Tosei Corporation

FY2025 Financial Results Presentation

January 14, 2026

For clarity, some wording has been modified, and additional explanations have been included.

Thank you for your understanding.

Event Summary

[Company Name]	Tosei Corporation
[Company ID]	8923-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	FY2025 Financial Results Presentation
[Fiscal Period]	FY2025 Annual
[Date]	January 14, 2026
[Number of Pages]	35
[Time]	16:00 – 16:54 (Total: 54 minutes, Presentation: 44 minutes, Q&A: 10 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	2

Seiichiro Yamaguchi	President and CEO
Noboru Hirano	Director, Senior Executive Officer, Chief of Administrative Division

Presentation

Moderator: Ladies and gentlemen, thank you for taking time out of your busy schedules to attend the financial results briefing for the fiscal year ending November 2025 of Tosei Corporation.

This briefing will be held as a live-streaming web-based financial results briefing via Zoom, as in the previous session. If you experience any audio interruptions or video stuttering while viewing, please take a moment and try accessing the site again. If you were unable to fully view the video due to a malfunction or other reason, the video will be posted on our website at a later date.

Now, let me inform you about today's proceedings.

After our presentation along with the material, there will be time for a question-and-answer session. Questions can be asked at any time after the start of the explanation using the Q&A function at the bottom of the screen. Please include your company name and name when you send us your information. Questions are not open to other participants and will be read by the management on your behalf. Please refer to our website for the documents.

Today's financial results briefing is scheduled to end around 17:00.

We would like to continue by introducing the Company's attendees for today's meeting. Seiichiro Yamaguchi, President and CEO, and Noboru Hirano, Director, Senior Executive Officer, Chief of Administrative Division.

Now, Hirano, Director and Senior Executive Officer, will explain the outline of the financial results for the fiscal year ending November 2025, starting on page three of the financial results presentation materials. Please go ahead.

FY2025 Summary/Topics

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Summary

- Revenue reached ¥94.6B and profit before tax reached ¥20.6B, marking a record high for the fourth consecutive year. Profit before tax exceeded the initial final-year target of ¥19.0B under the medium-term management plan, achieving one year ahead of schedule.
- In the revitalization business, we sold 34 whole buildings and 105 pre-owned condo units, achieving a gross profit margin of 25.8% on the properties sold, higher than in the previous fiscal year.
- In the development business, we achieved significant increase in both revenue and profit by selling 7 whole buildings to domestic and international investors, etc.
- In the fund and consulting business, AUM grew to ¥2.6627 trillion, exceeding the fiscal year-end target, driven by inflows from new investors.
- Acquisitions totaled ¥97.8B (delivered + contracted) against the FY2025 acquisition target of ¥100B, including 4 hotel development sites and a total of 8 properties acquired through business succession support M&A, comprising of income-generating condominiums and retail facilities.

Topics

- Warburg Pincus, making its first investment in the Japanese rental housing market, has entrusted us with the asset management of "Tokyo β (Tokyo Beta)," one of Japan's largest share house portfolios, in Apr. 2025.
  * For details, please see the released document dated Apr. 2, 2025.
- Newly selected as a constituent of "JPX-Nikkei Index 400"
  * For details, please see the released document dated Aug. 8, 2025.
- Tosei Hotel COCONE Kamata opened on Dec. 23, 2025. The hotel pipeline has expanded to 7 properties.
  * For details, please see the released document dated Sep. 1, 2025.

TOKYO β eta

JPX-NIKKEI 400

COCONE Kamata (entrance)

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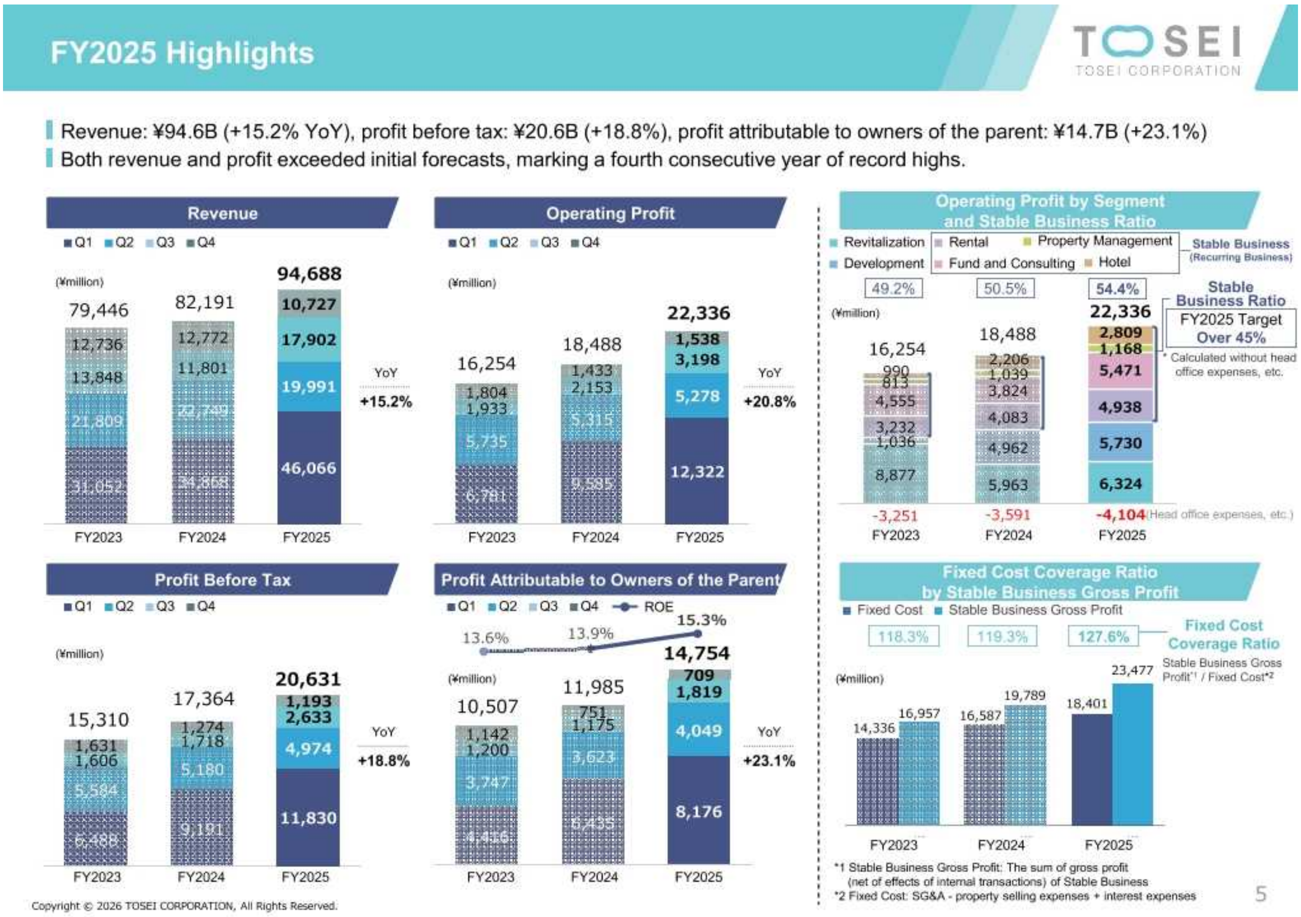
Hirano: I would like to provide an overview of the financial results for the fiscal year ended November 2025.

Please turn to page four. As for the performance summary and topics, the performance summary for the fiscal year ended November 2025 will be explained later in the segment performance report.

Let me introduce just one of the topics. As mentioned in the second topic, we were selected as a constituent of the JPX Nikkei Index 400 in August 2025. Previously, we have been selected for the JPX Nikkei Mid and Small Cap Index, and we are pleased to announce that we have now also been selected for the JPX Nikkei Index 400.



Please see page five. These are the performance highlights.

The four bar graphs on the left side of the page show revenue, operating profit, profit before taxes, and profit attributable to owners of the parent, all of which have increased steadily over the past three fiscal years. Furthermore, we have achieved record-high revenues and profits for four consecutive fiscal years.

For the fiscal year ended November 2025, revenue was JPY94.6 billion, up 15.2% YoY, and profit before taxes was JPY20.6 billion, up 18.8% YoY.

In particular, the real estate fund and consulting, rental, and hotel segments performed well, resulting in a stable business ratio of 54.4%, as shown in the bar graph at the top right of the page.

Revitalization Business

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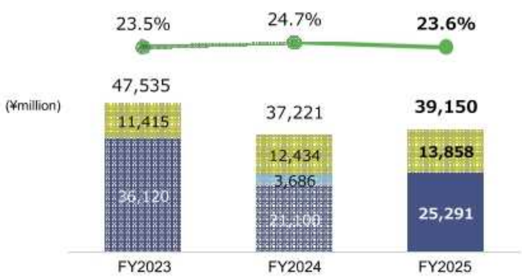
Component Ratio
Operating Profit
23.9%

- Revenue: ¥39.1B (+5.2% YoY), operating profit: ¥6.3B (+6.1% YoY)
- Sold 34 whole buildings (-6 properties YoY) and 105 pre-owned condo units (-5 units YoY)
- Gross profit margin on sold properties: 25.8%
  (excluding the impact of loss on retirement ¥949M due to demolition of rental office building in Q1)

Revenue / Gross Profit Margin



(¥million)	FY2023	FY2024	FY2025
Revenue	47,535	37,221	39,150
Gross Profit*1	11,183	9,203	9,248
GPM	23.5%	24.7%	23.6%
Operating Profit	8,877	5,963	6,324
No. of Sales (Pre-owned Condo)	106	110	105
No. of Sales (Whole Building, etc.)	45	40	34

*1 The gross profit includes the following figures:
Valuation loss and reversal under LCM [FY2024] +¥39M [FY2025] +¥112M
Loss and reversal on retirement of held assets [FY2024] - [FY2025] -¥949M

Gross Profit Margin*2 on Sold Properties

	FY2023	FY2024	FY2025
Whole Building	24.8%	28.2%	**29.1%**
Pre-owned Condo Unit	16.2%	17.9%	**19.6%**
Total	22.8%	24.8%	**25.8%**

*2 Excluding valuation loss and reversal under LCM, and loss and reversal on retirement of held assets

Examples of Sold Properties

Arakawa-ku, income-generating apt.
Kawasaki-shi, income-generating apt. (T's eco series)
Yokohama-shi, income-generating office building

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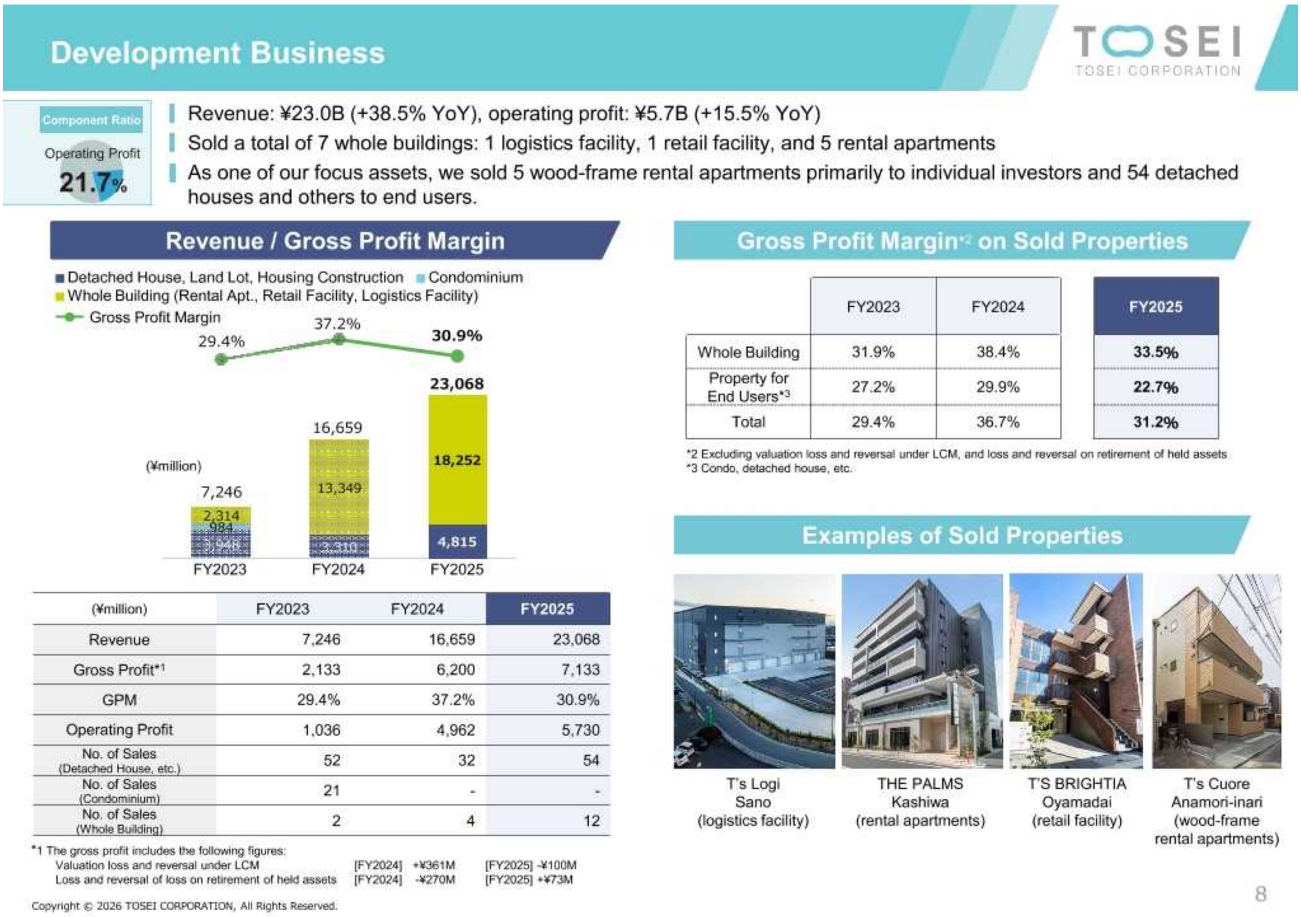
I would like to explain the Revitalization Business on page seven.

In the Revitalization Business, revenue was JPY39.1 billion, up 5.2% YoY, and operating profit was JPY6.3 billion, up 6.1% YoY.

The gross profit margin was 23.6% for the fiscal year ended November 2025, as shown in the line graph on the left side of the page. However, as noted in the comments at the top of the page, excluding the impact of loss on retirement JPY949 million due to demolition of rental office building that had been used for leasing, the gross profit margin was 25.8%, which was higher than the previous fiscal year.

Furthermore, as indicated in the middle column on the right side of the page, gross profit margins for both whole building and pre-owned condo units increased compared to the previous year. The revenue of JPY39.1 billion, which was planned to be JPY46.6 billion at the beginning of the period, was JPY7 billion lower than the initial plan due to the strategic postponement of the sales timing to the next period or later.

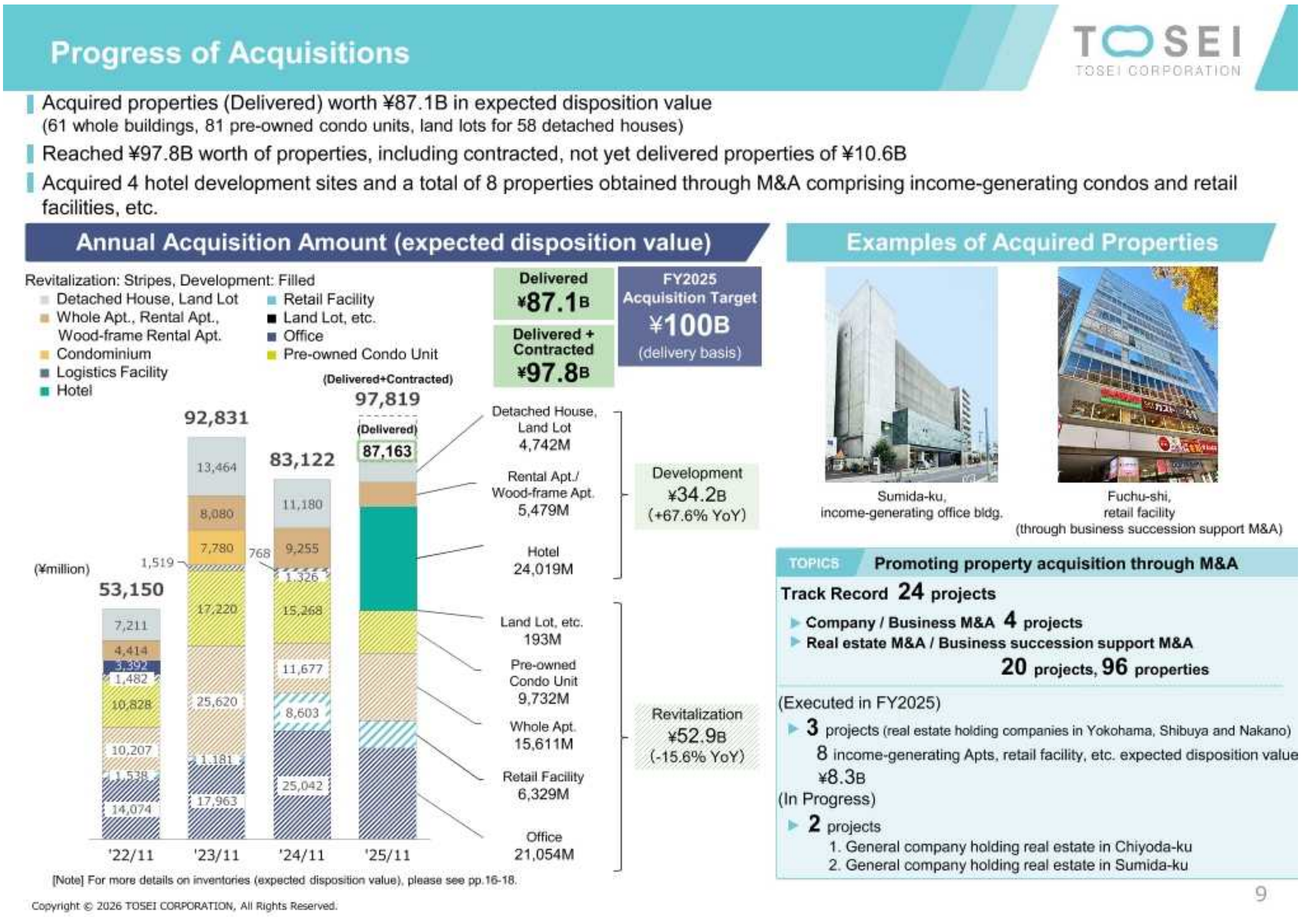


Page eight, the Development Business.

In the Development Business, revenue was JPY23 billion, up 38.5% YoY, and operating profit was JPY5.7 billion, up 15.5% YoY. Specifically, as shown in yellow on the bar graph on the left side of the page, we sold seven whole buildings, including one logistics facility, one retail facility, and five rental apartments, as well as five wood-frame rental apartments, for a total of 12 buildings sold.

Regarding whole building, we had planned to sell two buildings of wood-frame rental apartments at the beginning of the period, but as a result we were able to sell five buildings. Sales of whole buildings other than wood-frame rental apartments were in line with the plan at the beginning of the period. The gross profit margin was 30.9%, slightly down from the previous year, but up 1.1 percentage points from the initial plan of 29.8%.

However, the sales pace of newly built detached houses, shown in dark blue in the bar graph on the left side of the page, slowed down slightly, which was the cause for falling short of the plan slightly. Whole building properties are performing extremely well.

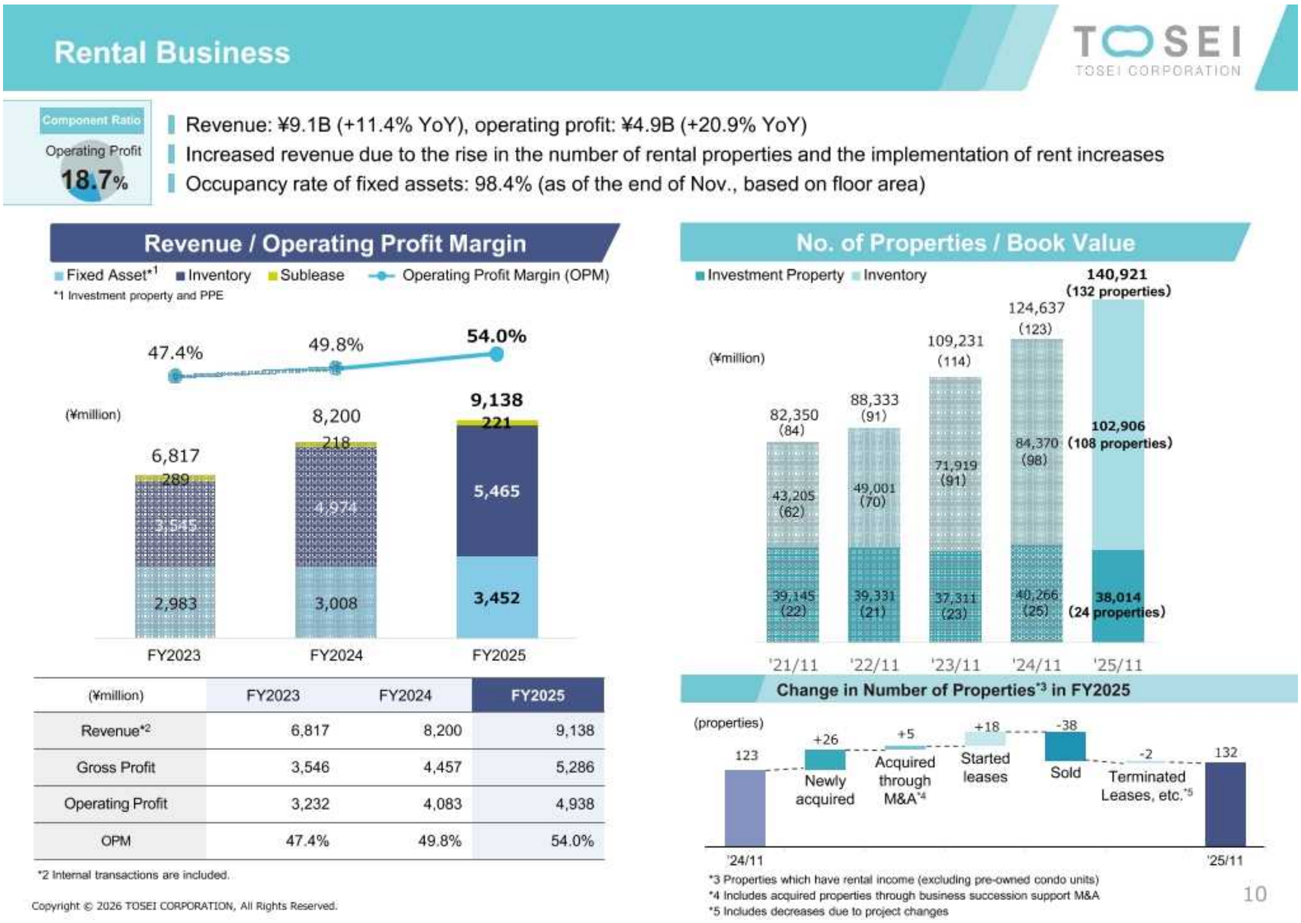


Page nine is the progress of acquisition.

For the fiscal year ended November 2025, we had planned to acquire JPY100 billion worth of real estate in expected disposition value (delivered), but we ended up slightly short of our target with JPY87.1 billion.

I would like to mention two noteworthy points. One is that we were able to acquire a total of JPY24 billion worth of four hotels shown in green in this bar graph on the left side for the fiscal year ended November 2025.

Another feature is the acquisition of existing office buildings for the Revitalization Business, shown in the box with blue diagonal line at the bottom of the bar graph on the left side. The average acquisition price per building here has increased. In short, we are intentionally acquiring large properties. The average acquisition unit price per building was JPY800 million per building three years ago but increased to JPY1.25 billion in the following year, and to JPY1.5 billion in FY2025, and we are now focusing on acquiring large properties.

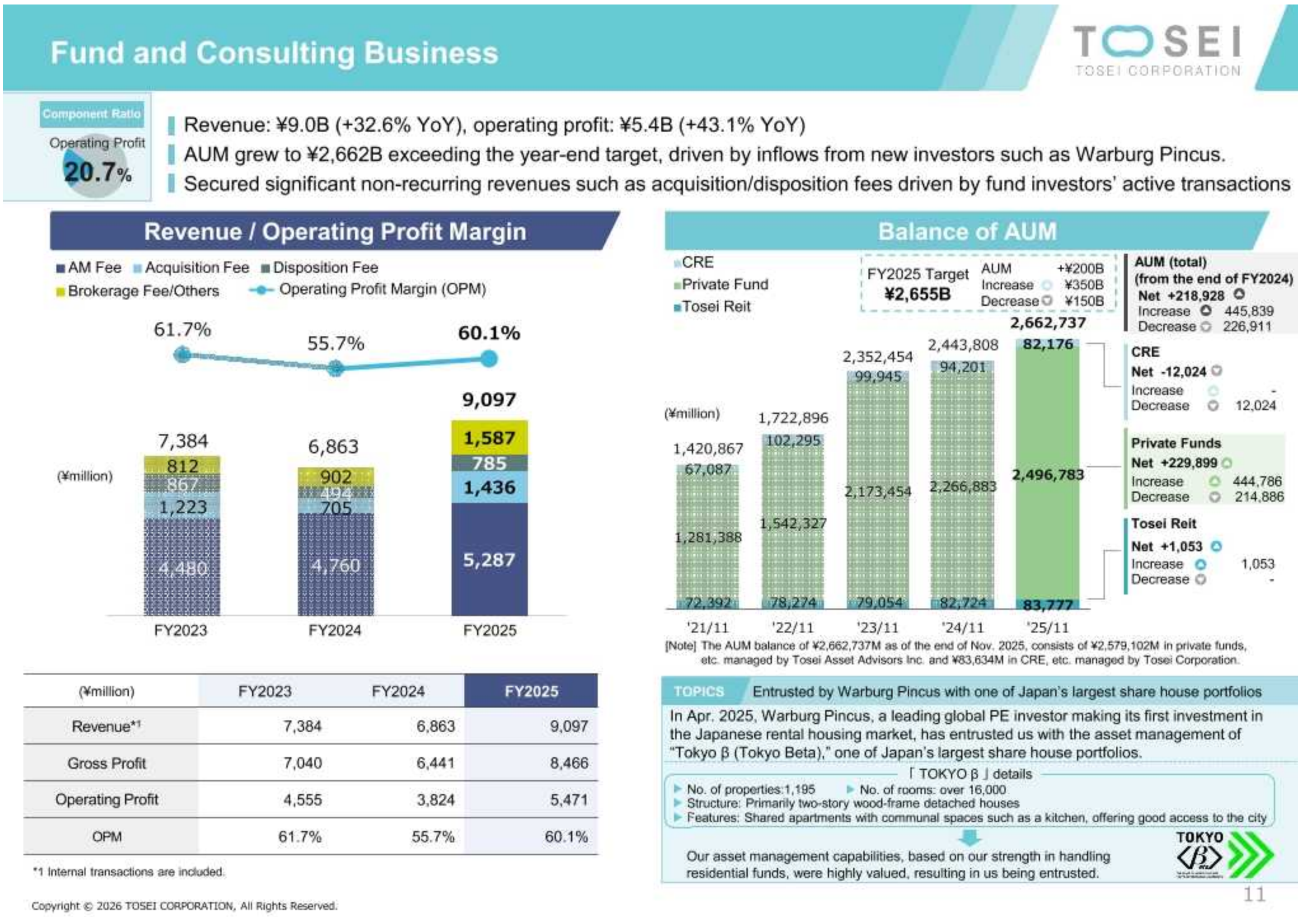


(¥million)	FY2023	FY2024	FY2025
Revenue*2	6,817	8,200	9,138
Gross Profit	3,546	4,457	5,286
Operating Profit	3,232	4,083	4,938
OPM	47.4%	49.8%	54.0%

Page 10, the Rental Business.

This segment contributed extremely to overall operating profit, with revenue of JPY9.1 billion, up 11% YoY, and operating profit of JPY4.9 billion, up 20.9% YoY. The operating margin was 54%, up more than 4 percentage points YoY.

In addition, the occupancy rate of fixed assets at the end of November 2025 was 98.4%, up 4% points from 94.4% at the end of the previous period.



(¥million)	FY2023	FY2024	FY2025
Revenue*1	7,384	6,863	9,097
Gross Profit	7,040	6,441	8,466
Operating Profit	4,555	3,824	5,471
OPM	61.7%	55.7%	60.1%

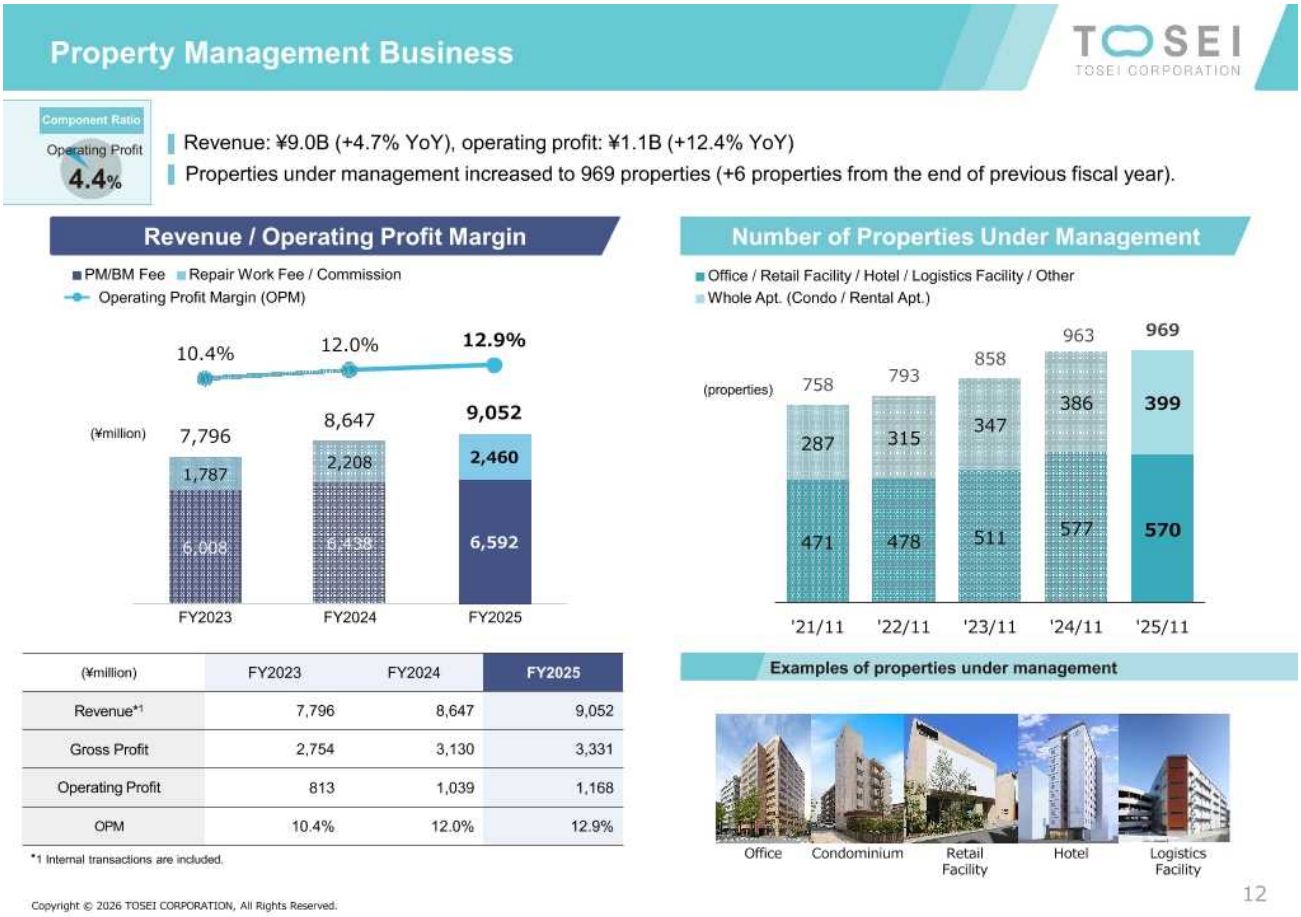
Page 11 shows the Fund and Consulting Business.

First, the bar graph on the right shows AUM trends. The plan at the beginning of the period was to acquire JPY350 billion in new AUM, but we ended up acquiring JPY445.8 billion. On the other hand, the initial plan assumed a decrease in AUM of JPY150 billion, but the decrease was eventually JPY226.9 billion.

As a result, AUM increased by around 10%, or JPY218.9 billion, compared to the initial plan of a net increase of JPY200 billion.

Since both increases and decreases exceeded the plan, acquisition fees shown in light blue and disposition fees shown in gray in the bar graph on the left side of the page increased significantly compared to the previous fiscal year.

In addition, the revenue bar graph on the left side of the page, indicated in yellow, shows that we were able to earn a large amount of brokerage commissions as a result of our longstanding consulting services for real estate owned by the company called CRE. As a result, the real estate fund and consulting business has been able to achieve results that far exceeded the initial plan.



(¥million)	FY2023	FY2024	FY2025
Revenue*1	7,796	8,647	9,052
Gross Profit	2,754	3,130	3,331
Operating Profit	813	1,039	1,168
OPM	10.4%	12.0%	12.9%

*1 Internal transactions are included.

Page 10, the Property Management Business.

The bar graph on the left side of the page shows that revenue increased by 4.7% YoY to JPY9 billion, and operating profit increased by 12.4% to JPY1.1 billion, showing a steady increase. The operating profit margin also ended the period 0.9 percentage points higher than the previous year.

We are making steady progress.

Hotel Business

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Component Ratio
Operating Profit
10.6%

- Revenue: ¥7.1B (+13.4% YoY), GOP: ¥4.0B (+19.6% YoY), operating profit: ¥2.8B (+27.3% YoY)
- Driven by strong inbound demand, ADR for all hotels in FY2025 rose 13.0% YoY, with the occupancy rate at 87.1%
- Tosei Hotel COCONE Kamata opened on Dec. 23, 2025.

Revenue / Operating Profit Margin

(¥million)	FY2023 Manage ment	FY2023 Lease	Full-year	FY2024 Manage ment	FY2024 Lease	Full-year	FY2025 Manage ment	FY2025 Lease	Full-year
Revenue*1	4,054	126	4,180	6,263	65	6,329	7,140	37	7,178
Gross Profit	3,978	57	4,036	6,145	52	6,197	7,004	37	7,042
GOP*2	2,045	-	2,045	3,352	-	3,352	4,011	-	4,011
Operating Profit	942	47	990	2,162	44	2,206	2,784	24	2,809
OPM			23.7%			34.9%			39.1%

*1 Internal transactions are included.
*2 GOP: Gross profit - operating expenses (excluding depreciation expense)

Hotels Owned by Tosei (as of the end of Nov. 2025)

	Name	No. of Rooms	Average Occupancy Rate FY2024	Average Occupancy Rate FY2025
1	Tosei Hotel COCONE Kanda	111	91.9%	**88.3%**
2	Tosei Hotel COCONE Ueno	126	90.0%	**87.7%**
3	Tosei Hotel & Seminar Makuhari	137	81.9%	**80.8%**
4	Tosei Hotel COCONE Asakusa-Kuramae	130	87.4%	**86.6%**
5	Tosei Hotel COCONE Ueno-Okachimachi	171	92.9%	**90.6%**
6	Tosei Hotel COCONE Asakusa	80	89.8%	**89.3%**
7	Tosei Hotel COCONE Kamakura	73	89.0%	**90.4%**
8	Tosei Hotel COCONE Tsukiji Ginza Premier	203	77.7%	**85.4%**
9	Tosei Hotel COCONE Kamata	-	Opened in Dec. 2025	
	Total	1,031	86.8%	**87.1%**

TOPICS Opening of COCONE Kamata

- Our Third office-to-hotel conversion project (Following Ueno/Makuhari)

<Overview of Hotel>

- Number of rooms: 90
- Conveniently located near Haneda Airport
  8-minute walk from JR Kamata Station and
  3-minute walk from Keikyu Kamata Station
- Features in-room kitchens for extended-stay guests, as well as a restaurant, public bath, and sauna

(Entrance)

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Next, as a sixth segment, the Hotel Business.

Revenue was JPY7.1 billion, up 13.4% YoY, and GOP was JPY4 billion, up 19.6% YoY. Since the GOP was JPY3.4 billion in the initial plan at the beginning of the fiscal year, we were able to land the business much above the plan as well. As a result, operating profit was JPY2.8 billion, up 27% YoY, making this segment a major contributor to overall operating profit.

The names of the hotels are listed on the right side of the table, and the first eight are in operation, and the ninth, Tosei Hotel COCONE Kamata, opened last December and did not contribute to sales or profits in the fiscal year ended November 2025.

The average room rate (ADR) for the eight hotels owned and operated also increased compared to the previous period, and the occupancy rate, as shown on the right side, increased slightly from the previous period to 87.1%.

This concludes our report on the six segments.

Summary of Balance Sheet – Assets –

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- Total assets: ¥307.4B (+¥30.6B from the end of previous fiscal year)
- Inventories: ¥170.3B (+¥23.5B from the same), investment properties and PPE: ¥71.4B (-¥1.5B from the same)

(¥million)	End of Nov.'24	Change		End of May '25	Change		End of Nov.'25		Total		
Total Assets	276,815	+6,801		283,616	+23,810		307,427		+30,612		
Cash and Cash Equivalents	34,874	+5,882		40,756	-1,151		39,604		+4,730		
Inventories (Real Estate)	146,817	-554	+35,251	146,262	+24,095	+38,158	170,357	A	+23,540	+73,409	(i)
			-35,805			-14,062				-49,868	(ii)
Fixed Assets (Investment Properties / PPE)	73,040	-639	+178	72,400	-929	+4,003	71,471	B	-1,568	+4,181	(iii)
			-817			-4,932				-5,750	(iv)
Other Assets	22,083	+2,113		24,197	+1,796		25,994		+3,910		

A Changes in Inventories

Increased ¥23.5B from the end of previous fiscal year due to property acquisitions, etc.
(increase of ¥73.4B, decrease of ¥49.8B)

(¥million)		H1	H2	Full-year	
Increase Factor	Acquisition of Properties (including real estate M&A)	+30,062	+27,376	+57,439	
	Construction Cost/ Value-Add	+5,102	+6,655	+11,757	
	Transfer from Investment Properties / PPE	-	+4,064	+4,064	
	Others	+86	+61	+147	
Total		+35,251	+38,158	+73,409	(i)
Decrease Factor	Sales of Properties	-34,859	-10,093	-44,953	
	Transfer to Investment Properties / PPE	-	-3,846	-3,846	
	Others	-946	-122	-1,068*1	
Total		-35,805	-14,062	-49,868	(ii)
Change		-554	+24,095	+23,540	

*1 Includes a decrease due to loss on retirement of held asset.

B Changes in Fixed assets (Investment Properties / PPE)

Decreased ¥1.5B from the end of previous fiscal year
(increase of ¥4.1B, decrease of ¥5.7B)

(¥million)		H1	H2	Full-year	
Increase Factor	Acquisition of Properties	-	-	-	
	Value-Add, Acquisition of Other Assets	+178	+156	+334	
	Transfer from Inventories	-	+3,846	+3,846	
Total		+178	+4,003	+4,181	(iii)
Decrease Factor	Depreciation Expense, etc.	-817	-867	-1,685	
	Transfer to Inventories	-	-4,064	-4,064	
Total		-817	-4,932	-5,750	(iv)
Change		-639	-929	-1,568	

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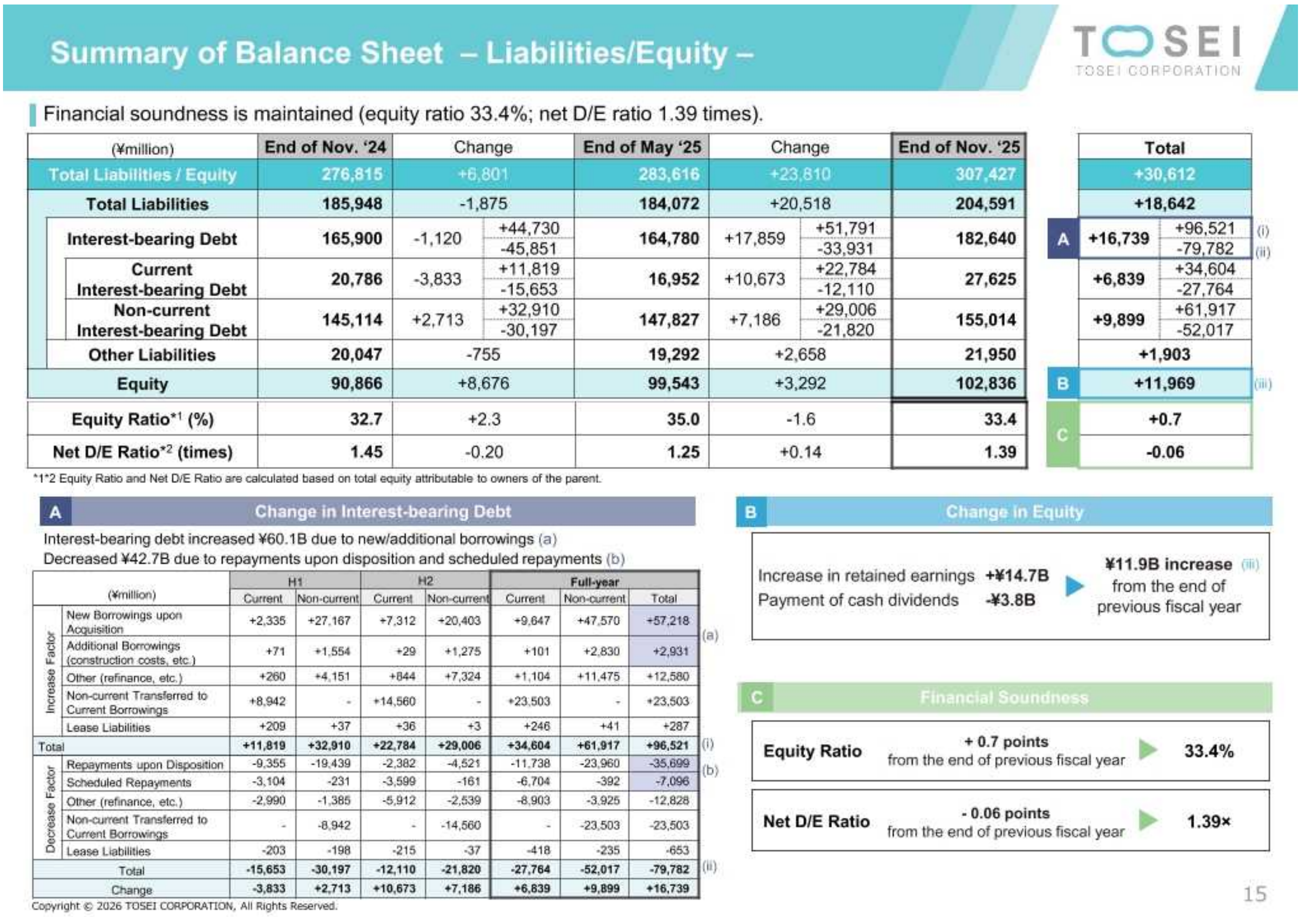
We continue with the report on the balance sheet. Page 14, Assets.

Total assets at the end of the fiscal year ended November 2025 were JPY307.4 billion, surpassing the JPY300 billion mark. The main reason for the increase in total assets was a 16% increase in inventories from the end of the previous period, or JPY23.5 billion in value. In addition, cash and deposits increased, resulting in a JPY30.6 billion increase in total assets.



Summary of Balance Sheet – Liabilities/Equity –

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Financial soundness is maintained (equity ratio 33.4%; net D/E ratio 1.39 times).

(¥million)	End of Nov. '24	Change		End of May '25	Change		End of Nov. '25		Total		
Total Liabilities / Equity	276,815	+6,801		283,616	+23,810		307,427		+30,612		
Total Liabilities	185,948	-1,875		184,072	+20,518		204,591		+18,642		
Interest-bearing Debt	165,900	-1,120	+44,730 -45,851	164,780	+17,859	+51,791 -33,931	182,640	A	+16,739	+96,521 -79,782	(i) (ii)
Current Interest-bearing Debt	20,786	-3,833	+11,819 -15,653	16,952	+10,673	+22,784 -12,110	27,625		+6,839	+34,604 -27,764	
Non-current Interest-bearing Debt	145,114	+2,713	+32,910 -30,197	147,827	+7,186	+29,006 -21,820	155,014		+9,899	+61,917 -52,017	
Other Liabilities	20,047	-755		19,292	+2,658		21,950		+1,903		
Equity	90,866	+8,676		99,543	+3,292		102,836	B	+11,969		(iii)
Equity Ratio*1 (%)	32.7	+2.3		35.0	-1.6		33.4	C	+0.7		
Net D/E Ratio*2 (times)	1.45	-0.20		1.25	+0.14		1.39		-0.06		

*1*2 Equity Ratio and Net D/E Ratio are calculated based on total equity attributable to owners of the parent.

A Change in Interest-bearing Debt

Interest-bearing debt increased ¥60.1B due to new/additional borrowings (a)
Decreased ¥42.7B due to repayments upon disposition and scheduled repayments (b)

(¥million)		H1 Current	H1 Non-current	H2 Current	H2 Non-current	Full-year Current	Full-year Non-current	Full-year Total	
Increase Factor	New Borrowings upon Acquisition	+2,335	+27,167	+7,312	+20,403	+9,647	+47,570	+57,218	(a)
	Additional Borrowings (construction costs, etc.)	+71	+1,554	+29	+1,275	+101	+2,830	+2,931	(a)
	Other (refinance, etc.)	+260	+4,151	+844	+7,324	+1,104	+11,475	+12,580	
	Non-current Transferred to Current Borrowings	+8,942	-	+14,560	-	+23,503	-	+23,503	
	Lease Liabilities	+209	+37	+36	+3	+246	+41	+287	
Total		+11,819	+32,910	+22,784	+29,006	+34,604	+61,917	+96,521	(i)
Decrease Factor	Repayments upon Disposition	-9,355	-19,439	-2,382	-4,521	-11,738	-23,960	-35,699	(b)
	Scheduled Repayments	-3,104	-231	-3,599	-161	-6,704	-392	-7,096	(b)
	Other (refinance, etc.)	-2,990	-1,385	-5,912	-2,539	-8,903	-3,925	-12,828	
	Non-current Transferred to Current Borrowings	-	-8,942	-	-14,560	-	-23,503	-23,503	
	Lease Liabilities	-203	-198	-215	-37	-418	-235	-653	
Total		-15,653	-30,197	-12,110	-21,820	-27,764	-52,017	-79,782	(ii)
Change		-3,833	+2,713	+10,673	+7,186	+6,839	+9,899	+16,739	

B Change in Equity

Increase in retained earnings +¥14.7B
Payment of cash dividends -¥3.8B
¥11.9B increase (iii) from the end of previous fiscal year

C Financial Soundness

Equity Ratio + 0.7 points from the end of previous fiscal year 33.4%

Net D/E Ratio - 0.06 points from the end of previous fiscal year 1.39×

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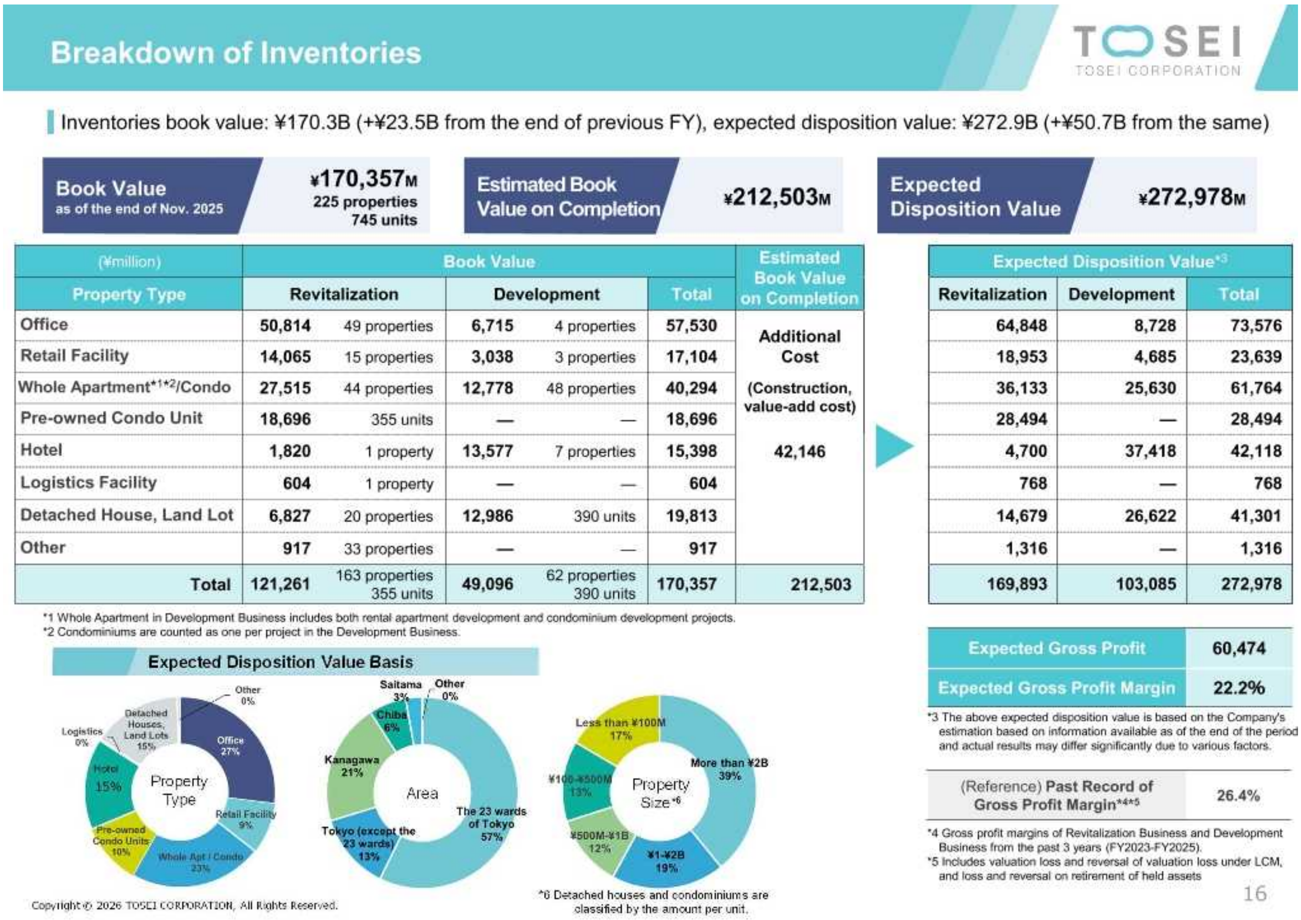
Page 15 is liabilities and equity.

Borrowings increased by JPY16.7 billion, up 10% from the end of the previous period. Together with other liabilities, total liabilities increased by JPY18.6 billion, and equity increased by approximately JPY12 billion.

Capital increased by JPY14.7 billion due to the accumulation of profit, while dividends from surplus in the previous year decreased by JPY3.8 billion, resulting in a net increase of JPY11.9 billion.

As a result, as shown in the Financial Soundness section on the lower right, the equity ratio increased by 0.7 points from one year ago to 33.4%, and the net D/E ratio decreased by 0.06 to 1.39 from the end of the previous fiscal year.



(¥million)	Book Value					Estimated Book Value on Completion
Property Type	Revitalization		Development		Total	
Office	50,814	49 properties	6,715	4 properties	57,530	Additional Cost (Construction, value-add cost) 42,146
Retail Facility	14,065	15 properties	3,038	3 properties	17,104	
Whole Apartment[*1*2]/Condo	27,515	44 properties	12,778	48 properties	40,294	
Pre-owned Condo Unit	18,696	355 units	—	—	18,696	
Hotel	1,820	1 property	13,577	7 properties	15,398	
Logistics Facility	604	1 property	—	—	604	
Detached House, Land Lot	6,827	20 properties	12,986	390 units	19,813	
Other	917	33 properties	—	—	917	
Total	121,261	163 properties 355 units	49,096	62 properties 390 units	170,357	212,503

Expected Disposition Value[*3]		
Revitalization	Development	Total
64,848	8,728	73,576
18,953	4,685	23,639
36,133	25,630	61,764
28,494	—	28,494
4,700	37,418	42,118
768	—	768
14,679	26,622	41,301
1,316	—	1,316
169,893	103,085	272,978

Expected Gross Profit	60,474
Expected Gross Profit Margin	22.2%
(Reference) Past Record of Gross Profit Margin[*4*5]	26.4%

Page 16, breakdown of Inventories.

First, the book value at the end of the period was JPY170.3 billion, an increase of JPY23.5 billion YoY. The expected disposition value is JPY272.9 billion in inventories, an increase of approximately JPY50 billion from the end of the previous fiscal year. The expected gross profit is JPY60.4 billion, an increase of JPY11.5 billion YoY and expected gross profit margin is estimated to be 22.2%.

The past record of gross profit margin is shown in the lower right-hand corner for reference. Since the average gross profit margin for the past three fiscal years was 26.4%, we believe that the gross profit margin of 22.2% on inventories held at the end of the fiscal year will actually become slightly higher when the inventory is sold, but this is a conservative estimate at this point.

Inventories – Future development plan

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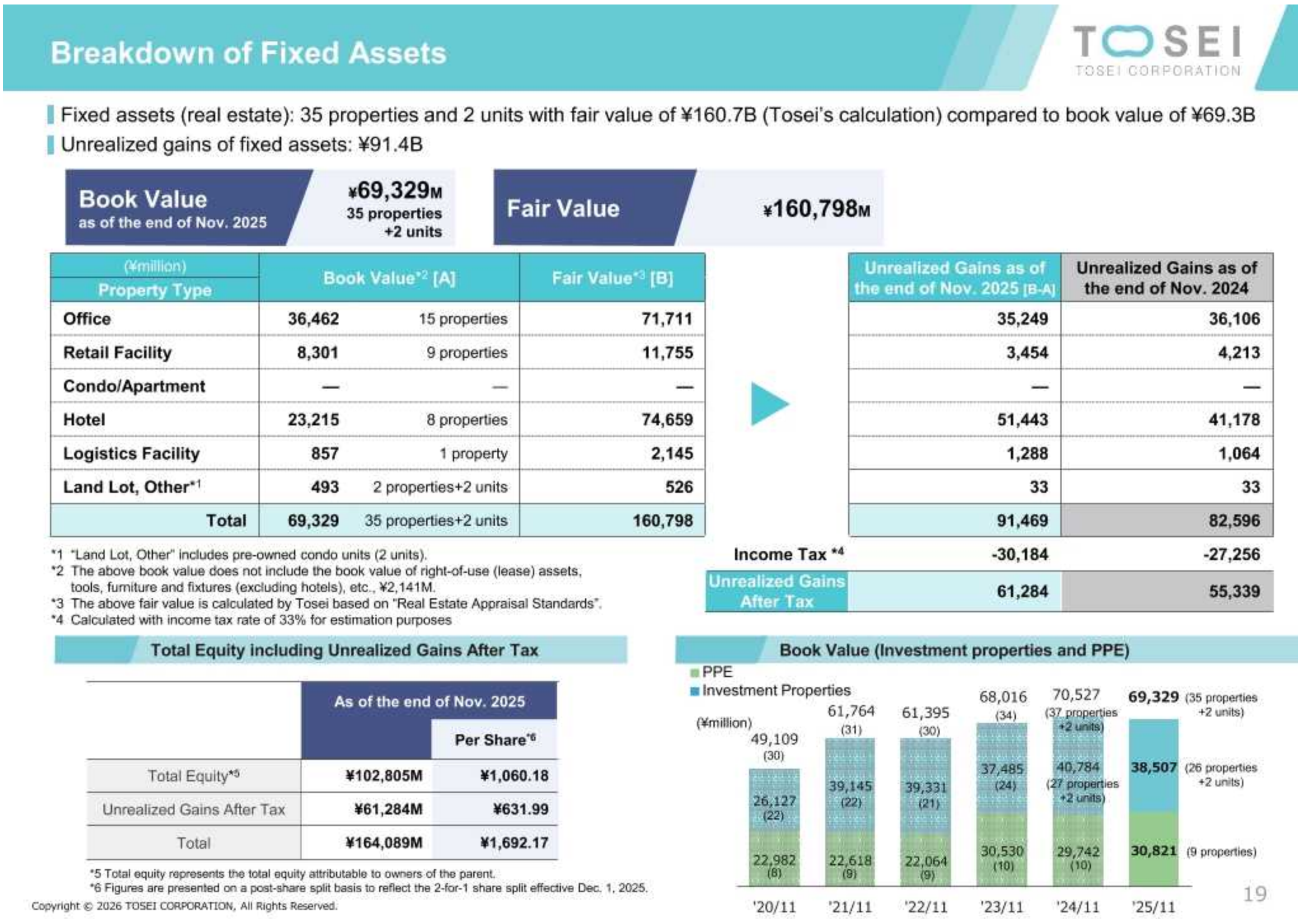
	Completed and held	FY2026	FY2027	FY2028 and after	No. of Buildings/Units Expected Disposition Value
Condominium				・Tanmachi, Yokohama-shi PJ	**1 building** **¥5,894M**
Rental Apartment	・THE PALMS Kinshicho ・THE PALMS Yokohama Isogo ・THE PALMS Mitaka ・THE PALMS Mitaka Ⅱ ・THE PALMS Ojima	・Yono, Saitama-shi PJ ・Toyotamakita, Nerima-ku PJ ・Higashiogu, Arakawa-ku PJ	・Miyazaki, Kawasaki-shi PJ	・Sannou, Ota-ku PJ	**10 buildings** **¥10,838M**
Wood-frame Rental Apartment	・T's Cuore Ukimafunado Ⅱ ・T's Cuore Nogata ・T's Cuore MUSE Higashi-Nagasaki ・T's Cuore Akabaneshimo ・T's Cuore Seibu-Yagisawa ・T's Cuore Shibamata Ⅰ ・T's Cuore Yokohama-Minamiota ・T's Cuore Umegaoka	・Ishikawacho, Yokohama-shi PJ ・Kamiochiai, Shinjuku-ku PJ ・Minami-nagasaki, Toshima-ku PJ ・Mitsukyo, Yokohama-shi PJ Ⅰ・Ⅱ ・Jiyugaoka, Meguro-ku PJ ・Minami-hanahata, Adachi-ku PJ Ⅰ・Ⅱ ・Yotsugi, Katsushika-ku PJ ・Shimo-ishiwara, Chofu-shi PJ ・Shibamata, Katsushika-ku PJ Ⅱ	・Kishimachi, Kita-ku PJ ・Naka-ochiai, Shinjyuku-ku PJ ・Nakamagome, Ota-ku PJ ・Minami-hanahata, Adachi-ku PJ Ⅲ ・Haneda, Ota-ku PJ ・Ayase, Adachi-ku PJ Ⅰ	・Minami-hanahata, Adachi-ku PJ Ⅳ ・Higashi-kanamachi, Katsushika-ku PJ ・Daishi, Kawasaki-shi PJ ・Kami-shakujii, Nerima-ku PJ ・Kobuchi, Sagamihara-shi PJ Ⅰ-Ⅳ ・Shirasagi, Nakano-ku PJ ・Ayase, Adachi-ku PJ Ⅱ ・Shimo-shakujii, Nerima-ku PJ Ⅰ・Ⅱ	**37 buildings** **¥8,897M**
Office / Retail Facility	・Kojimachi Tosei Building ・Monzennakacho Tosei Building ・Asakusa Tosei Building ・Machida Tosei Building ・T'S BRIGHTIA Kichijoji Ⅱ ・T'S BRIGHTIA Jiyugaoka Ⅱ		・Haramachida, Machida-shi PJ		**7 buildings** **¥13,413M**
Hotel				・Chigasaki, Chigasaki-shi PJ ・Irifune (Shintomicho), Chuo-ku PJ ・Komachi, Kamakura-shi PJ ・Akihabara, Taito-ku PJ ・Nakano, Nakano-ku PJ ・Ueno, Taito-ku PJ ・1 other PJ	**7 buildings** **¥37,418M**
Detached House*					**390 units** **¥26,622M**
				Total	**62 buildings + 390 units** **¥103,085M**

* As of the end of Nov. 2025
* Project names are subject to change.
* Only number of buildings and expected disposition value are listed.

18

Skipping page 17, page 18 describes the pipeline for the development business in the inventories I just explained.

As shown in the lower right-hand corner, the Company held inventory worth JPY103 billion at the end of the fiscal year.



Breakdown of Fixed Assets

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- Fixed assets (real estate): 35 properties and 2 units with fair value of ¥160.7B (Tosei's calculation) compared to book value of ¥69.3B
- Unrealized gains of fixed assets: ¥91.4B

Book Value as of the end of Nov. 2025: ¥69,329M, 35 properties +2 units

Fair Value: ¥160,798M

(¥million) Property Type	Book Value*2 [A]		Fair Value*3 [B]	Unrealized Gains as of the end of Nov. 2025 [B-A]	Unrealized Gains as of the end of Nov. 2024
Office	36,462	15 properties	71,711	35,249	36,106
Retail Facility	8,301	9 properties	11,755	3,454	4,213
Condo/Apartment	—	—	—	—	—
Hotel	23,215	8 properties	74,659	51,443	41,178
Logistics Facility	857	1 property	2,145	1,288	1,064
Land Lot, Other*1	493	2 properties+2 units	526	33	33
Total	69,329	35 properties+2 units	160,798	91,469	82,596
Income Tax *4				-30,184	-27,256
Unrealized Gains After Tax				61,284	55,339

*1 "Land Lot, Other" includes pre-owned condo units (2 units).
*2 The above book value does not include the book value of right-of-use (lease) assets, tools, furniture and fixtures (excluding hotels), etc., ¥2,141M.
*3 The above fair value is calculated by Tosei based on "Real Estate Appraisal Standards".
*4 Calculated with income tax rate of 33% for estimation purposes

Total Equity including Unrealized Gains After Tax

	As of the end of Nov. 2025	Per Share*6
Total Equity*5	¥102,805M	¥1,060.18
Unrealized Gains After Tax	¥61,284M	¥631.99
Total	¥164,089M	¥1,692.17

*5 Total equity represents the total equity attributable to owners of the parent.
*6 Figures are presented on a post-share split basis to reflect the 2-for-1 share split effective Dec. 1, 2025.

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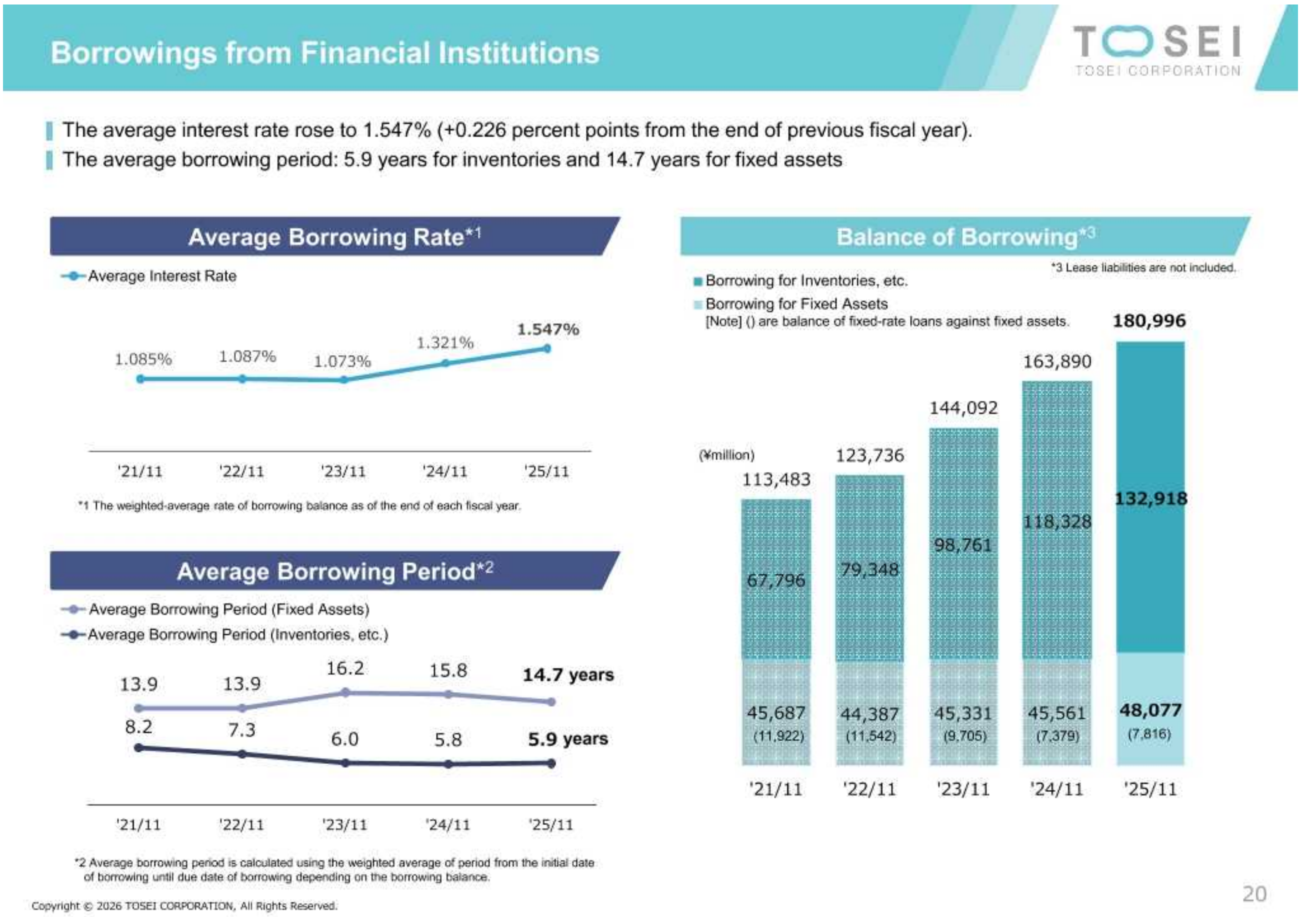
Moving on to page 19, Fixed Assets.

The book value at the end of November 2025 was JPY69.3 billion, a decrease of about JPY1.2 billion from the end of the previous period, but the decrease was mainly due to depreciation and amortization, not disposition. There was a transfer between fixed assets and inventories at the end of the period, but the transfer was made in a way that it offsets each other in the balances.

The fair value calculated by us was JPY160.7 billion, an increase of JPY7.6 billion from the end of the previous fiscal year.

As a result, unrealized gains amounted to JPY91.4 billion, up JPY8.8 billion from JPY82.5 billion at the end of the previous period.

The lower left-hand column, total equity including unrealized gains after tax, shows the share price per share calculated based on these unrealized gains, and we estimate that the BPS plus unrealized gains currently amount to JPY1,692.



Page 20.

This is a report on the status of borrowings from financial institutions and the interest rates and outstanding balances of loans. The interest rate on average borrowings at the end of the fiscal year ended November 2025 shown in the upper left-hand corner is 1.547%.

The average borrowing rate at the end of the previous period was 1.321%, so the interest rate rose 0.226%. However, the 1month TIBOR rose 0.226% at the same time, and the short-time prime rate rose 0.25%, so compared to market interest rates and base rates, our interest rate rose by the same level.

I will now conclude my report. Thank you very much.

Moderator: Continuing on with the business development for the fiscal year ending November 2026, which begins on page 22, President and CEO Yamaguchi will now give an explanation. Please go ahead.

Yamaguchi: This is Yamaguchi. Thank you for your participation today. From page 22 onward, I would like to report on our business development for the fiscal year ending November 2026, current fiscal year.

Progress of Medium-Term Management Plan (MTP)
Upward Revision of Earnings Forecasts

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- Achieved property sales with profit margins higher than the initial plan, revising profit before tax upward each fiscal year
- For FY 2026, the final year of the MTP, we forecast profit before tax of ¥22.0B (+¥3.0B above the initial plan), targeting 14.0% of ROE.

Initial Plan of MTP (announced on Jan. 12, 2024)

	FY2024	FY2025	FY2026
Revenue	¥92.1B	¥117.8B	¥123.2B
Profit Before Tax	¥16.5B	¥17.7B	¥19.0B
ROE	13.0%	12.7%	12.5%
		Over 12%	
Stable Business Ratio		Over 45%	
Equity Ratio		Approx. 35%	
Net D/E Ratio		Approx. 1.4 ×	
Payout Ratio	31.5%	33.0%	35.0%

Latest Plan of MTP*

	FY2024 Result	FY2025 Result	FY2026
Revenue	¥82.1B	¥94.6B	**¥122.9B***
Profit Before Tax	¥17.3B	¥20.6B	**¥22.0B***
ROE	13.9%	15.3%	**14.0%***
		13% or more	
Stable Business Ratio	50.5%	54.4%	**Over 45.0%**
Equity Ratio	32.7%	33.4%	**Approx. 35.0%**
Net D/E Ratio	1.45×	1.39×	**Approx. 1.4×**
Payout Ratio	31.9%	32.9%	**35.0%**

* Announced on Jan. 14, 2026, on revenue, profit before tax, and ROE of FY2026

23

Please see page 23. Regarding the progress of the medium-term management plan, the current fiscal year is the final year of the three-year medium-term management plan "Further evolution 2026." The box on the left is the original plan announced in 2024, and the box on the right is the latest plan that has been revised this time.

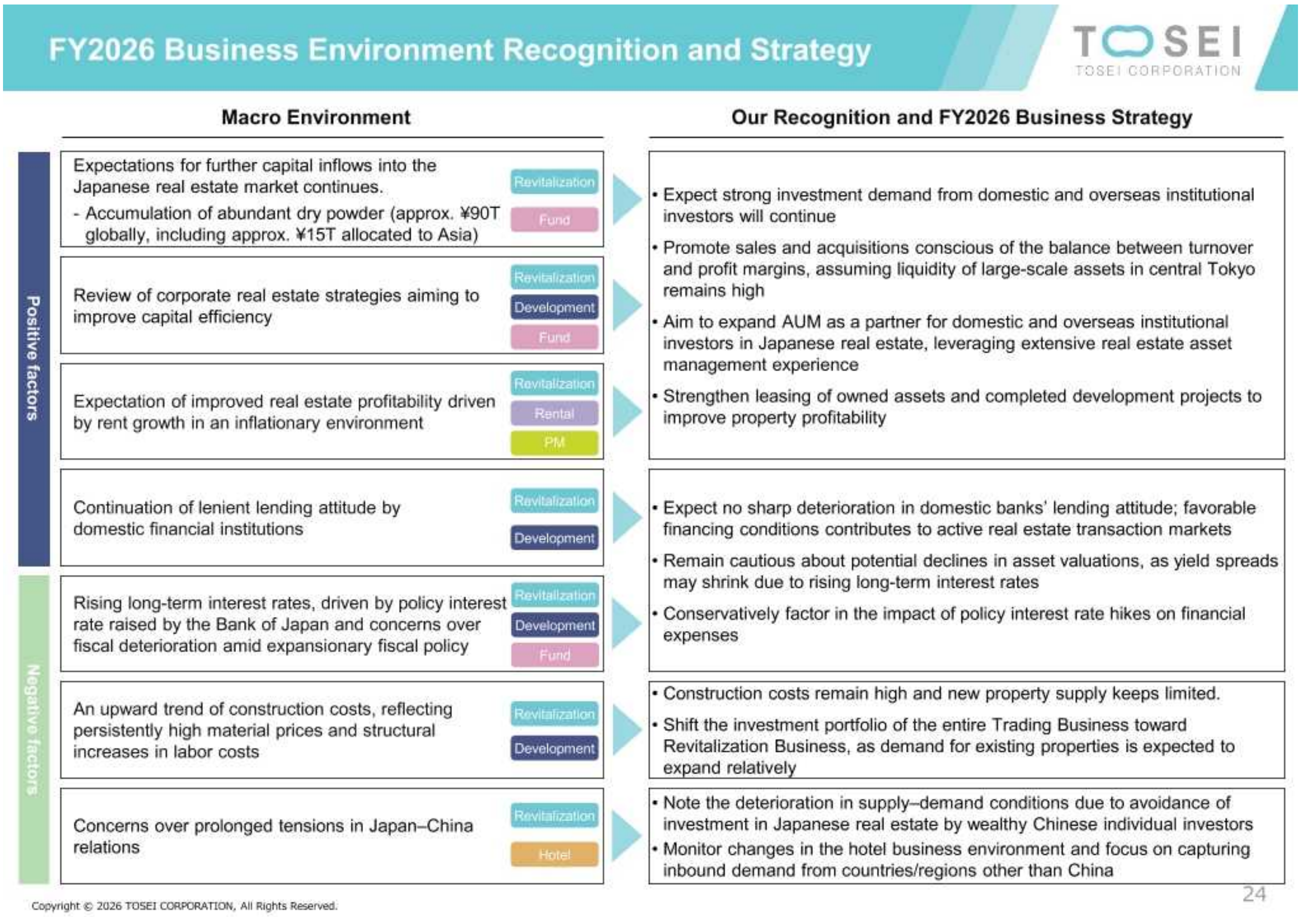
To put it simply, the revised revenue forecast is JPY122.9 billion compared to the original plan of JPY123.2 billion, which is roughly equal. However, profit before tax in the second tier was increased to JPY22 billion from the original plan of JPY19 billion.

In terms of ROE, we have revised the initial plan of 12.5% to 14% for the current fiscal year ending November 2026, because we were able to achieve a good result of ROE15.3% in the fiscal year ended November 2025.

With regard to ROE, we were able to raise it to 15.3% in FY2025 from the 13.5% forecast, so we intend to make various efforts to raise current forecast of 14% further in FY2026.

The Stable Business ratio, equity ratio, and net debt-to-equity ratio are as stated.

Lastly, regarding the dividend payout ratio at the bottom, we have announced our plan to raise it to 35% for the fiscal year ending November 2026.



See page 24. This is our recognition of the business environment and business strategy for FY2026. I would like to talk only about the key points. First, in the Macro Environment at left side, blue area shows positive factors, and the lower row shows negative factors.

First, favorable factors. In the upper part of the chart, it says an accumulation of abundant dry powder, which means that there is JPY90 trillion in standby funds for investment globally and JPY15 trillion for APAC, indicating that the appetite for investment in Japan is very high.

According to various analyst reports, foreign investors invested approximately JPY2 trillion in Japan last year. There is still JPY15 trillion in equity alone, and when leveraged, there is approximately JPY60 trillion in investment funds, which we believe is a tailwind for our Fund and Consulting business and Revitalization Business.

The second box says review of corporate real estate strategies aiming to improve capital efficiency. This is also an initiative to increase capital efficiency, backed by the opinions of various activists, and I believe that there is a lot of talk in our business environment about the sale and effective utilization of real estate assets and idle assets of business companies, which will be very active.

This is also positive for us, and probably will be an opportunity for our acquisition or Development Business, as the sale of business companies will be very much in progress this fiscal year.

Third box says rent growth in an inflationary environment. In particular, rents for office and residential properties have been rising very rapidly, which we consider a positive factor for our acquisition.

Fourth box says continuation of lenient lending attitude by domestic financial institutions, which I will discuss later, and although some lenders have taken a cautious stance in the face of rising real estate prices, in principle, real estate allocations in the total loan balance have increased, which I consider very positive. We do not expect a significant change.

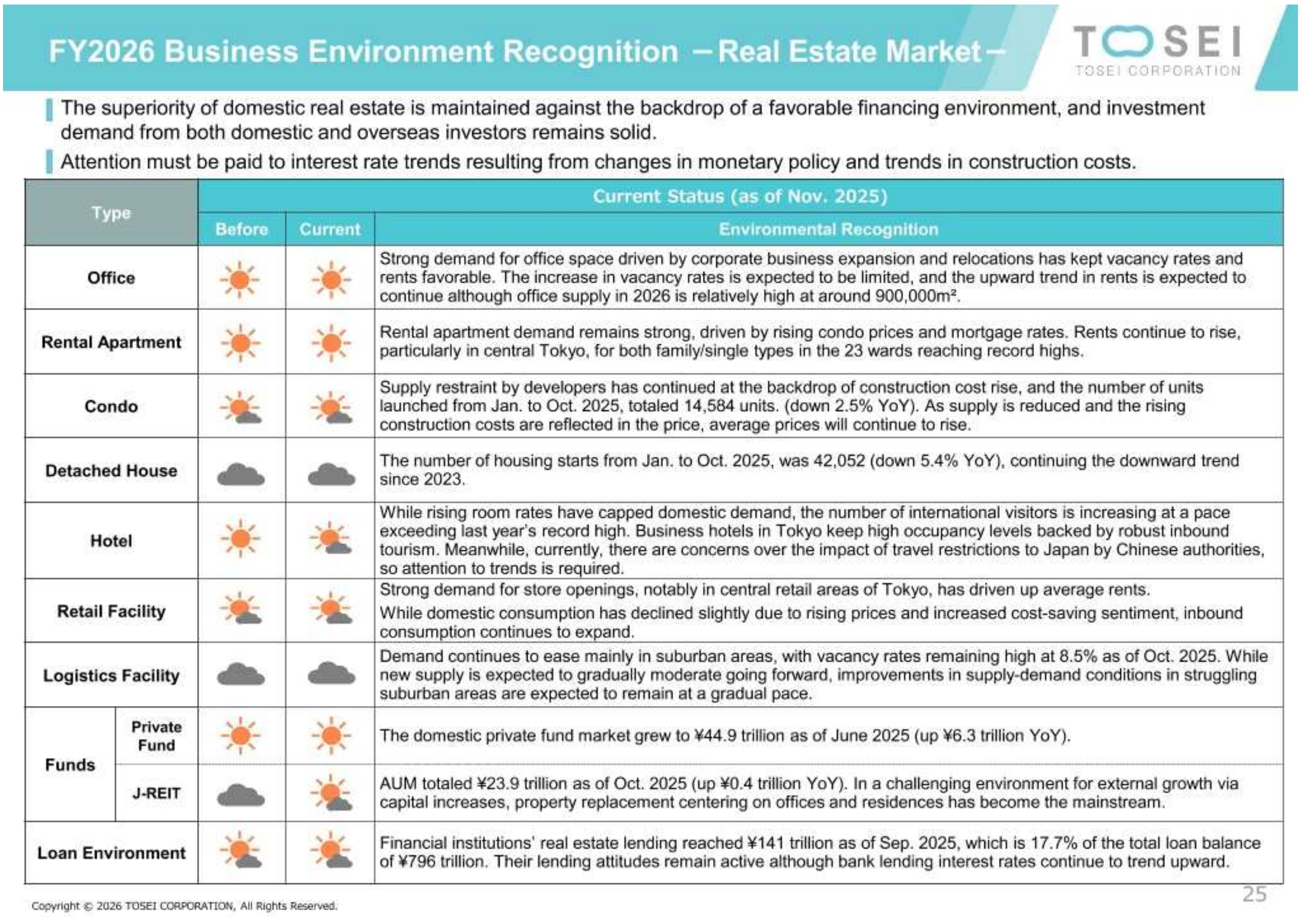
The lower row describes concerns.

Upper box says that long-term interest rates have risen due to the Bank of Japan's policy interest rate hike and other factors. This is because the policy interest rate has risen to 0.75% and the Company is in the process of creating a projection that incorporates two rate hikes, with a 0.25% and 0.25% for a total of 0.5% increase in the current fiscal year.

The second is the upward trend in construction costs, which are still rising moderately due to labor and material prices, as well as considerable backlog of orders from general contractors. I think a concern is that the development has to be done in a very high construction cost, as it is certain to remain high.

However, we believe that we have been successful in changing our portfolio, as we have been shifting our portfolio considerably to the Revitalization Business in response to rising construction costs for the past three years, and the Development Business is shifting from RC construction to wood-frame construction.

Finally, the box at the bottom. It is a tension in Japan-China relations. As you have already known, this is due to a decrease in the number of visitors from China to our hotels. As I will explain later, in our hotel projection for the current fiscal year, we have taken this impact into consideration and have set our GOP at about a 5% decrease.



FY2026 Business Environment Recognition －Real Estate Market－

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- The superiority of domestic real estate is maintained against the backdrop of a favorable financing environment, and investment demand from both domestic and overseas investors remains solid.
- Attention must be paid to interest rate trends resulting from changes in monetary policy and trends in construction costs.

Type		Current Status (as of Nov. 2025)		
		Before	Current	Environmental Recognition
Office				Strong demand for office space driven by corporate business expansion and relocations has kept vacancy rates and rents favorable. The increase in vacancy rates is expected to be limited, and the upward trend in rents is expected to continue although office supply in 2026 is relatively high at around 900,000m².
Rental Apartment				Rental apartment demand remains strong, driven by rising condo prices and mortgage rates. Rents continue to rise, particularly in central Tokyo, for both family/single types in the 23 wards reaching record highs.
Condo				Supply restraint by developers has continued at the backdrop of construction cost rise, and the number of units launched from Jan. to Oct. 2025, totaled 14,584 units. (down 2.5% YoY). As supply is reduced and the rising construction costs are reflected in the price, average prices will continue to rise.
Detached House				The number of housing starts from Jan. to Oct. 2025, was 42,052 (down 5.4% YoY), continuing the downward trend since 2023.
Hotel				While rising room rates have capped domestic demand, the number of international visitors is increasing at a pace exceeding last year's record high. Business hotels in Tokyo keep high occupancy levels backed by robust inbound tourism. Meanwhile, currently, there are concerns over the impact of travel restrictions to Japan by Chinese authorities, so attention to trends is required.
Retail Facility				Strong demand for store openings, notably in central retail areas of Tokyo, has driven up average rents. While domestic consumption has declined slightly due to rising prices and increased cost-saving sentiment, inbound consumption continues to expand.
Logistics Facility				Demand continues to ease mainly in suburban areas, with vacancy rates remaining high at 8.5% as of Oct. 2025. While new supply is expected to gradually moderate going forward, improvements in supply-demand conditions in struggling suburban areas are expected to remain at a gradual pace.
Funds	Private Fund			The domestic private fund market grew to ¥44.9 trillion as of June 2025 (up ¥6.3 trillion YoY).
	J-REIT			AUM totaled ¥23.9 trillion as of Oct. 2025 (up ¥0.4 trillion YoY). In a challenging environment for external growth via capital increases, property replacement centering on offices and residences has become the mainstream.
Loan Environment				Financial institutions' real estate lending reached ¥141 trillion as of Sep. 2025, which is 17.7% of the total loan balance of ¥796 trillion. Their lending attitudes remain active although bank lending interest rates continue to trend upward.

25

See page 25. Here is the weather forecast for the real estate market. I will only mention key points.

First, in the top row, as I mentioned earlier, sunny marks for offices and rental apartments.

As for office, there was a large supply of 1.2 million square meters last year, and 900,000 square meters of new supply is expected to be supplied this year. The market has absorbed this situation successfully last year as well. Also, rent is rising when we look at offices in our fund and consulting business or offices owned by the Company. Vacancy rates are also declining. We have put on the sun.

In addition, rents for rental apartments are also on an upward trend. Condo on the third line was marked sunny with some cloud. As you may know, the price of condominium for sale has skyrocketed. The average price of condominiums in Tokyo 23 wards has exceeded JPY130 million per unit, and we are seeing a trend of a shift from buying to renting. In this context where rent is rising, we put sunny marks on the investment in rental apartments.

As for hotels, we have made it sunny and cloudy for this year while it was sunny last year. This reflects, as I explained earlier, the impact of the self-restriction on travel to Japan by Chinese.

Skipping to the fund market second from the bottom, the private fund market continues to be sunny, with AUM of private placement funds exceeding JPY44 trillion in 2025.

As I mentioned earlier, there is a large amount of dry powder. Also, 80% of our fund investors are foreign investors, and we have seen a trend among them to raise their investment budgets. Therefore, we made it sunny.

Lastly, the loan environment. Loans to the real estate sector totaled JPY141 trillion, and the ratio to total loans is 17.7%, which is also rising moderately. Basically, lenders are supportive and we have seen active lending attitude of financial institutions, which we believe is positive for the market situation.

FY2026 Full-year Forecasts

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(¥million)	FY2025 Results [A]	Composition Ratio / Profit Margin	FY2026 Forecasts [B]	Composition Ratio / Profit Margin	YoY [B] - [A]	Growth Ratio
Revenue	94,688	100.0%	122,986	100.0%	+28,297	+29.9%
Revitalization Business	39,150	41.3%	72,477	58.9%	+33,326	+85.1%
Development Business	23,068	24.4%	17,121	13.9%	-5,946	-25.8%
Rental Business	9,138	9.7%	9,395	7.6%	+256	+2.8%
Fund and Consulting Business	9,097	9.6%	8,381	6.8%	-715	-7.9%
Property Management Business	9,052	9.6%	9,698	7.9%	+645	+7.1%
Hotel Business	7,178	7.6%	7,455	6.1%	+277	+3.9%
Internal Transactions	-1,996	-	-1,543	-	+453	-
Gross Profit	39,895	42.1%	45,147	36.7%	+5,251	+13.2%
Revitalization Business	9,248	23.6%	16,230	22.4%	+6,981	+75.5%
Development Business	7,133	30.9%	5,066	29.6%	-2,067	-29.0%
Rental Business	5,286	57.9%	5,306	56.5%	+19	+0.4%
Fund and Consulting Business	8,466	93.1%	7,984	95.3%	-481	-5.7%
Property Management Business	3,331	36.8%	3,676	37.9%	+345	+10.4%
Hotel Business	7,042	98.1%	7,306	98.0%	+264	+3.7%
Internal Transactions	-613	-	-423	-	+189	-
Operating Profit	22,336	23.6%	24,611	20.0%	+2,274	+10.2%
Revitalization Business	6,324	16.2%	12,394	17.1%	+6,070	+96.0%
Development Business	5,730	24.8%	3,601	21.0%	-2,128	-37.1%
Rental Business	4,938	54.0%	4,948	52.7%	+10	+0.2%
Fund and Consulting Business	5,471	60.1%	4,649	55.5%	-821	-15.0%
Property Management Business	1,168	12.9%	1,117	11.5%	-50	-4.3%
Hotel Business	2,809	39.1%	2,445	32.8%	-363	-12.9%
Corporate Expenses, etc.	-4,104	-	-4,546	-	-442	-
Profit Before Tax	20,631	21.8%	22,000	17.9%	+1,368	+6.6%
Income Tax Expenses	5,835	-	6,842	-	+1,006	-
Profit for the Year (Profit attributable to owners of the parent)	14,754	15.6%	15,157	12.3%	+402	+2.7%
EPS (¥) *	152.18		156.31		+4.13	
ROE	15.3%		14.0%			
ROIC	5.9%		5.7%			
ROA	7.1%		6.8%			

The green portion shows gross profit margin and operating profit margin.

* Figures are presented on a post-share split basis to reflect the 2-for-1 share split effective Dec. 1, 2025.

Plan for FY2026

- **Revitalization Business is expected to significantly increase revenue and profits, offsetting the decline in the Development Business.**
  ⇒ The entire Trading Business is expected to achieve a YoY growth of 44% in revenue and 30% in gross profit.
- **Profit before tax is planned at ¥22.0B (annual growth rate at 6.6%)**
  ⇒ ROE is projected to reach 14.0%.

[Revitalization Business]
- Whole building: Projected revenue of ¥54.4B, gross profit of ¥12.6B
  ⇒ Properties of ¥2B or more will drive revenue and profit (Projected revenue: ¥28.8B, gross profit: ¥7.3B)
- Pre-owned Condo Unit: Plan to sell a total of 182 units in city center and suburbs
- Increase investment focus on the Revitalization Business, with a procurement plan of ¥74.5B (expected disposition value) (Whole building: ¥58.0B, Pre-owned Condo Unit: ¥16.5B)

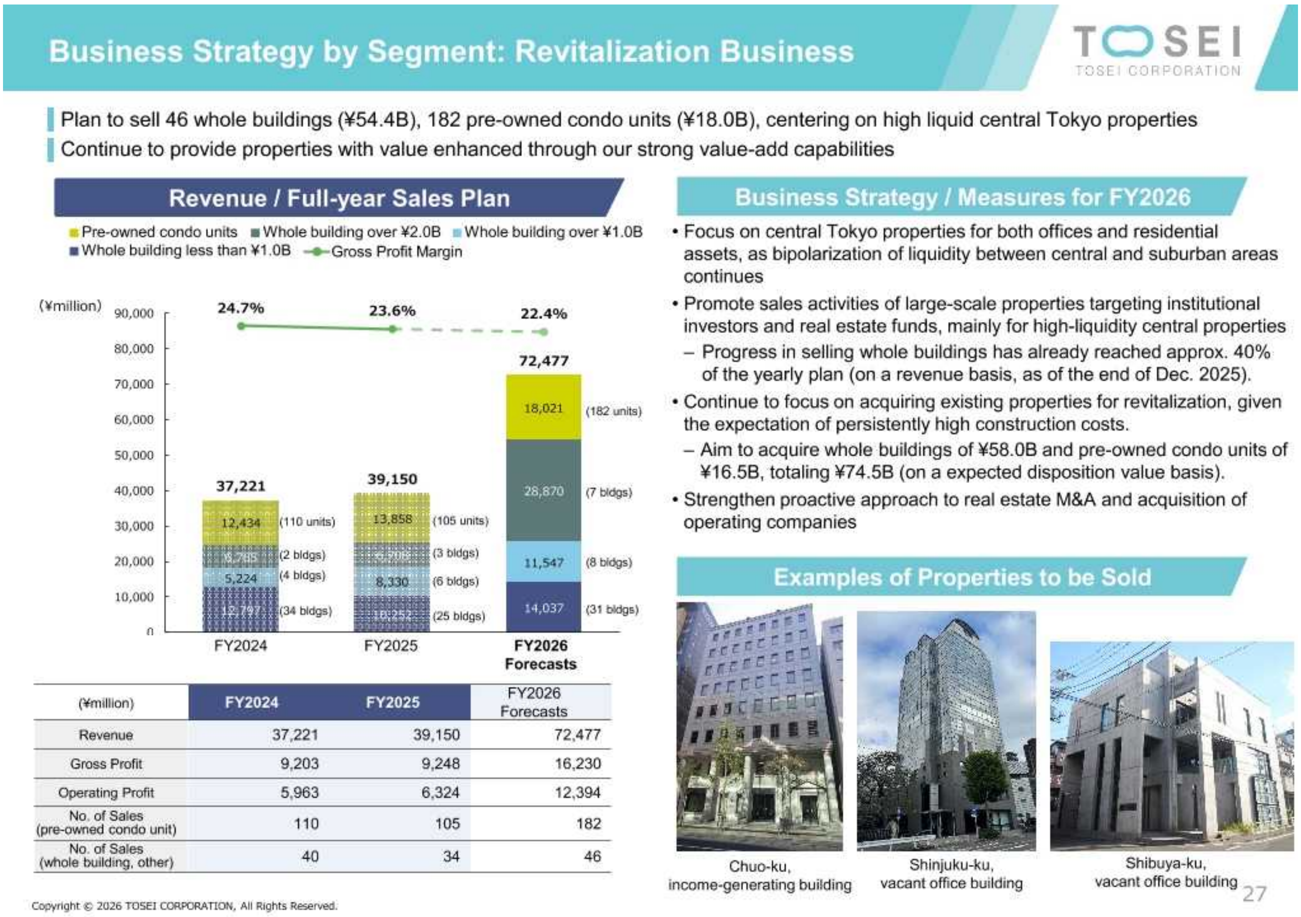
[Development Business]
- Whole building: Plan to sell a total of 5 buildings, including retail facilities and rental apartments
- Plan to sell a total of 7 wood-frame rental apartments, one of our focus assets
- Carefully select projects that ensure profitability, considering construction cost trends

[Fund and Consulting Business]
- While the AM fees are expected to grow in line with the increase in AUM, performance-based fees are assumed to remain at the level of the previous years, resulting in a planned decline in both revenue and profit.
- AUM target for FY2026: ¥2.9 trillion
- Strengthen our asset management framework to capture investment demand from domestic and overseas institutional investors

[Hotel Business]
- Due to rising tensions with China , ADR is planned conservatively.
- Promote early stable operations of the "Tosei Hotel COCONE Kamata," which opened in Dec. 2025.

26

Please see page 26. This page shows revenue and profit by segment for the fiscal year ending November 2026, shown in the middle column. Please refer to the descriptions for each of our businesses. Details are explained on the next page.



See page 27. This is the Revitalization Business.

First, please see the bar chart at left for our Revitalization Business for FY2026. Revenue forecast for FY2026 is JPY72.4 billion, expanded from the result of JPY39.1 billion in the fiscal year ended November 2025.

Revenue are 1.85 times higher than the previous year's figure, which is not really a doubling of revenues, but some may be concerned about probability of achieving this target. Our company's fiscal year ends in November, and even though it is now January and less than two months have passed, more than 50% of the contracts are already expected or have been signed, more than half in two months. Therefore, we believe that it is highly likely that we achieve this target.

The market continues to be very active.

Business Strategy by Segment: Development Business

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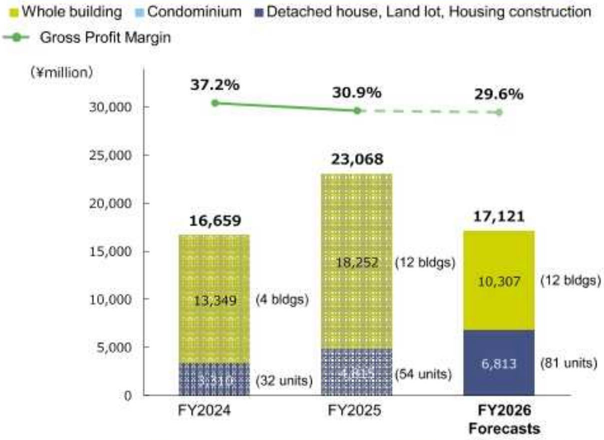
- Plan to sell 12 whole buildings, including rental apartments, retail facilities and wood-frame rental apartments, where leasing is complete, also to sell 81 detached houses and others
- Promote the planning and development of hotel projects acquired in the previous fiscal year

Revenue / Full-year Sales Plan



(¥million)	FY2024	FY2025	FY2026 Forecasts
Revenue	16,659	23,068	17,121
Gross Profit	6,200	7,133	5,066
Operating Profit	4,962	5,730	3,601
No. of Sales (detached house, land lot, etc.)	32	54	81
No. of Sales (whole building)	4	12	12

Business Strategy / Measures for FY2026

- Examine development plans carefully under the outlook that construction costs will remain high
  - RC construction costs remain high, limited only to profitable projects
  - Continue to focus on wood-frame rental apartments and detached houses, planning and selling products with high customer appeal
- Sales of whole buildings match the robust demand of investors, achieving progress of approx. 90% of the plan (on a revenue basis, as of the end of Dec. 2025).
- Promote the planning and development of hotel projects acquired in the previous fiscal year

Examples of Properties to be Sold

T's BRIGHTIA Jiyugaoka II (Retail facility) | THE PALMS Mitaka I (Rental apartment) | T's Cuore MUSE Higashi-nagasaki (Soundproof wood-frame rental apartment)

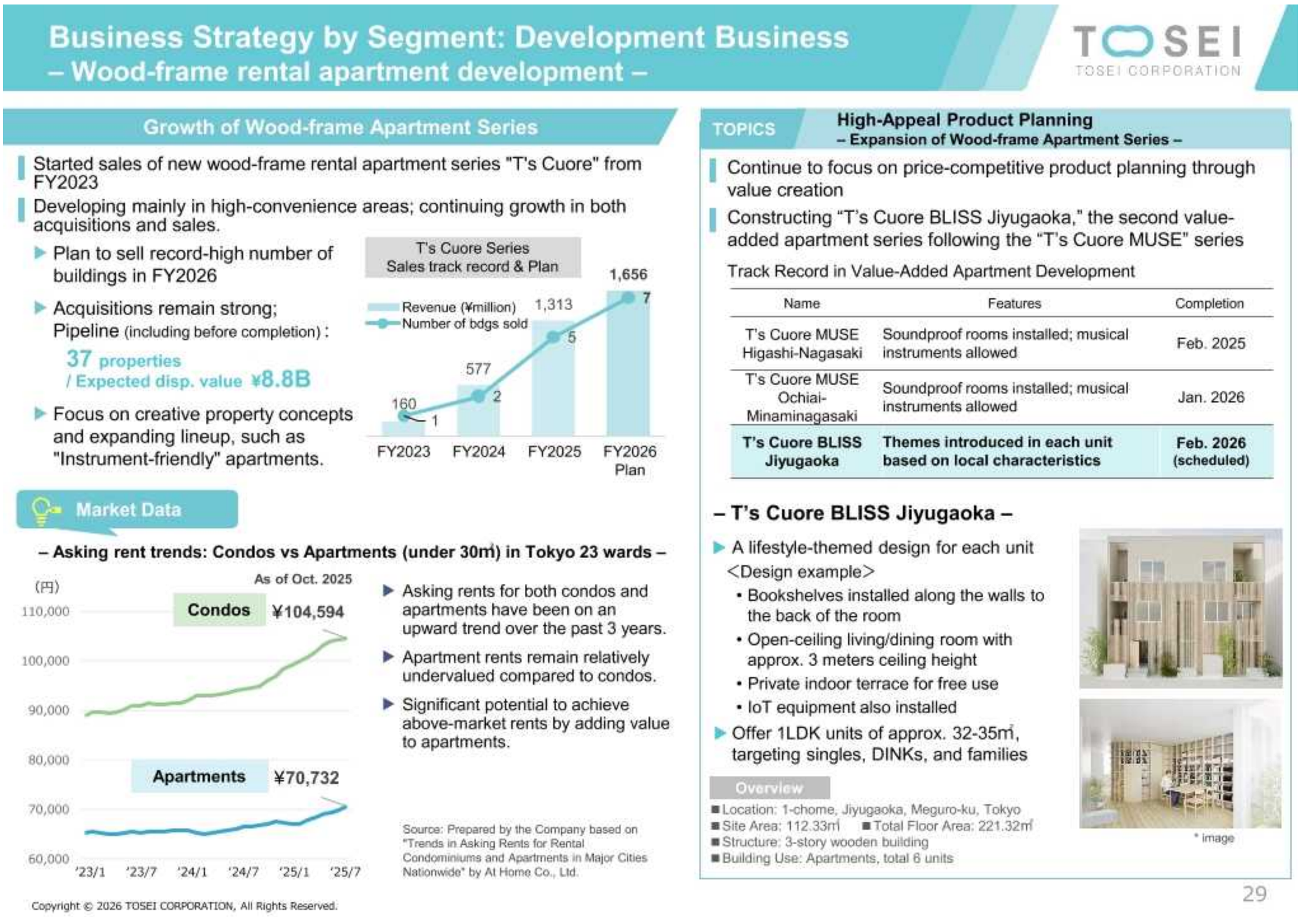
28

Moving on, please see page 28. This is the Development Business.

As you can see in the bar graph on the left, the revenue forecast for FY2026 is JPY17.1 billion, down from JPY23 billion in the fiscal year ended November 2025. There are two reasons for that.

The first point is that we have shifted our portfolio slightly to revitalization investments because the cost of constructing reinforced concrete buildings has been rising for the past three years. For the second point, we have been conducting revenue control or profit control in each fiscal year in the Revitalization Business and the Development Business of our Trading Business. For FY2026, in light of the significant jump in the Revitalization Business as mentioned earlier, we are now projecting a JPY17.1 billion decrease in revenues from the Development Business.

If you look at the yellow area of this 2026 bar graph, you can see that we are planning to sell 12 whole buildings for JPY10.3 billion, and as shown in the blue area, we are planning to sell 81 detached houses for JPY6.8 billion. As for the whole building shown in the yellow area, as of January, 10 of the 12 buildings have already been contracted, so we believe there is a very high probability that we will be able to achieve this goal for the fiscal year.



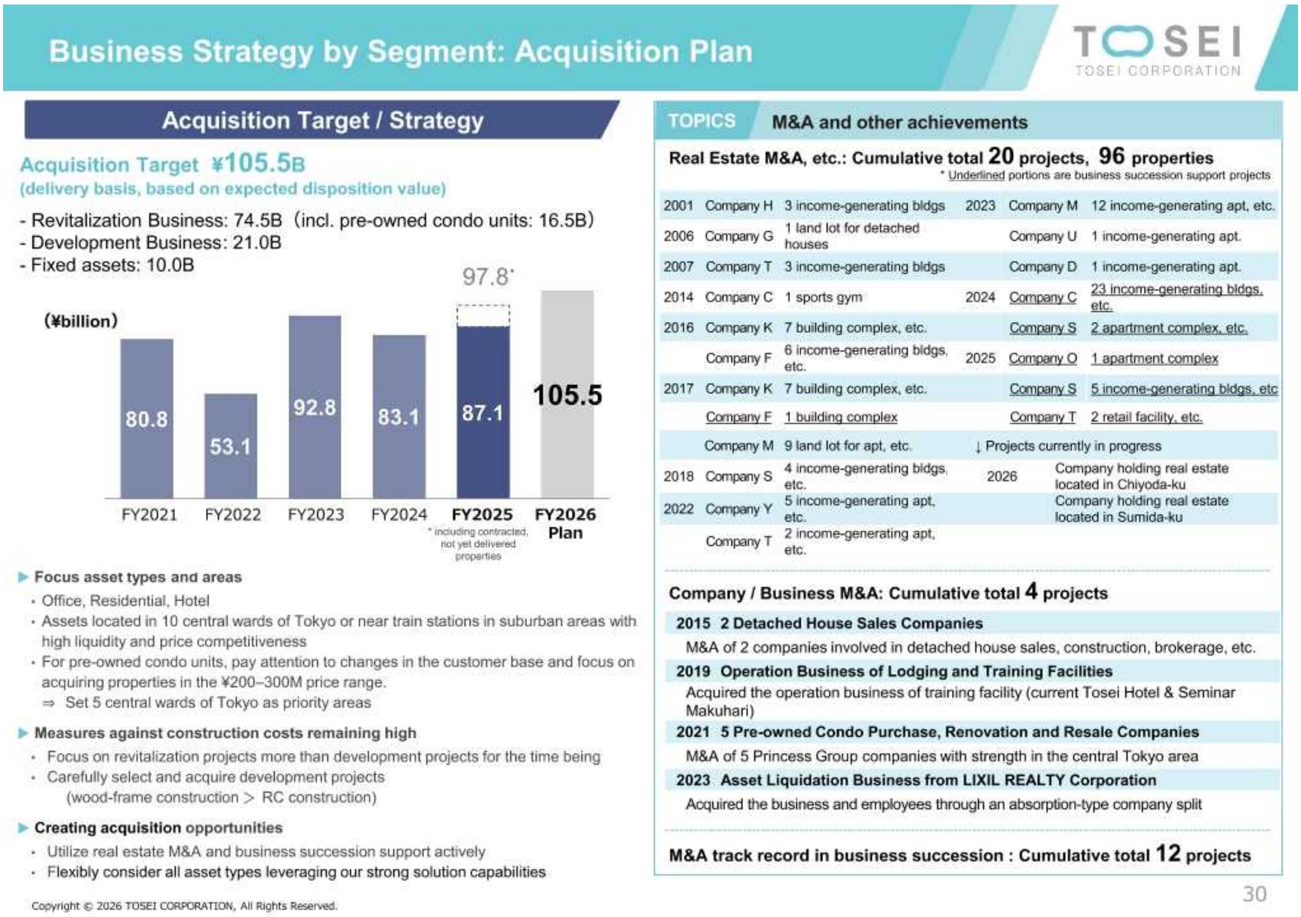
See page 29. I would like to mention just one topic in the Development Business.

As for the development of wood-frame apartments, as I mentioned earlier, we are promoting the T's Cuore series of wood-frame rental apartments as part of our shift from RC to wood-frame construction. With a current pipeline of 37 properties and expected disposition value of JPY8.8 billion, we would like to increase sales of these wood-frame apartments.

The fact that the rate of increase in construction costs is still moderate for wood-frame structures compared to RC structures is also a plus. You can see in the market data at the bottom left of the page that the average asking rent for wood-frame apartments of 30 square meters is around JPY70,000 compared to that for RC is about JPY104,000.

Therefore, if we supply very good quality wood-frame apartment rooms, they are still undervalued, and I think this has resulted in a very good occupancy rate for our wood-frame apartments.

As you can see in the topics on the right side, we have a soundproof apartment called T's Cuore MUSE where our customers can enjoy music, and on the bottom side, we have T's Cuore BLISS Jiyugaoka where we supply rooms with a three-meter atrium living room and a lot of storage space, as shown in the pictures. With this, we believe that we are attracting customers in a way that is not inferior to RC apartments. We would like to promote these wood-frame apartments.



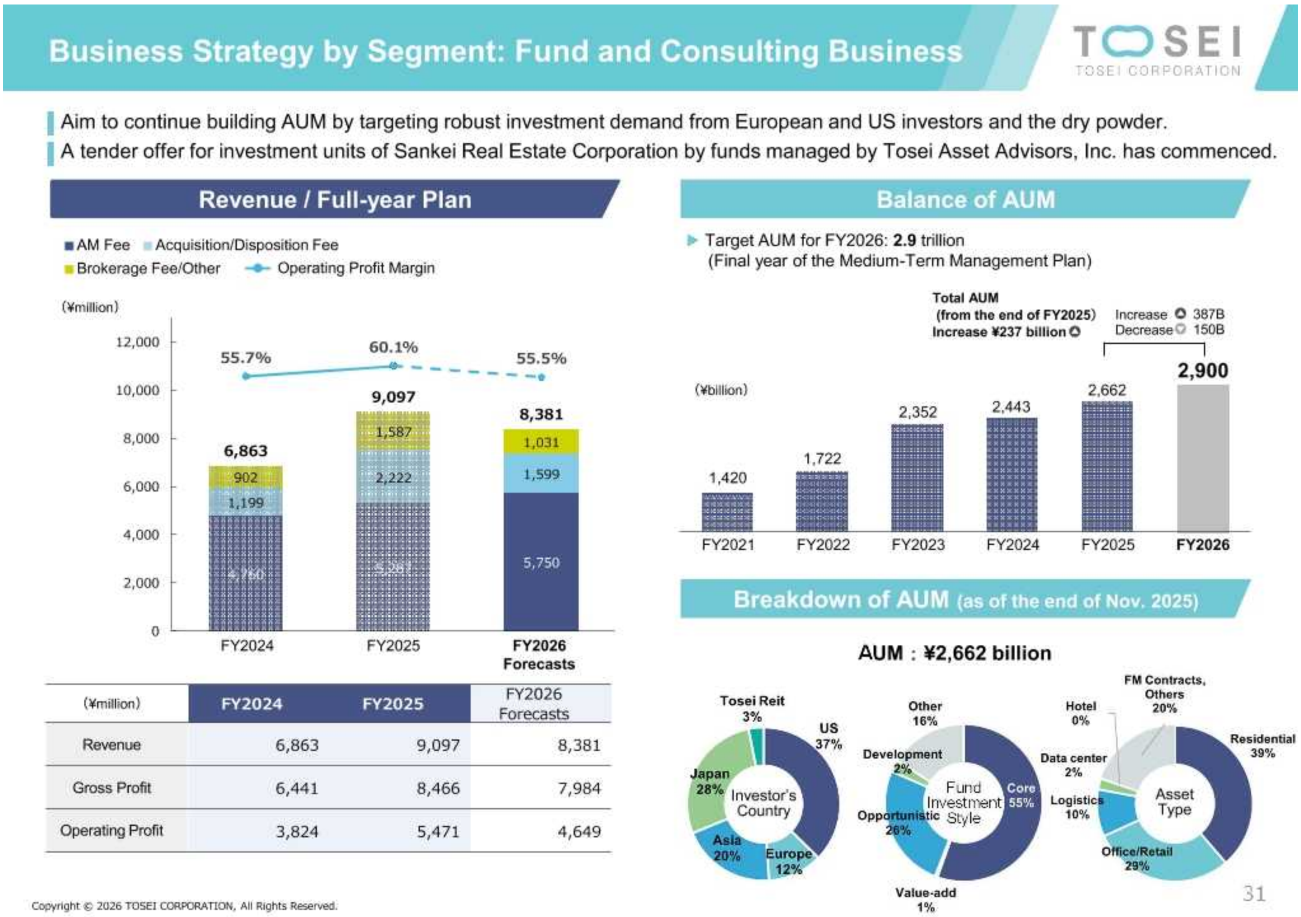
See page 30. This is the acquisition plan for FY2026.

As Hirano explained earlier, as shown in the bar graph, in the fiscal year ending November 2025, acquisition delivered was JPY87.1 billion and including those that was contracted, but not delivered, in the previous fiscal year, acquisition was JPY97.8 billion. So, we were able to acquire properties of nearly JPY100 billion. We are planning to acquire that on a JPY105 billion delivery basis in FY2026.

As for topics, M&A results are listed in the box on the right. From the top row, we conducted 20 real estate M&As, mainly for real estate holding companies. In the middle and bottom rows, we have conducted four acquisitions of real estate-related business companies, and in the bottom row, we have conducted 12 M&As related to business succession, for a total of 36 M&As.

Our track record and knowledge are gaining recognition in the market, and we are receiving a lot of information from various consulting firms, tax accountant firms, and securities companies, etc.

We have two projects in our current pipeline, and we intend to make full use of M&A to acquire quality assets.



See page 31. This is the Ffund and Consulting Business.

First, see the bar graph on the right. In terms of the balance of assets under management, the target for the current fiscal year is to grow from JPY2.6627 trillion in the previous fiscal year to JPY2.9 trillion. This includes JPY387.3 billion in new acquisitions and JPY150 billion in dispositions.

Last year, we were able to achieve JPY445.8 billion in response to the JPY350 billion target, so we have set a target of JPY387.3 billion, but we will work hard to increase AUM beyond that.

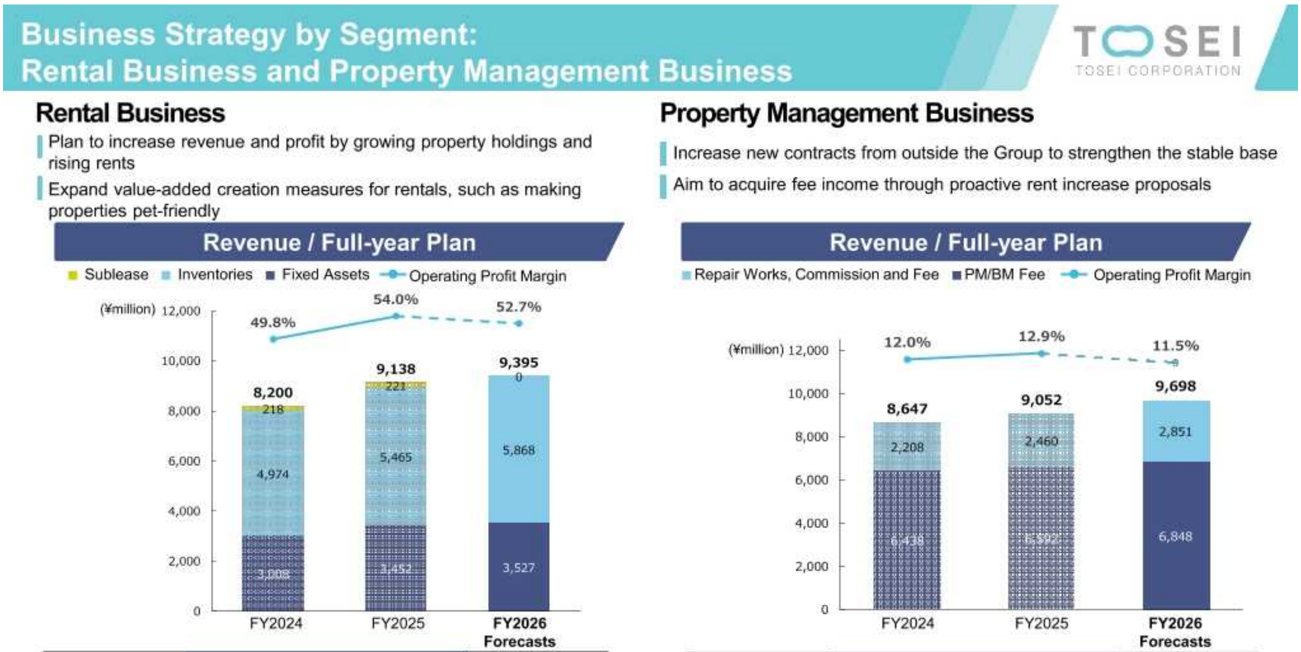
The bar graph on the left shows that revenue decreased from JPY9 billion last year to JPY8.3 billion this time, despite the growth in AUM. The question is why revenue decreases while AUM increases.

Consulting and brokerage fees for this yellow portion of 2025 were JPY1.587 billion last year, as Hirano mentioned earlier. I think last year was characterized by the fact that we were able to get a big deal or home run deal of just under about JPY800 million.

Since the home run deal is only a variable factor in the projection for the current fiscal year, we have not projected it and have forecasted JPY1.03 billion shown in the yellow area for FY2026.

Acquisition fees for this fiscal year are forecast to be JPY1.599 billion, down from JPY2.222 billion in the previous fiscal year. Last year, we received a larger acquisition fee than we would normally expect from a home run deal, so this year's plan is based on a conservative estimate that does not anticipate any impact from this. Naturally, we will strive to exceed this plan in the current fiscal year through the acquisition of home run deals and acquisition progress.

Also, as announced on January 6, as mentioned in the second paragraph, a tender offer for investment units of Sankei Real Estate Corporation by funds managed by Tosei Asset Advisors, Inc. has started. If we are successful, this too will lead to an increase in AUM.



(¥million)	FY2024	FY2025	FY2026 Forecasts
Revenue	8,200	9,138	9,395
Gross profit	4,457	5,286	5,306
Operating Profit	4,083	4,938	4,948
Inventories*1	98	108	-
Occupancy Rate*2	89.8%	88.5%	-
Fixed Assets*1	25	24	-
Occupancy Rate*2	94.4%	98.4%	-

*1 The number of buildings counts properties with rental income among inventory and fixed assets.
*2 Occupancy rate is based on floor area.

(¥million)	FY2024	FY2025	FY2026 Forecasts
Revenue	8,647	9,052	9,698
Gross Profit	3,130	3,331	3,676
Operating Profit	1,039	1,168	1,117
No. of Properties Under Management	963	969	-

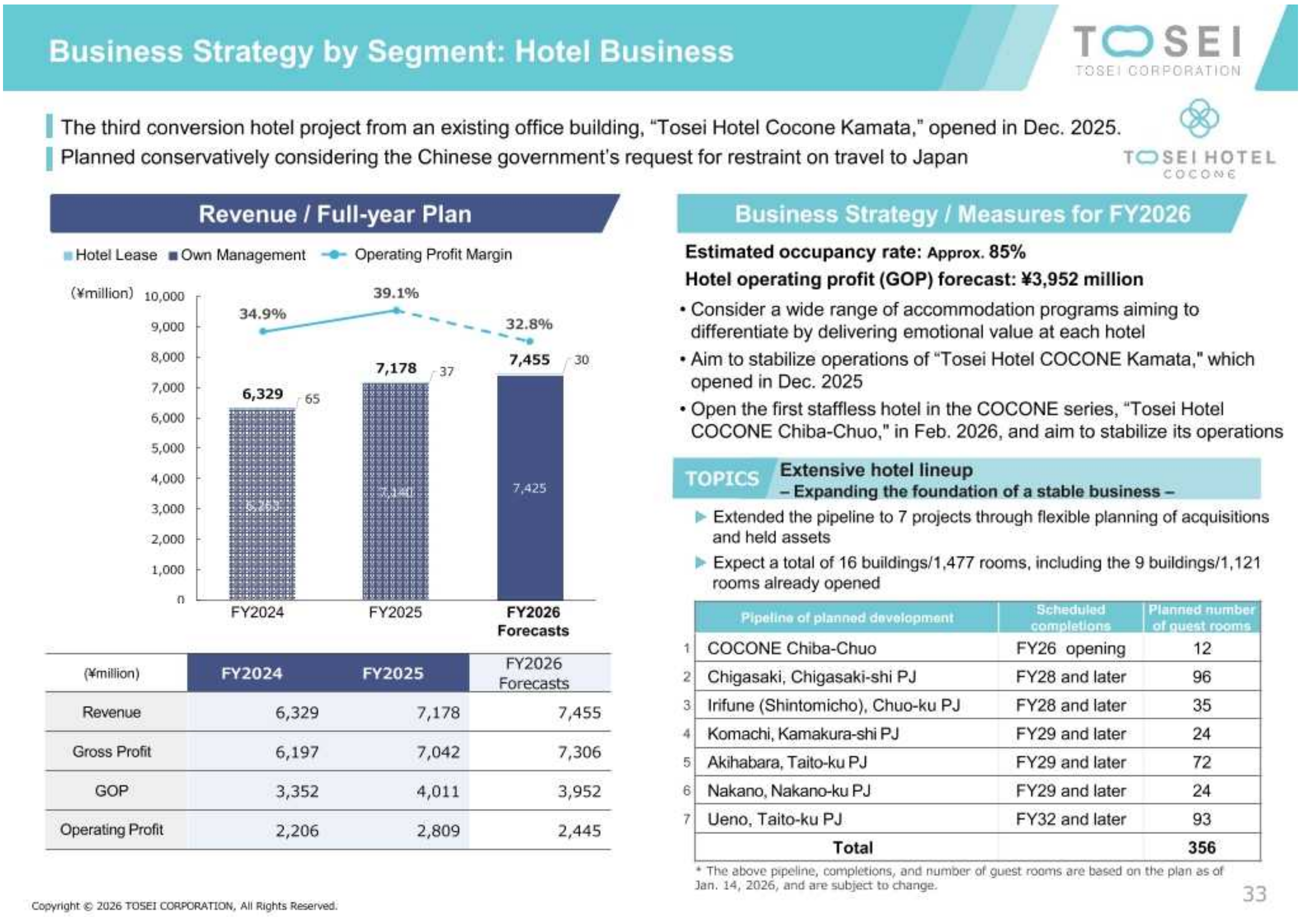
See page 32. This is an overview of the Rental Business and Property Management Business.

As shown in the bar graph on the left, revenue forecast in the Rental Business for this fiscal year is JPY9.395 billion, increased from JPY9.1 billion in the previous year. However, operating profit in the lower row is projected to be JPY4.948 billion, up from JPY4.938 billion in the previous year, and operating profit has not increased in proportion to revenue growth.

We have disclosed a slightly conservative estimate of operating profit because we have taken a more conservative view of the occupancy rate of newly acquired properties compared to last year, and we have also taken a larger expense ratio than last year. We are also thinking that we would like to strive to get more upside than this disclosed figure.

In the Property Management Business on the right, revenue is forecast to be JPY9.698 billion compared to JPY9 billion in the previous year. However, operating profit is expected to decrease from JPY1.168 billion in the previous fiscal year to JPY1.117 billion in the current fiscal year.

We are also looking at a much larger amount of administrative costs, including the increase in personnel, etc., and last year we estimated a reversal of allowance of less than JPY50 million for a certain project, which increased operating profit. Therefore, we have announced a slightly conservative operating profit plan.



(¥million)	FY2024	FY2025	FY2026 Forecasts
Revenue	6,329	7,178	7,455
Gross Profit	6,197	7,042	7,306
GOP	3,352	4,011	3,952
Operating Profit	2,206	2,809	2,445

	Pipeline of planned development	Scheduled completions	Planned number of guest rooms
1	COCONE Chiba-Chuo	FY26 opening	12
2	Chigasaki, Chigasaki-shi PJ	FY28 and later	96
3	Irifune (Shintomicho), Chuo-ku PJ	FY28 and later	35
4	Komachi, Kamakura-shi PJ	FY29 and later	24
5	Akihabara, Taito-ku PJ	FY29 and later	72
6	Nakano, Nakano-ku PJ	FY29 and later	24
7	Ueno, Taito-ku PJ	FY32 and later	93
	Total		356

Page 33. This is the hotel business.

As Hirano announced earlier, until last year, we had eight hotels and 1,031 rooms in operation.

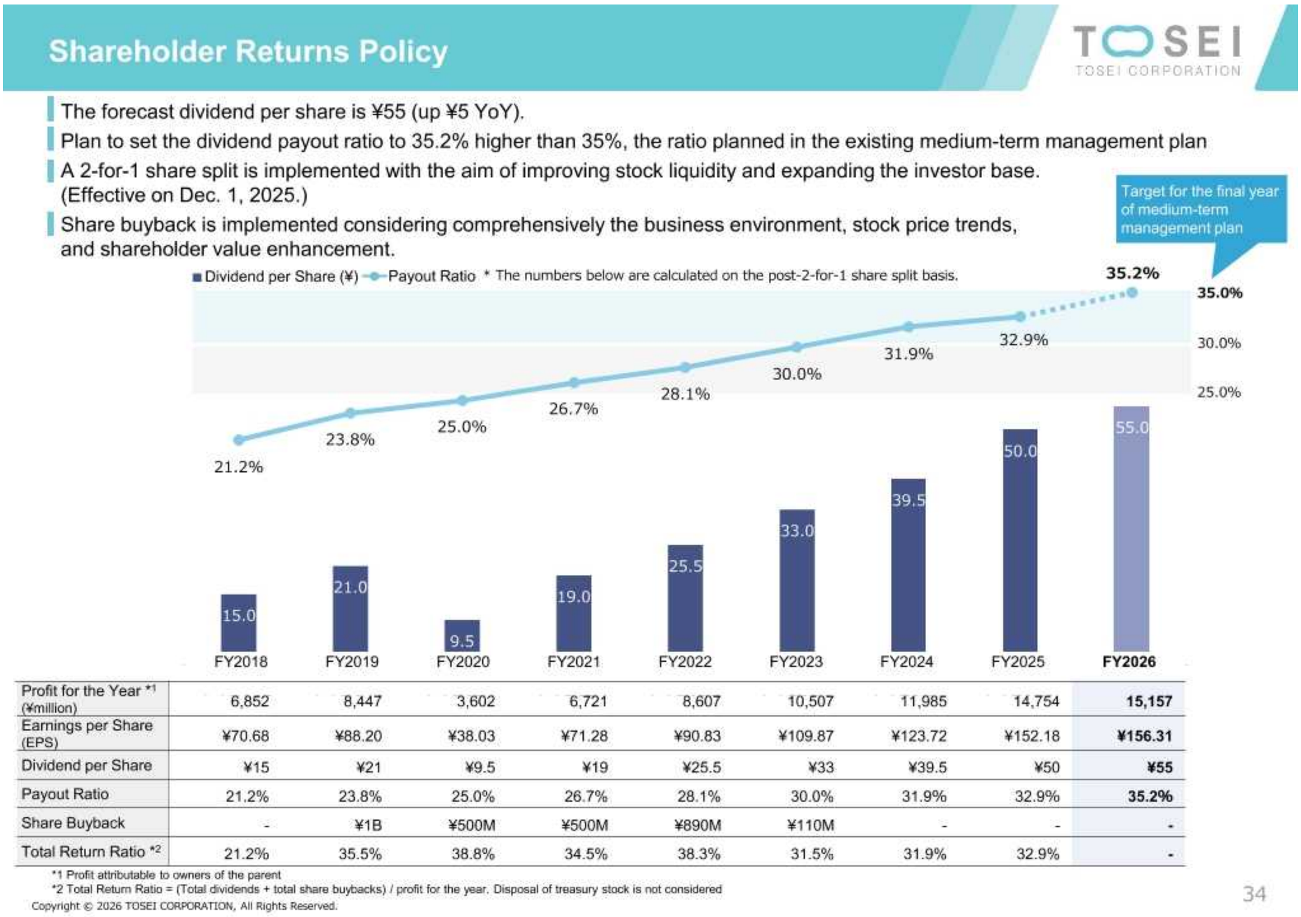
As you can see in the bar graph on the left, revenue is forecast to be JPY7.455 billion for this fiscal year, slightly up from JPY7.178 billion in the previous fiscal year, including the revenue from the Kamata hotel that opened in December and the Chiba-Chuo hotel that is scheduled to open in February. If you look at the GOP column on the lower left-hand side, last year's GOP of JPY4.011 billion is expected to decrease to JPY3.952 billion this fiscal year, and operating profit of JPY2.8 billion in the previous year is expected to decrease to JPY2.4 billion.

There are two main reasons for this. As I mentioned, we conservatively estimated the GOP to be about 5% negative due to the self-restriction on Chinese travel. Frankly speaking, looking at the hotel operation results for October, November, and December since Prime Minister Takaichi's remarks about the Taiwan emergency, for example, the Tsukiji Hotel, the Chinese ratio was 40% in October, 23% in November, and 10% in December.

Although the percentage of Chinese guests is certainly decreasing, this does not mean that GOP performance has declined, but rather that it is being covered by other foreign and Japanese customers. We have not taken any groups of Chinese travelers so far, and there has been no major impact, but we have announced this time an only 5% more conservative estimate.

Secondly, we will sell Makuhari, our training hotel, so we projected a decrease in revenue and profit from the hotel. We believe that Makuhari will contribute significantly to revenue and profit in the Revitalization Business this fiscal year.

Also, the box on the right is where we see how the pipeline is doing, even though hotels are generally doing well. The top of the list shows eight new hotels scheduled to open in the future, including Kamata, Chiba-Chuo, and the following hotels, in addition to the eight existing hotels. We believe that the main contribution to revenue and profit will come in and after 2028.



	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Profit for the Year *1 (¥million)	6,852	8,447	3,602	6,721	8,607	10,507	11,985	14,754	**15,157**
Earnings per Share (EPS)	¥70.68	¥88.20	¥38.03	¥71.28	¥90.83	¥109.87	¥123.72	¥152.18	**¥156.31**
Dividend per Share	¥15	¥21	¥9.5	¥19	¥25.5	¥33	¥39.5	¥50	**¥55**
Payout Ratio	21.2%	23.8%	25.0%	26.7%	28.1%	30.0%	31.9%	32.9%	**35.2%**
Share Buyback	-	¥1B	¥500M	¥500M	¥890M	¥110M	-	-	-
Total Return Ratio *2	21.2%	35.5%	38.8%	34.5%	38.3%	31.5%	31.9%	32.9%	-

Please turn to page 34. Lastly, I would like to talk about our shareholder return policy including dividends.

As I mentioned, we are in the process of increasing the dividend payout ratio, and we plan to pay a 35.2% dividend for the current fiscal year, which is JPY55. Since the Company conducted a 2:1 stock split, the dividend payout ratio was increased due to the change of share price from JPY110 to JPY55 after stock split. We hope that you will understand that this is a management policy of balancing corporate growth and stable dividends by paying stable dividends and using surplus equity for investment in growth.

This is all for my explanation. Thank you for your attention.

Moderator: Thank you very much.

Question & Answer

Moderator [M]: We will now have five minutes to take questions. We will then move on to the question-and-answer session.

Here, we would like to once again inform you how to ask a question from Zoom. If you have any questions, please use the Q&A function at the bottom of the screen to enter your questions and send them to us. Please include your company name and name when submitting. Questions are not open to other participants and will be read by our operation team on their behalf.

If we are able to confirm receipt of your message during the reception time, we will respond to you on the spot as soon as time permits, but there may be times when we are unable to respond due to time constraints or other reasons. We appreciate your understanding in advance.

Now, please send us any questions you may have.

Now it is time for us to resume.

We have received numerous questions today. We will try to respond to your questions within the time available, so here are a few excerpts. Now, this is the first question.

Participant [Q]: What is the Tosei Group's aim and future development regarding the tender offer for investment units of Sankei Real Estate Investment Corporation by the fund operated and managed by Tosei Asset Advisors, as explained by the president earlier?

Yamaguchi [A]: Sankei Real Estate Investment Corporation, let's call it Sankei REIT, has not been able to renew the high price at the beginning of its listing, and its unit price has been under NAV recently. After conducting various due diligence studies, we have determined that in the medium to long term, the value of this property will increase very much if the value is increased.

To increase value, some major repairs may be necessary, and large CAPEX (capital expenditure) may be required in a single year. However, since REITs are required to pay dividends every fiscal year in the short term, this mid- to long-term renovation is not appropriate for the capital market, and we have decided to make this tender offer with the aim of real estate revitalization in the mid- to long-term, which is what we do best.

We are confident that we can grow this asset with our value-add capabilities. In addition, since Sankei REIT's AUM is approximately over JPY100 billion, we are also confident that this will lead to an increase in the Group's asset management balance and fees (trustee fees), which we consider a positive factor.

This is our answer.

Moderator [M]: Thank you very much. Next question.

Participant [Q]: While there is a possibility that the shrinking yield gap may reduce the willingness of foreign investors to invest, the fund business has set a target of JPY2.9 trillion in assets under management for FY2026. In light of the current investment appetite of domestic and foreign investors, and the recent situation with respect to entrustments, could you tell us about the probability of achieving the target?

Yamaguchi [A]: As I partially mentioned earlier, we are aiming to accumulate more than JPY380 billion in AUM for the current fiscal year and to reach JPY2.9 trillion in AUM.

In H1 of the year, as of January, we have a contract pipeline and potential to close JPY200 billion, and we will work hard to increase this balance to JPY380 billion or more.

The narrowing of the yield gap is a concern for everyone. Currently, our investment balance is just under JPY2.7 trillion, and nearly half of the foreign investors are core investors. We have been discussing this with investors, and they have not lost their appetite for investment even as we project that the policy interest rate will rise to 0.75% and that it is expected to rise another 0.25% to 0.5% this year. This is because the majority of the respondents were of the opinion that the stability of the Japanese real estate market, the ongoing inflation and the current very high rents would allow us to formulate a medium-term plan that will offset the interest burden.

In this context, as I mentioned earlier, I believe that a large amount of dry powder and standby funds are targeting the Japanese real estate market.

There was a report last year showing that Japan ranked first in H1 of the year in global real estate investment by foreign investors. In the current fiscal year, we believe that investment in Japan, especially in Tokyo, will continue to increase from the unipolar investment in the US or while the real estate market in China is still depressed and the situation is not good. We would like to strive for the expansion of AUM.

This is our answer.

Moderator [M]: Thank you very much. Due to time constraints, this is the last question. I will read the last question on your behalf.

Questioner [Q]: To which of the businesses in your business model do you expect the prolonged tension in Japan-China relations to affect? In addition to the decline in inbound demand in the hotel business, is there likely to be an impact on the real estate trading business?

Yamaguchi [A]: As I mentioned earlier in my explanation of the hotel sector, China and Hong Kong accounted for more than 30% of the total number of foreign visitors in the macro environment last year. If it were to decrease by 10%, 20%, or even 50%, it would have a significant impact. However, looking at our hotel figures for October, November, December, and January after Prime Minister Takaichi's remarks, it is true that the number of Chinese visitors has decreased, but we believe that this has been offset by the increase in visitors from other countries.

However, there is no doubt that there will be negative impacts, so we will be watching closely.

Regarding the impact on the real estate trading business, first, among institutional investors, which are the main investors in the investment market, there has not been significant investment in Japan by Chinese institutional investors over the past few years. Looking at the foreign investors we are entrusted with asset management in our Fund and Consulting business, we believe the impact is very small, but the problem is the impact on general pre-owned condo units, both new and used.

While high-net-worth individuals are buying Japanese used pre-owned condo units of JPY100 million to JPY300 million or JPY1 billion, we believe that the ratio of Chinese was very high. We also renovate and sell used pre-owned condo units of JPY100 million or more in the Princess Group, and the percentage of Chinese investors was about 40% last year. We are considering that we have to look closely to see if this will diminish.

This is our answer.

Moderator [M]: Thank you very much.

Now that we have just reached the time, we will conclude the question-and-answer session. Thank you all for your numerous questions.

This concludes the financial results briefing for the fiscal year ending November 2025 of Tosei Corporation. Thank you all very much for your participation today.

[END]

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Document Notes

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2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
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