba Management," we will implement the specific measures listed here.

In each business sector, we will emphasize profitability and capital efficiency, enhancing ROIC and thereby improving ROE.



Additionally, in terms of our approach to ROE, we focus on three indicators: profitability, capital turnover, and financial leverage. Specifically, we consider the operating profit margin, total capital turnover, and equity ratio.

We aim to maintain a highly profitable corporate structure, shorten project durations in our flow-type business, and appropriately maintain financial stability. By multiplying these three elements, we strive for highly efficient capital management.

As mentioned earlier, we are committed to achieving an ROE level of 14% or higher.

Management with a Focus on Capital Costs and Share Price

Profitability Continues to Exceed the Capital Cost

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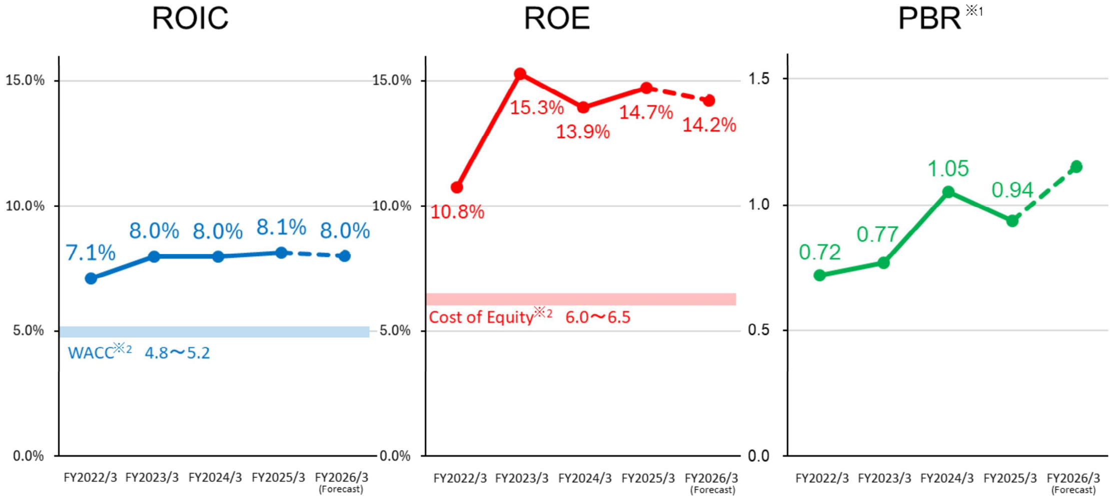
If ROIC continues to exceed WACC, ROE will continue to exceed the cost of shareholders' equity, and PBR will improve.



※1 PBR is the figure at each period-end.
※2 The cost of equity is calculated using the Capital Asset Pricing Model (CAPM).
It is assumed that the cost of equity will remain in the range of 6.0% to 6.5%, consistent with the median of the past four fiscal years. Similarly, the Weighted Average Cost of Capital (WACC) is expected to remain in the range of 4.8% to 5.2%, based on the median of the past four fiscal years.

This graph shows the actual results for ROIC, ROE, and PBR over the past four fiscal years, as well as the outlook for the current fiscal year.

By consistently maintaining profit margins that exceed WACC and the cost of equity, we believe that PBR will steadily increase.

Strengthening IR Activities

SUN FRONTIER

Engage in proactive dialogue with the capital markets

Sun Frontier IR website
https://www.sunfrt.co.jp/en/ir_info/

Actual result of main activities of IR		FY2023/3	FY2024/3	FY2025/3
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).	61 times	68 times	82 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
Property visit (RP properties)	Invite to RP properties ※for analysts and institutional investors	-	9 times	5 times
Property visit (sites of Vision Center)	Invite to sites of Vision Center ※for analysts and institutional investors	-	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.
Annual Securities Report	Disclose Japanese and English version.
Notice of General Meeting of Shareholders	Disclose Japanese and English version.
Analyst Report	FISCO 【Japanese】 Shared Research 【Japanese】 【English】

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

Finally, I would like to touch on our IR activities.

We are committed to engaging in active dialogue with our stakeholders regarding our management policies, the progress of our business plans, and our future growth strategies.

We will also continue to enhance our IR materials, including by expanding multilingual disclosures.

That concludes my presentation.

Thank you very much.