# Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2025

We are aiming to be the most appreciated visionary company in the world.

February 6, 2025



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## Overview of the Results for FY2025/3 3Q



Stock-type businesses such as the Real Estate Service Business and the Hotel Operation Business achieved record-high profits. Property sales are concentrated in the fourth quarter, and the full-year performance is expected to meet the initial forecast.

(Unit: million yen)

	Results	Profit margin	Year-on-year	Growth rate
Net sales	60,501	_	-1,756	-2.8%
Operating profit	11,970	19.8%	-2,192	-15.5%
Ordinary profit	11,414	18.9%	-2,488	-17.9%
Profit*	7,855	13.0%	-1,889	-19.4%

(Offic. Hillion yell)			
Forecast (disclosed on Feb. 8, 2024)	Achievement rate		
100,000	60.5%		
20,870	57.4%		
20,000	57.1%		
14,000	56.1%		

#### **Performance Highlights**

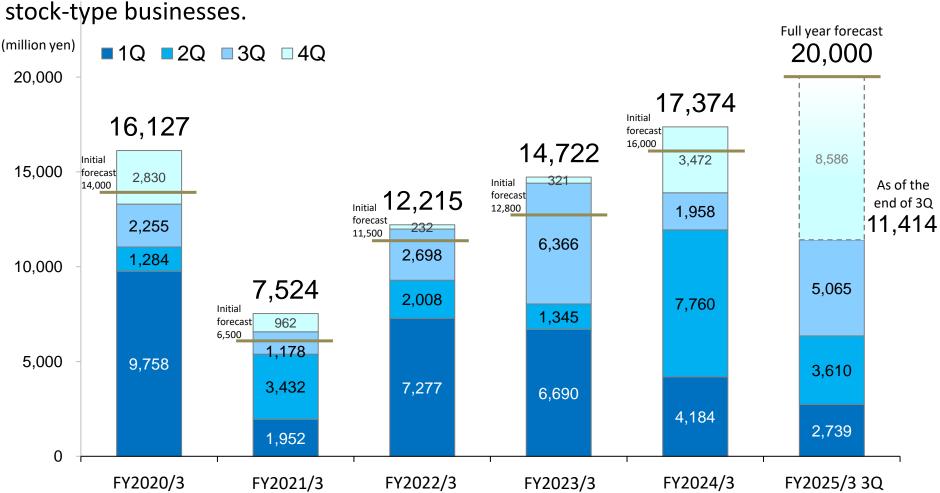
- As of the announcement date, the progress rate of gross profit against the full year forecast is over 90% including the properties that are contracted and will be settled within this fiscal year.
- In the Replanning Business, the number of properties sold increased by two from the same period last year. Progress is as planned, as disclosed at the beginning of the fiscal year. A large number of settlements are scheduled in the fourth quarter.
- In the Real Estate Service Business, each segment achieved record-high profits by securing new clients and expanding the use of services by existing customers.
- In the Hotel Operation Business, it continued to capture the recovery of domestic travel demand and the expansion of inbound demand, achieving both high occupancy rates and high profitability.
- In the Hotel Development Business, the sale of properties is scheduled for the fourth quarter. Steady progress has been made in M&A, acquisition of land for hotel development and construction.

<sup>\*</sup>The profit attributing to owners of parent.

## Trends in Ordinary Profit for the past 5 fiscal years



Property sales scheduled in the fourth quarter have almost progressed as planned. The annual forecast is expected to be achieved when combined with well-performing stock three businesses.



## **Consolidated Income Statement**



(Unit: million yen)

	FY2024/3 3Q	FY2025/3 3Q	YoY increase/decrease	YoY change rate
Net sales	62,258	60,501	-1,756	-2.8%
Real Estate Revitalization Business	39,037	38,305	-732	-1.9%
Replanning Business	37,118	36,343	-774	-2.1%
Rental Buildings Business	1,919	1,961	42	2.2%
Real Estate Service Business	7,766	9,279	1,513	19.5%
Hotel and Tourism Business	14,352	12,502	-1,849	-12.9%
Hotel Development Business	5,270	275	-4,994	-94.8%
Hotel Operation, etc	9,082	12,227	3,144	34.6%
Other Business	1,786	1,357	-428	-24.0%
Adjustments	-683	-942	-259	-
Gross Profit (Loss)	20,620	19,445	-1,174	-5.7%
Real Estate Revitalization Business	12,421	11,890	-530	-4.3%
Replanning Business	11,954	11,686	-267	-2.2%
Rental Buildings Business	467	204	-263	-56.3%
Real Estate Service Business	4,290	4,589	298	7.0%
Hotel and Tourism Business	4,095	3,230	-865	-21.1%
Hotel Development Business	2,200	109	-2,090	-95.0%
Hotel Operation, etc	1,895	3,120	1,225	64.6%
Other Business	238	328	89	37.3%
Adjustments	-425	-592	-167	-
Selling, General and Administrative Expenses	6,457	7,475	1,017	15.8%
Operating Profit (Loss)	14,163	11,970	-2,192	-15.5%
Ordinary Profit (Loss)	13,902	11,414	-2,488	-17.9%
Profit	9,744	7,855	-1,889	-19.4%
EPS	200.76 yen	161.73 yen	-39.03 yen	-19.4%

#### **Keynotes of Income Statement**

#### <Real Estate Revitalization Business>

The number of properties sold was 22, an increase of 2 compared to the same period last year (including 2 small-lot properties). Including properties that are contracted and scheduled to be settled in the fourth quarter, the gross profit is expected to meet the performance forecast.

#### <Real Estate Service Business>

Achieved record-high results in the first nine months of the fiscal year by winning new customers through property management contracts and sales brokerage, while strengthening proposals of sub-leases to existing customers.

#### <Hotel and Tourism Business>

Boosted by strong inbound demand, Hotel Operation maintained a high occupancy rate and saw significant growth in both sales and profit. Hotel Development has property sales scheduled for the fourth quarter.

#### <Selling, General and Administrative Expenses>

Progressed according to plan. Increased YoY due to personnel costs from human capital investment and depreciation due to investment in operations, systems and M&A.

#### **Consolidated Balance Sheet**

#### - Assets -



<Cash and deposits> Decreased by 9.8 billion yen from the end of the previous fiscal year due to property purchases and

construction progress, tax payments and dividends.

<Inventories> Increased by 18.8 billion yen from the end of the previous fiscal year due to purchases and construction of RP

properties, small-lot products and land for hotel development.

<Non-current assets> Increased by 5.5 billion yen from the end of the previous fiscal year due to land acquisition, construction

progress for hotel development, and M&A.

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of December 2024	Increase/decrease (compared to the End of March 2024)
Current assets	125,886	159,518	169,154	+9,636
Cash and deposits	42,016	47,86	37,969	-9,898
Inventories	80,182	106,869	125,760	+18,890
Breakdown) RP※	70,327	95,92	7 106,570	+10,643
Hotel	9,750	9,54	16,981	+7,435
Overseas, etc.	105	1,39	3 2,208	+811
Other current assets	3,688	4,780	5,423	+643
Non-current assets	26,633	29,143	34,709	+5,566
Property, plant and equipment	20,410	22,323	24,835	+2,511
Intangible assets	815	1,193	2,366	+1,172
Investments and other assets	5,406	5,626	7,508	+1,882
Total assets	152,519	188,66	203,864	+15,202

Note: Includes properties in small-lot real estate properties and New York properties.

### **Consolidated Balance Sheet**

### - Liabilities/Equity -



<Interest-bearing debt> Increased by 9.1 billion yen due to borrowings for property purchases.
A total of interest-bearing debt is 88.6 billion yen.

<Equity ratio> Maintained a high level of 46.7 % while actively investing.

Changes of Equity Ratio				
As of End of March 2023	As of End of March 2024	As of End of September 2024		
52.9%	48.0%	46.7%		

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of December 2024	Increase/decrease (compared to the End of March 2024	
Current liabilities	16,363	24,767	22,685	-2,081	
Short-term borrowings, etc.	5,492	12,269	9,539	-2,730	ŀ
Other current liabilities	10,871	12,497	13,146	+648	
Non-current liabilities	52,190	69,477	82,209	+12,732	
Long-term borrowings	50,170	57,272	69,109	+11,837	ļ
Bonds payable	0	9,999	9,999	+0	ļ
Other non-current liabilitie	2,019	2,205	3,100	+894	
Total liabilities	68,553	94,244	104,895	+10,650	
Shareholders' equity	80,430	89,889	94,641	+4,751	
Other	3,535	4,526	4,327	-199	
Total net assets	83,965	94,416	98,968	+4,552	
Total liabilities and net assets	152,519	188,661	203,864	+15,202	

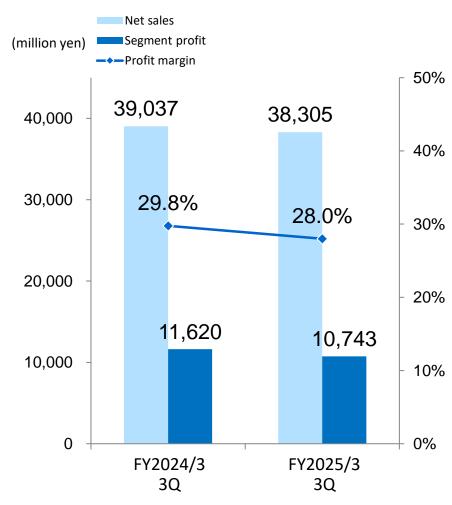


### Real Estate Revitalization Business (Replanning and Rental Buildings)

#### < Replanning Business>

- The total number of properties sold this term is 22 (including 2 small-lot properties). Although both revenue and profit decreased compared to the same period last year, including properties that are contracted and scheduled to be settled within this term, the performance forecast is expected to be met.
- The average business period was 655 days (-45 days YoY). Excluding one new property (1,877 days) and one long-term property (1,911 days), the average was 509 days.

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	39,037	38,305	-1.9%
Replanning Business	37,118	36,343	-2.1%
Rental Building Business	1,919	1,961	+2.2%
Segment profit **1	11,620	10,743	-7.5%
Replanning Business	11,152	10,539	-5.5%
Rental Building Business	467	204	-56.3%
Profit margin	29.8%	28.0%	-1.7%pt
Replanning Business	30.0%	29.0%	-1.0%pt
Rental Building Business	24.4%	10.4%	-13.9%pt
Number of properties sold	20 cases	22 cases	+2 cases
Number of stocks	61 cases <sup>**2</sup>	70 cases <sup>%2</sup>	+9 cases



%1 "Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.
%2 Land purchase and development projects are included.



#### **Real Estate Revitalization Business**

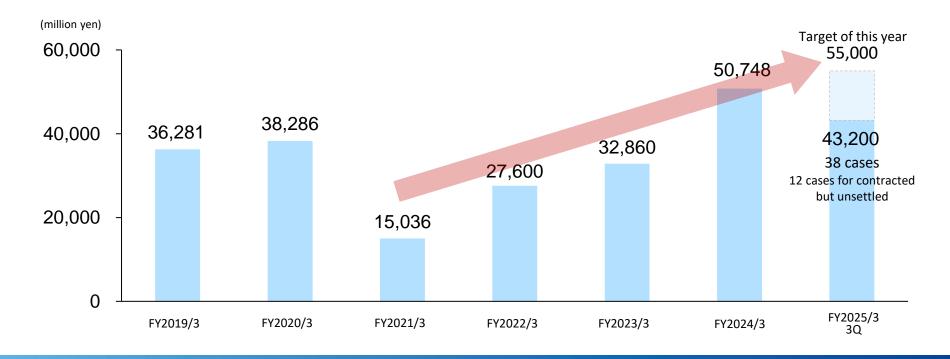
<Property purchases of Replanning Business > \*\*

The purchase amount, including contracted but unsettled properties, is 43.2 billion yen.

Steady progress toward the full-year purchase target of 55 billion yen.

Includes properties in non-current assets, small-lot real estate
 properties and New York properties.

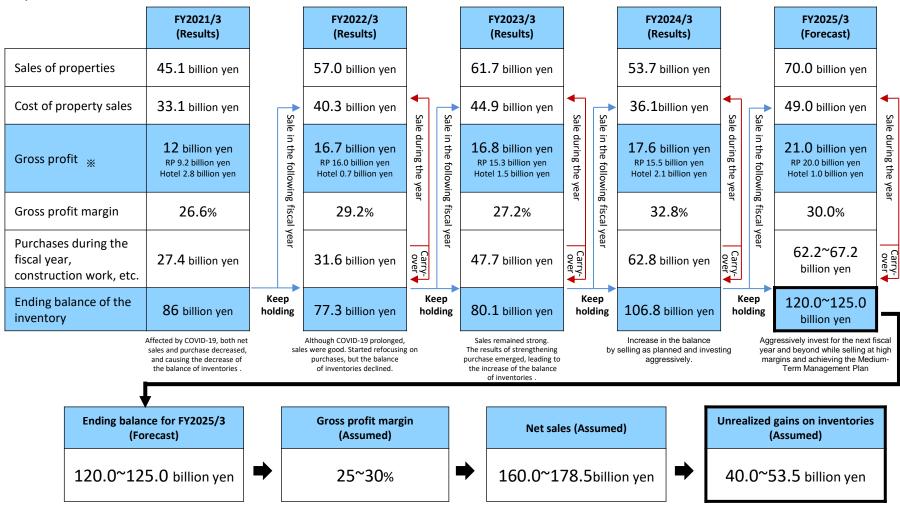
(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Number of property purchases	33 cases	38 cases	+5 cases
(of which, contracted and unsettled)	4 cases	12 cases	+8 cases
Purchase amount	43,118	43,000	+82
(of which, contracted and unsettled)	6,920	18,371	+11,451



## Trends in Inventories and Gross Profit of Property Sales



Ahead of the Medium-Term Management Plan Targets, aggressively invest for sustainable growth and plan to build up inventories



<sup>※</sup> Gross profit = ordinary profit − sales commission

### **Real Estate Services Business**

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



#### <Property Management and Building Maintenance>

- In PM Business, both sales and profit increased due to an increase in the number of buildings under management.
- In BM Business, both sales and profit increased due to price revisions and efforts to improve added value in addition to increasing the number of managed buildings, while controlling cost increases associated with inflation.

#### <Brokerage>

- Leasing brokerage was flat compared with the same period of the previous year.
- In Sales Brokerage, in addition to winning referral contracts, the Brokerage Business for Taiwanese clients by Sun Frontier Fudousan Taiwan, a group company, grew and led to increased sales and profit.

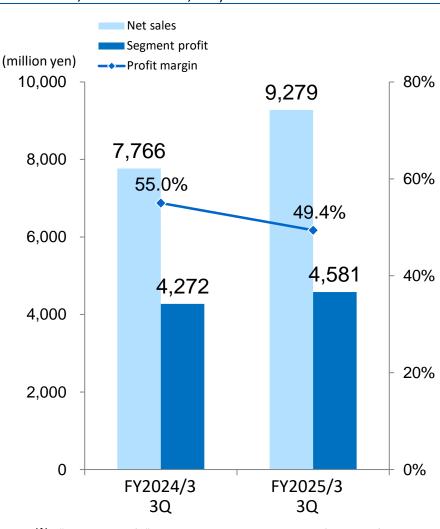
#### <Rental Conference Room>

■ Despite an increase in sales due to the expansion of operations from new openings and increased orders for long-term and large-scale events from repeat customers, profit decreased due to increased start-up preparation expenses..

#### <Rent Guarantee>

■ Both sales and profit increased YoY due to an increase in the number of new contracts.

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	7,766	9,279	+19.5%
Segment profit *1	4,272	4,581	+7.2%
Profit margin	55.0%	49.4%	-5.6%pt



X1 "Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.



#### Hotel and Tourism Business (Hotel Development, Hotel Operation, etc.)

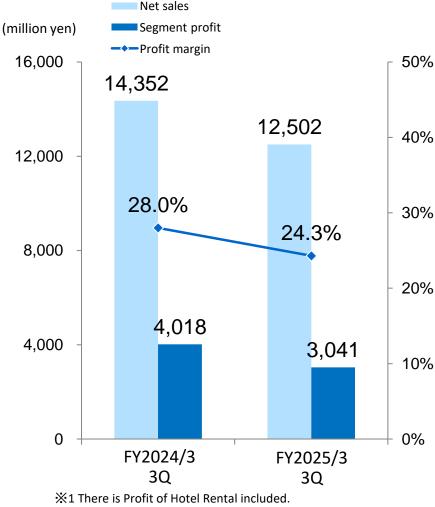
#### < Hotel Development Business>

- Both sales and profit decreased due to the impact of the sale of one hotel in the same period last year.
- We acquired land in Nago, Okinawa. Construction in Ishikari and Kakogawa has also progressed smoothly. Furthermore, construction in Kumamoto is scheduled to commence in January, etc. Many development projects are in progress.

#### < Hotel Operation Business\*1>

■ The number of hotels increased due to M&A. Both sales and profit increased due to the continued recovery of travel demand and effect of inbound demand, as well as increases in occupancy rates and average daily rates.

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	14,352	12,502	-12.9%
Hotel Development Business	5,270	275	-94.8%
Hotel Operation Business, etc.	9,082	12,227	+34.6%
Segment profit *2	4,018	3,041	-24.3%
Hotel Development Business	2,123	20	-99.1%
Hotel Operation Business, etc.	1,895	3,021	+59.4%
Profit margin	28.0%	24.3%	-3.7%pt
Hotel Development Business	40.3%	7.3%	-33.0%pt
Hotel Operation Business, etc.	20.9%	24.7%	+3.8%pt



<sup>※2 &</sup>quot;Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.



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

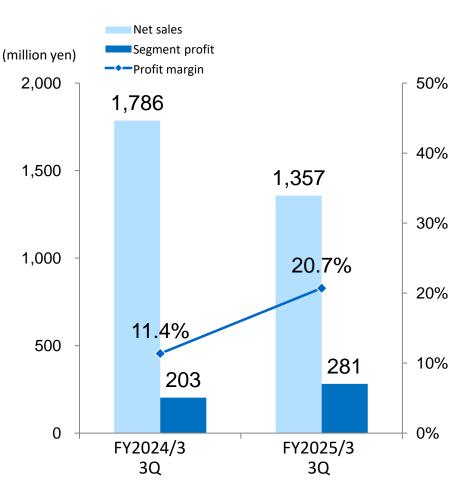
#### <Construction Business>

■ Profits increased due to improvements in profit margins on large projects and other factors.

#### < Overseas Development Business>

■ The second condominium project in Vietnam (HIYORI Aqua Tower), which started constructing in August 2024, is scheduled to be completed in Autumn 2026.

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	1,786	1,357	-24.0%
Segment profit *1	203	281	+38.3%
Profit margin	11.4%	20.7%	+9.3%pt



※1 "Segment profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.



## Forecast and Progress for FY2025/3



## **Progress for FY2025/3 Forecast**



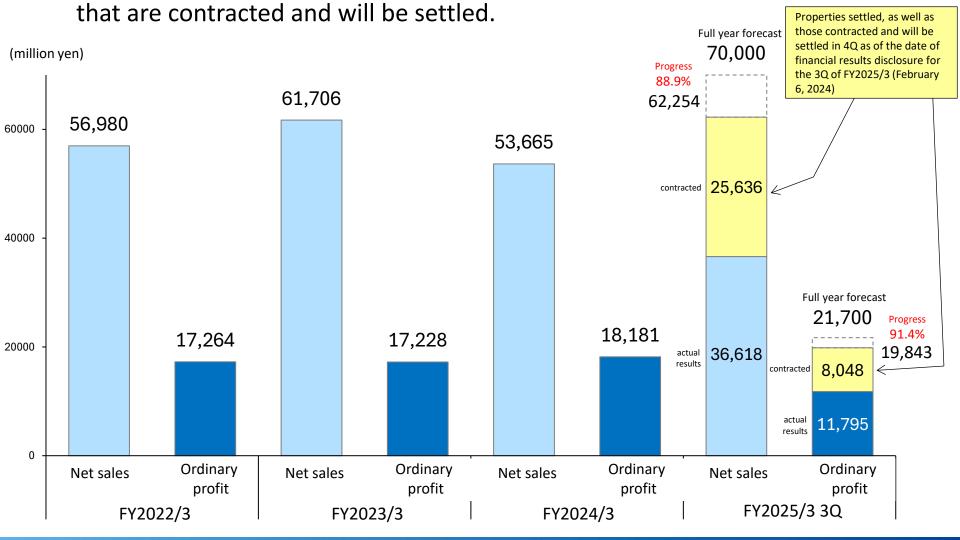
(Unit: million yen)	Result for FY2024/3	Initial forecast for FY2025/3	Result for FY2025/3 3Q	Progress Rate
Net sales	79,868	100,000	60,501	60.5%
Real Estate Revitalization Business	51,027	69,800	38,305	54.9%
Replanning Business	48,395	67,000	36,343	54.2%
Rental Buildings Business	2,632	2,800	1,961	70.0%
Real Estate Service Business	10,497	11,650	9,279	79.6%
Hotel and Tourism Business	16,977	17,430	12,502	71.7%
Hotel Development Business	5,270	3,000	275	9.2%
Hotel Operation, etc	11,707	14,430	12,227	84.7%
Other Business	2,409	2,560	1,357	53.0%
Adjustments	-1,043	-1,440	-942	_
Gross Profit (Loss)	26,405	31,000	19,445	62.7%
Real Estate Revitalization Business	16,593	21,230	11,890	56.0%
Replanning Business	15,981	20,600	11,686	56.7%
Rental Buildings Business	612	630	204	32.4%
Real Estate Service Business	5,636	6,300	4,589	72.8%
Hotel and Tourism Business	4,440	3,840	3,230	84.1%
Hotel Development Business	2,200	1,100	109	9.9%
Hotel Operation, etc	2,240	2,740	3,120	113.9%
Other Business	352	420	328	78.1%
Adjustments	-618	-790	-592	-
Selling, General and	8,804	10,130	7,475	73.8%
Administrative Expenses		10,100	7,470	10.070
Operating Profit (Loss)	17,600	20,870	11,970	57.4%
Ordinary Profit (Loss)	17,374	20,000	11,414	57.1%
Profit	11,917	14,000	7,855	56.1%
EPS	245.50 yen	288.24 yen	161.73 yen	56.1%

## **Progress of Flow-Type Businesses**

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



Progress against the forecast is more than 90% including the properties

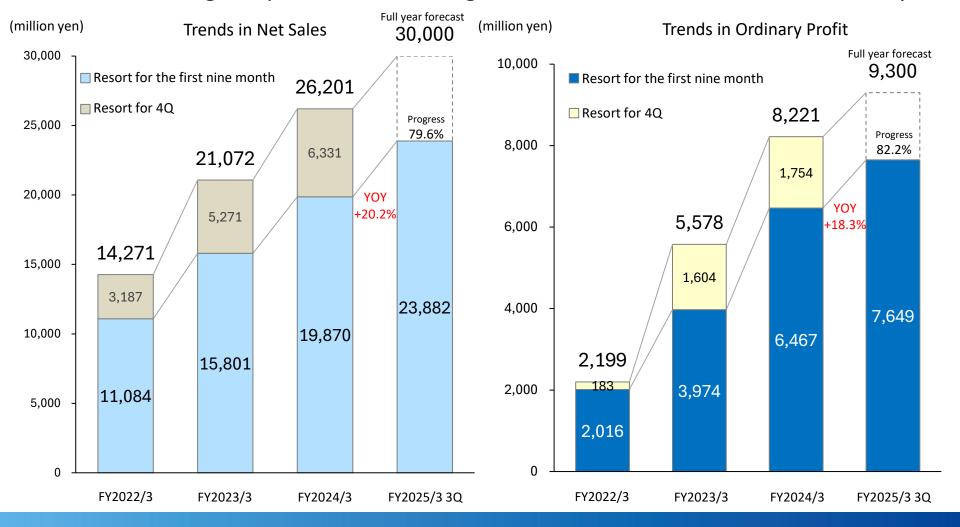






Sales and profit continued to increase.

Both sales and gross profit hit record highs in the first nine months of the fiscal year.

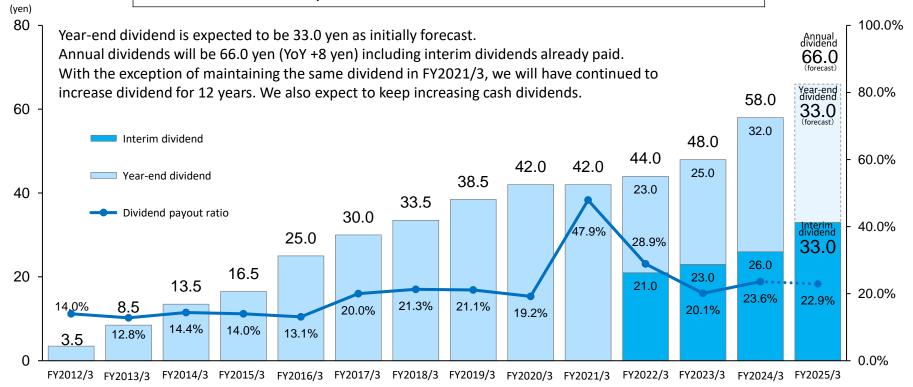


## **Forecast for Cash Dividend**

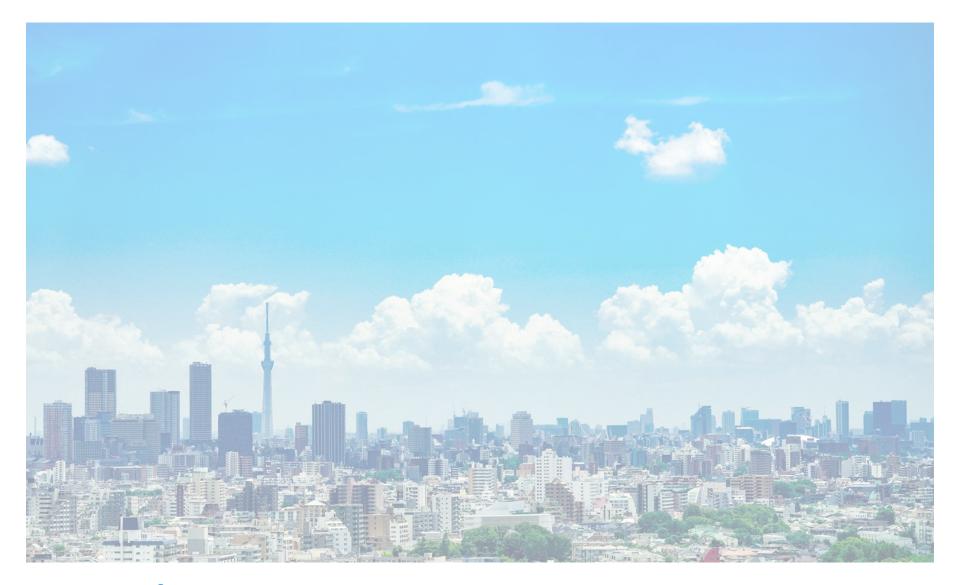


#### **Basic Policy for Shareholder Return**

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



☆Interim dividend started from FY2022/3



## **Growth Strategies**





## SUN FRONTIER

## **Business Environment Awareness**

- 1. There are concerns that the global economy will slow down due to policy changes accompanying the change of government in the United States, the slowdown of the Chinese economy, and geopolitical risks.
- ◆ IMF expects the real growth rate of the world economy to be 3.3% in 2025 and 2026, up 0.1% point from its previous forecast.
- ◆ Economic growth in the United States is solid but still needs attention to policy changes accompanying the change of government, such as the strengthening of protectionist policies.
- 2. The Japanese economy is moving to an environment with interest rates. People expect that a virtuous cycle of wages and prices will bring sustainable economic growth.
- ◆ The Bank of Japan raised interest rates in January as expected. We need to be concerned about the Interest rates rising further.
- ◆ As prices continue to rise, a virtuous cycle between wages and prices is forming. The market is expecting sustainable wage increases.
- 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.
- ◆ The rise in rents and improvement in vacancy rates are continuing. The number of new and completed office buildings is expected to increase in 2025 compared to 2024.
- ◆ Despite the rise in interest rates, wealthy individuals and institutional investors, particularly from Asia, remain highly motivated to invest.
- 4. In the hotel and tourism market, both visitors and their spending hit record highs due to the depreciation of the yen.
- ◆ Tourist spending by visitors to Japan in 2024 reached 8,139.5 billion yen, exceeding the previous year's 5,306.5 billion yen and setting a new record.
- ◆ The number of visitors to Japan in 2024 reached 36.87 million people, exceeding the previous record of 31.88 million in 2019 and setting a new record.

## Replanning Business, An Example of Initiatives



Create a flexible office in a favorable location near Shibuya Station to support the growth of start-ups.



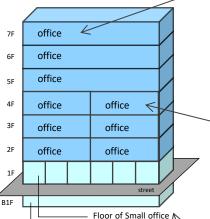
【Building exterior (after Replanning)】
Shibuya, Shibuya-ku, Tokyo
Steel-framed and steel reinforced concrete structure with deck roof,
7 story building with 1 basement

#### POINT

- 1 A setup office where you can move in with just one computer and start working right away.
- Development of offices of 55 various sizes according to the size of the company using it.
- 3 Flexible contract types such as monthly or weekly.
- 4 Contributing to energy conservation by automating air conditioning using smart sensors.



B1F Lounge





Lounge and meeting rooms

B1F Meeting rooms



5F to 7F office (1 floor 1tenant)



2F to 4F (1 floor 2 areas)
\*install Smart sensor in ceiling with
wireless power supply.



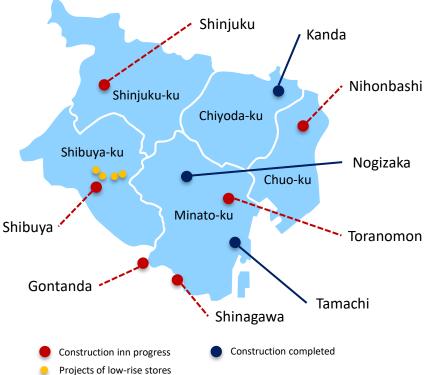
1F Small offices (1 floor 6 areas)

## Use setup office know-how to develop new buildings



Many new construction projects for small and medium-sized buildings are under way in Tokyo's five

central wards.



Create a long-term and stable sales plan by combining new construction properties such as low-rise stores, office buildings, in addition Replanning properties and small-lot properties which have high asset turnover

New Construction Building in Tamachi construction completed in Oct. 2024



Elevator

Roof top terrace



Lounge



Meeting room



Office



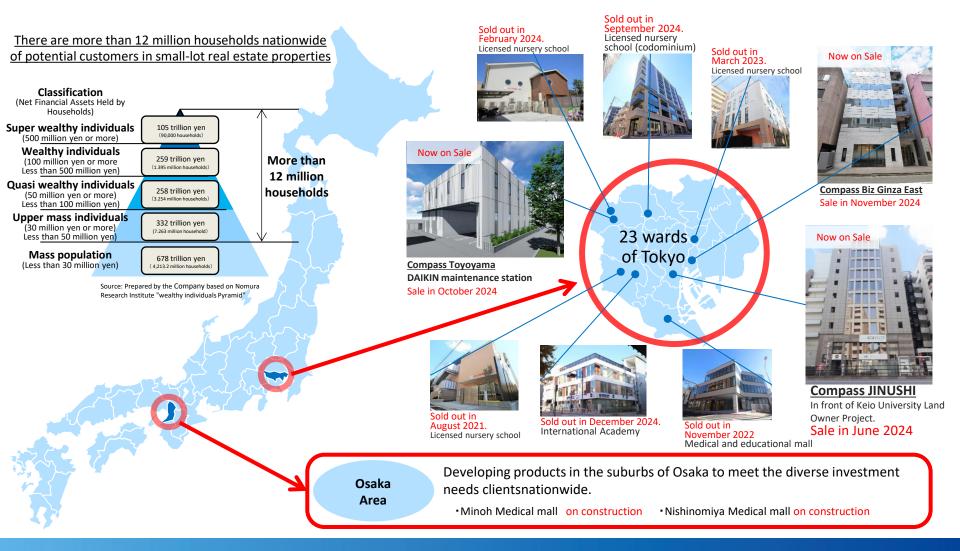
Entrance

#### **Specified Joint Real Estate Ventures**



### Promoting the Diversification of Small-lot Real Estate Product

Commercializing in major cities enables proposals that meet the investment needs of customers nationwide.



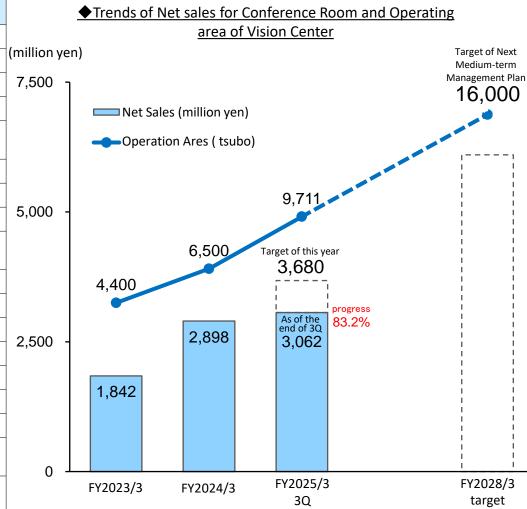
#### Rental Conference Room Business

## Improving Operations at New Sites through Customer-Focused Services



We offer heart-warming services as a partner to help customers' events succeed. Accelerate growth by enhancing site openings near major terminal stations expanding sites in the Osaka area.

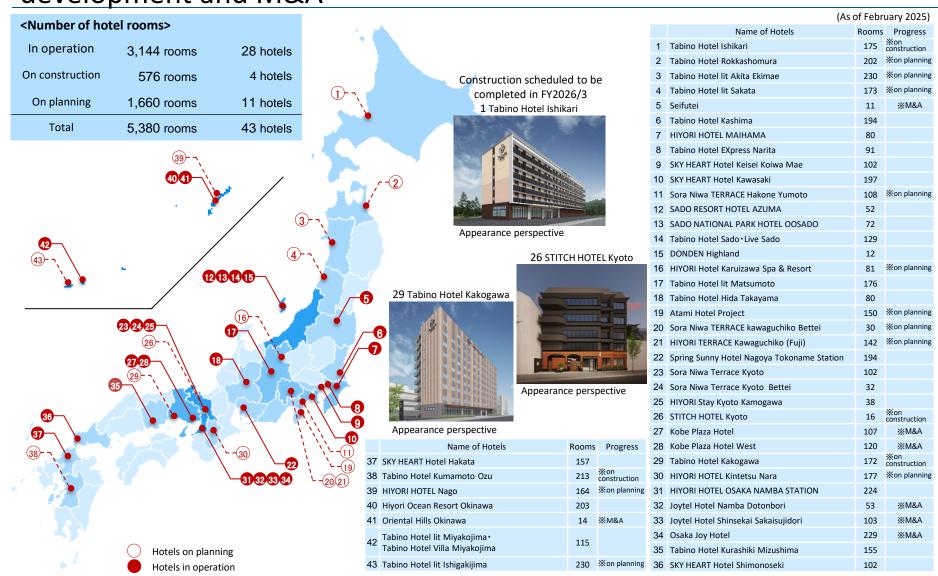
		0 1 0	•	
	Area	Name	Operation Area	
1	Tokyo Yaesu Marunouchi	Vision Center Tokyo Ekimae	209 tsubo	,
2		Vision Center Tokyo Nihonbashi	343 tsubo	(r
3		Vision Center Tokyo Yaesu	324 tsubo	
4		Vision Center Tokyo Kyobashi	782 tsubo	
5		Vision Center Nihonbashi (Mitaukoshimae)	467 tsubo	
6		Vision Center Yurakucho	138 tsubo	
7	Chinbashi	Vision Center Shinbashi	390 tsubo	
8	Toranomon	Vision Center Tokyo Toranomon	501 tsubo	
9	Shinakawa Tamachi	Vision Center Tokyo Hamamatsucho	1,456 tsubo	
10		Vision Center Hamamatsucho	431 tsubo	
11	Hamamatsucho	Vision Center Tamachi	954 tsubo	
12		Vision Center Shinakawa	641 tsubo	
13	Chiniuku	Vision Center Shinjuku Minds Tower	687 tsubo	
14	Shinjuku	Vision Center Hishishinjuku	789 tsubo	
15	Akasaka	Vision Center Ichigaya	366 tsubo	
16	Ichigaya	Vision Center Akasaka (Nagatacho)	248 tsubo	
17	Yokohama	Vision Center Tokohama (Nishiguchi)	558 tsubo	
Maminatomirai 18	Vision Center Yokoha Maminatomirai	427 tsubo		



#### **Hotel and Tourism Business**

Actively expanding the hotel business through hotel development and M&A



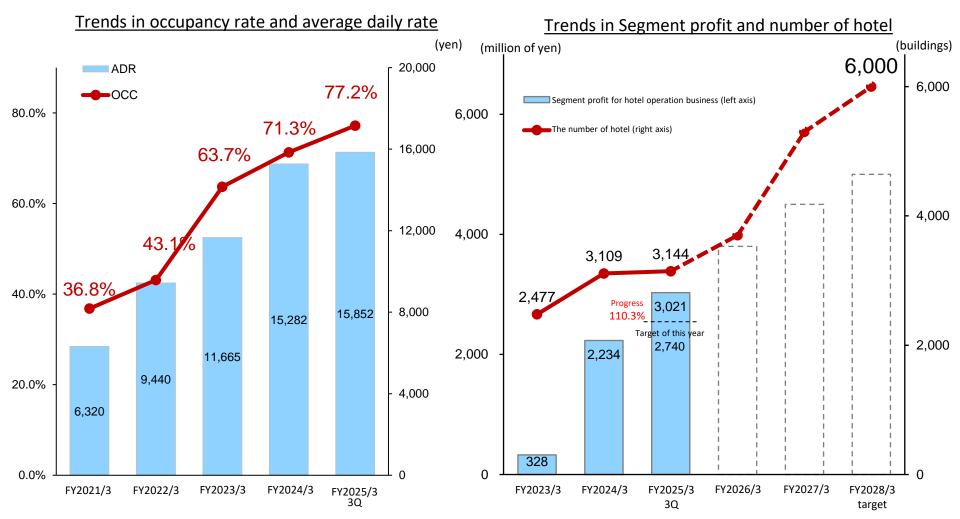




## **SUN FRONTIER**

## Occupancy Rates and Average Daily Rates

The business has significantly expanded due to an increase in the number of guest rooms and the enhancement of heart-warming services. With strong inbound demand, the performance has been robust.



#### **Residential Development Business**

## Vietnam HIYORI Aqua Tower PJ



The construction of 2<sup>nd</sup> condominium project (202 units) started. It is estimated to be completed in Autum 2026.

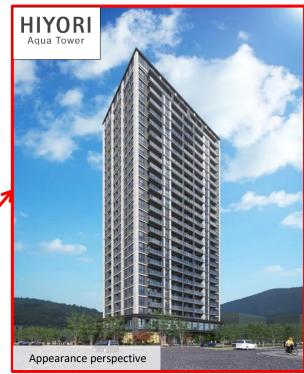
#### **Project Overview**

Location	Lot 3-A2-1, Son Tra-Dien Ngoc Complex Center, Tho Quang Ward Son Tra District, Da Nang City, Vietnam			
Area size	Land area 1,850m Building area 1,062m Total floor area 24,498m			
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			
Schedule	Construction start in August 2024, completion in Autum 2026			



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









Interior perspective



## **Medium-term Management Plan**



## Road Map for the next Medium-term Management Plan



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.

Net sales	300 billion yen
Ordinary profit	60 billion yen



Next Medium-term Management Plan FY2026/3 to FY2028/3



Extant Medium-term Management Plan FY2019/3 to FY2025/3

Basic policy

Work to resolve social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heartwarming services.

Net sales	135 billion yen		
Ordinary profit	27 billion yen		
Ordinary profit margin	20%		
ROE	10% or more		
Equity ratio	Around 45%		

#### **Basic policy**

Providing "a place where people gather and communicate with each other, and create social development and happiness for people"

Net sales	100 billion yen		
Ordinary profit	20 billion yen		
Ordinary profit margin	20%		
ROE	10% or more		
Equity ratio	Around 50%		

## **Long-term vision 2035**



Utilize limited resources to fill the world with smiles and excitement!

Becoming a corporate group that continuing to challenge and create future value.



## Basic Policy for the next Medium-term Management Plan



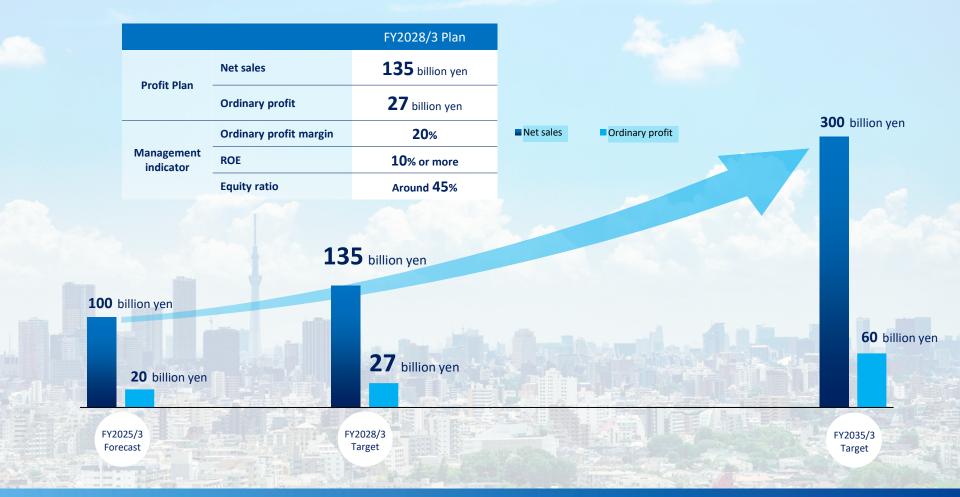
Work for resolving social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heart-warming services.



## **Quantitative Plan for the next Medium-term Management Plan**



Continuing high profitability and growth even after achieving the current medium-term plan. Invest more actively in business while maintaining financial discipline and develop business with high capital efficiency.



## Focus points for the Next Medium-term Management Plan



I Strengthening human resource base

- Strengthen recruitment and training to enhance human recourse.
- · Cultivating human resources as leaders through education and expanding organizations through amoeba division.
- Further evolve into a corporate group that attracts human resource with diversity and our values of altruism regardless of age, sex, or nationality

2

Manufacturing through clients' point of view and heartwarming services

#### Manufacturing through clients' point of view

- To develop new buildings, hotels, apartments in New York City, and condominiums in Viet Nam through utilizing the creativity cultivated by clients' point of view in Office Replanning and further strengthen.
- Strengthening base of Construction Business through M&A.

#### Heart-warming services through clients' point of view

- Working closely with building owners to improve long-term problem-solving ability.
- · Improving ability of responding to needs of tenants and service users with care and warmth.
- Educate and create an organizational culture to provide heart-warming and enjoyable services that impress hotel guests

3

Cooperation and diversification within core business

#### Cooperation and diversification within core business (flow-type business)

- Development of New Construction Business that aims to maintain the long-term economic value of buildings through the cooperation with Leasing Management, Property Management, and Construction department.
- Promotion of small-lot real estate property (properties in Osaka and Nagoya in addition to the central Tokyo area)
- Development of apartment replanning in New York and condominium in Vietnam.

#### Cooperation and diversification within core business (stock-type business)

- Provide further variegate service for real estate to solve clients' problems.
- Increase branches in Tokyo, focus on sub-leases entrusted, and increase entrusted buildings for Property Management.
- Increase operating area in Rental Conference Room Business
  - Increase rooms of hotel operation (including M&A).

## **Growth Strategies in the Next Medium-Term Management Plan**



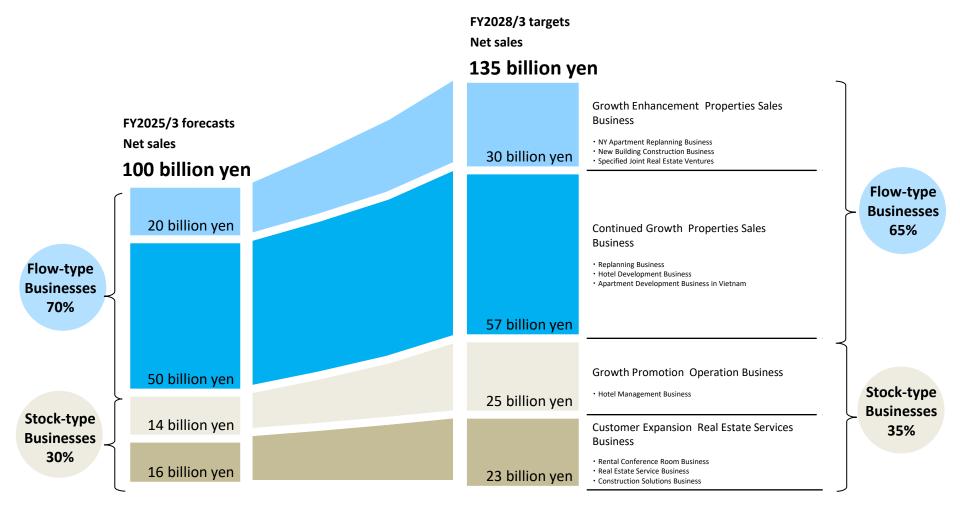
Diversify the use of real estate by combining development and services, and expand business domains and areas and accelerate growth

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

## Diversification of Flow-type Business and Expansion of Stock-type Business



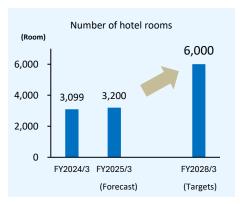
As we expand our business areas, we will diversify our flow-type businesses and increase the sales ratio of our stock-type businesses.



## **Expanding the Business Base and Customer Base of Stock-Type Business**



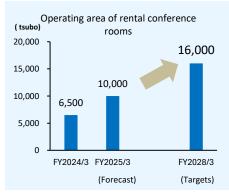
Accelerate growth of stock-type businesses and strengthen the stable earnings base of the Group as a whole



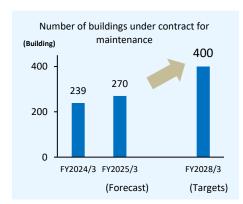
Promote development and M&A, aiming for 10,000 rooms



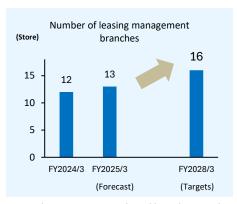
Increase the number of entrusted buildings in central Tokyo with the aim of increasing the number of entrusted buildings to 1,000 by 2035



In addition to promoting business in the Tokyo area, planning to expand business in the Kansai area



Aiming to "Make Tokyo the Most Beautiful City in the World," increase the number of entrusted buildings for cleaning, sanitation and safety



Strengthening community-based branch network in central Tokyo
Further improve our ability to solve customer problems



Specializing in Rent Guarantee Business for commercial buildings
Focusing on new acquisitions and contract growth

## **Aggressive Investment for Future Business Growth**



Actively invest in growing fields while paying attention to the capital cost, focusing on the profitability and turnover of each business.

Total investment in the next Medium-term Management Plan (FY2026/3-FY2028/3): will be 310 billion yen

[Cumulative capital income] [Cumulative capital expenditure]

Business proceeds from sales etc. of properties

Loans

**Cash and deposits** 

322 billion yen

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 in New Construction Business 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		

<sup>\*</sup> 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.



# **Philosophy and Business Initiatives**



# **Sun Frontier Philosophy**





The Value and the Course of Action shared by all employees, the Core of our Corporate Culture

# **Sustainability Management**



### **Sustainability Vision**

We will contribute to the realization of a sustainable society through our business activities, respecting the heart of altruism that is our company policy.

Sustainability website <a href="https://www.sunfrt.co.jp/sustainability/library/sustainability">https://www.sunfrt.co.jp/sustainability/library/sustainability</a> report/

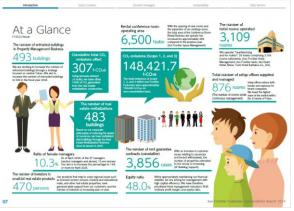


Important Challenges	Social issues to be solved	Main Measures	Targets (KPIs)	Related SDGs
Environmental Protection	Small and medium- sized buildings that can still be used if their value increases are being demolished = Waste of resources	■ Extension of healthspan of real estate ■ "Energy conservation" and "Reduction of environmental impact" through real estate revitalization	<ul> <li>Economic lifespan extended by 30% or more</li> <li>Occupancy rate of buildings over 30 years old: 90% or more</li> <li>Continuation of management after the sale of replanning properties: 90% or more</li> <li>Reduce CO2 emissions by an average of 12% or more compared to building reconstruction work</li> <li>Carbon offset 100%</li> <li>Reduce greenhouse gas emissions by 22% from fiscal 2022 levels by 2030 and achieve carbon neutrality by 2050</li> </ul>	12 765 AFT  7 100 70 100 70 70 70 70 70 70 70 70 70 70 70 70 7
Regional Revitalization	Revitalization of the regional economy	■ Create buildings, offices, and spaces that are motivating and creative and contribute to economic growth	<ul> <li>Establish "Sun Frontier Wellness Score (SWO)," an in-house standard for the revitalization of real estate that takes well-being into consideration and increase the ratio of newly supplied replanning properties that exceed SWO to at least 30% in fiscal 2023, 50% in fiscal2025 and 70% in fiscal 2030.</li> <li>Conduct tenant satisfaction survey (Company-owned properties)</li> </ul>	8 merch Berne 9 mechanism
llization	Response to devastating natural disasters  Response to mitigation through regions cooperation		<ul> <li>Provide set-up offices with emergency supplies or installation space At least five lots by fiscal 2023, and at least 20 lots by fiscal 2024</li> <li>Providing information for tenants to prevent disaster.</li> <li>Posting disaster prevention information on the website: 100% (Company-owned properties)</li> </ul>	11 magneta abscript
Human Resource Development	Decrease in the working-age population (decrease in the real labor force) due to the declining birthrate and aging population, and elimination of the gender gap	■ Respect for and utilization of diversity ■ Create a workplace with "Job satisfaction," "creativity" and "growth opportunities"	<ul> <li>Increase the ratio of female managers to at least 12% by April 2025</li> <li>Ratio of training hours to designated working hours: 12% or more</li> <li>Increase the amount of ordinary profit per hour compared to the previous year</li> </ul>	5 RELEST THE STATE OF THE STATE

# Sun Frontier Sustainability Report 2024 Issued









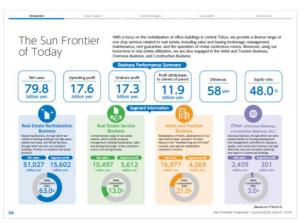
Front cover

Financial and non-financial highlights

Sustainability management and materials



Top message



**Business overview** 

#### [Main contents]

- Sun Frontier Philosophy
- History of Sun Frontier
- Top message
- Growth strategies
- Examples of sustainability activities
- ESG data Etc.

#### Sustainability website

https://www.sunfrt.co.jp/sustainability/en/library/sustainability\_report/



# Sun Frontier's Strength



Create a good corporate climate and culture based on the two wheels of Philosophy and Amoeba Management to realize our Management philosophy.

### **Realization of the Management philosophy**

### **Corporate climate and culture**

Management among all employees' participation

(1) Management based on the hearts of people (2) Culture that values challenges

### Philosophy

- (1) The heart of altruism
- (2) Being right as a person
- (3) Absolute proactivity

#### By philosophy,

even as the Group's businesses diversify and various employees work, it is possible to create a corporate culture that transcends the boundaries of businesses and enables each and every employee to connect with each other across the organization and to co-create ambitious goals.

### Amoeba management\*

- (1) Realization of all-employee participatory management
- (2) Development of human resources with management awareness
- (3) Market-based divisional accounting system

#### What is Ameba Management?

A process in which all members of an organization participate in management through the use of a divisional accounting system by functional small groups (ameba). Management status of each division can be grasped even in the midst of business expansion

<sup>\*</sup> Amoeba management is the registered trademark of KYOCERA Corporation.

# **Human Resource Development**





Desired image of human resources

Human resources with both "the heart of altruism" and "frontier spirit"

#### **Human Resources Development Policy**

Develop human resources who can develop new fields with a frontier spirit toward the realization of a sustainable and affluent society together with colleagues who share values of altruism.

We aim to realize a society that can be passed down to future generations by fostering human resources who have the kindness to care for others around them and the strength to maintain personal integrity, and boldly take on challenges in areas where they have no experience. To this end, the pillars of our human assets are exploration, curiosity, self-motivation, autonomy, and respect for and utilization of diversity.

#### **Environmental Improvement Policy**

Create a work environment that provides "job satisfaction," "creativity," and "growth opportunities." Create a "cocreation" organization in which all employees set their own goals, work toward those goals with enthusiasm, and continue to create new value based on mutual trust.

Job satisfaction —— A corporate culture that encourages challenge and growth

**Creativity** — A corporate culture that envisions the future and aims to create new value

Growth opportunity ——— A corporate culture that stimulates the desire to learn and works toward high goals

## **Human Resources Development Policy**

Respect for and utilization of diversity

**Environmental Improvement Policy** 

Creating a workplace with motivation, creativity, and growth opportunities

#### **Measures**

- Creation of a work environment suited to each employee's life stage and provision of flexible training opportunities
- Cultivating Ameba leaders for business diversification and organizational expansion
- Establish training programs for the next generation leaders, improve support systems for external training, and increase the ratio of training hours to designated working hours to 12% or more.
- Use of DX, improvement of business processes and individual capabilities, and year-on-year increase in ordinary profit per hour

#### **Key Points**

Strengthening the human resource base

Manufacturing from the perspective of customers and heart-warming services

Promotion of core business tie-ups and diversification

Basic Policies of the next Medium-Term Management Plan

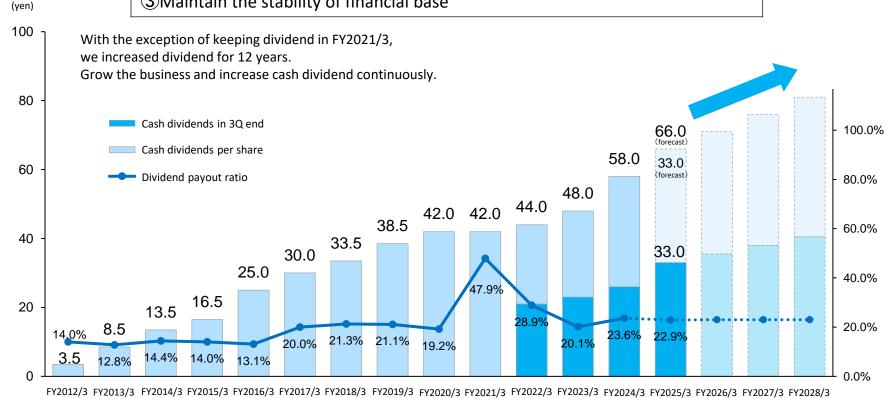
Working to resolve social issues by promoting core business tie-ups and diversification through customer-oriented manufacturing and heart-warming services

## **Shareholders Return**



### **Basic Policy for Shareholder Return**

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



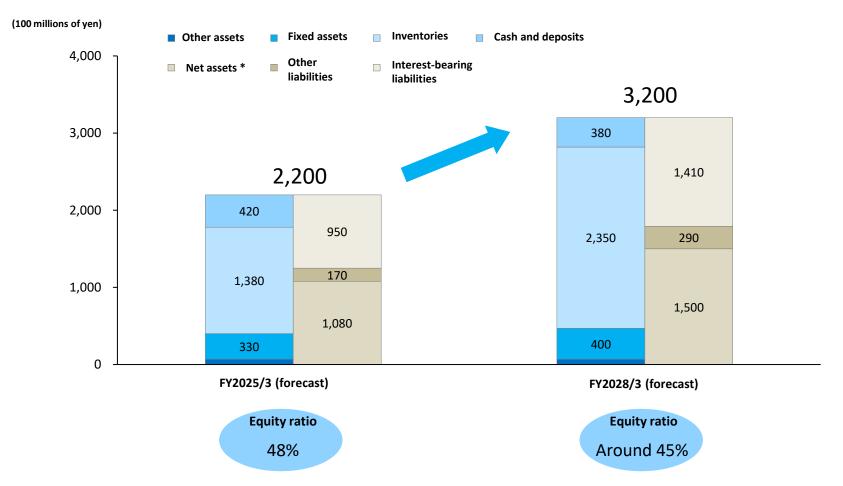
X1 Interim dividend started from FY2022/3

X2 Dividends are anticipated in expectation of the progress of conversion of CB to stocks at the end of each period from FY25/3 to the end of FY27/3.

## **Simulation of Balance Sheet**



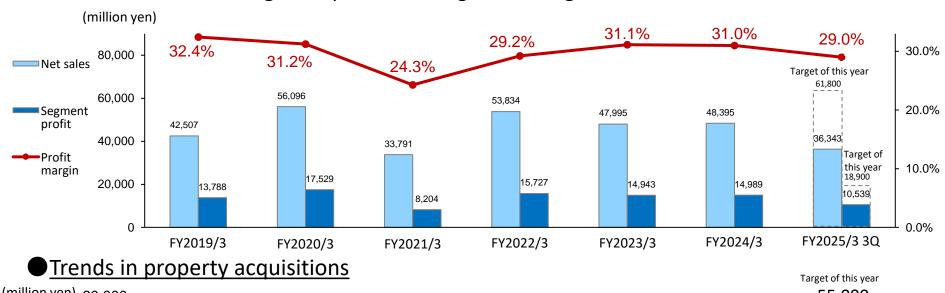
Expand total assets by investing more aggressively for future business growth while maintaining financial discipline

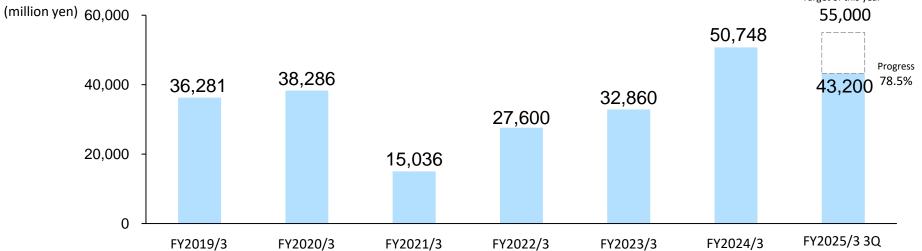


<sup>\*</sup> From FY2025/3 to end-FY2027/3, conversion of convertible bonds into shares is expected to progress at the end of each fiscal year.

# Trends in the Performance of Replanning Business and Sun Frontier Property Acquisitions

Trends in net sales, Segment profit and Segment margin

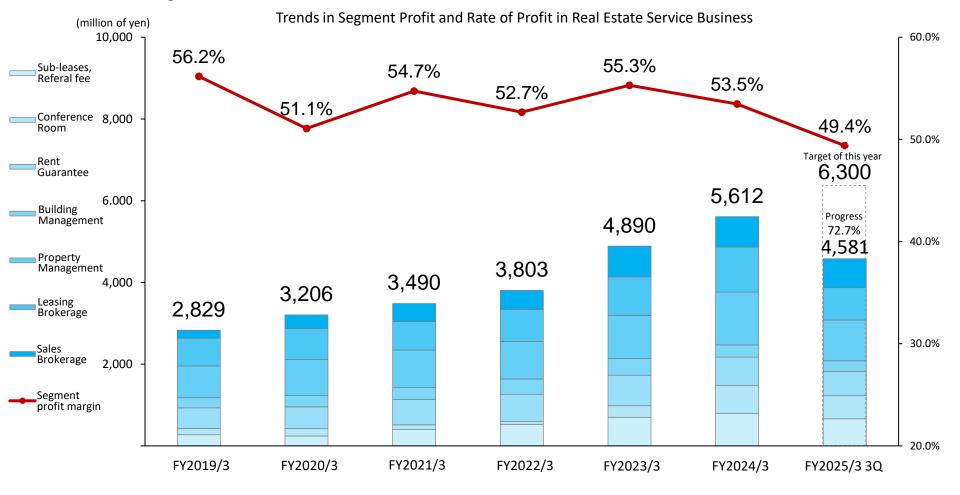




# Steady Growth in Real Estate Service Business 💆



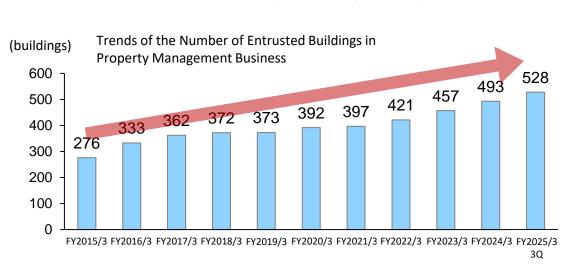
Stock Business continues to grow steadily as stable business. The profit in FY2025/3 is expected to record a new high.



# Real Estate Service Business Continues to Expand Its Customer Base

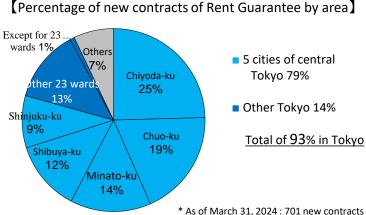


## Expanding as a platform for business growth





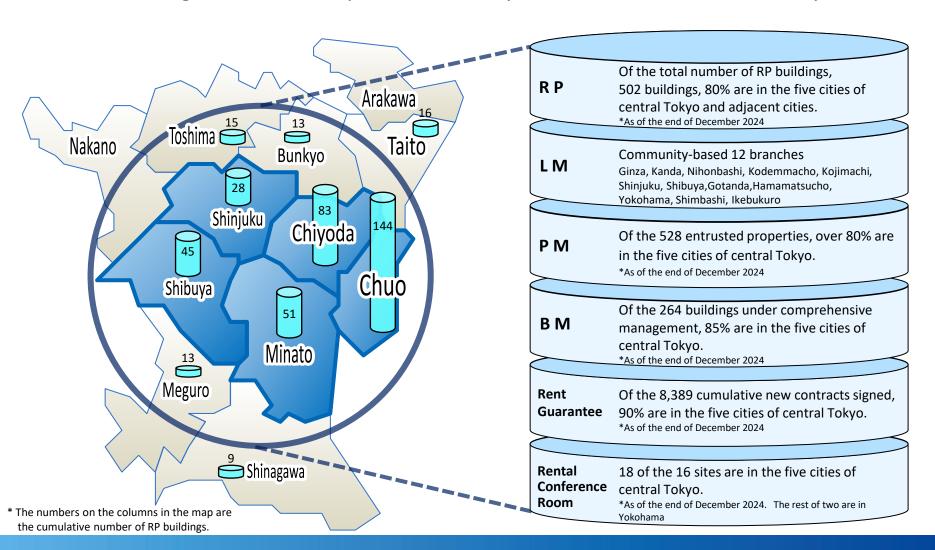




# **Strategy in Office Business**



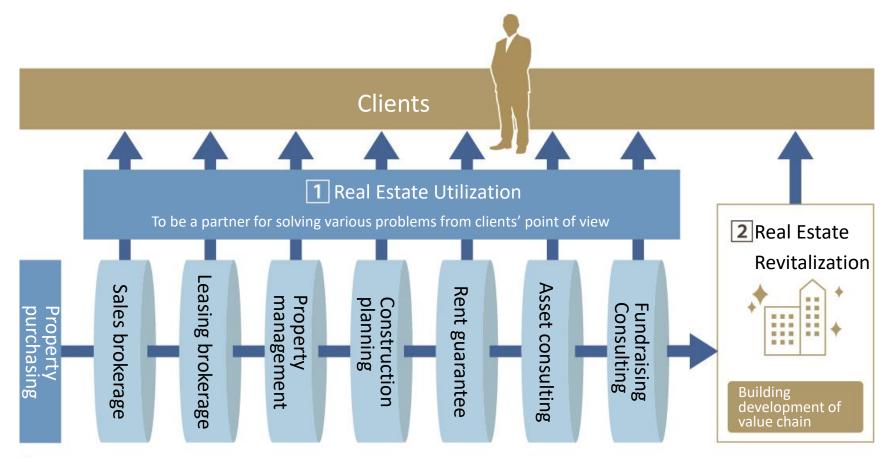
Solving client's various problems, mainly in the five cities of central Tokyo.



# **Strengths in Office Business**



With in-house manufacturing from purchase, development, leasing to sales and consulting, we solve various problems by getting client's needs correctly.

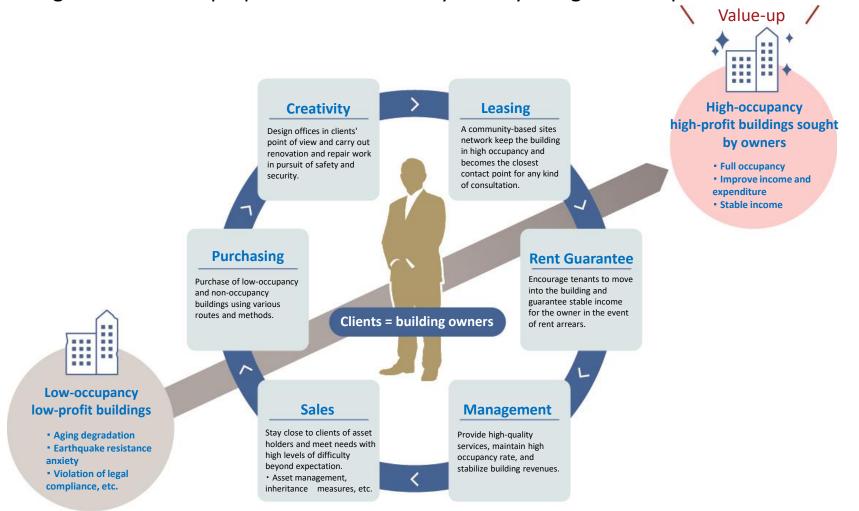


- 1 Real estate utilization: Get close to our clients and solve various problems. Capture the source of added value from clients' voices.
- Real estate revitalization: Utilize the needs we earned and the know-how for improving the valuation to conduct sales activities.

# **Business Model for Replanning Business**



Renovating the office buildings with low occupancy and in need of large-scale repairs into high-value-added properties demanded by society using "clients' point of view."



## **Set-up Office Share**



"Set-up Office" is a kind of office replanned by our Company. Unlike regular office interiors, there are reception and reception room, etc., in the office with highly designed interior. We also provide some equipment for rent or fixtures pre-installed.

### ◆ Four benefits for tenant companies

#### Merit 1) Reduced burden on management

No need for unfamiliar tasks such as designing office interiors and selecting interior decorators, significantly reducing management's effort.

#### Merit 3) Reduced financial burden

Significant cost reduction for office interiors, etc., and no interior assets recorded by tenants.

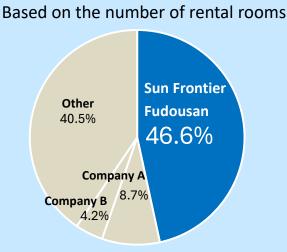
#### Merit 2) Immediately available after moving

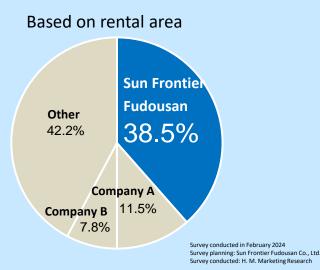
Increase the net estimated internal useful life due to no work other than wire-related work and moving, a significant reduction in the relocation period and a shorter construction period for interior finishing and restoration.

#### Merit 4) Employment, motivation and productivity improvement

Improve employment of human resources, employee motivation, and office productivity by the office interior that pursues a high level of design, focusing on design, functionality, and various usage scenes.

## The share of Set-up Office in 23 wards of Tokyo







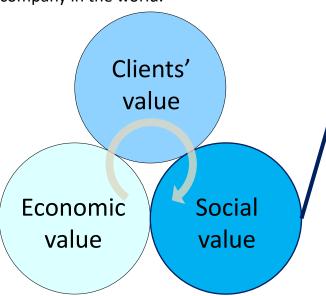
## **Create both Customer Value and Social Value**

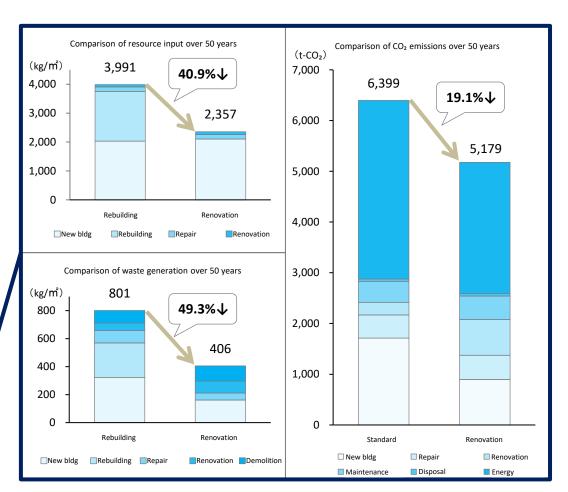
Solving social issues through supporting our clients' business.

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

П

Utilizing the limited, keeping challenging to create new value, and aiming to become the most appreciated visionary company in the world.





< 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 (\*).

<sup>•</sup> 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"

<sup>\*</sup>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.

## **Business Model of NY Apartment Replanning Business**



Use high-quality technology to add value to apartments that are over 100 years old in the United States, where growth is high







The United States has a high growth rate and its population continues to grow. Manhattan in New York has many jobs and high housing demand.













Replanning to a comfortable living space (Interior and furniture are a sample image)

Point 1

Long-term stable assets can be held in New York, the world's largest city

Point 2

High-quality building renovated and repaired by Sun Frontier

Point 3

Sun Frontier's buildings can be purchased after consideration.

Point 4

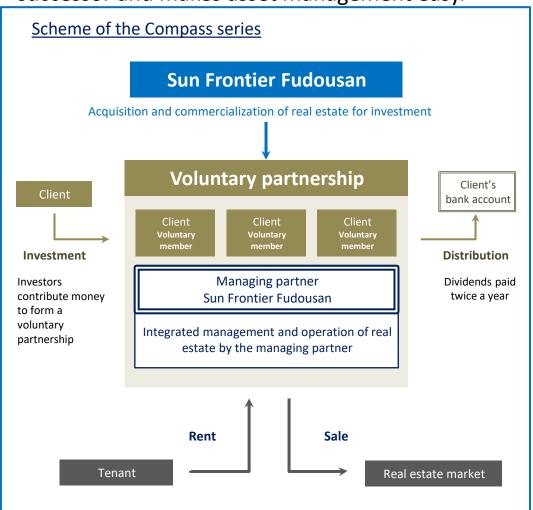
Sun Frontier will conduct both building management and lease operation after purchase.

## **Specified Joint Real Estate Ventures**



## (Sale of Small-lot Real Estate Properties)

Realizing a form of real estate ownership that makes it easy to divide the estate to the successor and makes asset management easy.



#### Features of the Compass Series

Point

Easy acquisition of prime real estate that can be expected to operate stably

Point

Easy and secure management and operation by Sun Frontier Fudousan

Point 3

Can be used as a measure against asset division

#### **Examples of Compass Series**



New licensed nursery school in Setagaya, Tokyo



New Medical and Educational Mall in Ota-ku, Tokyo



New licensed nursery school in Ueno



New licensed nursery school in Takanodai, Nerima



## **Established Sun Frontier Asset Management Co., Ltd.**

As part of our efforts to diversify and cooperate within our core business, we have entered the private REIT business to further expand our business base.



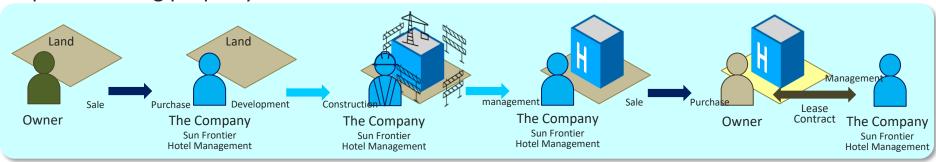
Based on 25 years of experience in real estate revitalization and utilization, Sun Frontier Asset Management Co., Ltd. was established on September 18, 2024, to address regional social issues and contribute to the realization of a sustainable and affluent society through the longterm management of real estate.

We aim to establish the first private REIT sponsored by Sun Frontier Fudousan Co., Ltd. in the fiscal year ending March 2026..

# Hotel Development Business and Hotel Management Business



Selling the hotel we developed after operation After the sale, the property is leased and managed, contributing to asset formation as a profit-making property



<sup>\*</sup> In addition to the method of acquisition and development of the land, the optimal development method is selected according to the case, such as renting and leasing the land and the building.

#### Examples of hotels under development and management



Hiyori Hotel Maihama Opened in July 2017, sold and currently in operation



Hiyori Hotel Nanba Ekimae Opened in May 2019, currently in operation



Tabino Hotel Kurashiki Mizushima Opened in February 2020, currently in operation



Tabino Hotel Kashima Opened in April 2020, currently in operation



HIYORI Ocean Resort Okinawa Opened in February 2021, sold and currently in operation



Tabino Hotel lit Miyakojima Opened in June 2021, currently in operation



Tabino Hotel lit Matsumoto Opened in July 2021, currently in operation



Sora Niwa Terrace Kyoto Sora Niwa Terrace Kyoto Bettei Opened in June 2022, currently in operation

Hotel and Tourism Business (Regional Revitalization Business)

# Regional revitalization initiatives centered on hotels



We will energize the islands through tourism business! When region becomes energized, Japan will be as well.

Japan offers many attractions, including beautiful nature, rich history and culture, delicious food and hot springs, warm hospitality, local festivals, and outdoor activities. With the rapid increase in foreign visitors to Japan and growing interest in various regions, we started our business in Sado, where we have strong

connections, and have already created about 200 jobs.





# Trends for Each Indicator and Initiatives for ROE Improvement



#### **Ordinary Profit Margin**

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

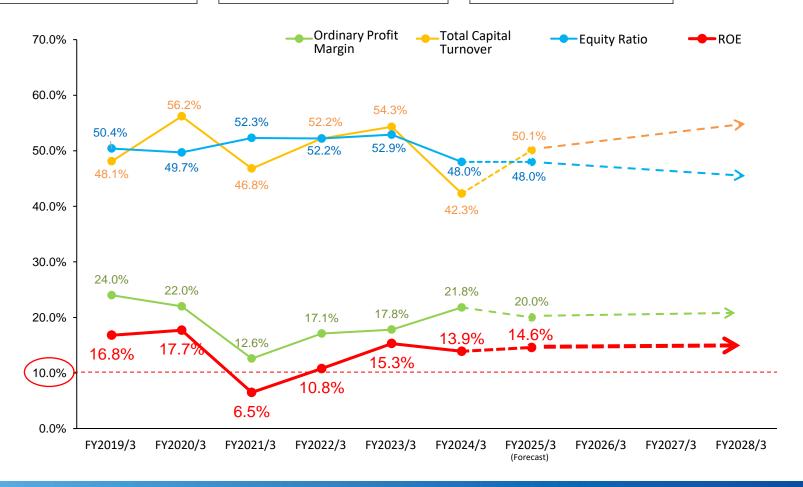
#### **Total Capital Turnover**

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

#### **Equity Ratio**

Maintain financial soundness while promoting investment and accelerating business.

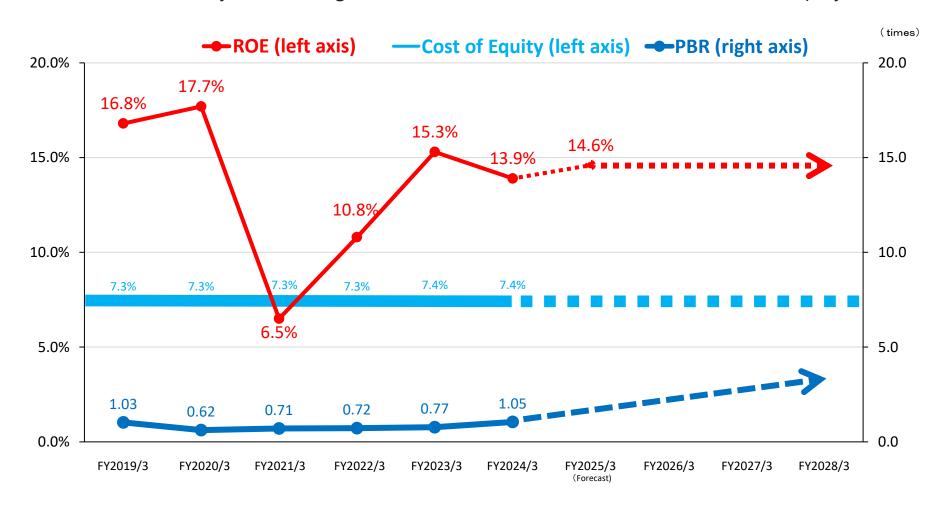
Improving ROE



## Improve PBR by the initiatives for ROE Improvement



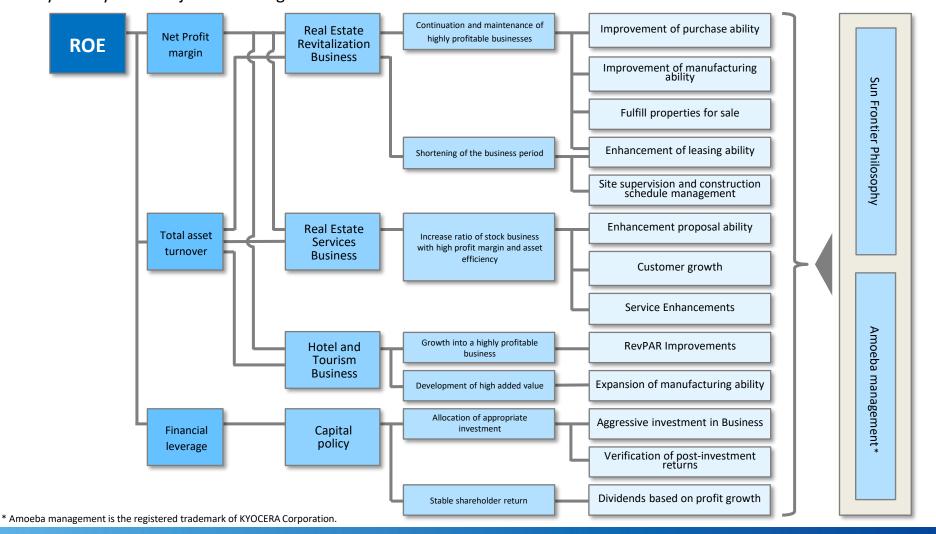
Increase PBR by maintaining an ROE that exceeds the cost of shareholders' equity.



# **Driver to improve ROE**



Keep employees in high engagement through Sun Frontier Philosophy and Amoeba Management. Promoting Business by the style of "All join to Management".



# **Strengthening IR Activities**



We have revamped our IR website by adding a realtime stock price display and a chart generator!

Sun Frontier IR website https://www.sunfrt.co.jp/ir\_info



Actual result of m	ain 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)
Individual IR meetings	Conducted individually as needed. (mainly handled by President Representative Director and IR staff).	61 times	68 times	64 times (until 3Q)
Property visit (RP properties)	Invite to RP properties ※for analysts and institutional investors	-	9 times	5 times (until 3Q)
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.				
	FISCO 【Japanese】	Shared Research 【Japanese】	【English】		
Analyst Report					

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/st_ockholder_benefit_plan/			



# **References Materials**



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

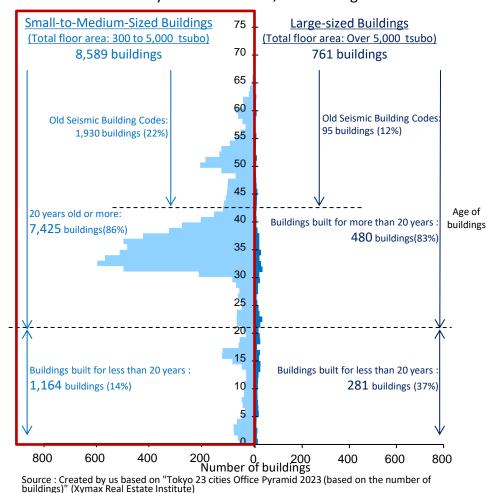


In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Top 10 Prefectures in Number of Corporations 575.234 Tokyo 223,407 Osaka Kanagawa 184,363 153,694 Aichi Saitama 130,108 Hokkaido 119,564 Chiba 107,704 94.013 Hyogo 83.562 **Fukuoka** Shizuoka 76,981



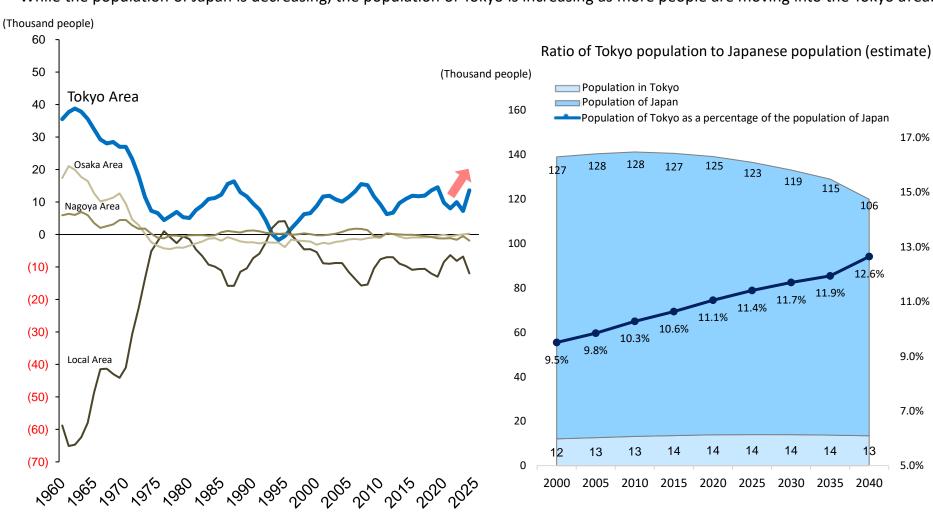
Tokyo 23 cities with 9,350 buildings





## **Transfer of Tokyo Area and Japanese Population**

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



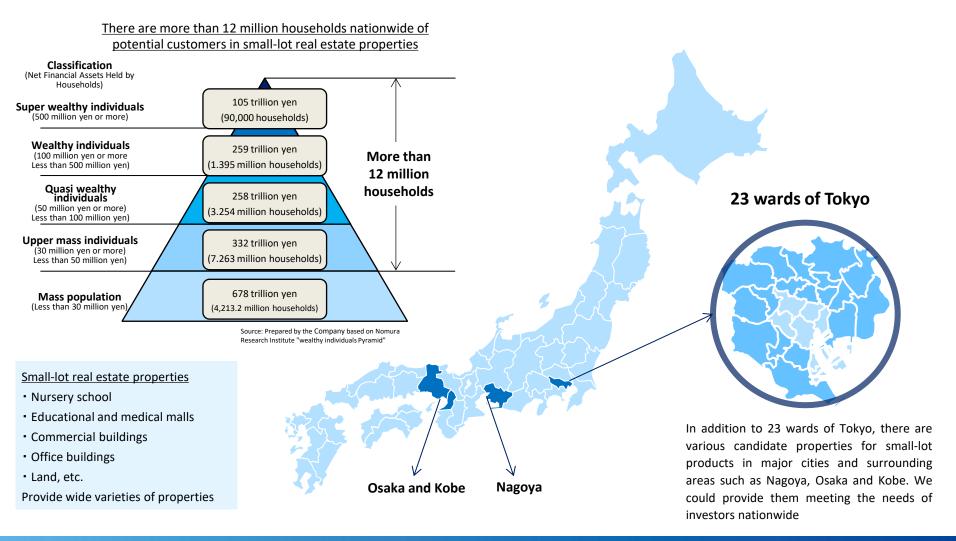
Source: Prepared by the Company based on Statistics Bureau, Ministry of Internal Affairs and Communications, "Number of New Residents by Address Before and After"

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

# tv 👸 Sun f

# Marketability in small-lot real estate property

Promote commercialization of small-lot real estate properties in major cities. Make proposals meeting needs of investors throughout Japan.

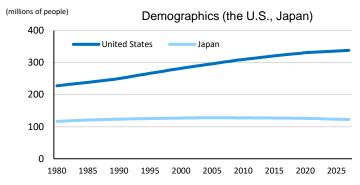


## Overseas Markets (the U.S., Vietnam)

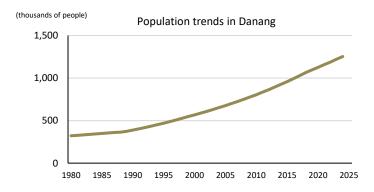


Supplying Japan's high-quality residential real estate in the United States (New York) and Vietnam (Danang), where population growth and high growth rates continue

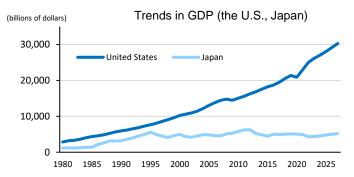
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



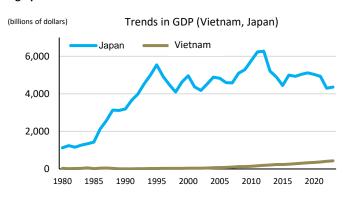
Da Nang is the third largest city in Vietnam. The population exceeded 1 million in 2017 and has continued to increase since then, and high housing demand is expected in the future.



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



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



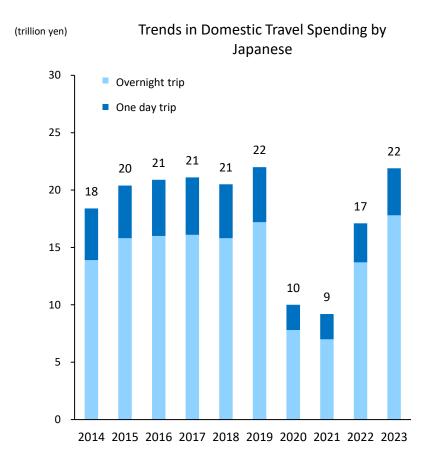
Source: IMF World Economic Outlook database (prepared by the Company)

### Recognition of the business environment

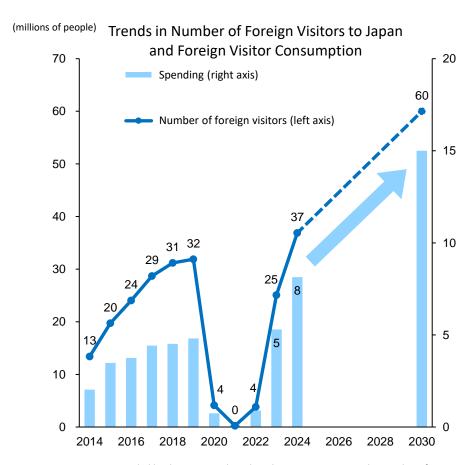
# Demand recovery and growth potential in the hotel market



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



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



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

## **ESG Data**



## **Environment**

Actual number of RP buildings



Total **502** buildings



Acquired BELS for 14 properties

As of December 31, 2024

**Carbon Offset** Cumulative total 3,303t





RE100/Mori no Denki Total 19 buildings 2.241t

RP construction 56 buildings 1,062t

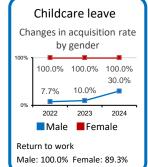
## **S**ocial

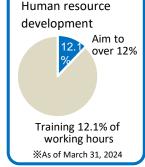
As of December 31, 2024

In December 2024, Sun Frontier Group Human **Rights Policy** were made.

Ratio of male and female employees in managerial positions







## Governance

Transition to a company with Audit & Supervisory Committee

Audit & Supervisory Committee As of December 31, 2024

Ratio of Outside Officers 1/3 or more

As of June 30, 2022

**Board of Directors** 

Externa 36.4% Full-time 63.6%

**Female Directors** 1 out of 11



Nomination and Compensation Committee (optional) 2 out of 4 outside officers



**Ensuring transparency** and soundness

Sustainability website https://www.sunfrt.co.jp/sustainability/l ibrary/sustainability report/



- RE100 • Carbon offset using J-credit derived from renewable energy. Initiatives to become the first in Japan to introduce this system on each floor. Achieve zero Co2 emissions per tenant company.
- "Mori no Denki" • Carbon offset using J-credit derived from forests. We can feel that we are supporting forests side-by-side and moving into the building will contribute to the environment.

## **Conversion conditions of CB**



Туре	Convertible be share acquisi		Maturity	5 years		5		Specific use of funds		Ar	nount	
Issuance date	October 6	5, 2023	Convertible period 5 years after the payment of However, In principle, non-convertible after the payment due date			r	Acquisition of land in conjunction with new hotel development and construction work investment		ion Appro	x. 8 billion yen		
Amount of funds acquired	Approximately 1	10 billion yen		1,554 yen per s In principle, convertible (exercisable) c		exercisable) only when exceeding		exceeding M&A funds primarily for the hotel				Approx. 2 billion yen
Bond interest rate	0%	, )	Conversion price  120% (1,865 yen) of the conversion price (exercise price) However, this shall not apply to cases such as any conversion (exercise) after the end of the business alliance		However, this shall not apply to cases conversion (exercise) after the end of t			development business and construction business		on i		
loo	uance After 2	1 year After 1	2 years After	period.  3 years After	r 4 years Af	ter 5 years						
	23/10 2024					2028/10		Possibi	lity of Share I	ncreasing du	ie to the Cor	nversion
									•	J		
						<b>T</b>		<b>(</b>	Outstanding sl	hares		
					İ		60,000,0		Conversion sh			
Business alliance						`	00,000,0		2011 (2131011 311	u. c3	55,190,454	
business amarice					i I				48,755,500		6,434,954	
				1		5	50,000,0	00	40,733,300	Maximum		
	1			1						13.2%		
				1		4	40,000,0	00		increase		
		In principle, cor	nvertible (exercisa	ble) only when ex	ceeding							
Conversion of CB		120% of	the conversion pr	ice (exercise price			30,000,0					
with share	Non-exercisable in principle		his shall not apply (exercise) after th				30,000,0					
acquisition rights		Conversion	alliance per						48,755,500		48,755,500	
				i I		2	20,000,0	00				
				I I I								
		If the AA fur	nd sells shares	on the market	after		10,000,0	00				
	Dilution		convertible bor				,,-					
	Dilution will not occur.	_	an 25 percent									
		•	ansferring the converted			0				<b>.</b>		
·			y of our competitors or activists					Before conversion After conversion				

shares to any of our competitors or activists.

## History of Sun Frontier Group

Overseas Business

2015 Established SUN FRONTIER VIETNAM CO., LTD. in Vietnam

2017 Established Sun Frontier Sado Co., Ltd. and started to work on Regional Revitalization Business

#### Hotel and Tourism Business

2015 Established Sun Frontier Hotel Management Inc. and started Hotel Operation Business

Establish ment

#### Central Tokyo Office Building Business

1999 Started Sales Brokerage and Leasing Brokerage Businesses of commercial real estate

2009 10th Founding Anniversary

2019 20th Founding Anniversary

2024 25th Founding Anniversary

#### Real Estate Revitalization Business

2001 Started Replanning (Real Estate Revitalization and Utilization) Business

2013 Began providing setup offices

2018 Started providing small-lot real estate products

2005 Established SF Building Support Inc. and started the Rent Guarantee Business

2012 Started Building Maintenance Business

2015 Started Rental Space Business in front of Tokyo Station

2019 Spun off Conference Room Rental Business and established Sun Frontier Space Management Co., Ltd.

#### Real Estate Service Business

(million of yen) 100,000

60,000

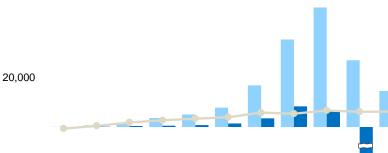
'00/3

2000 Started Property Management Business



Ordinary profit

Number of employees (including part-timers and temporary workers)



05/3

'15/3 '20/3

1,600

1,000

(people) 2,100

1,100

600

'25/3 forecast)

10/3

# **Company Profile**



Company Name	Sun Frontier Fudosan Co., Ltd.				
Location of Head Quarters	1-2-2, Yurakucho, Chiyoda-ku, Tokyo				
Date of Foundation	April 8, 1999	April 8, 1999			
Date of Listing	February 26, 2007 (First Section of Tokyo Stock Exchange)				
Capital Stock *	11,965 millions yen				
Representative	Tomoaki Horiguchi, Chairman Representative Director Seiichi Saito, President Representative Director				
Number of Consolidated Employees *	900 employees (1,753 including part-timers and temporary workers)				
Average Age of Employees*	36.0 years old				
	Real Estate Revitalization				
Business Profile	Real Estate Service	Properties Management, Brokerage, Construction Planning, Rent Guarantee, Rental Conference Room, Building Operations, Asset Consultation			
Busiliess Florile	Hotel Development and Operation				
	Others				
Accounting Month	March				
Listed Market	Tokyo Stock Exchange Prime (Code number: 8934)				

<sup>\*</sup> As of the end of December 2024

# Thank you for your continued support.

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

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