



**Tosei Corporation**

FY2026 2Q Financial Results Presentation

July 6, 2026

## Event Summary

---

<b>[Company Name]</b>	Tosei Corporation	
<b>[Company ID]</b>	8923-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	FY2026 2Q Financial Results Presentation	
<b>[Fiscal Period]</b>	FY2026 Q2	
<b>[Date]</b>	July 6, 2026	
<b>[Number of Pages]</b>	34	
<b>[Time]</b>	16:00 – 16:49 (Total: 49 minutes, Presentation: 41 minutes, Q&A: 8 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Venue Size]</b>		
<b>[Participants]</b>		
<b>[Number of Speakers]</b>	2	
	Seiichiro Yamaguchi	President and CEO
	Nobuto Fujiwara	Managing Executive Officer in charge of Corporate Planning Department and Corporate Management Department

## Presentation

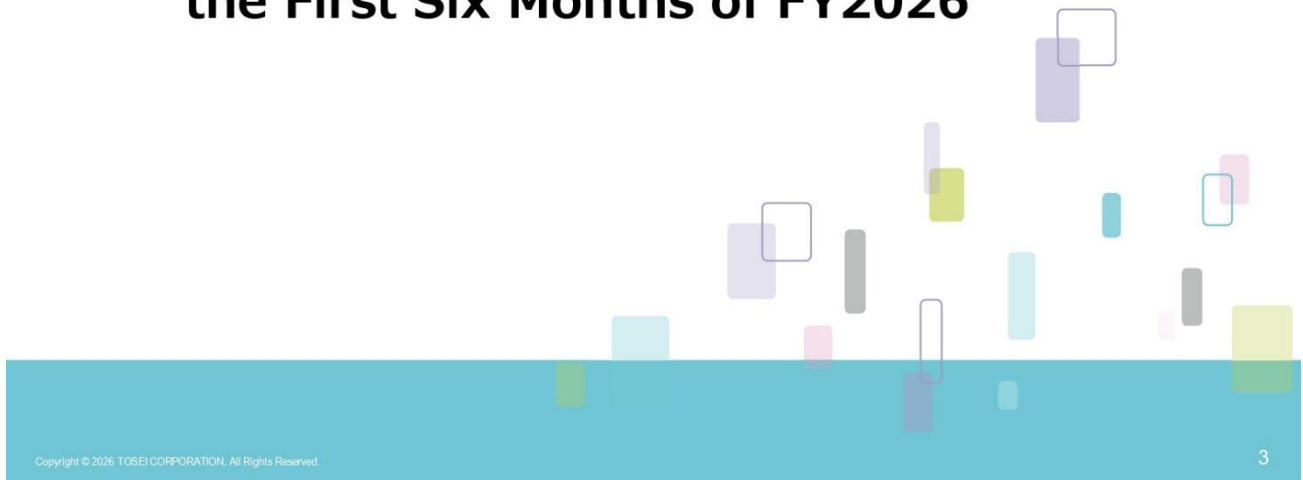
---

**Moderator:** Ladies and gentlemen, thank you very much for taking time out of your busy schedules today to join us for the financial results briefing for Q2 of the fiscal year ending November 2026 of Tosei Corporation. As it was in the previous session, this financial result briefing will be held as a live-streamed web-based session via Zoom.

Now, I would like to go over today's agenda. First, we will provide an explanation based on the materials, and then move on to the question-and-answer session. The presentation materials are available on the company's website for your reference. Please note that today's earnings briefing is scheduled to end around 17:00.

I would now like to introduce today's attendees: Seiichiro Yamaguchi, President and CEO; Nobuto Fujiwara, Managing Executive Officer. Those two are attendees from the company.

## I . Overview of Results for the First Six Months of FY2026

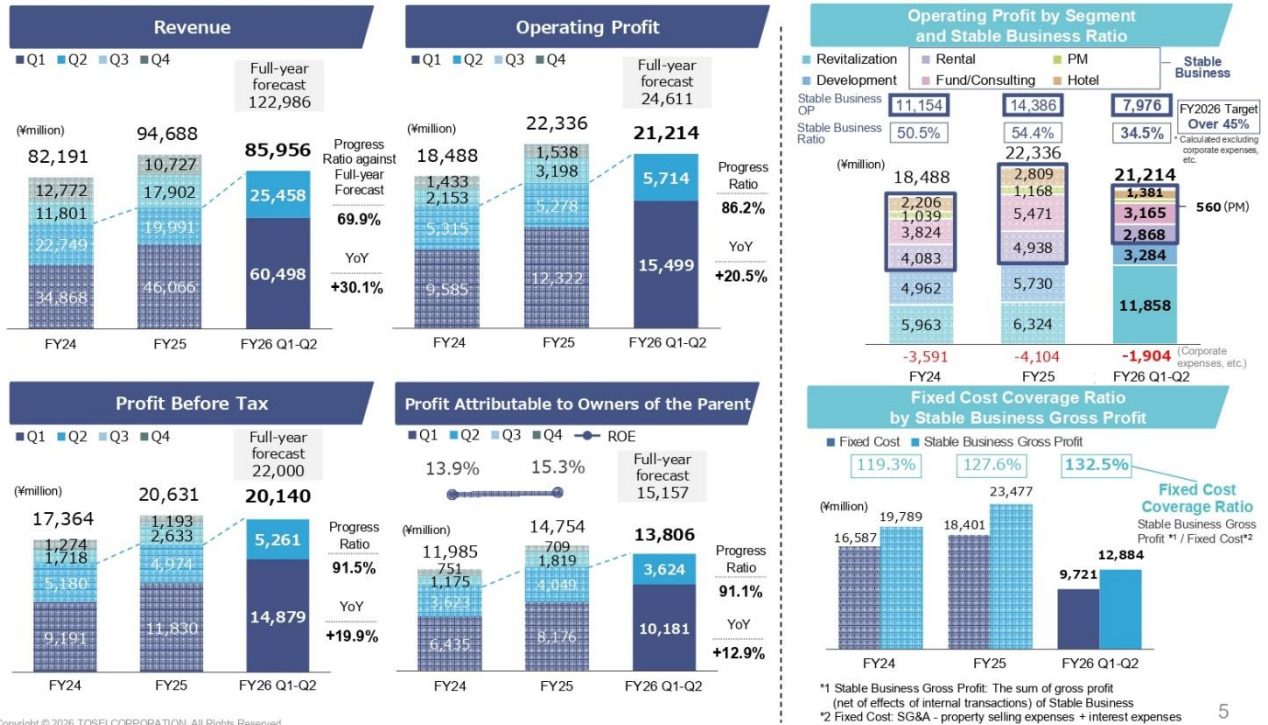


Fujiwara, Managing Executive Officer, will present an overview of our financial results for the H1 of the fiscal year ending November 2026 beginning on page three of the financial results presentation materials. Please go ahead.

**Fujiwara:** I am Fujiwara, the Managing Executive Officer who was just introduced. I would like to report on the financial highlights for the first half of the fiscal year ending November 2026, which were released at 2:30 PM today.

# FY2026 Q1-Q2 Highlights

- ▶ Revenue: ¥85.9B (+30.1% YoY), profit before tax: ¥20.1B (+19.9% YOY), interim profit (attributable to owners of the parent): ¥13.8B (+12.9% YOY)
- ▶ Strong start driven by our core Revitalization Business, with revenue reaching 69.9% and profit before tax reaching 91.5% of FY forecasts



Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

Page five, financial highlights for Q2 of the fiscal year ending November 2026. Bar charts showing revenue and profits for the past two fiscal year and the first half of the current fiscal year are displayed side by side. Starting from the top left, we have revenue and operating profit, followed by profit before tax and profit for the year at the bottom left.

Regarding our financial results for H1 of the fiscal year, revenue was JPY85.9 billion, up 30.1% year-on-year, profit before tax was JPY20.1 billion, up 19.9% year-on-year, and profit for the period was JPY13.8 billion, up 12.9% year-on-year. Both revenue and profits increased year-on-year. Our mainstay revitalization business is driving our financial performance, and we are on track to meet our full-year earnings forecasts, with revenue at 69.9% and profit before tax at 91.5%.

Next, regarding the bar chart in the upper right showing operating profit by segment and the Stable Business ratio, we have identified the four segments highlighted by the boxes, which are rental business, real estate fund and consulting business, property management business, and hotel business, as Stable Businesses, and this chart illustrates their composition.

The ratio of Stable Business over the past two fiscal years has generally remained around 50%. Although the ratio of Stable Business stood at 34.5% in H1 of this fiscal year, the profit ratio of Trading Business increased as a result of our proactive approach to property sales during that period. We expect that, as profits from Stable Businesses steadily accumulate in H2 of the fiscal year, the profit ratio of Stable Business for the full fiscal year will reach approximately 45%.

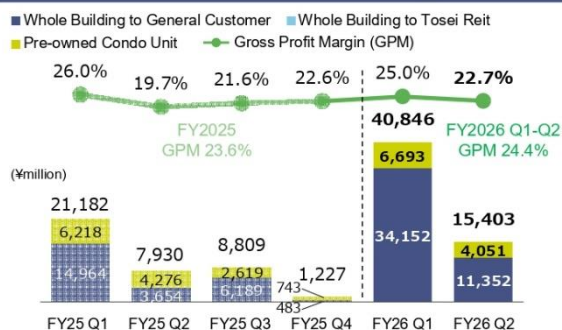
# Revitalization Business

### Composition Ratio

Operating Profit  
**51.3%**

- ▶ Revenue: 56.2B (+93.2% YoY), operating profit: ¥11.8B (+113.8% YoY)
- ▶ Sold 38 whole buildings (+13 properties YoY) and 82 pre-owned condo units (+18 units YoY)
- ▶ Operating profit reached 95.7% of the full-year forecast.

### Revenue / Gross Profit Margin



(¥million)	FY25 Q1-Q2	FY25	FY26 Q1-Q2	FY26 Forecasts
Revenue	29,113	39,150	56,250	72,477
Gross Profit*1	7,064	9,248	13,717	16,230
GPM	24.3%	23.6%	24.4%	22.4%
Operating Profit	5,545	6,324	11,858	12,394
No. of Sales (Pre-owned Condo)	64	105	82	182
No. of Sales (Whole Building, etc.)	25	34	38	46

\*1 Gross Profit includes the following figures:  
Valuation loss and reversal under LCM [FY2025] +¥112M [FY2026 Q2] +¥79M  
Loss and reversal on retirement of held assets [FY2025] -¥949M [FY2026 Q2] -

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

### Gross Profit Margin\*2 on Sold Properties

	FY24 full-year	FY25 full-year	FY26 Q1-Q2
Whole Building	28.2%	29.1%	26.0%
Pre-owned Condo Unit	17.9%	19.6%	18.0%
Total	24.8%	25.8%	24.4%

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

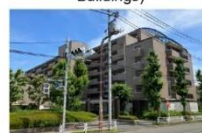
### Examples of Sold Properties



Mizonokuchi Tosei Building II  
(Certified under CASBEE for Existing Buildings)



Tosei Hotel & Seminar Makuhari  
(Continued hotel management)



T's garden Fuchu



Office, Chuo-ku

7

Please turn to page seven. I will now provide an overview of each business segment.

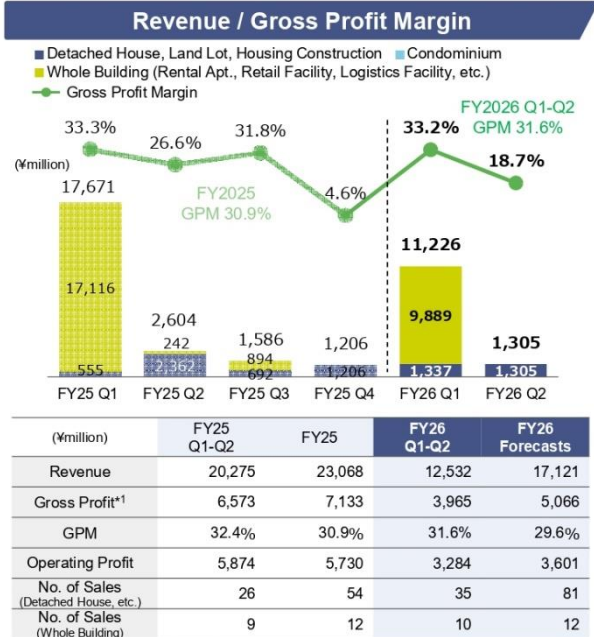
First is the revitalization business. Revenue was JPY56.2 billion, up 93.2% year-on-year. Operating profit was JPY11.8 billion, an increase of 113.8% year-on-year. Regarding the number of properties sold, we sold 38 whole buildings, an increase of 13 from the previous period, and 82 pre-owned condo units, an increase of 18 from the previous period.

Although revenue and profits nearly doubled compared to the previous period, the figures were largely in line with our plans and slightly exceeded our internal targets. For the current fiscal year, we had an ambitious plan to strategically curb sales in the development business, as detailed on the next page, and significantly expand the revitalization business, and we have seen strong sales of large-scale properties, small- and medium-sized properties, and condo units to a wide range of customers, including J-REITs, funds, operating companies, and individual investors.

The photo on the right shows an example of a property we have sold; the Mizonokuchi Tosei Building II is a case where a corporate training facility was renovated and is now being used as Temple University's Japan campus. Next to it is the TOSEI HOTEL & SEMINAR Makuhari, a hotel that was created by acquiring an existing lodging and training facility, significantly increasing the number of guest rooms, and renovating the bathrooms, conference rooms, and other areas. In addition, the office building in Chuo-Ward, shown at the bottom right, is a very large office building, and by selling a mix of various asset types, we have been able to maintain a high gross profit margin.

Composition Ratio  
Operating Profit  
**14.2%**

- ▶ Revenue: ¥12.5B (-38.2% YoY), operating profit: ¥3.2B (-44.1% YoY)
- ▶ Progressed in line with the initial plan despite lower revenue and profit
- ▶ Strategically scaled back Development Business and expanded Revitalization Business amid rising construction costs



\*1 Gross Profit includes the following figures:  
Valuation loss and reversal under LCM [FY2025] -100M [FY2026 Q1-Q2] +12M  
Loss and reversal of loss on retirement of held assets [FY2025] +73M [FY2026 Q1-Q2] -

### Gross Profit Margin\*2 on Sold Properties

	FY24 full-year	FY25 full-year	FY26 Q1-Q2
Whole Building	38.4%	33.5%	34.5%
Property for End Users*3	29.9%	22.7%	20.4%
Total	36.7%	31.2%	31.5%

\*2 Excluding valuation loss and reversal under LCM, and loss and reversal on retirement of held assets  
\*3 Condo, detached house, etc.

### Examples of Sold Properties



T'S BRIGHTIA Kichijoji (Retail facility)



T's Cuore MUSE Higashi-nagasaki (Soundproof wood-frame rental apartment)



THE PALMS Kinshicho (Rental apartment)



THE PALMS COURT Seta (Detached house)

Page eight, real estate development business. Revenue was JPY12.5 billion, down 38.2% year-on-year, and operating profit was JPY3.2 billion, down 44.1% YoY. Although revenue and profits have declined, as noted, progress is proceeding according to our sales plan.

In H1 of the previous fiscal year, we recorded revenue of just over JPY17 billion from nine whole buildings, including logistics facilities and rental apartment buildings. However, revenue was lower this fiscal year because we had no plans to sell any large-scale properties. During H1 of this fiscal year, for sales of whole building, we sold two retail facilities, three rental apartment buildings, and five wood-frame rental apartment buildings from the T's Cuore series.

The T's Cuore wood-frame rental apartment buildings have an average price per building of JPY200 million to JPY300 million. Sales are currently going very well, with leasing proceeding quickly after completion, allowing us to sell the properties to investors at an early stage. In addition, for properties for end users, we sold 35 newly-built detached houses. Overall, the development business is meeting its projected revenue and profit margins, and we believe it is progressing smoothly.

# Progress of Acquisitions

- ▶ Acquired properties worth a total of ¥60.0B in expected disposition value (¥47.5B delivered, ¥12.4B contracted but not yet delivered)
- ▶ Focused on selective development investments and the acquisition of properties for value-add in response to high construction costs
- ▶ Acquired 3 large-scale properties in highly liquid central Tokyo areas, each with expected sales exceeding ¥2.0 billion

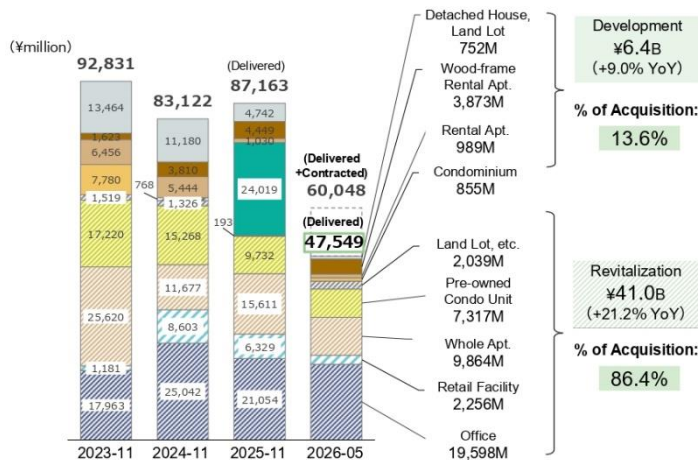
## Annual Acquisition Amount (expected disposition value)

Revitalization: Stripes, Development: Filled

- Detached House, Land Lot
- Whole Apt.(Revitalization)/ Rental Apt.(Development)
- Wood-frame Rental Apt.
- Condominium
- Logistics Facility
- Hotel
- Retail Facility
- Land Lot, etc.
- Office
- Pre-owned Condo Unit

**Delivered ¥47.5B**  
**Delivered + Contracted ¥60.0B**

**FY2026 Acquisition Target ¥10.55B**  
 (delivery basis)



[Note] For more details on inventories (expected disposition value), please see pp.16-18.  
 Copyright © 2025 TOSEI CORPORATION, All Rights Reserved.

## Examples of Acquired Properties



Retail facility, Chiyoda-ku (Acquisition through business succession support M&A)  
 Condominium, Taito-ku (Joint investment with Meitetsu City Design Co., Ltd.)



Office, Taito-ku  
 Office, Chuo-ku  
 Office, Chuo-ku

Page nine shows the progress of acquisitions for the revitalization business and development business I just mentioned.

Based on the expected disposition value, for the acquisition in this fiscal year, properties delivered is JPY47.5 billion and including properties contracted and to be delivered, it is JPY60 billion. Our acquisition plan for this fiscal year is JPY105.5 billion, so we consider our progress to be reasonably on track.

As for the breakdown, as shown in the center of the page, of the JPY47.5 billion in the acquisition for the current fiscal year, JPY41 billion or 86.4% is for revitalization business. In response to persistently high construction costs, we are proceeding with great caution to acquisition for development business and are currently shifting our focus toward revitalization business.

In terms of property types, we are actively acquiring office buildings, rental apartments, and condominium units.

Also, although it is not mentioned on this page, we continue to focus on acquisitions through real estate M&A, and just over 10% of this JPY47.5 billion comes from acquisitions made using such financial strategies.

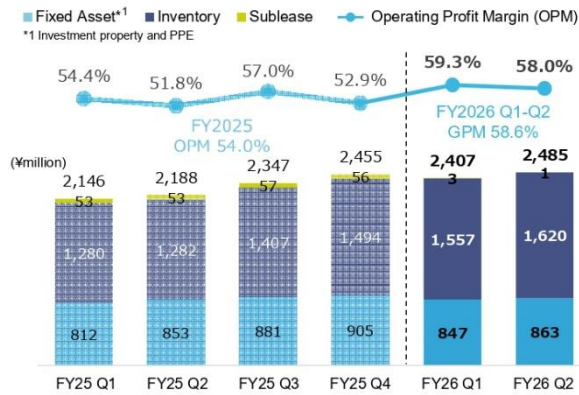
# Rental Business

**Composition Ratio**

Operating Profit  
**12.4%**

- ▶ Revenue: ¥4.8B (+12.8% YoY), operating profit: ¥2.8B (+24.5% YoY)
- ▶ Enhanced the profitability of inventory and fixed assets, resulting in increased rental income

## Revenue / Operating Profit Margin

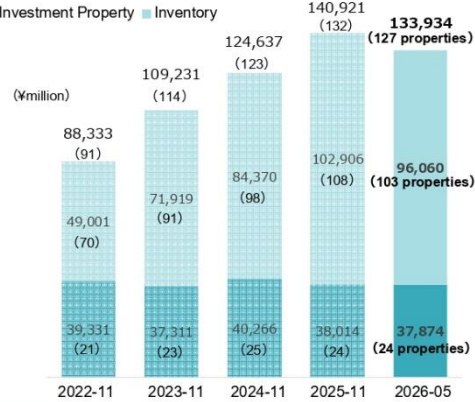


(¥million)	FY25 Q1-Q2	FY25 full-year	FY26 Q1-Q2	FY26 Forecasts
Revenue*2	4,335	9,138	4,892	9,395
Gross Profit	2,459	5,286	3,018	5,306
Operating Profit	2,303	4,938	2,868	4,948
OPM	53.1%	54.0%	58.6%	52.7%

\*2 Internal transactions are included.

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

## No. of Properties / Book Value



## Change in Number of Properties<sup>3</sup> in FY26 Q1-Q2



\*3 Properties with rental income (excluding pre-owned condo units)

\*4 Includes decreases due to project changes

10

Page 10, rental business. Revenue was JPY4.8 billion, up 12.8% year-on-year, and operating profit was JPY2.8 billion, up 24.5% year-on-year. We have been able to achieve solid growth in both revenue and profits.

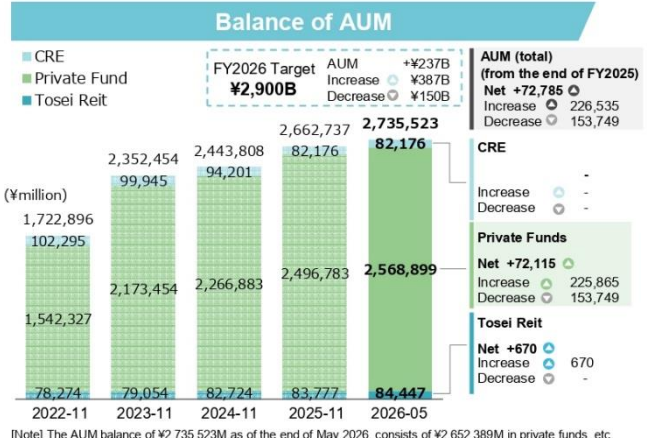
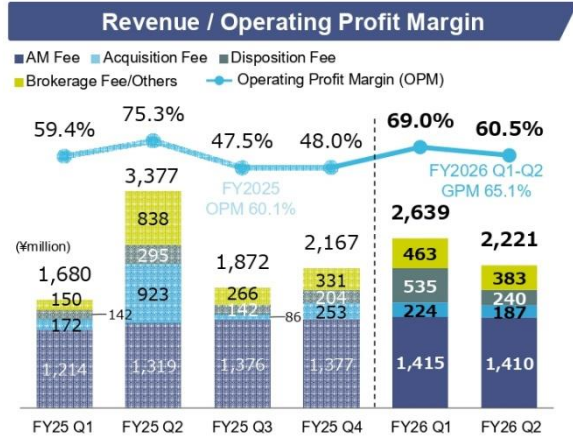
In the bar chart of revenue on the left, rental income from fixed assets and rental income from inventory are shown separately. For inventory related revenue, rental income received while the properties are held under the revitalization business and the development business is recorded in the rental business, while only capital gains on sales are recognized in the revitalization business and development business.

Also, the bar chart on the right shows the breakdown of rental properties to investment properties and inventory. Although the book value of rental properties at the end of May decreased by JPY6.9 billion from the end of the previous fiscal year to JPY133.9 billion due to the sale of real estate, revenue from the rental business has improved significantly as a result of rent increases that appropriately reflected market conditions and proactive leasing efforts to reduce vacancies, which led to an improvement in the occupancy rate.

# Fund and Consulting Business

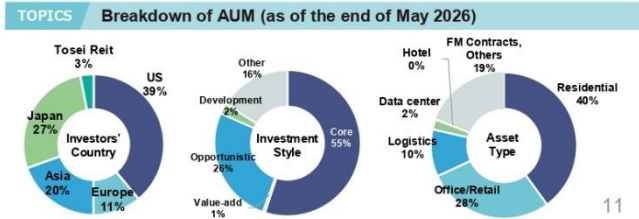
Composition Ratio  
Operating Profit  
**13.7%**

- ▶ Revenue: ¥4.8B (-3.9% YoY), operating profit: ¥3.1B (-10.6% YoY)
- ▶ Disposition fees exceeded expectations as institutional investors accelerated asset sales amid a robust investment market, despite lower YoY revenue following the large acquisition fees recorded in Q2 of the previous FY.
- ▶ New mandates ¥226.5B and dispositions ¥153.7B, bringing AUM to ¥2,735.5B (+¥72.7B from the end of previous FY)



(¥million)	FY25 Q1-Q2	FY25 full-year	FY26 Q1-Q2	FY26 Forecasts
Revenue*1	5,057	9,097	4,861	8,381
Gross Profit	4,781	8,466	4,604	7,984
Operating Profit	3,541	5,471	3,165	4,649
OPM	70.0%	60.1%	65.1%	55.5%

\*1 Internal transactions are included.  
Copyright © 2026 TOSEI CORPORATION. All Rights Reserved.



Page 11, fund and consulting business. Revenue was JPY4.8 billion, down 3.9% YoY, and operating profit was JPY3.1 billion, down 10.6% YoY.

In Q2 of the previous fiscal year, we secured a major project from Warburg Pincus and recognized a one-time fee in CRE. As a result, we had planned for a decline in profits for the current fiscal year. Furthermore, against the backdrop of a booming investment market, investors' sales took precedence, enabling us to generate disposition fees that exceeded expectations. As a result, we have achieved 68% of our full-year operating profit forecast of JPY4.6 billion.

Regarding AUM, newly acquired assets under management totaled JPY226.5 billion, representing 58% of the annual target of JPY380 billion set at the beginning of the fiscal year. On the other hand, dispositions totaled JPY153.7 billion, and since dispositions have already exceeded the initial annual target of JPY150 billion, AUM increased by a net JPY72.7 billion from the previous period to JPY2.7355 trillion. Our initial plan had projected a net increase of JPY100 billion for the half-year. However, while acquisition was strong, dispositions proceeded more rapidly than anticipated, resulting in an increase of only JPY72.7 billion compared to the previous period.

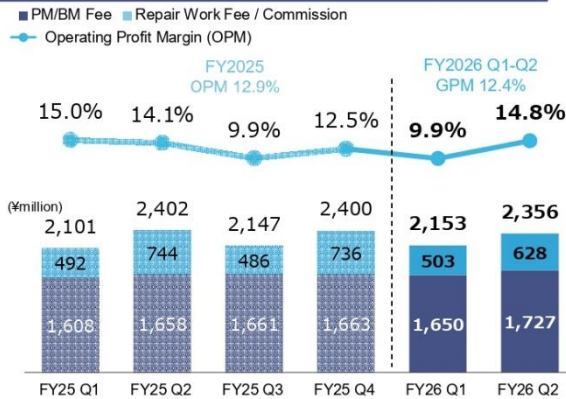
# Property Management Business

### Composition Ratio

Operating Profit  
**2.4%**

- ▶ Revenue: ¥4.5B (+0.1% YoY), operating profit: ¥0.56B (-14.3% YoY)
- ▶ Focused on securing new management contracts from outside the Group, increasing the number of properties under management to 987 as of the end of May 2026 (+18 properties from the end of previous fiscal year)

### Revenue / Operating Profit Margin



(¥million)	FY25 Q1-Q2	FY25 full-year	FY26 Q1-Q2	FY26 Forecasts
Revenue*1	4,504	9,052	4,509	9,698
Gross Profit	1,688	3,331	1,751	3,676
Operating Profit	654	1,168	560	1,117
OPM	14.5%	12.9%	12.4%	11.5%

\*1 Internal transactions are included.

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

### No. of Properties Under Management



### Examples of properties under management



12

Page 12, the property management business, which is also one of Stable Businesses. Revenue was JPY4.5 billion, up 0.1% YoY, while operating profit was JPY560 million, down 14.3% year-on-year.

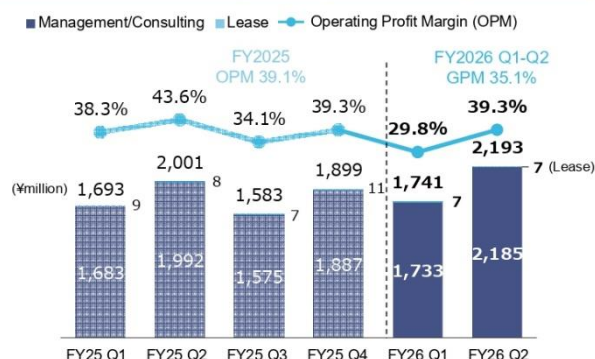
The number of properties under management increased by 18 from the previous period to 987, with 16 of those 18 being whole apartments.

## Hotel Business

Composition Ratio  
Operating Profit  
**6.0%**

- ▶ Revenue: ¥3.9B (+6.5% YoY), GOP: ¥2.17B (+3.9% YoY), operating profit: ¥1.38B (-9.2% YoY)
- ▶ GOP achieved YoY growth, while operating profit decreased YoY due to opening expenses for new hotels and other factors.
- ▶ Maintained solid performance, supported by inbound demand from other Asian and Western countries, despite the impact of travel advisories from Chinese authorities

### Revenue / Operating Profit Margin



(¥million)	FY25 Q1-Q2			FY25	FY26 Q1-Q2			FY26 Forecasts
	Mgmt	Lease	Total		Mgmt	Lease	Total	
Revenue*1	3,676	18	3,694	7,178	3,919	14	3,934	7,455
Gross Profit	3,611	18	3,629	7,042	3,843	14	3,857	7,306
GOP*2	2,093	-	2,093	4,011	2,174	-	2,174	3,952
Operating Profit	1,508	12	1,521	2,809	1,371	10	1,381	2,455
OPM	41.0%	69.0%	41.2%	39.1%	35.0%	69.8%	35.1%	32.8%

\*1 Internal transactions are included.

\*2 GOP: Gross profit - operating expenses (excluding depreciation expense)

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

### Hotel Operations

No.	Hotel Name	Type	FY26 Q1-Q2 Ave. OCC <sup>*)</sup>	No. of rooms
*3 Excluding HOTEL & SEMINAR Makuhari				
■ Owned and Managed				
1	COCONE Kanda	Own	90.0%	111
2	COCONE Ueno	Own	87.4%	126
3	COCONE Asakusa-Kuramae	Own	87.4%	130
4	COCONE Ueno-Okachimachi	Own	90.7%	171
5	COCONE Asakusa	Own	90.1%	80
6	COCONE Kamakura	Own	90.7%	73
7	COCONE Tsukiji Ginza Premier	Own	84.2%	203
8	COCONE Kamata	Own	80.5%	90
9	COCONE Chiba-Chuo	Own	51.0%	12
10	HOTEL & SEMINAR Makuhari (Sold in January 2026)	-	Owned by a J-REIT	137
Subtotal			87.3%	1,133
■ Newly Acquired Hotels (M&A)				
1	Kanda Grand Central Hotel		Acquired 2 hotels via M&A	157
2	Asakusa Central Hotel		Acquisition date: June 30	72
Subtotal				229
■ Pipeline			Scheduled completion	
1	Chigasaki, Chigasaki-shi	Under Planning	FY2028+	96
2	Irifune, Chuo-ku		FY2028+	47
3	Komachi, Kamakura-shi		FY2029+	24
4	Akihabara, Taito-ku		FY2029+	72
5	Nakano, Nakano-ku		FY2029+	26
6	Shinkawa (Kayabacho), Chuo-ku		FY2031+	80
7	Ueno, Taito-ku		FY2032+	93
Subtotal				438
Total				1,800

13

Page 13, hotel business. Revenue was JPY3.9 billion, up 6.5% year-on-year, and GOP was JPY2.17 billion, up 3.9% year-on-year. On the other hand, operating profit amounted to JPY1.38 billion, a decrease of 9.2% year-on-year.

Regarding the operating profit, while operating profit for the current fiscal period is down year-on-year due to the opening costs for a new hotel and the rent expense for HOTEL & SEMINAR Makuhari, which we sold at the end of January, beginning in February, overall revenue and GOP have increased year-on-year and remain strong. Both ADR and occupancy rates are in line with our initial projections.

As noted on the right side of the page, we currently operate a total of 10 hotels in areas such as Kanda, Ueno, Asakusa, and Kuramae. Tosei owns the nine hotels excluding the one in Makuhari, and their operations are managed by its subsidiary, Tosei Hotel Management. As for Makuhari, the hotel itself was sold to a J-REIT in February, and we continue to manage its operations.

Also, as shown in the middle section, we have acquired two hotels in Kanda and Asakusa through M&A on June 30, and revenue from these properties is expected to be recognized starting in H2 of the fiscal year. In addition, we have seven buildings planned for future development, which are listed in the lower section as part of our pipeline.

## Summary of Balance Sheet – Assets –

- ▶ Total assets: ¥309.6B (+¥2.1B from the end of previous fiscal year)
- ▶ Inventories: ¥159.9B (-¥10.3B from the same), investment properties and PPE: ¥70.8B (-¥5.7B from the same)

(¥million)	End of Nov. '25	Change		End of Feb. '26	Change		End of May '26	Total	
<b>Total Assets</b>	<b>307,427</b>	<b>-7,056</b>		<b>300,371</b>	<b>+9,230</b>		<b>309,601</b>	<b>+2,174</b>	
<b>Cash and Cash Equivalents</b>	<b>39,604</b>	<b>+6,620</b>		<b>46,224</b>	<b>+1,848</b>		<b>48,072</b>	<b>+8,468</b>	
<b>Inventories (Real Estate)</b>	<b>170,357</b>	<b>-10,833</b>	<b>+27,317</b>	<b>159,524</b>	<b>+446</b>	<b>+13,525</b>	<b>159,971</b>	<b>A</b>	<b>+40,842</b> (i)
			<b>-38,150</b>			<b>-13,078</b>		<b>B</b>	<b>-51,228</b> (ii)
<b>Fixed Assets (Investment Properties / PPE)</b>	<b>71,471</b>	<b>-263</b>	<b>+78</b>	<b>71,208</b>	<b>-309</b>	<b>+29</b>	<b>70,898</b>		<b>+107</b> (iii)
			<b>-341</b>			<b>-338</b>			<b>-679</b> (iv)
<b>Other Assets</b>	<b>25,994</b>	<b>-2,579</b>		<b>23,414</b>	<b>+7,244</b>		<b>30,659</b>	<b>+4,664</b>	

### A Changes in Inventories

Decreased ¥10.3B from the end of previous fiscal year due to property sales, etc. (increase ¥40.8B, decrease ¥51.2B)

(¥million)		Q1	Q2	Q1-Q2
Increase Factor	Acquisition of Properties (including real estate M&A)	+23,983	+10,434	+34,418
	Construction Cost/ Value-Add	+3,307	+2,972	+6,279
	Transfer from Investment Properties / PPE	-	-	-
	Others	+26	+117	+144
	<b>Total</b>	<b>+27,317</b>	<b>+13,525</b>	<b>+40,842</b> (i)
Decrease Factor	Sales of Properties	-38,119	-13,057	-51,176
	Transfer to Investment Properties / PPE	-	-	-
	Others	-30	-21	-52
	<b>Total</b>	<b>-38,150</b>	<b>-13,078</b>	<b>-51,228</b> (ii)
<b>Change</b>		<b>-10,833</b>	<b>+446</b>	<b>-10,386</b>

### B Changes in Fixed assets (Investment Properties / PPE)

Decreased ¥572M from the end of previous fiscal year (increase ¥107M, decrease ¥679M)

(¥million)		Q1	Q2	Q1-Q2
Increase Factor	Acquisition of Properties	-	-	-
	Value-Add, Acquisition of Other Assets	+78	+29	+107
	Transfer from Inventories	-	-	-
	<b>Total</b>	<b>+78</b>	<b>+29</b>	<b>+107</b> (iii)
Decrease Factor	Depreciation Expense, etc.	-341	-338	-679
	Transfer to Inventories	-	-	-
<b>Total</b>		<b>-341</b>	<b>-338</b>	<b>-679</b> (iv)
<b>Change</b>		<b>-263</b>	<b>-309</b>	<b>-572</b>

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

14

Please turn to page 14. This is an explanation of the balance sheet. Total assets amounted to JPY309.6 billion, an increase of JPY2.1 billion from the end of the previous fiscal year. The main changes were as follows: cash and cash equivalents increased by JPY8.5 billion to JPY48 billion; inventory increased by JPY40.8 billion due to purchases and construction, among other factors, but decreased by JPY51.2 billion due to sales, resulting in a net decrease of JPY10.3 billion, bringing the total to JPY159.9 billion.

## Summary of Balance Sheet – Liabilities/Equity –

▶ Financial soundness is maintained (equity ratio 35.9%; net D/E ratio 1.16 times).

(¥million)	End of Nov. '25	Change	End of Feb. '26	Change	End of May '26	Total
<b>Total Liabilities/Equity</b>	<b>307,427</b>	<b>-7,056</b>	<b>300,371</b>	<b>+9,230</b>	<b>309,601</b>	<b>+2,174</b>
<b>Total Liabilities</b>	<b>204,591</b>	<b>-12,532</b>	<b>192,058</b>	<b>+6,350</b>	<b>198,409</b>	<b>-6,182</b>
<b>Interest-bearing Debt</b>	<b>182,640</b>	-10,844	<b>171,795</b>	+4,740	<b>176,536</b>	<b>A -6,104</b>
<b>Current Interest-bearing Debt</b>	<b>27,625</b>	-7,600	<b>20,025</b>	+692	<b>20,717</b>	<b>-6,908</b>
<b>Non-current Interest-bearing Debt</b>	<b>155,014</b>	-3,244	<b>151,770</b>	+4,048	<b>155,818</b>	<b>+804</b>
<b>Other Liabilities</b>	<b>21,950</b>	-1,687	<b>20,263</b>	<b>+1,609</b>	<b>21,872</b>	<b>-78</b>
<b>Equity</b>	<b>102,836</b>	<b>+5,476</b>	<b>108,312</b>	<b>+2,880</b>	<b>111,192</b>	<b>B +8,356</b>
<b>Equity Ratio (%)</b>	<b>33.4</b>	<b>+2.6</b>	<b>36.0</b>	<b>-0.1</b>	<b>35.9</b>	<b>C +2.5</b>
<b>Net D/E Ratio (times)</b>	<b>1.39</b>	<b>-0.23</b>	<b>1.16</b>	<b>±0</b>	<b>1.16</b>	<b>-0.24</b>

\* Equity Ratio and Net D/E Ratio are calculated based on "Total equity attributable to owners of the parent"

### A Interest-bearing Debt

Interest-bearing debt increased ¥35.9B due to new/additional borrowings (a)

Decreased ¥42.3B due to repayments upon disposition and scheduled repayments (b)

(¥million)	Q1		Q2		Q1-Q2		
	Current	Non-current	Current	Non-current	Current	Non-current	Current + Non-current
<b>Increase Factor</b>							
New Borrowings upon Acquisition	+2,078	+16,355	+1,640	+13,967	+3,718	+30,322	+34,041
Additional Borrowings (construction fee, etc.)	+39	+1,018	+39	+852	+79	+1,870	+1,950
Other (refinance, etc.)	+480	+10,381	+1,401	+3,891	+1,881	+14,272	+16,153
Non-current Transferred to Current Borrowings	+4,353	-	+4,868	-	+9,222	-	+9,222
Lease Liabilities	+41	+7	+41	-	+83	+7	+90
<b>Total</b>	<b>+6,993</b>	<b>+27,762</b>	<b>+7,990</b>	<b>+18,711</b>	<b>+14,984</b>	<b>+46,473</b>	<b>+61,457</b>
<b>Decrease Factor</b>							
Repayments upon Disposition	-9,791	-18,822	-4,275	-6,293	-14,066	-25,115	-39,182
Scheduled Repayments	-1,408	-128	-1,433	-151	-2,842	-279	-3,121
Other (refinance, etc.)	-3,317	-7,660	-1,521	-3,308	-4,838	-10,969	-15,807
Non-current Transferred to Current Borrowings	-	-4,353	-	-4,868	-	-9,222	-9,222
Lease Liabilities	-76	-41	-68	-41	-144	-83	-227
<b>Total</b>	<b>-14,593</b>	<b>-31,006</b>	<b>-7,298</b>	<b>-14,662</b>	<b>-21,892</b>	<b>-45,669</b>	<b>-67,561</b>
<b>Change</b>	<b>-7,600</b>	<b>-3,244</b>	<b>+692</b>	<b>+4,048</b>	<b>-6,908</b>	<b>+804</b>	<b>-6,104</b>

Copyright © 2026 TOSEI CORPORATION. All Rights Reserved.

### B Change in Equity

Increase in retained earnings **+¥13.8B**  
Payment of cash dividends **-¥4.8B** → **¥8.3B increase** from the end of previous fiscal year

### C Financial Soundness

**Equity Ratio** + 2.5 points from the end of previous fiscal year → **35.9%**

**Net D/E Ratio** - 0.24 points from the end of previous fiscal year → **1.16 times**

15

Page 15, the liabilities and equity section of the balance sheet. Interest-bearing debt decreased by JPY6.1 billion to JPY176.5 billion, reflecting a decline in inventory. Equity amounted to JPY111.1 billion, an increase of JPY13.8 billion due to accumulated profits, and after deducting JPY4.8 billion for dividends and other payments, this resulted in a net increase of JPY8.3 billion.

The equity ratio rose by 2.5 percentage points from the previous period to 35.9%, and the net D/E ratio stands at 1.16 times. While our equity ratio may fluctuate due to the sale and acquisition of properties, we believe we are maintaining sufficient financial soundness. We do not plan to further increase our equity ratio going forward and consider the current level of around 35% to be appropriate.

# Inventories

► Inventories book value: ¥159.9B (-¥10.3B from the end of previous FY), expected disposition value: ¥250.3B (-¥22.6B from the same)

**Book Value**  
as of the end of May, 2026

**¥159,971M**  
222 properties  
763 units

**Estimated Book Value on Completion**

**¥198,017M**

**Expected Disposition Value**

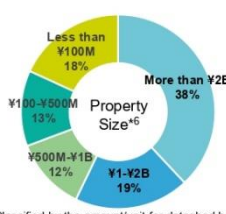
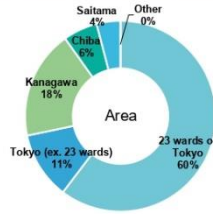
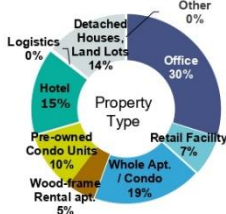
**¥250,370M**

Property Type	Book Value				Total	Estimated Book Value on Completion
	Revitalization		Development			
Office	50,697	45 properties	6,713	4 properties	57,411	<b>38,046</b> <b>(Construction, value-add cost)</b>
Retail Facility	13,747	15 properties	215	1 property	13,963	
Whole Apartment / Condo <sup>*1+2</sup>	25,806	38 properties	6,977	10 properties	32,784	
Wood-frame Rental Apt.	-	-	6,755	51 properties	6,755	
Pre-owned Condo Unit	16,013	405 units	-	-	16,013	
Hotel	-	-	13,943	7 properties	13,943	
Logistics Facility	604	1 property	-	-	604	
Detached House, Land Lot	5,553	18 properties	12,910	358 units	18,463	
Other	30	32 properties	-	-	30	
<b>Total</b>	<b>112,453</b>	<b>149 properties</b> <b>405 units</b>	<b>47,517</b>	<b>73 properties</b> <b>358 units</b>	<b>159,971</b>	

Expected Disposition Value <sup>*3</sup>			
Revitalization	Development	Total	%
64,693	8,728	73,422	<b>29.3%</b>
18,383	488	18,872	<b>7.5%</b>
32,698	14,123	46,822	<b>18.7%</b>
-	12,106	12,106	<b>4.8%</b>
25,375	-	25,375	<b>10.1%</b>
-	37,418	37,418	<b>14.9%</b>
768	-	768	<b>0.3%</b>
11,193	24,260	35,454	<b>14.2%</b>
130	-	130	<b>0.1%</b>
<b>153,245</b>	<b>97,125</b>	<b>250,370</b>	<b>100.0%</b>

<sup>\*1</sup> Whole Apartment in Development Business includes both rental apartment development and condominium development projects.  
<sup>\*2</sup> Condominiums are counted as one per project in the Development Business.

### Breakdown (Expected Disposition Value Basis)



Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

<sup>\*6</sup> Classified by the amount/unit for detached houses and condos

<b>Expected Gross Profit</b>	<b>52,353</b>
<b>Expected Gross Profit Margin</b>	<b>20.9%</b>

<sup>\*3</sup> The above expected disposition value is based on the Company's estimation based on information available as of the end of the period and actual results may differ significantly due to various factors.

<b>(Reference) Past Record of Gross Profit Margin<sup>*4*5</sup></b>	<b>26.4%</b>
--	--------------

<sup>\*4</sup> Gross profit margins of Revitalization Business and Development Business from the past 3 years (FY2023-FY2025).  
<sup>\*5</sup> Includes valuation loss and reversal of valuation loss under LCM, and loss and reversal on retirement of held assets

Page 16 covers the disclosure of inventory, which is a source of revenue.

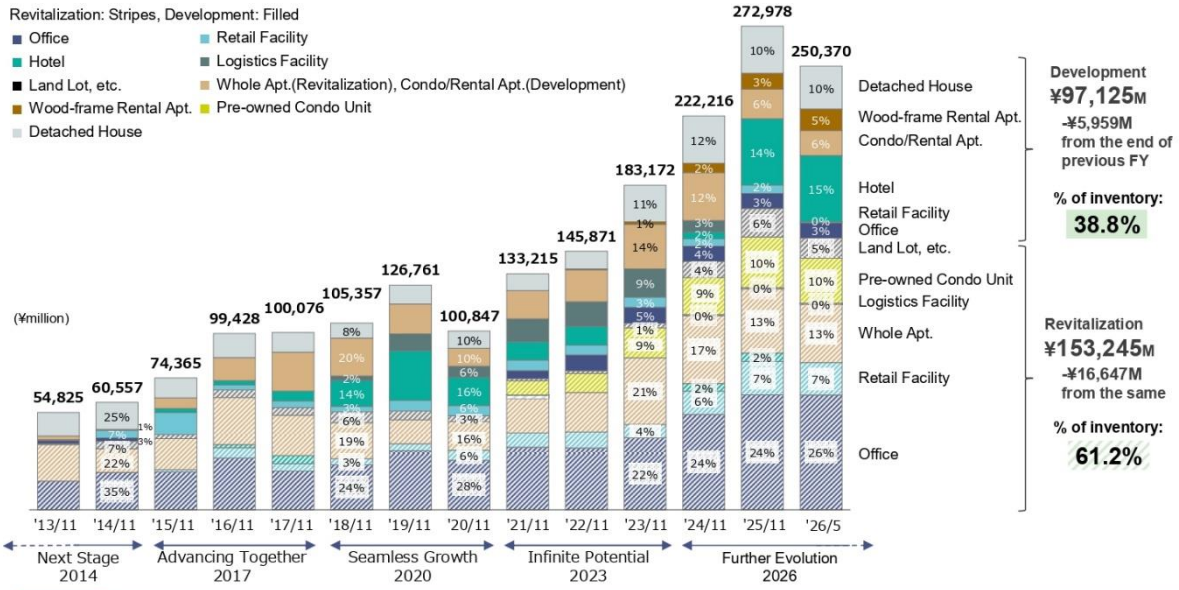
The book value of the properties held by the company on the left is JPY159.9 billion, and it owns 222 properties, comprising 763 units, including detached house and condo units.

The table below shows the breakdown by property type including offices, retail facilities, and condo units. We also show the breakdown by business segment for revitalization business and development business. Against the book value of the properties we hold, adding future construction and renovation costs, we estimate the projected book value upon completion to be JPY198 billion, and the estimated sale price to be JPY250.3 billion.

Although the expected gross profit margin shown in the lower right corner is 20.9%, given that the average over the past three years was 26.4%, we consider this to be a sufficiently conservative and achievable profit level.

Please also refer to the pie chart in the lower left corner, which shows data broken down by asset type, region, and size.

# Trends in Inventories



Balance between Inventories and Revenue			
(¥million)	FY2024	FY2025	FY2026 (Plan)
Inventory*1	183,172	222,216	272,978
Revenue*2	53,881	62,218	89,599
Revenue / Inventory	29%	28%	33%

► Secured inventory worth 3 years' revenue

\*1 Amount of inventories at beginning of each year; based upon expected disposition value \*2 Revenue from Trading Business (Revitalization + Development)  
Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

Page 17 shows a graph of the trends in inventories. Since around 2017, we have been diversifying our asset types including hotels, logistics facilities, and condominium units in response to market changes, and our portfolio is steadily growing.

In H1 of this fiscal year, property sales took precedence, resulting in an expected disposition value of JPY250.3 billion, a decrease of JPY22.6 billion from the previous fiscal year. However, in H2, we plan to increase the pace of acquisitions relative to property sales, thereby restoring inventory levels.

## Fixed Assets

- ▶ Fixed assets (real estate): 35 properties and 2 units with fair value of ¥162.4B (Tosei's calculation) compared to book value of ¥68.8B
- ▶ Unrealized gains of fixed assets: ¥93.6B

Book Value as of the end of May 2026		¥68,859M 35 properties + 2 units		Fair Value		¥162,499M	
(¥million) Property Type	Book Value*2 [A]		Fair Value*3 [B]	Unrealized Gains as of the end of May 2026 [B-A]		Unrealized Gains as of the end of Nov. 2025	
Office	36,268	15 properties	71,906	35,637		35,249	
Retail Facility	8,260	9 properties	13,023	4,763		3,454	
Condo/Apartment	—	—	—	—		—	
Hotel	22,999	8 properties	74,659	51,659		51,443	
Logistics Facility	849	1 property	2,383	1,533		1,288	
Land Lot, Other*1	481	2 properties+2 units	526	45		33	
<b>Total</b>	<b>68,859</b>	<b>35 properties+2 units</b>	<b>162,499</b>	<b>93,639</b>		<b>91,469</b>	
				<b>Income Tax *4</b>	<b>-30,901</b>	<b>-30,184</b>	
				<b>Unrealized Gains After Tax</b>	<b>62,738</b>	<b>61,284</b>	

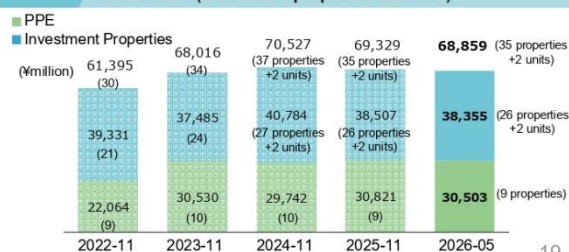
\*1 "Land Lot, Other" includes pre-owned condo units (2 units).  
 \*2 Book Value does not include the book value of right-of-use (lease) assets, tools, furniture and fixtures (excluding hotels), etc., ¥2,038M.  
 \*3 Fair Value is calculated by Tosei based on "Real Estate Appraisal Standards".  
 \*4 Calculated with income tax rate of 33% for calculation purposes.

### Total Equity including Unrealized Gains After Tax

	As of the end of May 2026	
	As of the end of May 2026	Per Share
Total Equity*5	¥111,192M	¥1,146.24
Unrealized Gains After Tax	¥62,738M	¥646.75
<b>Total</b>	<b>¥173,930M</b>	<b>¥1,792.99</b>

\*5 Total equity represents the total equity attributable to owners of the parent.

### Book Value (Investment properties and PPE)



19

See page 19. Here is an overview of our fixed assets. We hold 35 properties as fixed assets with a book value of JPY68.8 billion, and we estimate their fair value to be JPY162.4 billion.

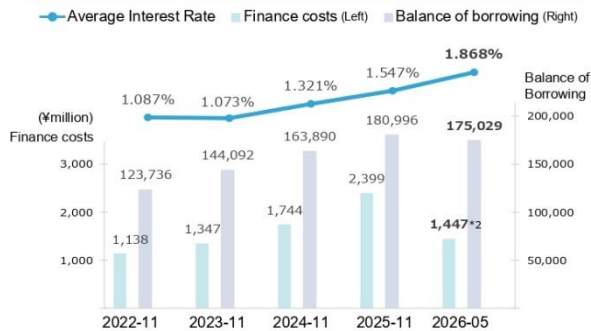
As shown on the right, the unrealized gain as of the end of May was JPY93.6 billion, and assuming a sale, we estimate unrealized gain after corporate tax to be JPY62.7 billion.

In the lower left corner, we have total equity and unrealized gains on a per-share basis. We added total equity per share, commonly known as BPS, of JPY1,146 to unrealized gains per share of JPY646, resulting in an estimated NAV of JPY1,792.

## Borrowings from Financial Institutions

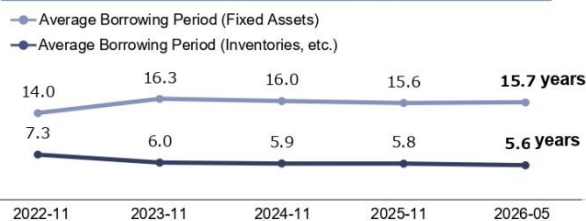
- ▶ The average interest rate rose to 1.868% (+0.321 percent points from the end of previous fiscal year).
- ▶ The average borrowing period: 5.6 years for inventories and 15.7 years for fixed assets

### Average Borrowing Rate\*1



\*1 The weighted-average rate of borrowing balance as of the end of each fiscal year.  
\*2 FY2026 H1 Results

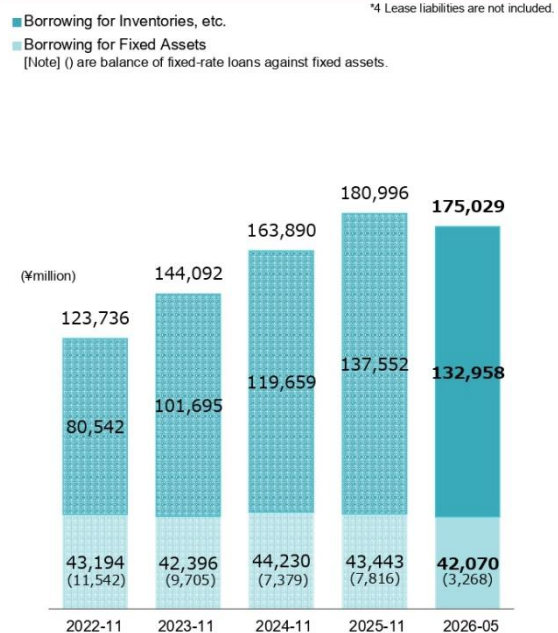
### Average Borrowing Period\*3



\*3 Average borrowing period is calculated using the weighted average of period from the initial date of borrowing until due date of borrowing depending on the borrowing balance.

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

### Balance of Borrowing\*4



\*4 Lease liabilities are not included.

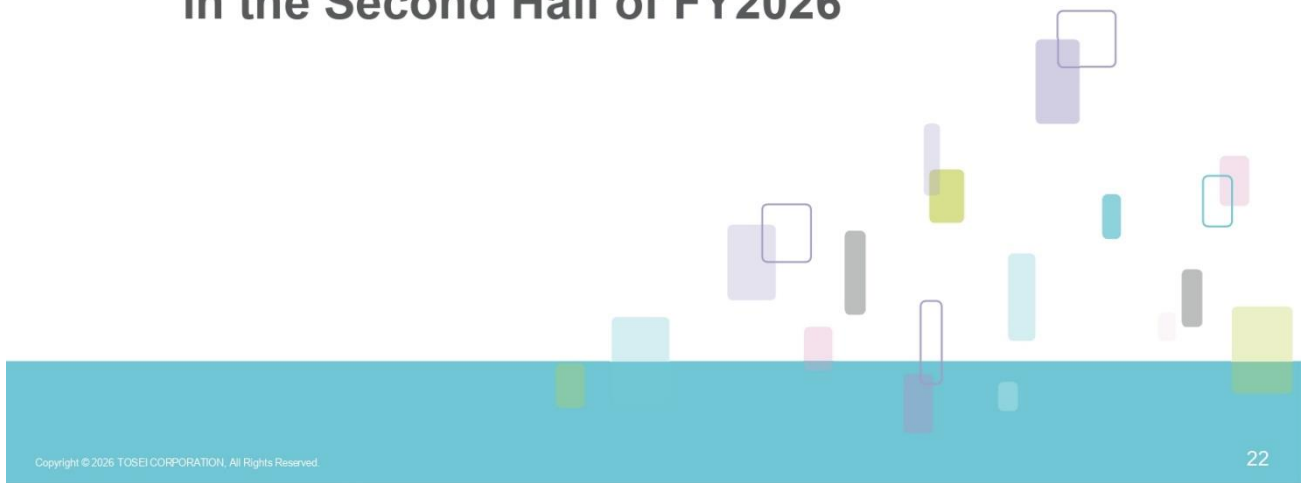
[Note] ( ) are balance of fixed-rate loans against fixed assets.

20

Please see page 20. This is an overview of our borrowings from financial institutions. Following the Bank of Japan's policy rate hike, interest rate for funding has risen, and the average borrowing rate stands at 1.868%, up 0.321 percentage points from the end of the previous period.

The line graph on the left shows the trend in the average borrowing rate on loans, while the bar graph shows the balance of borrowing and financial costs at the end of the period. Although financial costs have increased due to higher balance of borrowing and rising interest rates, they remain within the range projected in our initial plan for the period. In addition, the average borrowing period is 15.7 years for fixed assets and 5.6 years for inventory. We are currently able to secure loans from financial institutions with terms and amounts sufficient to support our business operations. That is all from me.

## II . Business Development in the Second Half of FY2026



Copyright © 2026 TOSEI CORPORATION. All Rights Reserved.

22

**Moderator:** Next, President and CEO Yamaguchi will explain our business developments for H2 of the fiscal year ending November 2026, starting on page 22. Please go ahead.

**Yamaguchi:** Hello, everyone. I am Yamaguchi, the CEO. I will now explain our business plans for H2 of the current fiscal year.

## External Environment Recognition

### Key points of the macro environment

1. Advancing inflation due to the weaker yen and soaring energy prices
2. The BOJ raised its policy rate to 1.0% for the first time in 31 years. Long-term interest rates rose to the 2.8% range, the first time in 29 and a half years.
3. Financial institutions' outstanding loans to real estate sector reached 146 trillion yen, expanding to 17.8% of the total ¥824 trillion (As of the end of Mar. 31, 2026).
4. Soaring construction material prices and equipment supply delays due to heightened tensions in the Middle East.
5. The number of inbound visitors in 2025 reached a record high of 42.68 million.

### Our Recognition

1. Favorable opportunity to enhance real estate profitability due to rising rents. Rental Management
2. Potential shifts in investors' strategies and lower asset valuations due to rising interest rates, alongside concerns over reduced profitability due to increasing financing costs. Fund
3. No signs of deterioration in financial institutions' lending attitudes despite rising interest rates, with a favorable financing environment supporting the real estate transaction market. Revitalization Development
4. Need for careful evaluation of profitability and recovery period for new investments in the Development Business, with construction costs expected to continue rising. Rising relative demand for existing properties, with caution needed regarding signs of price peaking. Revitalization Development Hotel
5. Despite ongoing tensions in Japan-China relations, inbound tourism continues to drive strong demand for accommodation in the Greater Tokyo area, leading to continued investment in new hotel projects. Hotel

## FY2026 H2 Business Strategy

- ▶ Absorb the increase in financial costs with rising rents from held assets and profits from Trading Business
- ▶ Aim for further business expansion by leveraging Tosei's 3 Value Up Codes (Eco-friendly, Well-being, Resilience) as a unique competitive advantage, despite a potential influx of competitors into our core existing property market shifting away from new development

Copyright © 2026 TOSEI CORPORATION. All Rights Reserved.

23

Please see page 23. This shows section the business environment recognition. The box on the left shows the external environment, and the one next to it shows our recognition of it.

There are five points. First, as you know, inflation is on the rise due to the weak yen and soaring energy prices. Shown on the right side is our recognition. In our business, we view the rise in rents for both office and residential properties, driven by this inflation, as a positive development that is improving the profitability of our real estate portfolio.

Point two. The Bank of Japan has finally raised its policy interest rate to 1.0% for the first time in 31 years. This marks an increase from 0.75% last December to 1% this time. In addition, long-term interest rates have recently risen to the 2.8% range. Shown on the right side is our recognition. This is a triangle mark. This means that, as interest rates rise, core investors in particular may change their investment strategies or reconsider asset prices and cap rates. There is currently a heated debate over whether rising interest rates and rent increases can offset each other.























Point three. The outstanding balance of loans extended by financial institutions to the real estate industry stands at JPY146 trillion, and its share has risen to 17.8%. As indicated by the circle on the right, based on interviews with numerous financial institutions, the real estate finance remains fundamentally stable and active. Of course, since prices have risen, we have heard that some financial institutions are taking a cautious approach to asset valuation, so I believe we will need to secure financing while keeping a close eye on the situation and monitor the market closely.

Point four. Due to the soaring prices of construction materials and disruptions in logistics caused by the tense situation in the Middle East, there are indeed delays in the supply of equipment. As for our recognition on the right-hand side, construction costs were already on the rise even without the tensions in the Middle East.

While this has served as a catalyst, our company has been shifting its portfolio toward revitalization business for about three years now, as we have been particularly cautious about the construction and development of reinforced concrete (RC) properties. I feel that this shift in our asset portfolio is going very well so far, and as for new construction properties, we are shifting from reinforced concrete (RC) buildings to wood-frame structures.

Finally, point five. The number of foreign visitors to Japan reached a record high of 42.68 million last year. As you are all aware, following Prime Minister Takaichi's remarks regarding a contingency in Taiwan, the Chinese authorities issued a travel advisory urging Chinese citizens to refrain from traveling to Japan. We had been concerned that this might lead to a significant drop in visitor numbers. While the number of visitors from China has indeed declined, the number of visitors from Europe, the US, Taiwan, South Korea, and other regions have more than offset this decline. Therefore, we assess that the hotel industry is in a favorable position, taking into account the weak yen as well.

**FY2026 Business Environment Recognition – Real Estate Market –** 

Type	Current Status (as of May 2026)		Environmental Recognition	
	Before	Current		
Office			Strong demand for office space driven by corporate business expansion and relocations has kept vacancy rates and rents favorable. With limited new office supply, demand remains strong regardless of building size. Demand is rising across all property sizes amid limited supply, as new office supply in Tokyo's 23 wards decreases from 1.17 million sqm in 2025 to 990,000 sqm (outlook) in 2026.	
Rental Apartment			Rental apartment demand remains strong, driven by rising condo prices and mortgage rates. Asking rents for both family and single types in the 23 wards of Tokyo in Apr. 2026 increased by more than 10% YoY.	
Newly-built Condo			Supply restraint has continued at the backdrop of construction cost rise, and the number of units launched in 2025 totaled a record low of 21,962 units. Although sales prices have continued to rise as supply is reduced and rising construction costs are reflected in prices, the initial-month contract rate from Jan. to May 2026 was weaker than in the same period of the previous year.	
Pre-owned Condo Unit			Demand for pre-owned condo has expanded amid overheating prices in the new condo market, and the average sales price in the Greater Tokyo area continues to rise. The number of contracted units in the Greater Tokyo area totaled 49,114 units in 2025 (+31.9% YoY).	
Detached House			The number of housing starts from Jan. to Apr. 2026 was 17,661 (+3.5% YoY), remaining at a level similar to the previous year. Soaring condominium prices in central Tokyo are leading to a shift in demand toward detached houses.	
Hotel			While domestic travelers have decreased due to rising room rates and the impact of travel advisories to Japan by Chinese authorities was a concern, the number of inbound visitors in 2025 reached a record high of 42.68 million. Strong inbound demand continues to drive the hotel market, and occupancy rates at business hotels in Tokyo remain at high levels.	
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			While new development has been constrained due to soaring construction costs, rental demand has remained solid, resulting in an improvement in the supply-demand balance in the Greater Tokyo area. The vacancy rate as of Apr. 2026 stood at 7.7%, improving from 9.6% in April last year.	
Fund	Private Fund			The domestic private fund market grew to ¥47.1 trillion as of Dec. 2025 (+¥6.3 trillion YoY).
	J-REIT			AUM totaled ¥24.4 trillion as of Apr. 2026 (+¥0.7 trillion YoY). Although the TSE REIT Index continued to rise throughout last year—briefly topping 2,000 points—it has recently fallen to the mid-1,700s due to instability in the Middle East and rising long-term interest rates, creating a challenging environment for external growth through equity financing.
Loan Environment			Financial institutions' outstanding loans to real estate sector reached ¥146 trillion, expanding to 17.8% of the total ¥824 trillion (As of Mar. 31, 2026). Their lending attitudes remain active although bank lending interest rates continue to trend upward.	

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

24

Page 24, recognition of the macroenvironment. Here, we present a forecast for the real estate market. Since this will take a while, I'd like to just cover the main points.

First, let's talk about the office environment. This is a sunny mark. The supply has also decreased from 1.17 million square meters last year to 990,000 square meters this year, with the vacancy rate having dropped significantly and rents being on an upward trend, which leads a sunny mark.

The rental apartment on the second line also shows a sunny mark. In the 23 wards, rents for both family-oriented and single-occupant units rose by more than 10% last year. This resulted from the "cloud symbol" associated with the condo unit on the third line. Due to the soaring construction costs, the prices of condominiums have become extremely high. I'm sure you're all aware of this. Consequently, we are seeing a

shift in trends from home ownership to renting, and the rental apartment market is booming, with rents on the rise.

Similarly, for pre-owned condo unit shown on the fourth line, the number of sales transactions last year rose by 31% to just over 49,000 units. I believe that here, too, the surge in prices for newly-built condominiums on the third line has led to a corresponding rise in prices for pre-owned properties and an increase in the number of sales.

Jumping to the hotel. As I mentioned earlier, while the number of visitors from China has decreased, the number of visitors from Europe, the US, and other Asian countries has increased. This is why I have marked the trend as “sunny” with a slight “cloudy” indicator.

Let's skip ahead a bit to the second-to-last fund market.

First, regarding private funds, this has been given the "sunny" indicator. The market size of private funds last year exceeded JPY47 trillion, representing an increase of more than JPY6.3 trillion from the year before last. While domestic and foreign investors appear to be taking a proactive approach to investing, J-REITs, on the other hand, is given the indicator of cloud and rain.

Given the backdrop of the Bank of Japan raising its policy interest rate and long-term interest rates also rising, the REIT index has fallen to the 1,700-point range.

In this environment, where it is difficult to launch new public offerings and acquire properties through capital increases, we have provisionally marked this as a “cloud” or “rain” symbol.

That concludes my report only on the main points.

# Full-year Forecasts and Q1-Q2 Progress by Segment

(¥million)	FY2025 Results		FY2026 Forecasts		Change		FY2025 Q1-Q2		FY2026 Q1-Q2		Change (YoY)	Progress Ratio against Full-year Forecasts
	[A]	Composition Ratio	[B]	Composition Ratio	[B-A]	%	Composition Ratio	Composition Ratio	Profit Margin	Profit Margin		
		Profit Margin		Profit Margin								
<b>Revenue</b>	<b>94,688</b>	100.0%	<b>122,986</b>	100.0%	<b>+28,297</b>	+29.9%	<b>66,058</b>	100.0%	<b>85,956</b>	100.0%	+30.1%	69.9%
Revitalization Business	39,150	41.3%	72,477	58.9%	+33,326	+85.1%	29,113	44.1%	56,250	65.4%	+93.2%	77.6%
Development Business	23,068	24.4%	17,121	13.9%	-5,946	-25.8%	20,275	30.7%	12,532	14.6%	-38.2%	73.2%
Rental Business	9,138	9.7%	9,395	7.6%	+256	+2.8%	4,335	6.6%	4,892	5.7%	+12.8%	52.1%
Fund and Consulting Business	9,097	9.6%	8,381	6.8%	-715	-7.9%	5,057	7.7%	4,861	5.7%	-3.9%	58.0%
Property Management Business	9,052	9.6%	9,698	7.9%	+645	+7.1%	4,504	6.8%	4,509	5.2%	+0.1%	46.5%
Hotel Business	7,178	7.6%	7,455	6.1%	+277	+3.9%	3,694	5.6%	3,934	4.6%	+6.5%	52.8%
Internal Transactions	-1,996	-	-1,543	-	+453	-	-923	-	-1,023	-	-	-
<b>Gross Profit</b>	<b>39,895</b>	42.1%	<b>45,147</b>	36.7%	<b>+5,251</b>	+13.2%	<b>25,970</b>	39.3%	<b>30,582</b>	35.6%	+17.8%	67.7%
Revitalization Business	9,248	23.6%	16,230	22.4%	+6,981	+75.5%	7,064	24.3%	13,717	24.4%	+94.2%	84.5%
Development Business	7,133	30.9%	5,066	29.6%	-2,067	-29.0%	6,573	32.4%	3,965	31.6%	-39.7%	78.3%
Rental Business	5,286	57.9%	5,306	56.5%	+19	+0.4%	2,459	56.7%	3,018	61.7%	+22.7%	56.9%
Fund and Consulting Business	8,466	93.1%	7,984	95.3%	-481	-5.7%	4,781	94.5%	4,604	94.7%	-3.7%	57.7%
Property Management Business	3,331	36.8%	3,676	37.9%	+345	+10.4%	1,688	37.5%	1,751	38.8%	+3.7%	47.6%
Hotel Business	7,042	98.1%	7,306	98.0%	+264	+3.7%	3,629	98.2%	3,857	98.1%	+6.3%	52.8%
Internal Transactions	-613	-	-423	-	+189	-	-226	-	-333	-	-	-
<b>Operating Profit</b>	<b>22,336</b>	23.6%	<b>24,611</b>	20.0%	<b>+2,274</b>	+10.2%	<b>17,600</b>	26.6%	<b>21,214</b>	24.7%	+20.5%	86.2%
Revitalization Business	6,324	16.2%	12,394	17.1%	+6,070	+96.0%	5,545	19.0%	11,858	21.1%	+113.8%	95.7%
Development Business	5,730	24.8%	3,601	21.0%	-2,128	-37.1%	5,874	29.0%	3,284	26.2%	-44.1%	91.2%
Rental Business	4,938	54.0%	4,948	52.7%	+10	+0.2%	2,303	53.1%	2,868	58.6%	+24.5%	58.0%
Fund and Consulting Business	5,471	60.1%	4,649	55.5%	-821	-15.0%	3,541	70.0%	3,165	65.1%	-10.6%	68.1%
Property Management Business	1,168	12.9%	1,117	11.5%	-50	-4.3%	654	14.5%	560	12.4%	-14.3%	50.2%
Hotel Business	2,809	39.1%	2,445	32.8%	-363	-12.9%	1,521	41.2%	1,381	35.1%	-9.2%	56.5%
Corporate Expenses, etc.	-4,104	-	-4,546	-	-442	-	-1,840	-	-1,904	-	-	-
<b>Profit Before Tax</b>	<b>20,631</b>	21.8%	<b>22,000</b>	17.9%	<b>+1,368</b>	+6.6%	<b>16,804</b>	25.4%	<b>20,140</b>	23.4%	+19.9%	91.5%
Income Tax Expenses	5,835	-	6,842	-	+1,006	-	4,569	-	6,331	-	-	-
<b>Profit for the Period/Year (attributable to owners of the parent)</b>	<b>14,754</b>	15.6%	<b>15,157</b>	12.3%	<b>+402</b>	+2.7%	<b>12,226</b>	18.5%	<b>13,806</b>	16.1%	+12.9%	91.1%
EPS*1 (¥)	152.18	-	156.31	-	+4.13	-	126.12	-	142.35	-	+12.9%	-
ROE	15.3%	-	14.0%	-	-	-	-	-	-	-	-	-
ROIC	5.9%	-	5.7%	-	-	-	-	-	-	-	-	-
ROA	7.1%	-	6.8%	-	-	-	-	-	-	-	-	-

Green portion shows gross profit margin and operating profit margin.

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

[Note] Full-year forecasts are as disclosed on Jan. 14, 2026.

Page 25. This page presents an analysis of our company's revenue and profits by segment. I will be brief. Please see the blue-shade box second from the left, as we have seen previously. First, our revenue forecast for the end of the fiscal year is JPY122.9 billion.

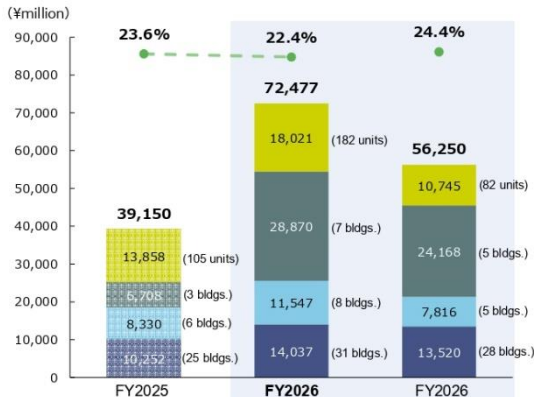
Moving down, we are projecting profit before tax of JPY22 billion, as shown in the blue box second from the right. As Fujiwara mentioned earlier, for H1 of the fiscal year, we achieved JPY85.9 billion, representing over 69% of the target. Profit before tax in H1 was JPY20.1 billion, representing more than 90% of our target, which is a very strong start to H1 of the year.

## Business Strategy by Segment: Revitalization Business

- ▶ Progressed as planned in sales of whole-buildings across all size ranges, from less than ¥1.0 billion to over ¥2.0 billion
- ▶ Achieved 59% of the full-year sales forecast for existing condo units (on a revenue basis)
- ▶ Continue to invest in liquid existing properties in central Tokyo to achieve sales more than 1.8× the previous year's total

### Revenue / Full-year Sales Plan

- Pre-owned condo units
- Whole building over ¥2.0B
- Whole building over ¥1.0B
- Whole building less than ¥1.0B
- Gross Profit Margin



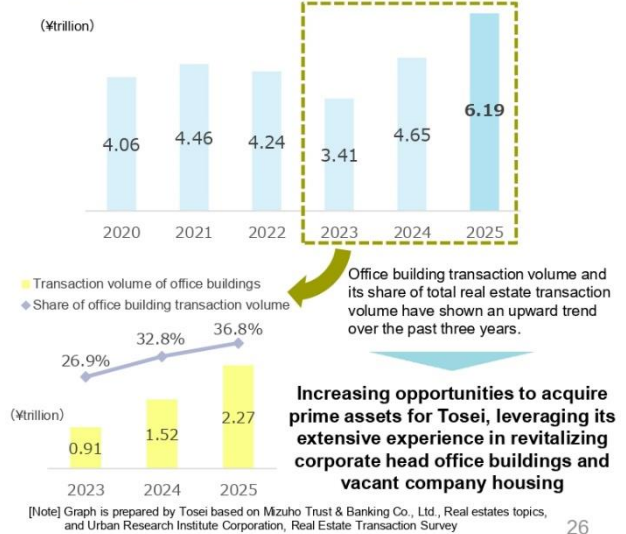
(¥million)	FY2025	FY2026 Forecasts	FY2026 Q1-Q2
Revenue	39,150	72,477	56,250
Gross Profit	9,248	16,230	13,717
Operating Profit	6,324	12,394	11,858
No. of Sales (pre-owned condo unit)	105	182	82
No. of Sales (whole building, other)	34	46	38

Copyright © 2026 TOSEI CORPORATION. All Rights Reserved.

### TOPICS Domestic Real Estate Transaction Trends

- ▶ Domestic real estate transaction volume increasing in recent years
  - ▶ One contributing factor is the progress of property sales by listed companies to improve capital efficiency and secure capital for growth.
  - ▶ Main targets are head office buildings, branch offices, idle real estate, and other operational properties.

#### - Real Estate Transactions by Listed Companies, etc. -



26

I would like to begin explaining the results by segment starting on page 26.

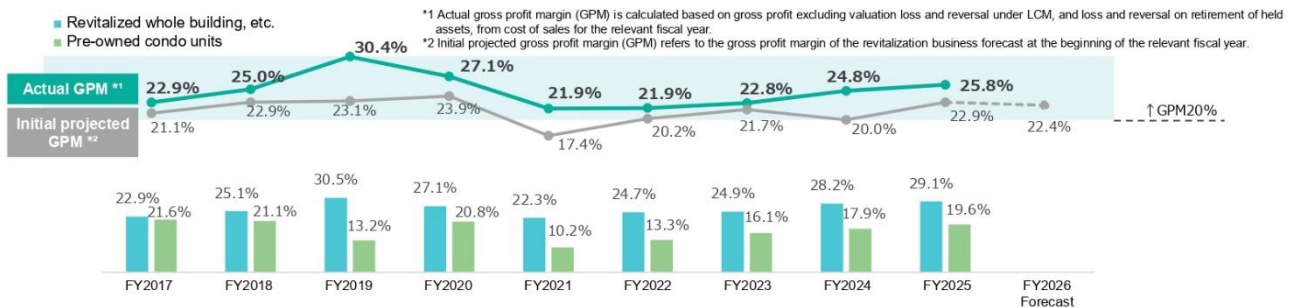
Real estate revitalization business . As I mentioned earlier, we achieved sales of JPY56.2 billion against a fiscal-year target of JPY72.4 billion.

As for operating profit, the fiscal-year target is shown in the bottom row. Out of the JPY12.3 billion target, we have already achieved JPY11.8 billion, so things are going well.

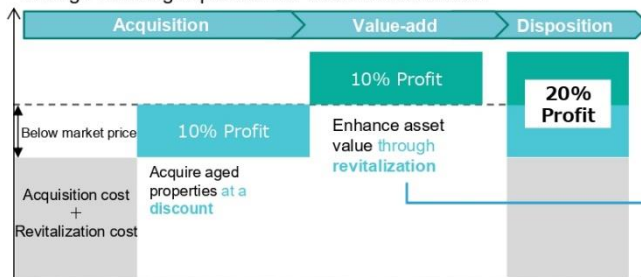
You'll see the topics listed on the right, and if you look at the bar chart on the right, you'll see that the trading volume of listed companies has increased significantly, from JPY4.6 trillion last year to JPY6.1 trillion. As previously mentioned, we view the current trend toward selling real estate and idle assets to improve capital efficiency , as it leads to our company's acquisition of high-quality real estate.

## Stable Profit Contribution from Revitalization Business

- ▶ While real estate transactions are highly influenced by financial and capital markets, Tosei's Revitalization Business has consistently achieved gross profit margins (GPM) above the levels projected at the beginning of each fiscal year.



- ▶ Securing a GPM of over 20% regardless of market conditions through sourcing expertise and value enhancement



\* The profit levels shown are for illustrative purposes only and do not accurately reflect our investment criteria.

- 💡 Achieve an operating profit margin of over 20% through diverse revitalization expertise and exit strategies
- 💡 Avoid a rush to sell and continue to collect rental income during market downturns

- Compliance remediation
- Enhancement of environmental and social performance
- Rent increase
- Occupancy Improvement
- Change of use
- Concept addition

Mizonokuchi Tosei Building II

T's garden Nishi-Terao

TOSEI HOTEL & SEMINAR Makuhan

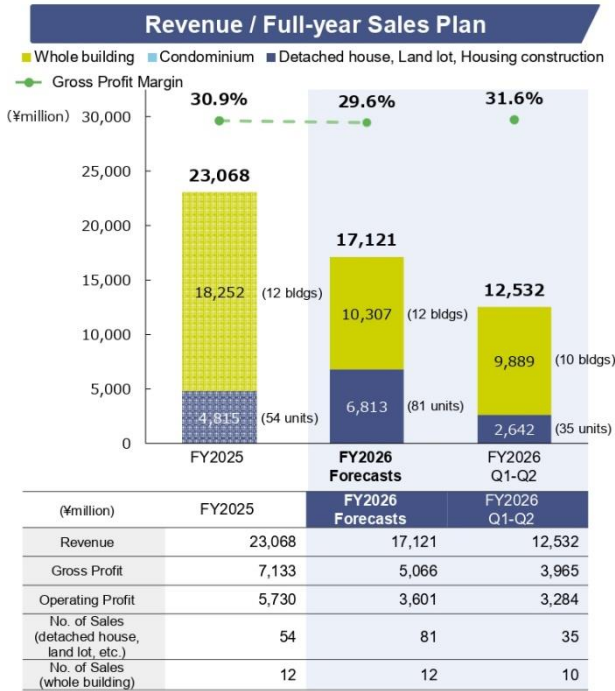
Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

27

Page 27. This is also historical data on gross profit for the revitalization business.

What I'm trying to say here is that, as shown in this bar chart, which illustrates the profit margin of the revitalization business from 2017 to 2025, we have consistently maintained a profit margin of 20% or higher. We would like our investors to understand the following: While our Trading Business is characterized by exceptionally high volatility, our P/E ratio is currently valued at around 11 times. However, in the real estate sector, many companies have average P/E ratios of around 15 times. Therefore, we hope you will recognize the value of our expertise in acquiring assets and exits for our revitalization business, as well as our diverse exit strategies, and recognize the value of our stable profit margins. We believe this would lead to an improvement in our P/E ratio, and we would appreciate your understanding in this matter.

- ▶ Achieved over 90% of the full-year revenue forecast for developed whole-buildings, and focus on sales of detached houses in H2
- ▶ Limited impact on current FY performance from rising material costs despite equipment supply delays due to heightened tensions in the Middle East



Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

### TOPICS Impact of heightened Middle East tensions on development plans

The impact on our performance this FY is limited at present.

- ▶ Operating profit in Development Business has already exceeded 90% of the full-year forecast.
- ▶ Amid persistently high construction costs, Tosei has been focusing on Revitalization Business, which has continued to perform well.

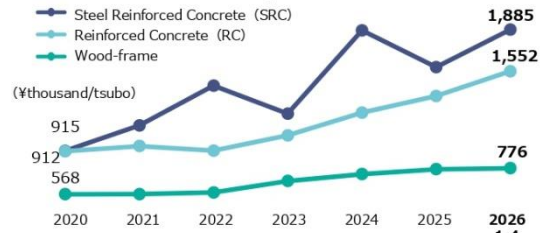
#### Current risk assessment

📈 Rising risks 🛡️ Risk mitigation

- 📈 **Impact on material prices and construction costs** : Possibility of further upward pressure on already high construction costs
- 🛡️ **Impact on construction schedules, including equipment supply delays** : Supply chain disruptions, including for oil-derived housing equipment, which were previously a concern, are showing improvement.

- ▶ Focus on shifting towards Revitalization Business and developing wood-frame properties where the impact of soaring construction costs is relatively moderate as our previous policy
- ▶ Continue to monitor the impact of heightened tensions in the Middle East on our businesses

< Reference: Construction Cost per Tsubo Trends >



Source : Prepared by Tosei based on Ministry of Land, Infrastructure, Transport and Tourism, Statistics on Building Starts

Page 28, real estate development business . As Fujiwara also mentioned, while revenue was JPY23 billion last year and is forecast to be JPY17.1 billion for the current fiscal year, representing a decline, we are managing our revenue, as we do every year, through our revitalization business and development business. Our goal is to combine revenues and profits from these two segments to achieve planned growth in both revenues and profits, and the JPY17.1 billion recorded for the current fiscal year is the result of these planned sales efforts.

In particular, for H1 of the fiscal forecasts, we have already achieved over 90% of our profit target, so things are progressing smoothly. We already sold 35 units of detached house in H1 out of the full-year target of 81 units, so we intend to continue selling them steadily in the H2 as well.

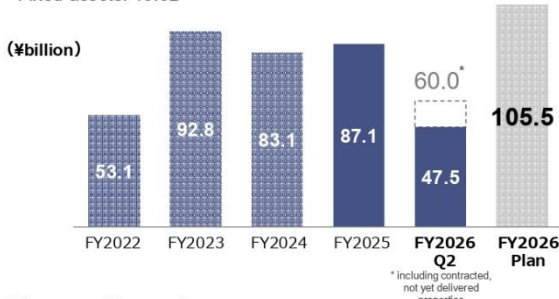
As I mentioned earlier, we are currently focusing our efforts on sourcing the wood-frame T's Cuore series. Although there have been reports of some disruptions to logistics due to the deteriorating situation in the Middle East, and while we have also experienced some delays in the delivery of certain housing equipment, I would like to note that the impact has been limited so far.

Acquisition Target / Strategy

Acquisition Target ¥105.5B

(delivery basis, Calculated from expected disposition value)

- Revitalization Business: 74.5B (incl. pre-owned condo units: 16.5B)
- Development Business: 21.0B
- Fixed assets: 10.0B



► Focus asset types and areas

- Office, Residential, Hotel
- Assets located in 10 central wards of Tokyo or near train stations in suburban areas with high liquidity and price competitiveness
- For pre-owned condo units, pay attention to changes in the customer base and focus on acquiring properties in the ¥200-300M price range. ⇒ Set 5 central wards of Tokyo as priority areas

► Measures against construction costs remaining high

- Focus on revitalization projects more than development projects for the time being
- Carefully select and invest in development projects (wood-frame construction > RC construction)

► Creating acquisition opportunities

- Utilize real estate M&A and business succession support actively
- Flexibly consider all asset types leveraging our strong solution capabilities

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

TOPICS M&A and other achievements

Real Estate M&A, etc.: Total 26 projects, 112 properties

[Note] Figures: property count, ( ) use example; Underlined: business succession support projects

2001	Company H	3 (office)	2023	Company M	12 (rental apt.)
2006	Company G	1 (land lot for detached houses)	Company U	1 (rental apt.)	
2007	Company T	3 (office)	Company D	1 (rental apt.)	
2014	Company C	1 (sports gym)	2024	Company C	23 (office)
2016	Company K	7 (complex)	Company S	2 (apartment complex)	
	Company F	6 (office)	2025	Company O	1 (apartment complex)
2017	Company K	7 (complex)	Company S	5 (office)	
	Company F	1 (complex)	Company T	2 (retail)	
	Company M	9 (land lot for apt)	2026	Company T	14 (office)
2018	Company S	4 (office)	Company V	2 (apartment complex)	
2022	Company Y	5 (rental apt.)	↓ Projects currently in progress		
	Company T	2 (rental apt.)	2026	Company holding real estate located in Minato-ku	

Company / Business M&A: Total 5 projects

2015 2 Detached House Sales Companies

M&A of 2 companies involved in detached house sales, construction, brokerage, etc.

2019 Operation Business of Lodging and Training Facilities

Acquired the operation business of training facility (current Tosei Hotel & Seminar Makuhari)

2021 5 Pre-owned Condo Purchase, Renovation and Resale Companies

M&A of 5 Princess Group companies with strength in the central Tokyo area

2023 Asset Liquidation Business from LIXIL REALTY Corporation

Acquired the business and employees through an absorption-type company split

2026 M&A of a hotel operating company (acquisition of shares: June 30, 2026)

Acquired Pelican Hotels Co., Ltd. (operating company) and its 2 hotels

M&A track record in business succession : Total 14 projects

► Total 45 M&A projects

29

Page 29 shows our acquisition plan. As shown on the far right of this bar chart, while we have set an acquisition target of JPY105.5 billion for this year, we have acquired approximately JPY60 billion in H1 of this fiscal year.

As indicated in the middle section on the left, our focus will be on investing primarily in offices, residentials, and hotels. As noted below, regarding pre-owned condo units, we had been making ultra-high-end investments of JPY500 million and JPY1 billion until about two years ago. However, as we have recently observed a decline in Chinese investors, we are currently shifting our focus to investing in pre-owned condominiums priced between JPY200 million and JPY300 million. As you know, we have performed very well in both acquiring and sales during H1 of this fiscal year.

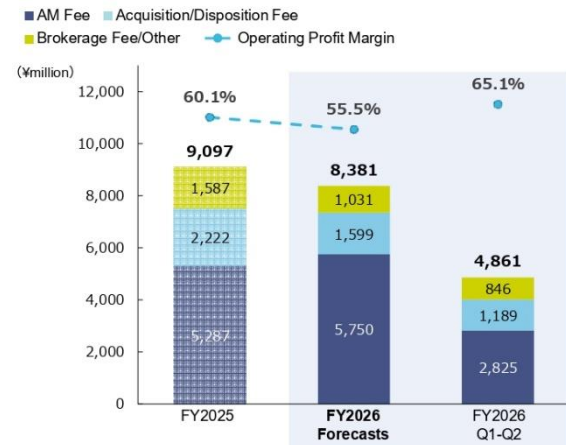
As I've mentioned some times already, we are shifting our focus to properties for revitalization as a response to the persistently high construction costs, as noted in the middle section. Since more than 80% of our acquisitions in H1 were for revitalization business, we anticipate that our overall portfolio of properties for revitalization will continue to grow based on current acquisition trends.

As shown on the right-hand side, as I mentioned earlier, our company makes extensive use of financial M&A as one of our acquisition strategies. As shown in the upper tier, we have a track record of 26 deals of M&A involving companies that own so-called prime real estate. The middle section shows the acquisition of real estate-related operating companies, we completed 5 M&A transactions with the aim of generating business synergies. Moving onto the bottom row. We receive a great many inquiries regarding business succession, and we have completed a deal in 14 such cases, bringing our total number of M&A transactions to 45.

Having built up a strong track record, we are now able to obtain a wealth of information from numerous consulting firms, accounting firms, M&A firms, and trust banks, so we intend to make every effort to acquire high-quality properties through M&A.

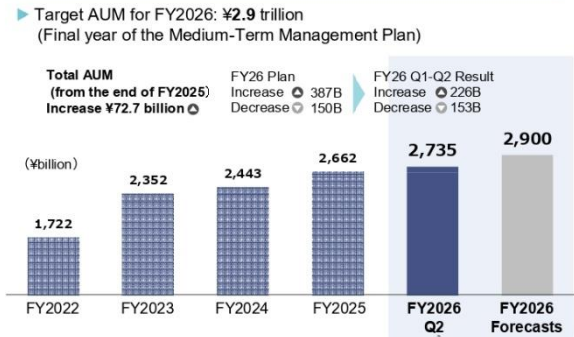
- ▶ Continue to pursue AUM growth, targeting not only increased mandates from existing clients but also from new investors
- ▶ Seek to capture acquisition and disposition fees from managed assets as AUM turnover increases amid a robust investment market

## Revenue / Full-year Plan

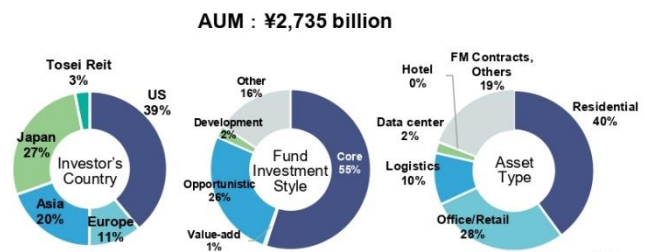


(¥million)	FY2025	FY2026 Forecasts	FY2026 Q1-Q2
Revenue	9,097	8,381	4,861
Gross Profit	8,466	7,984	4,604
Operating Profit	5,471	4,649	3,165

## Balance of AUM



## Breakdown of AUM (as of the end of May 2026)



Copyright © 2026 TOSEI CORPORATION. All Rights Reserved.

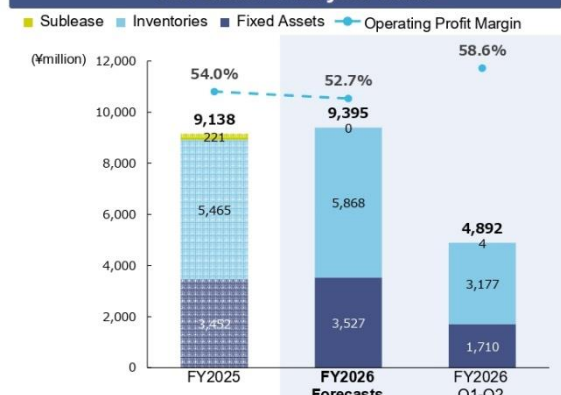
Page 30, real estate fund and consulting business. As Fujiwara explained earlier, regarding our revenue target of JPY8.3 billion for this fiscal year, revenue for H1 totaled JPY4.8 billion, indicating that we are performing very well. Operating profit also came in at JPY3.1 billion, compared to the JPY4.6 billion target for the current fiscal year, resulting in very strong H1 performance.

Regarding AUM, although there was an increase of JPY226.5 billion for H1 of the fiscal year, market liquidity was very high during that period, and, taking investor sentiment into account, there were more dispositions than expected, resulting in a decrease of JPY153.7 billion for H1. We are committed to working hard to increase our AUM in H2 of the fiscal year as well.

### Rental Business

- ▶ Continue to enhance the profitability of held assets as a pillar of Stable Business, focusing on rent increases aligned with an inflationary environment amid rising interest rates

#### Revenue / Full-year Plan



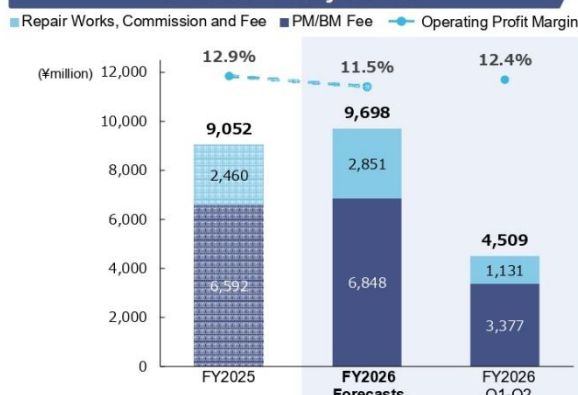
(¥million)	FY2025	FY2026 Forecasts	FY2026 Q1-Q2
Revenue	9,138	9,395	4,892
Gross profit	5,286	5,306	3,018
Operating Profit	4,938	4,948	2,868
Inventories*1	108	-	103
Occupancy Rate*2	88.5%	-	84.9%
Fixed Assets*1	24	-	24
Occupancy Rate*2	98.4%	-	98.4%

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

### Property Management Business

- ▶ Increase new contracts from outside the Group to strengthen the stable base
- ▶ Aim to acquire fee income through proactive rent increase proposals

#### Revenue / Full-year Plan



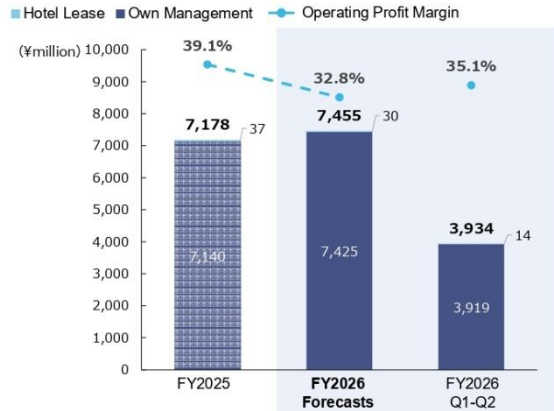
(¥million)	FY2025	FY2026 Forecasts	FY2026 Q1-Q2
Revenue	9,052	9,698	4,509
Gross Profit	3,331	3,676	1,751
Operating Profit	1,168	1,117	560
No. of Properties Under Management	969	-	987

Page 31 shows real estate rental business and property management business. As for our real estate rental business, as Fujiwara explained earlier, we have achieved just over JPY4.8 billion in revenue against this fiscal year's target of just over JPY9.3 billion, and our operating profit stands at just over JPY2.8 billion against a target of JPY4.9 billion, indicating that they are growing at a rate exceeding our forecasts. We intend to make every effort to ensure that leases are contracted and that rents are increased.

Revenue from the property management business shown on the right totaled just over JPY4.5 billion, compared to this fiscal year's revenue target of just over JPY9.6 billion, meaning we are slightly behind the forecast. The reason is that we have not met our H1 targets for tenant construction, but we are offsetting this through increases in property management fees and building management fees, and our operating profit is progressing as planned. We plan to work hard in the second half of the year as well to achieve our goals.

- ▶ Advance the planning and construction of new hotels scheduled to open from FY2028 onward while maintaining profitability of existing hotels
- ▶ Acquired two hotels in Kanda and Asakusa, totaling 229 rooms, through M&A of a hotel operating company (Stock acquired on June 30)

## Revenue / Full-year Plan



(¥million)	FY2025	FY2026 Forecasts	FY2026 Q1-Q2
Revenue	7,178	7,455	3,934
Gross Profit	7,042	7,306	3,857
GOP	4,011	3,952	2,174
Operating Profit	2,809	2,445	1,381

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

## TOPICS Impact of Chinese Authorities' Travel advisories on Our Hotels

- ▶ Accommodation demand from other Asian countries as well as Europe were captured although the share of guests from China and Hong Kong declined.

### <Regional Breakdown of Guests at Our Hotels>

■ Japan ■ China/Hong Kong ■ Other Asia ■ Europe ■ North America ■ Others  
 \*1 Percentages are based on the number of guest rooms.  
 \*2 For YoY comparison purposes, data for hotels opened during the current fiscal year (Kamata and Chiba-Chuo) are excluded.



- ▶ Capturing solid inbound demand: Planning 667 new rooms to expand our current 1,133-room portfolio, expecting to operate total of 1,800 rooms

### Planned: 438 rooms

	Planned Area	Planned No. of rooms	Scheduled completions
1	Chigasaki, Chigasaki-shi	96	FY2028+
2	Irifune, Chuo-ku	47	FY2028+
3	Komachi, Kamakura-shi	24	FY2029+
4	Akihabara, Taito-ku	72	FY2029+
5	Nakano, Nakano-ku	26	FY2029+
6	Shinkawa, Chuo-ku	80	FY2031+
7	Ueno, Taito-ku	93	FY2032+

### To acquire existing hotels : 229 rooms

Acquired 2 prime located hotels via M&A  
 [Note] Acquisition date: June 30  
 In Kanda 157 rooms  
 In Asakusa 72 rooms  
**Total 229 rooms**

32

Page 32, hotel business. As explained earlier, we achieved JPY3.9 billion in revenue against this fiscal year’s target of JPY7.4 billion, specifically, regarding GOP, we generated just over JPY2.1 billion against a target of JPY3.9 billion. Compared to last year, we had initially planned for a slightly conservative GOP forecast which was about 5% lower year-on-year due to China’s travel restrictions, but those concerns proved unfounded.

We’ll be working hard to ensure we exceed our goals by the end of the fiscal year. I’d like you to take a look at the pie chart on the right side of the page as a key point. The left side of the pie chart shows the percentage of guests for H1 of the previous fiscal year. In particular, while the percentage of Chinese visitors, which was 25.3% in the lower right, has dropped to 11% in the pie chart on the right for H1 of this fiscal year, the number of visitors from “Other Asia”, shown in light blue, rose from 33% in the previous period to 38% this period, and the number of visitors from Europe has also increased from 8% to 12% over the same period. As a result, we have been able to maintain our GOP through visitor numbers from other countries.

Overview



Strengthen real estate investment and real estate fund business in the Greater Tokyo and Nagoya areas

<b>Business Areas</b>	<ul style="list-style-type: none"> <li>Promote revitalization and development of small to medium-sized properties, real estate funds, and hotel operations in the Greater Tokyo area</li> </ul>	<ul style="list-style-type: none"> <li>Promote diversified businesses including transportation centered on railroad and real estate in the Nagoya area</li> </ul>
<b>Strengths</b>	<ul style="list-style-type: none"> <li>Extensive track record of real estate investment and strong real estate solution capabilities in the Greater Tokyo area</li> <li>Proven experience in real estate fund management</li> </ul>	<ul style="list-style-type: none"> <li>Strong brand presence</li> <li>Abundant management resources</li> <li>Stable financial base</li> </ul>



Co-invested in "PRETINA RESIDENCE ASAKUSA," a newly-built condominium development by Meitetsu City Design. Property registrations are currently being accepted.



<Major Initiatives>

Greater Tokyo Area			Nagoya Area		
Structure	Project Type	Description	Structure	Project Type	Description
Joint Investment	Rental apt. in Minami-Oizumi, Nerima-ku	Value-add through renovation and leasing of vacant units <span>Revitalization</span>	Joint Investment	Rental apt. in Naka-ku, Nagoya	Subordinated investment in a real estate crowdfunding project <span>Revitalization</span> <span>Fund</span>
Joint Investment	Rental apt. in Nakahara-ku, Kawasaki-shi	Value-add through renovation and leasing of vacant units <span>Revitalization</span>			
Joint Investment	Condo in Asakusa, Taito-ku	Invested in condo development by Meitetsu <span>Development</span>			
Equity Investment	Rental apt. Fund in Tokyo	Meitetsu City Design Co., Ltd. made an equity investment in a fund managed by TAA <span>Fund</span>			
Joint Investment	Rental apt. in Kunitachi-shi	Subordinated investment in a real estate crowdfunding project <span>Revitalization</span> <span>Fund</span>			

Anticipated synergies

- ▶ Asset management mandates for properties held by Nagoya Railroad Co., Ltd. including post-sale asset management Fund
- ▶ Pursue deal sourcing and co-investment opportunities not only in the Nagoya area but also in highly active commercial areas in Osaka. Revitalization Development

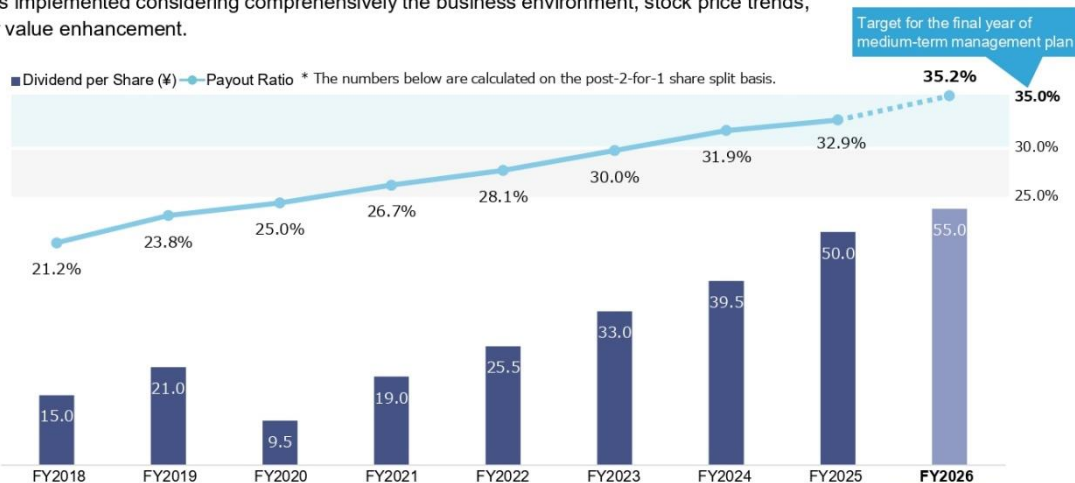
Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

Please see page 33. We have just announced a capital and business alliance with Nagoya Railroad, and I would like to draw your attention in particular to the key initiatives listed in the box at the bottom left.

Starting from the top, these include joint investments in Minami-Oizumi, Nerima Ward; Musashi-Kosugi, Kawasaki City; and a condominium development in Asakusa, Taito Ward; as well as projects in which Meitetsu City Design has invested in rental apartment fund invested by Tosei Asset Advisors; the project in Kunitachi City funded through crowdfunding, in which Meitetsu City Design has provided subordinated financing. In this way, we are taking one step at a time, and our joint ventures and collaborative projects are steadily increasing. We are committed to working hard to further expand these collaborative projects.

## Shareholder Returns Policy

- ▶ The forecast dividend per share is ¥55 (up ¥5 YoY).
- ▶ Plan to set the dividend payout ratio to 35.2% higher than 35%, the ratio planned in the existing medium-term management plan
- ▶ A 2-for-1 share split is implemented with the aim of improving stock liquidity and expanding the investor base. (Effective on Dec. 1, 2025.)
- ▶ Share buyback is implemented considering comprehensively the business environment, stock price trends, and shareholder value enhancement.



	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Profit for the Year *1 (¥M)	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%	-

\*1 Profit attributable to owners of the parent

\*2 Total Return Ratio = (Total dividends + total share buybacks) / profit for the year. Disposal of treasury stock is not considered

Copyright © 2026 TOSEI CORPORATION, All Rights Reserved.

34

Page 34. This is the final point I'd like to cover, which is our shareholder return policy. First, regarding dividends, we plan to increase the dividend from last year's JPY50 and forecast JPY55. Regarding the dividend payout ratio, as we promised three years ago and as outlined in our medium-term management plan, which calls for a dividend payout ratio of 35%, we are targeting a dividend payout ratio of 35.2% for the current fiscal year. We intend to work hard to ensure that we keep our promises to our shareholders.

Furthermore, while maintaining a dividend payout ratio of approximately 35% and naturally allocating the remaining 65% to growth investments, we are committed to working hard to achieve corporate growth alongside stable dividends.

That concludes my explanation, though it was a bit rushed. Thank you for your attention.

## Question & Answer

---

**Moderator [M]:** Thank you. We will now move to the question-and-answer session. The administration will read your question aloud on your behalf. We will answer any questions submitted during reception hours here, as time permits. Please note that due to time constraints, we may not be able to answer all of your questions.

Thank you all for your many questions. Let me start. Here is the first question.

**Participant [Q]:** It appears that your performance in H1 of the year was exceptionally strong. Why, then, are you not revising your full-year earnings forecast upward?

**Yamaguchi [A]:** Thank you for your question. As I mentioned, we got off to a very good start in H1 of the year. In particular, since we have achieved over 90% of our profit after tax target, we naturally consider it possible that we may revise our full-year earnings forecast upward. However, regarding this matter, we intend to comprehensively evaluate sales conditions in H2 of the fiscal year, the AUM of our real estate funds, and acquisition status, and then determine the appropriate timing for any such revisions and announce them accordingly. That is all for the answer.

**Participant [Q]:** The Bank of Japan recently decided to raise its policy interest rate from 0.75% to 1.0%. Is this decision in line with your company's expectations? Also, given this recent rise in interest rates, is there a possibility that real estate prices will soon enter a correction phase?

**Yamaguchi [A]:** Regarding our financial projections, we have based them on the assumption that there will be two 0.25% increases during the current fiscal year. We are currently preparing our business projections based on the expectation of one 0.25% increase having already occurred and another expected by the end of the year, so we consider this to be proceeding as anticipated.

Also, regarding the adjustment in real estate prices due to rising interest rates, as you know, the real estate market consists of two segments: the investment market and the real demand market or end-user market.

First, regarding the investment market, there is very little discussion of a major price correction within the current range of 1%, which is up 0.25 percentage points. If the rate rise by another 0.25% and continue to climb from there, I believe there will be growing momentum, particularly among core investors, to reassess asset prices and cap rates, and there is a possibility of an asset price correction. However, since rents for both office and residential properties are currently rising to offset these rate hikes, I believe investment decisions will be made amid this intense tug-of-war.

On the other hand, when it comes to real demand, as mortgage rates rise, it will inevitably dampen consumer sentiment as condominium prices are already soaring, as has been widely reported. Therefore, if the rate rise by 0.25 percentage points from the current 1 percent or even higher, we believe there is a possibility of price adjustments as well. That is all for my answer.

**Participant [Q]:** Is there room for improving operational efficiency through company-wide AI implementation?

**Yamaguchi [A]:** Of course, I believe that using AI to improve operational efficiency, as well as its implementation and execution, is essential. We have launched a company-wide project and are currently beginning to put it into practice. In particular, we receive a vast amount of detailed real estate data. We are currently launching a project that aggregates data on the values by cost approach, cap rates, and rental examples of small- and medium-sized properties into a single database to perform AI-based appraisals and

generate future projections. As a result, we believe that the shift from manual, human-based appraisals to AI-based appraisals will take place in the future.

When it comes to improving operational efficiency, there are various checks involved in real estate investment as well. We are currently implementing a program using AI to create a “leader,” based on analog, manual processes, that is capable of teaching a wide range of tasks to everyone, including new employees. In that sense, we intend to continue striving to improve operational efficiency by leveraging AI. That is all for the answer.

**Participant [Q]:** I would like to ask about gross profit from the revitalization business. While the projected profit margin for the fiscal year ending November 2026 is 22.4%, the actual margin for H1 of the fiscal year was 24.4%, exceeding the projection. Is this simply because the projects with higher profit margins sold first, or is it because sales are exceeding previous projections?

**Yamaguchi [A]:** This is because we were able to sell the property at a price higher than originally anticipated, and I believe this has allowed us to exceed our projected profit margin. That is all for the answer.

**Moderator [M]:** Thank you. We have now answered all of your questions. Everyone, thank you for your many questions.

With that, we will now conclude the financial results briefing for Q2 of the fiscal year ending November 2026 of Tosei Corporation. Thank you for taking time out of your busy schedule to participate it.

[END]

---

#### **Document Notes**

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

## Disclaimer

JPX Market Innovation & Research, Inc. (“JPXI”) reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case JPXI shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources JPXI believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, JPXI does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which JPXI’s event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company’s most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH JPXI ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES JPXI OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY JPXI. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY’S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. JPXI DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of JPXI’s content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of JPXI. JPXI’s content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by JPXI at any time without notice.

Copyright © 2026 JPX Market Innovation & Research, Inc. (“JPXI”), except where explicitly indicated otherwise. All rights reserved.