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This is Hirahara, the manager of the Corporate Planning Department.  
I would like to explain the summary of business results up to page 11.

## Overview of the Results for FY2025/3 1Q



**Overall sales and profit decreased YoY due to fewer sales of large-scale properties in 1Q. In stock-type businesses such as Real Estate Services Business and Hotel Operation Business, both sales and profit increased and hit record highs.**

(Unit: million yen)

	Results	Profit margin	Year-on-year	Growth rate	Forecast (disclosed on Feb. 8, 2024)	Achievement rate
Net sales	15,685	—	-2,766	-15.0%	100,000	15.7%
Operating profit	2,834	18.1%	-1,372	-32.6%	20,870	13.6%
Ordinary profit	2,739	17.5%	-1,444	-34.5%	20,000	13.7%
Profit <sup>※</sup>	1,878	12.0%	-1,256	-40.1%	14,000	13.4%

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

### Performance Highlights

- Sales including large-scale properties will accelerate from the second quarter. The sale (including contract-based sale) as of the day of this financial presentation is 30% of the full-year financial results forecast.
- In Replanning Business, both sales and profits increased as the number of sales increased YoY and the profit margin maintained a high level.
- In Real Estate Service Business, the performance is well with exceeding targets mainly due to the PM Business, which saw an increase in the number of entrusted buildings, and the Rental Conference Room Business, which saw an expansion of the new sites.
- In Hotel Operation Business, both sales and profits grew significantly due to continued strong inbound demand backed by the weak yen.
- In Hotel Development Business, the sale of properties is scheduled in the second half of the year. M&A and acquisition of land for development are in progress to increase the number of hotel rooms.

Performance highlights for the first quarter were in line with our initial forecasts and made steady progress.

In the same period of the previous fiscal year, there was the sale of a large-scale project with high profit margins in the hotel development business.

Excluding such special factors, the year-on-year growth in revenues and profits was strong in all of Real Estate Revitalization, Real Estate Services, and Hotel Operation segments.

Our Group will continue to strive to minimize quarterly fluctuations in business results while working to maximize the Group's corporate value under a highly profitable structure.

## Consolidated Income Statement



(Unit: million yen)

	FY2024/3 1Q	FY2025/3 1Q	YoY increase/decrease	YoY change rate
Net sales	18,452	15,685	- 2,766	-15.0%
Real Estate Revitalization Business	7,693	8,711	1,018	13.2%
Replanning Business	7,083	8,020	936	13.2%
Rental Buildings Business	609	690	81	13.4%
Real Estate Service Business	2,665	3,119	454	17.1%
Hotel and Tourism Business	8,029	3,681	- 4,348	-54.2%
Hotel Development business	5,270	0	- 5,270	-
Hotel Operation, etc	2,759	3,681	921	33.4%
Other Business	368	481	112	30.6%
Adjustments	-303	-308	-5	-
Gross Profit (Loss)	6,306	5,194	- 1,112	-17.6%
Real Estate Revitalization Business	2,261	2,638	377	16.7%
Replanning Business	2,125	2,591	465	21.9%
Rental Buildings Business	135	47	-88	-65.1%
Real Estate Service Business	1,557	1,699	141	9.1%
Hotel and Tourism Business	2,665	888	- 1,777	-66.7%
Hotel Development Business	2,200	-0	- 2,200	-
Hotel Operation, etc	465	888	423	91.0%
Other Business	45	172	127	282.0%
Adjustments	-223	-204	18	-
Selling, General and Administrative Expenses	2,099	2,359	259	12.4%
Operating Profit (Loss)	4,206	2,834	- 1,372	-32.6%
Ordinary Profit (Loss)	4,184	2,739	- 1,444	-34.5%
Profit	3,134	1,878	- 1,256	-40.1%
EPS	64.60 yen	38.68 yen	- 25.92yen	-40.1%

### Keynotes of Income Statement

#### <Real Estate Revitalization Business>

The number of sales was 6 (+1 YoY). The progress rate against the financial results forecast is over 30%, including the number of sales of contracted and shortly settled properties.

#### <Real Estate Service Business>

The performance of the PM Business, which saw an increase in the number of entrusted buildings, and the Rental Conference Room Business, which saw an expansion of the new sites, led to record highs for the first quarter.

#### <Hotel and Tourism Business>

Driven by robust inbound demand, Hotel Operation grew significantly in both sales and profits. The overall performance of Hotel Development was affected by a rebound of the sale of one hotel in the same period of the previous year.

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

Increased as planned from the same period of the previous year as personnel expenses increased due to human capital investment, and depreciation expenses increased due to proactive business investment and system investment, etc.

I would like to explain 4 points regarding the consolidated statements of income.

The first point regarding the real estate revitalization business: As of the time of the announcement, including contracts already signed and scheduled for settlement, we have achieved over 30% progress toward our performance forecast.

The second point concerns the real estate services business: While the rental meeting room business is steadily expanding, the PM business, which serves as the platform function, has already exceeded the current medium-term target of 500 managed buildings, achieving a record high on a quarterly basis.

The third point relates to the hotel and tourism business: In terms of operations, we achieved success by focusing on both a high-value-added strategy and catering to inbound tourism.

The fourth point pertains to expenses: As planned at the beginning of the fiscal year, we are focusing investments on human resources and systems.

## Consolidated Balance Sheet - Assets -



<Cash and deposits> Decreased by 7.5 billion yen from the end of the previous fiscal year due to progress in purchasing properties, tax payments and dividends.

<Inventories> Increased by 12.3 billion yen from the end of the previous fiscal year due to purchase and construction of land or properties for RP products small-lot real estate products and hotel development.

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of June 2024	Increase/decrease (compared to the End of March 2024)
Current assets	125,886	159,518	163,738	+4,220
Cash and deposits	42,016	47,867	40,317	-7,550
Inventories	80,182	106,869	119,213	+12,344
Breakdown) RP※	70,327	95,927	103,209	+7,283
Hotel	9,750	9,545	14,509	+4,963
Overseas, etc.	105	1,398	1,494	+97
Other current assets	3,688	4,780	4,207	-572
Non-current assets	26,633	29,143	29,807	+664
Property, plant and equipment	20,410	22,323	22,662	+339
Intangible assets	815	1,193	1,150	-43
Investments and other assets	5,406	5,626	5,994	+368
Total assets	152,519	188,661	193,546	+4,885

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

Next is the consolidated balance sheet.

Total assets reached 193.5 billion yen under the current and next medium-term management plan.

In particular, cash and cash equivalents decreased by ¥7.5 billion mainly for business investment and shareholder returns. At the same time, in inventories, RP business expanded by ¥4.9 billion each for the 7.2 billion yen hotel business.

## Consolidated Balance Sheet - Liabilities/Equity -



<Interest-bearing debt> Increased by 5.1 billion yen due to borrowings for purchase of properties. 10 billion yen was raised through CB issuance in the third quarter of the previous fiscal year, resulting in a total of 84.6 billion yen in interest-bearing debt.

<Equity ratio> Maintained at a high level of 47.1% while actively investing.

### Changes of Equity Ratio

As of End of March 2023	As of End of March 2024	As of End of June 2024
52.9%	48.0%	47.1%

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of June 2024	Increase/decrease (compared to the End of March 2024)
Current liabilities	16,363	24,767	19,962	-4,804
Short-term borrowings, etc.	5,492	12,269	8,765	-3,504
Other current liabilities	10,871	12,497	11,197	-1,299
Non-current liabilities	52,190	69,477	78,450	+8,973
Long-term borrowings	50,170	57,272	65,913	+8,640
Bonds payable	0	9,999	9,999	0
Other non-current liability	2,019	2,205	2,537	+332
Total liabilities	68,553	94,244	98,413	+4,168
Shareholders' equity	80,430	89,889	90,210	+320
Other	3,535	4,526	4,923	+396
Total net assets	83,965	94,416	95,133	+716
Total liabilities and net assets	152,519	188,661	193,546	+4,885

In terms of liabilities and net assets, the equity ratio remained at a high level of 47.1%.

In order to accelerate business investment in the future, we will aggressively promote our business while paying attention to the balance with financial soundness.

## Performance for Each Business Segment

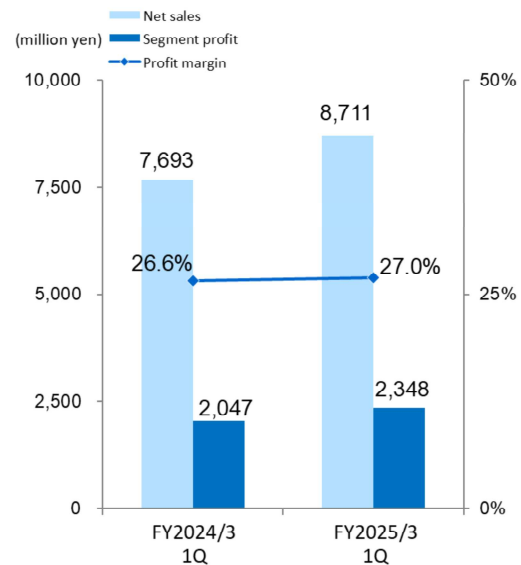


### Real Estate Revitalization Business (Replanning and Rental Buildings)

#### <Replanning Business>

- The number of sales was 6 (+1 YoY). Both sales and profit increased YoY.
- The average business period was 583 days (down 122 days YoY). There were a lot of short-term properties sold in this period, resulting in a significant shortening of the business period.

(Unit: million yen)	FY2024/3 1Q	FY2025/3 1Q	Increase/ decrease
Net sales	7,693	8,711	+13.2%
Replanning Business	7,083	8,020	+13.2%
Rental Building Business	609	690	+13.4%
Segment profit <sup>※1</sup>	2,047	2,348	+14.7%
Replanning Business	1,911	2,300	+20.4%
Rental Building Business	135	47	-65.1%
Profit margin	26.6%	27.0%	+0.3%pt
Replanning Business	27.0%	28.7%	+1.7%pt
Rental Building Business	22.3%	6.9%	-15.4%pt
Number of properties sold	5 cases	6 cases	+1 cases
Number of stocks	57 cases <sup>※2</sup>	59 cases <sup>※2</sup>	+2 cases



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

Next, I would like to explain our performance by business segment.

The results of Replanning Business were in line with the initial plan of year-on-year increases in both sales and profits. In terms of volume and profit margins, the results were at a cruise pace, while still keeping up with the full-year results forecasts.

In Rental Building Business, sales increased but profits decreased year on year.

In order to strengthen our stock business, we will build a stable earnings base while replacing assets.

## Performance for Each Business Segment



### Real Estate Revitalization Business

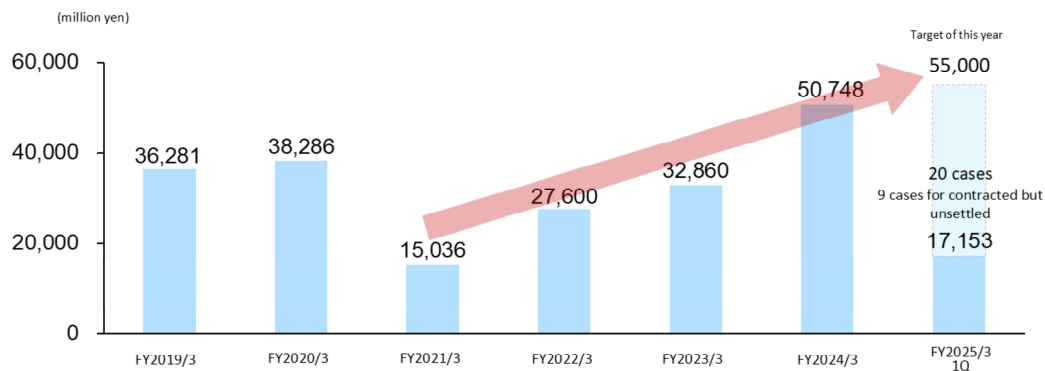
#### <Purchasing properties of Replanning Business>

The purchase amount, including contracted and unsettled properties, is 17.1 billion yen.

More than 30% progress toward the full-year purchase target of 55 billion yen.

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

(Unit: million yen)	FY2024/3 1Q	FY2025/3 1Q	Increase/ decrease
Number of properties purchased	24 cases	20 cases	-4 cases
(of which, contracted and unsettled)	9 cases	6 cases	-3 cases
Purchase amount	22,510	17,153	-5,357
(of which, contracted and unsettled)	12,590	3,428	-9,162



Purchases of RP properties are slightly inferior year-on-year, but we are steadily accumulating more than 30% against our full-year target.

We will continue to strive to create a foundation for future corporate value without relaxing our purchasing standards.

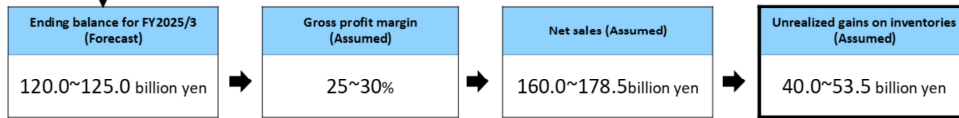
# Trends in Inventories and Gross Profit of Property Sales



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

	FY2021/3 (Results)	FY2022/3 (Results)	FY2023/3 (Results)	FY2024/3 (Results)	FY2025/3 (Forecast)
Sales of properties	45.1 billion yen	57.0 billion yen	61.7 billion yen	53.7 billion yen	70.0 billion yen
Cost of property sales	33.1 billion yen	40.3 billion yen	44.9 billion yen	36.1 billion yen	49.0 billion yen
Gross profit ※	12 billion yen RP 9.2 billion yen Hotel 2.8 billion yen	16.7 billion yen RP 16.0 billion yen Hotel 0.7 billion yen	16.8 billion yen RP 15.3 billion yen Hotel 1.5 billion yen	17.6 billion yen RP 15.5 billion yen Hotel 2.1 billion yen	21.0 billion yen RP 20.0 billion yen Hotel 1.0 billion yen
Gross profit margin	26.6%	29.2%	27.2%	32.8%	30.0%
Purchases during the fiscal year, construction work, etc.	27.4 billion yen	31.6 billion yen	47.7 billion yen	62.8 billion yen	62.2~67.2 billion yen
Ending balance of the inventory	86 billion yen	77.3 billion yen	80.1 billion yen	106.8 billion yen	120.0~125.0 billion yen

Affected by COVID-19, both net sales and purchase decreased, and causing the decrease of the balance of inventories.   
 Although COVID-19 prolonged, sales were good. Started refocusing on purchases, but the balance of inventories declined.   
 Sales remained strong. The results of strengthening purchase emerged, leading to the increase of the balance of inventories.   
 Increase in the balance by selling as planned and investing aggressively.   
 Aggressively invest for the next fiscal year and beyond while selling at high margins and achieving the Medium-Term Management Plan.



※ Gross profit = ordinary profit - sales commission

This chart illustrates the relationship between sales, purchases, and inventories in the financial statements of our business model for increasing added value in RP business.

The right is the initial budget we are working on for the current fiscal year.

At the same time, the bottom assumption shows sustainable growth toward the next medium-term management plan, which will start in the next fiscal year.



## Performance for Each Business Segment

### Real Estate Services Business

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



#### <Property Management and Building Maintenance>

- Business, both sales and profit increased due to an increase in the number of entrusted buildings
- In BM Business, sales increased due to an increase in the number of managed buildings, but profits did not increase due to an increase in costs associated with rising prices.

#### <Brokerage>

- Leasing brokerage was flat compared with the same period of the previous year.
- Sales brokerage, in addition to referral projects, projects for repeat customers and new customers also led steadily to contracts, resulting in a strong performance.

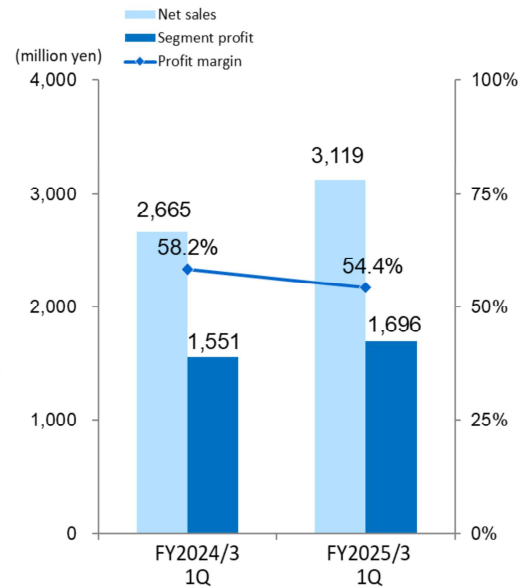
#### <Rental Conference Room>

- New sites contributed to sales and profit growth while making progress in investment for further expansion of sites.

#### <Rent Guarantee>

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

(Unit: million yen)	FY2024/3 1Q	FY2025/3 1Q	Increase/ decrease
Net sales	2,665	3,119	+17.1%
Segment profit <sup>※1</sup>	1,551	1,696	+9.4%
Profit margin	58.2%	54.4%	-3.8%pt



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

Real Estate Service Business is mutually complementary to Replanning Business, and it is a platform that provides a 1-stop value-added chain for our group.

As a segment, we exceeded sales of 3 billion yen for the first time, and secured a profit margin of 54%.

Based on the current and next medium-term management plans, We will continue to strengthen our stock businesses, which are less susceptible to interest rate fluctuations.

## Performance for Each Business Segment



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

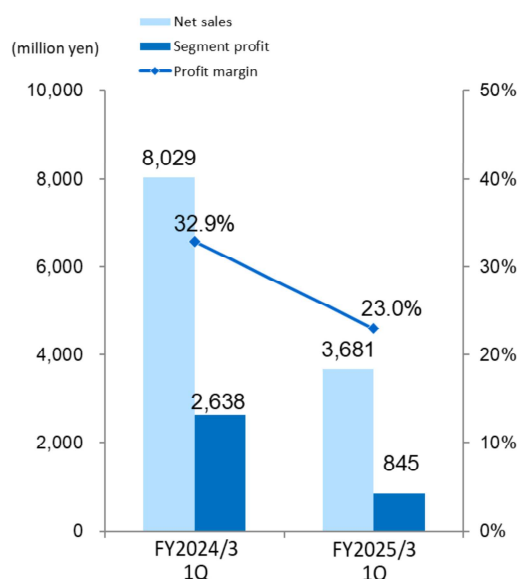
#### <Hotel Development Business>

- Both sales and profit decreased due to a reaction of the sale of one hotel in the previous year.
- Making a progress in land acquisition in Karuizawa, Akita, etc., and many ongoing development projects in other regions.

#### <Hotel Operation Business <sup>※1</sup>>

- Both sales and profit increased significantly due to an increase in occupancy rate and average daily rate as travel demand continued to expand and inbound demand recovered.

(Unit: million yen)	FY2024/3 1Q	FY2025/3 1Q	Increase/ decrease
Net sales	8,029	3,681	-54.2%
Hotel Development Business	5,270	0	-
Hotel Operation Business, etc.	2,759	3,681	33.4%
Segment profit <sup>※2</sup>	2,638	845	-68.0%
Hotel Development Business	2,173	-22	-
Hotel Operation Business, etc.	465	867	86.5%
Profit margin	32.9%	23.0%	-9.9pt
Hotel Development Business	41.2%	-	-
Hotel Operation Business, etc.	16.8%	23.6%	6.7pt



※1 There is Profit of Hotel Rental included.

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

This is followed by Hotels and Tourism Business

In development projects, we place importance on the perspective of regional revitalization, and we are promoting development together with local consumers.

In the management business, the number of fixed fans who support the philosophy of "heartwarming and fun hotel," which is valued by our group, is increasing, and this has been the driving force behind high occupancy and higher unit prices, including the impact of inbound tourists.

## Performance for Each Business Segment



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

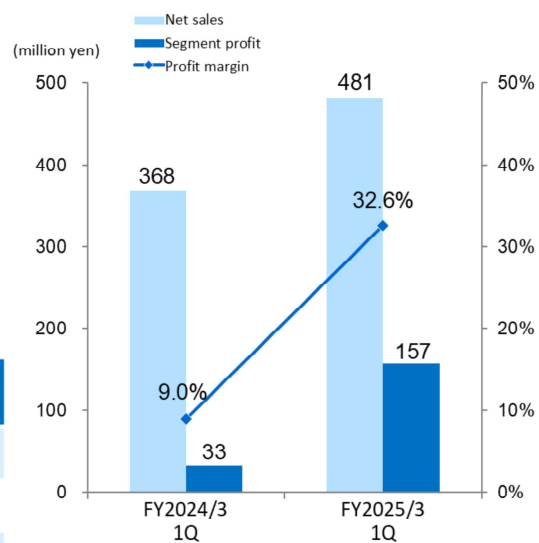
#### <Construction Business>

- Both sales and profit increased due to an increase in sales of percentage of construction completion method at a Group subsidiary compared to the previous year and settlement of labor costs for completed projects in the previous fiscal year.

#### <Overseas Development Business>

- Construction of the second condominium project in Viet Nam (HIYORI Aqua Tower), for which land was acquired, is scheduled to begin in August 2024.

(Unit: million yen)	FY2024/3 1Q	FY2025/3 1Q	Increase/ decrease
Net sales	368	481	+30.6%
Segment profit <sup>※1</sup>	33	157	+371.5%
Profit margin	9.0%	32.6%	23.6%pt



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

Finally, in Construction Business, sales and profits increased year-on-year, although they were in a difficult phase due in part to inflation and the 2024 problem in Japan.

We will continue to explore M&A possibilities to strengthen the value chain within the Group.

In Vietnam Business, the second project of a new condominium project is scheduled to start this month.