

Summary of Telephone Conference on Business Results for the 1st Quarter of FY2025

May 9, 2025

○Consolidated Statement of Income for the 1st quarter of FY2025

- In Q1 of the current fiscal year, both sales and gross profit increased due to an increase in gross profit from condominiums for sale and an increase in sales and gross profit from the property sales to investors.
- Operating revenue was JPY126.6 billion, an increase of JPY10.4 billion YoY, and progress toward the full year forecast was 25%. Operating profit was JPY23.7 billion, an increase of JPY4.5 billion YoY, 28% of the full year forecast. Business profit was JPY24.3 billion, an increase of JPY7 billion YoY, and progress toward the full year forecast was 28%.
- Nonoperating income was JPY1.6 billion, down JPY1 billion YoY due to a decrease in foreign exchange gains, and nonoperating expenses were JPY4.7 billion, up JPY2.3 billion YoY due to an increase in foreign exchange losses, et cetera. As a result, ordinary income was JPY20.5 billion, up JPY1.1 billion YoY. Profit attributable to owners of parent was JPY14.3 billion, an increase of JPY2.6 billion YoY.

○Consolidated Balance Sheet for the 1st quarter of FY2025

- Total assets were JPY2,156.6 billion, up JPY75.3 billion from the end of the previous period, interest-bearing debt was JPY1,273.5 billion, up JPY61.2 billion, and net assets were JPY546.1 billion, down JPY1.3 billion.
- The equity ratio is 24.8%, the D/E ratio is 2.4 times, and the net D/E ratio is 2.1 times.

○Balance of Real Estate for Sale

- In Q1, the balance of real estate held for sale amounted to JPY571.6 billion, up JPY3.7 billion from the end of the previous period, mainly as a result of progress in acquiring properties for sale to investors in asset solutions.

○Commercial Properties Business

- Effective from the current fiscal year, some of the revenue categories within this segment have been changed. The Company has reclassified revenues from the operation of hotels and other facilities on company-owned floors, which were previously recorded as building management service, etc., to be recorded together with revenues from leasing of buildings. As a result, the name of the reporting category was changed from “Leasing of buildings”, to “Leasing of buildings and operating of facilities”. In accordance with this reclassification, the breakdown of “Leasing of buildings and operating of facilities” and “Building management service, etc.”, for FY2024 Q1 results, FY2024 full year results, and FY2025 full year forecast, has been revised.

- operating revenue for Q1 was JPY37.4 billion, an increase of JPY6.6 billion from the same period last year, and business income was JPY9.5 billion, an increase of JPY1.5 billion from the same period last year, mainly due to increased property sales to investors and steady leasing of buildings, et cetera.
- The property sales to investors was recorded as three properties, JPY5.8 billion in operating revenues and JPY1.1 billion in gains on sales.
- The average rent and occupancy rate as of the end of March remained high, at JPY29,167 per tsubo and 98%, respectively.
- With regard to the acquisition of property sales to investors, one project was newly decided to be acquired this fiscal year, expanding the stock to approximately JPY520 billion on a total investment basis.

○Residential Business

- In Q1, operating revenue increased JPY2.2 billion YoY to JPY71.4 billion, mainly due to an increase in sales from the property sales to investors. In addition, business profit was JPY14.6 billion, an increase of JPY2.8 billion YoY, mainly due to an increase in gross profit from condominiums for sale.
- The property sales to investors was recorded as two properties, JPY5.9 billion in operating revenues and JPY0.7 billion in gains on sales.
- The number of condominiums posted for sale remained strong at 772 units, with a gross profit margin of 30.8%. Completion inventory decreased by five units from the end of the previous period, to 183 units. Sales of condominiums for sale continue to be strong, with the percentage of contracts in progress at the end of Q1 at 87% compared to the 1,320 units recorded for the full fiscal year.
- The land bank has accumulated 300 units since the end of the previous period, bringing the total to approximately 7,700 units, including 1,320 units to be recorded this period.
- In terms of leasing condominiums for investors, one new project was acquired in Q1, bringing the stock to approximately JPY105 billion on a total investment basis.

○Asset service Business

- In Q1 of the current fiscal year, operating revenue increased JPY0.8 billion YoY to JPY12.1 billion, mainly due to an increase in sales and gross profit from property sales to investors in asset solutions, which handles purchase brokerage and value-added services. Business profit was JPY2.4 billion, an increase of JPY0.4 billion YoY. In the sale of properties in asset solutions, operating revenue of JPY1.7 billion and a gain of JPY0.5 billion on the sale were recorded.
- The parking business posted operating revenue of JPY6 billion, an increase of JPY0.1 billion YoY. Although the number of managed parking spaces decreased by 1,014 from the end of the previous fiscal year, to 85,778, we see growth opportunities in the parking

business over the medium to long term, and we intend to continue strengthening this business.

○Other

- In Q1, operating revenue was JPY5.5 billion, an increase of JPY0.7 billion YoY, mainly due to a onetime increase in compensation in the fund business, and business income was JPY1.1 billion, an increase of JPY2.3 billion YoY, mainly due to a decrease in accounting expenses recorded in the previous period.