



Forecast and Progress for FY2025/3



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Now, I will explain the current progress towards our full-year performance forecast for this fiscal year and our future growth strategy

Progress for FY2025/3 Forecast



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

First, as previously explained, the results for the third quarter show that the overall progress rate against the full-year forecast is 60% for sales and 57% for ordinary profit.

Overall, this progress is in line with the initial plan. However, despite our efforts to expedite the sale of properties planned for the fourth quarter, the timing of the sale settlements resulted in the current performance level.

On the other hand, the real estate services and hotel operations businesses are progressing smoothly, ahead of schedule. Notably, the hotel operations are performing exceptionally well, with gross profit reaching 113% of the full-year forecast.

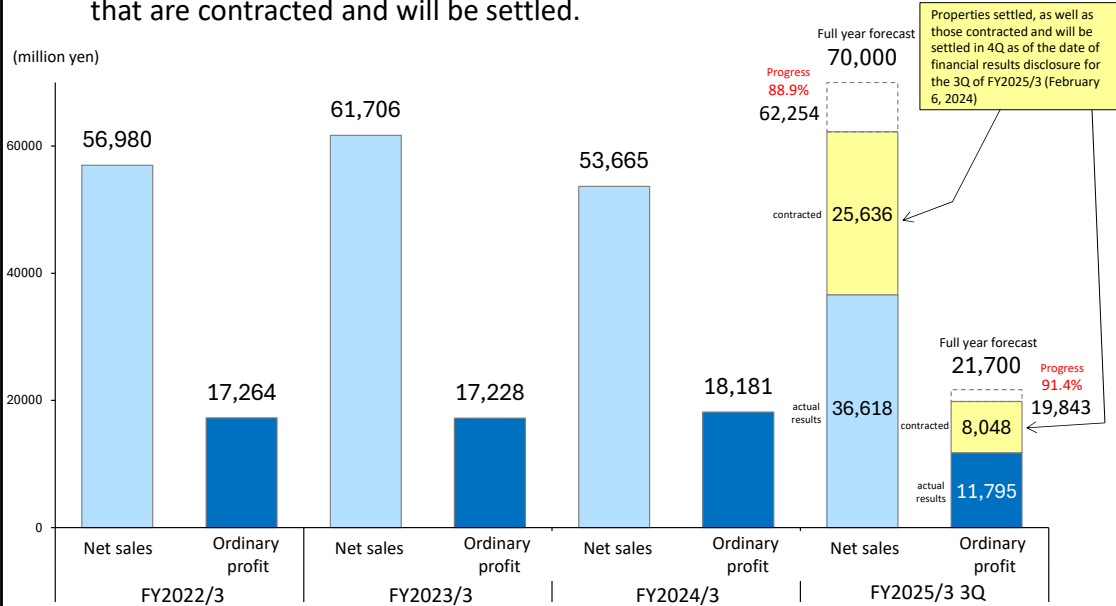
Next, I will provide a more detailed explanation of the current progress.

Progress of Flow-Type Businesses

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



Progress against the forecast is more than 90% including the properties that are contracted and will be settled.



This slide shows the trends in "sales" and "gross profit" from the sale of RP properties, hotel properties, and fractional real estate properties.

For this fiscal year's performance, the highlighted amounts in yellow represent the total of properties whose sale settlements have been completed from the beginning of the year up to yesterday's earnings announcement, as well as those already under contract and scheduled for future settlement.

Sales amount to 25.6 billion yen, and gross profit is 8 billion yen. Adding these to the third-quarter results, the progress rates towards the full-year targets for our flow-type business are 88.9% for sales and 91.4% for gross profit.

Additionally, we have received letters of intent for the remaining projects, so we expect to achieve the full-year performance as initially forecasted.

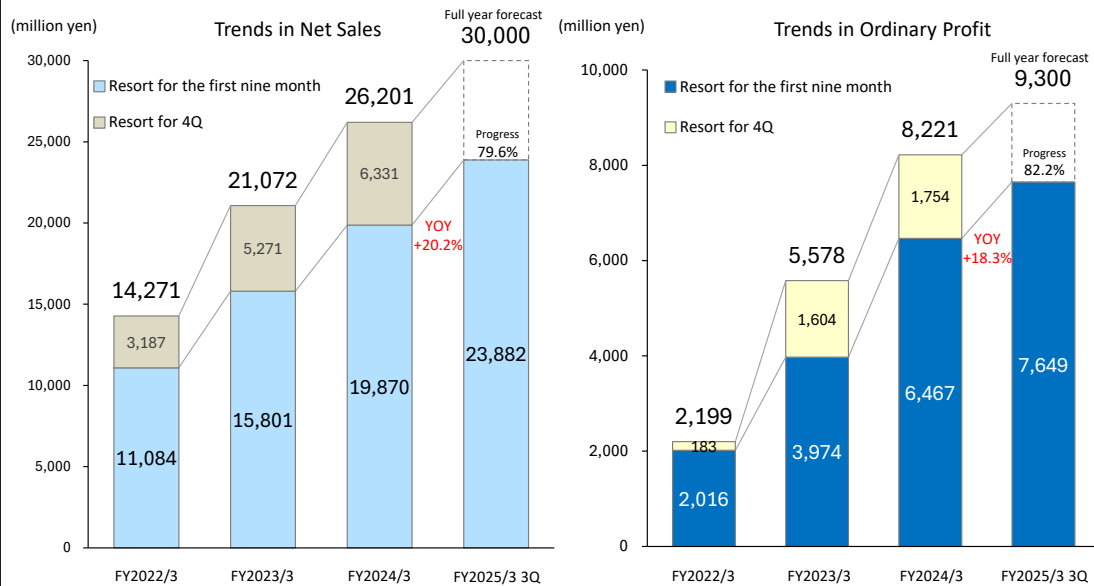
Progress of Stock-Type Businesses

(All businesses other than sale of properties such as Real Estate Services, Hotel Operation Business, etc.)



Sales and profit continued to increase.

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



On the other hand, the stock-type business continued to expand steadily in the third quarter, reaching a new record high.

This graph shows the performance trends of our non-property sales businesses, such as real estate services and hotel operations, excluding the sales of properties for sale mentioned earlier.

The results for these businesses show significant growth, with sales reaching 23.8 billion yen, a 20.2% increase compared to the same period last year, and gross profit reaching 7.6 billion yen, an 18.3% increase.

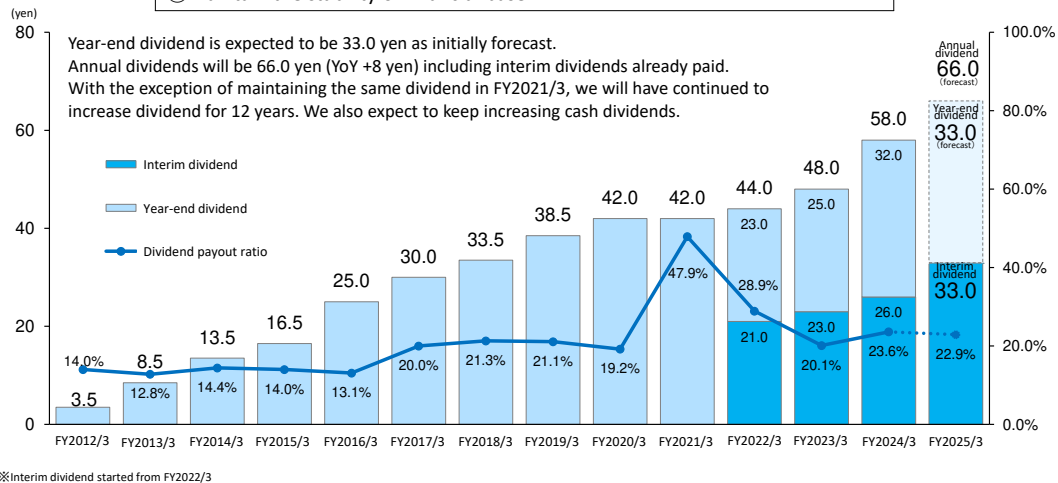
We aim to further accelerate growth in this area, enhancing our revenue structure to be more stable and robust.

Forecast for Cash Dividend



Basic Policy for Shareholder Return

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



The year-end dividend is planned to be 33 yen, as initially forecasted. Combined with the interim dividend already paid, the annual dividend will be 66 yen, an increase of 6 yen compared to the previous fiscal year, marking the 12th consecutive year of dividend increases.

Moving forward, we will continue to strive to meet our shareholders' expectations through further growth, stable dividends, and ongoing dividend increases.



Growth Strategies



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Next, I will explain our future growth strategy.

The main focus will be on the growth strategy for the next mid-term plan, which begins in the new fiscal year. I will also provide some specific examples of recent initiatives to give you a clearer picture.

Business Environment Awareness



1. There are concerns that the global economy will slow down due to policy changes accompanying the change of government in the United States, the slowdown of the Chinese economy, and geopolitical risks.

- ◆ IMF expects the real growth rate of the world economy to be 3.3% in 2025 and 2026, up 0.1% point from its previous forecast.
- ◆ Economic growth in the United States is solid but still needs attention to policy changes accompanying the change of government, such as the strengthening of protectionist policies.

2. The Japanese economy is moving to an environment with interest rates. People expect that a virtuous cycle of wages and prices will bring sustainable economic growth.

- ◆ The Bank of Japan raised interest rates in January as expected. We need to be concerned about the interest rates rising further.
- ◆ As prices continue to rise, a virtuous cycle between wages and prices is forming. The market is expecting sustainable wage increases.

3. In the central Tokyo office building market, a high investment appetite continues as rents continue to rise and the vacancy rate continues to improve.

- ◆ The rise in rents and improvement in vacancy rates are continuing. The number of new and completed office buildings is expected to increase in 2025 compared to 2024.
- ◆ Despite the rise in interest rates, wealthy individuals and institutional investors, particularly from Asia, remain highly motivated to invest.

4. In the hotel and tourism market, both visitors and their spending hit record highs due to the depreciation of the yen.

- ◆ Tourist spending by visitors to Japan in 2024 reached 8,139.5 billion yen, exceeding the previous year's 5,306.5 billion yen and setting a new record.
- ◆ The number of visitors to Japan in 2024 reached 36.87 million people, exceeding the previous record of 31.88 million in 2019 and setting a new record.

First, let's discuss the business environment.

With the change in the U.S. administration leading to abrupt policy shifts, the slowdown of the Chinese economy, and growing concerns over geopolitical risks, macroeconomic factors are increasingly highlighting risks and heightening uncertainty about the future.

Additionally, we must be mindful of the potential instability in financial markets due to the recent policy rate hike by the Bank of Japan and the possibility of further rate increases.

On the other hand, the current economic conditions in Japan remain robust, with expectations that the country is on a sustainable growth trajectory driven by a "virtuous cycle of wages and prices."

Amidst this, we anticipate that the recovery trend in the office building market and the expanding demand in the hotel and tourism market will continue for the foreseeable future.

While we remain vigilant about future environmental changes, we are committed to steadily advancing our business in line with our plans.

Basic Policy for the next Medium-term Plan



Work for resolving social issues
business

within core business
services.



Regarding this plan, the basic policy for the next mid-term plan is as follows:

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

While strengthening our human resource foundation, we aim to enhance our ability to solve clients' problems by integrating flow-type and stock-type businesses.

Quantitative Plan for the next Medium-term Management Plan



Continuing high profitability and growth
Invest more actively in business while maintaining financial discipline and develop business with high capital efficiency.

FY2028/3 Plan		
Profit Plan	Net sales	135 billion yen
	Ordinary profit	27 billion yen
Management indicator	Ordinary profit margin	20%
	ROE	10% or more
	Equity ratio	Around 45%



As for our quantitative targets, we aim to achieve sales of 135 billion yen and ordinary profit of 27 billion yen by the final fiscal year ending March 2028.

Growth Strategies in the Next Medium-Term Management Plan



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

Three markets to focus	Business model	Business domain	Area	Our goal
Office	Development	Renovation	Tokyo	Contribute to the realization of a sustainable society by utilizing real estate in resource recycling methods.
		<small>Business domain expansion</small> New construction		
	Services	Real Estate Services	Tokyo	
	Operation	Rental conference rooms	Tokyo	
Hotel	Development	New construction	Nationwide	Expand heartwarming and fun hotels nationwide to grow with local communities.
		Renovation		
	Operation	Hotel operation		
Residential	Development	<small>Business domain expansion</small> New construction	<small>Area expansion</small> Vietnam	Provide high quality residential environment full of safety, security and comfort to contribute to the development of nations.
		Renovation	New York	
	Services	Real Estate Services	Vietnam New York	

Next, let's discuss our growth strategy.

In line with our basic policy, we will expand and diversify our business domains by integrating various operations through "customer-centric product development" and "warm and heartfelt service."

Our focus markets are our core office building market, hotel market as a new area for us, and the emerging residential market. Initially, we will pursue a unique business model that combines "renovation and development" with "service and operation" across these three markets.

By enhancing the knowledge, human resources, and organizational strength we cultivate in these areas, and effectively circulating capital, we will further expand our business domains and accelerate growth.

Let me now provide a brief overview of our specific initiatives.

Replanning Business, An Example of Initiatives



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

POINT

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

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

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

1F Small offices (1 floor 6 areas)

B1F Lounge

B1F Meeting rooms

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

Let us first discuss the replanning business, which is our founding business. This example involves a property sold during the third quarter: a 22-year-old office building located in Shibuya Ward, comprising one basement level and seven above-ground floors.

After our acquisition, we conducted a full renovation of the entire building, creating setup offices on each floor. Each floor is approximately 50 tsubo (about 165 square meters) in size. The first floor is divided into six small office units, the second to fourth floors are divided into two units each, and the upper floors (fifth to seventh) are single-unit floors. Additionally, the basement level includes shared lounges and conference rooms for tenants on each floor.

The building is designed to accommodate the growth of young companies, such as startups and ventures, allowing them to expand to upper floors as they grow. From an environmental perspective, we have installed smart sensors that operate wirelessly from the ceiling, enabling automatic air conditioning adjustments to enhance the building's energy efficiency.

By adapting existing office buildings to the characteristics of the area and changes over time, while incorporating the latest technologies, we create optimal uses and enhance the value of the buildings, contributing to the sustainable prosperity of the community.

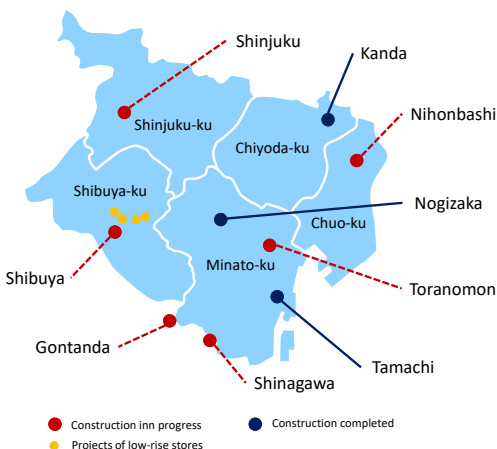
As our core business, we will continue to grow this segment steadily, embracing change and evolution.

New Construction

Use setup office know-how to develop new buildings



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



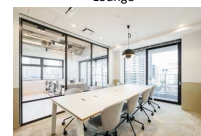
Create a long-term and stable sales plan by combining new construction properties such as low-rise stores, office buildings, in addition to Replanning properties and small-lot properties which have high asset turnover



Roof top terrace



Lounge



Meeting room



Office



Entrance



Elevator

On the other hand, we will also focus on the development of new buildings moving forward.

In our office building business, our policy is to prioritize renovation and regeneration from a decarbonization and resource-saving perspective. However, for buildings with seismic issues or severe deterioration that cannot be adequately addressed through renovation, we will proceed with reconstruction and new construction.

Although such cases are few, we have indeed been developing new buildings. The map on the left side of the slide plots the locations of ongoing new construction projects.

The photo on the right side of the slide shows a recent example of a new building in Minato Ward. This is an 11-story office building with a total floor area of over 500 tsubo (approximately 1,650 square meters). Each floor includes setup offices. Completed in October last year, tenant occupancy has been progressing smoothly, and a buyer has been secured. The sale is scheduled for this March, marking a three-year project duration.

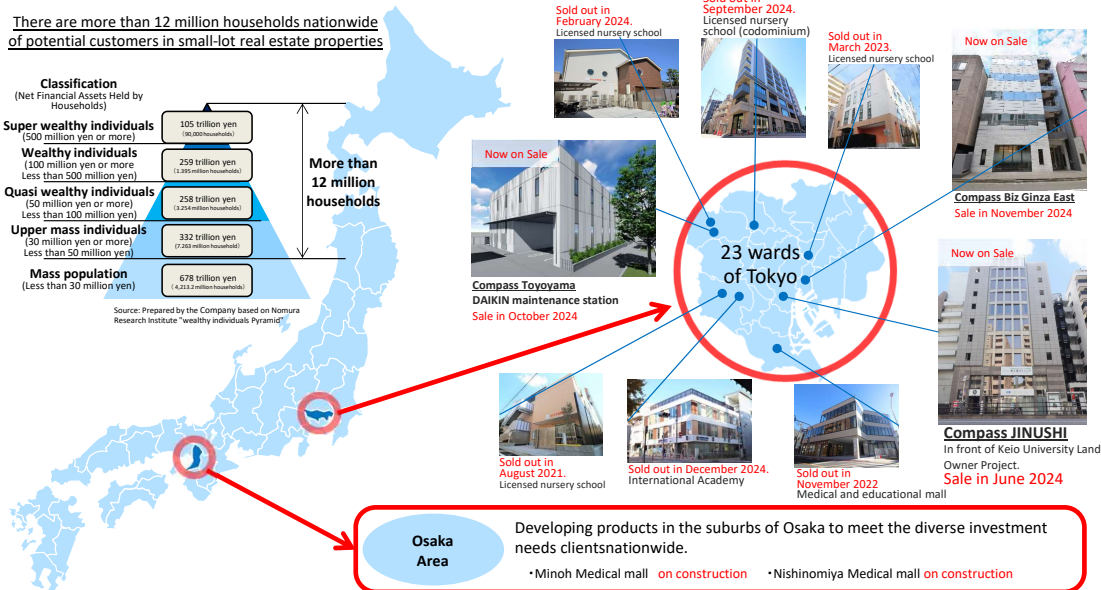
By combining these new construction projects with high asset turnover re-planning projects, low-rise commercial buildings, and fractional ownership real estate products, we aim to develop a long-term, stable sales plan.

Specified Joint Real Estate Ventures

Promoting the Diversification of Small-lot Real Estate Product



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



We are also advancing regional expansion.

In our real estate fractional ownership business, we leverage the expertise in office building utilization that we have honed by focusing on central urban areas. This expertise is now being applied to projects in residential areas, such as Nerima and Setagaya.

We primarily construct buildings that house tenants closely related to daily life, such as daycare centers and clinics, and sell them as fractional ownership real estate products.

Thanks to the positive reception, our customer base for these buildings has expanded nationwide.

In response to customer demand for geographically diversified investments, we have decided to expand our business to Osaka. Currently, we are constructing two new medical malls in the Osaka area, with completion and sales scheduled for next fiscal year.

Additionally, in our re-planning business, we plan to start projects in Osaka and are currently focusing on acquiring properties.

Rental Conference Room Business

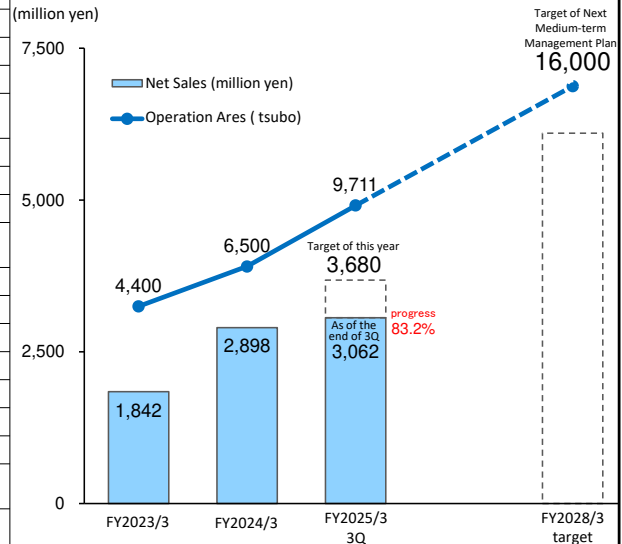
Improving Operations at New Sites through Customer-Focused Services



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

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

◆ Trends of Net sales for Conference Room and Operating area of Vision Center



Next, let's discuss our rental conference room business.

With strong performance as a backdrop, we have been actively opening new locations and expanding our operational area. The three relatively large new locations that opened last year are steadily increasing their occupancy as planned.

Currently, our operational area is approximately 10,000 tsubo (about 33,000 square meters). In our next mid-term plan, we aim to expand to 16,000 tsubo (about 52,800 square meters). Additionally, we are exploring the establishment of new locations in the Osaka and Nagoya areas, focusing on repeat customers.

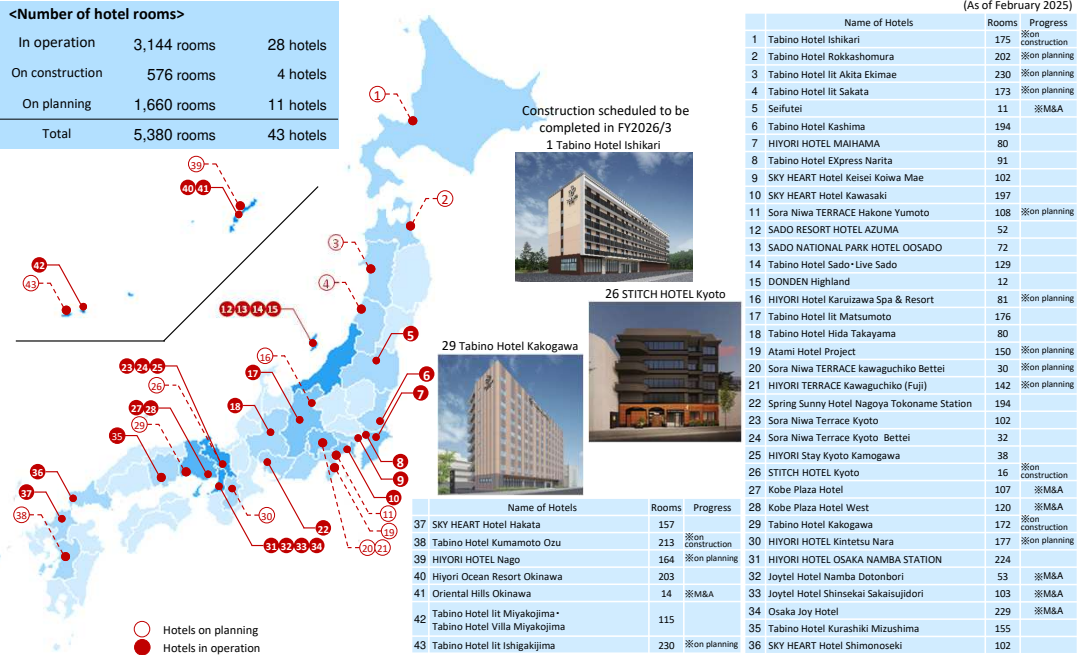
Hotel and Tourism Business

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



<Number of hotel rooms>

In operation	3,144 rooms	28 hotels
On construction	576 rooms	4 hotels
On planning	1,660 rooms	11 hotels
Total	5,380 rooms	43 hotels



Next, let's discuss hotel development.

We are expanding our business through a combination of new construction, renovations, and M&A.

Currently, we are operating 28 hotels with a total of 3,144 rooms. Additionally, we have 4 hotels under construction, adding 576 rooms, and 11 hotels with 1,660 rooms in the planning stages on acquired land. In total, this will increase approximately 5,400 rooms, bringing us closer to our next mid-term goal of 6,000 rooms.

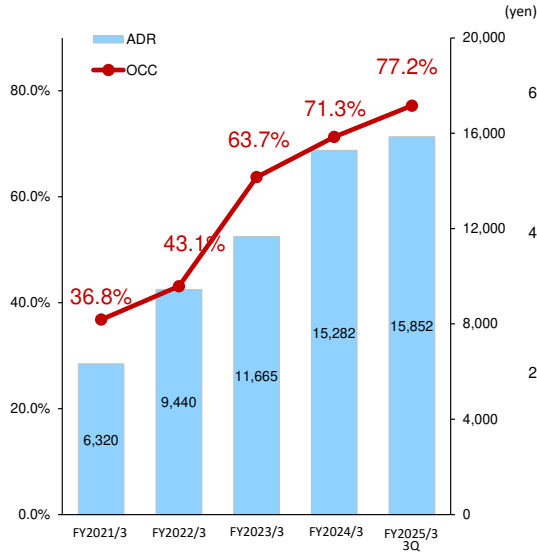
In the near term, we have 3 hotels scheduled to open next fiscal year. As shown in the center of the slide, these new hotels will be located in Ishikari, Hokkaido; Kakogawa, Hyogo; and Kyoto.

Occupancy Rates and Average Daily Rates

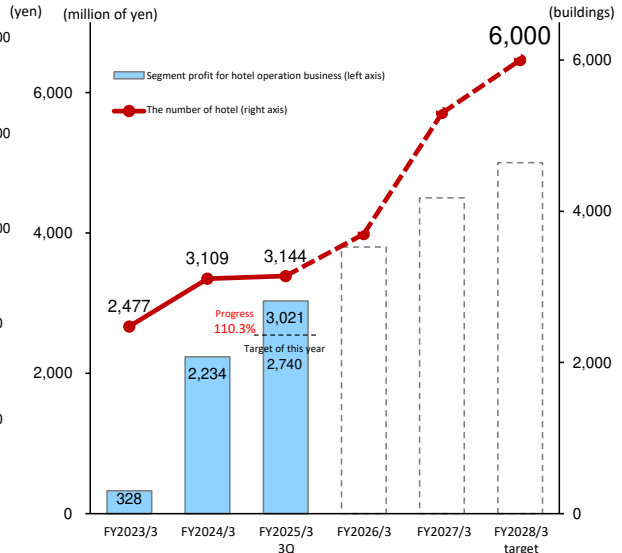


The business has significantly expanded due to an increase in the number of guest rooms and the enhancement of heart-warming services. With strong inbound demand, the performance has been robust.

Trends in occupancy rate and average daily rate



Trends in Segment profit and number of hotel



Next, let's discuss our hotel operations.

Our current performance is exceptionally strong, with monthly profits consistently surpassing previous records year-over-year.

While robust inbound demand and the recovery of domestic travel have supported this growth, even we proactively increased the number of rooms, our hotels also meet the high customer satisfaction.

The combination of a strong market, an increase in operational room numbers, and our warm and heartfelt service has created a virtuous cycle, significantly boosting our business.

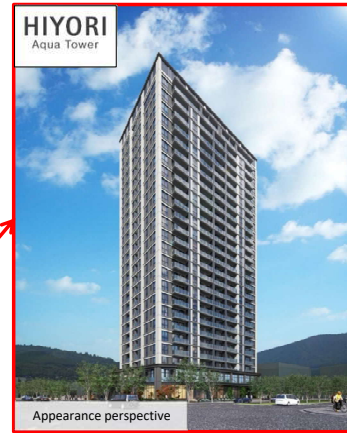
Moving forward, under our operational policy of "heart-warming and fun hotels," we will continue to enhance our service capabilities to exceed customer satisfaction and expand nationwide, further growing our business.

Vietnam HIYORI Aqua Tower PJ

The construction of 2nd condominium project (202 units) started.
It is estimated to be completed in Autumn 2026.

Project Overview

Location	Lot 3-A2-1, Son Tra-Dien Ngoc Complex Center, Tho Quang Ward Son Tra District, Da Nang City, Vietnam		
Area size	Land area 1,850㎡	Building area 1,062㎡	Total floor area 24,498㎡
Building structure	Reinforced concrete construction 25 floors with 2 basement floors		
Facilities	202 residences, stores, kindergarten, swimming pool, fitness gym, community room, car parking lot, motorcycle parking lot		
Schedule	Construction start in August 2024, completion in Autumn 2026		



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



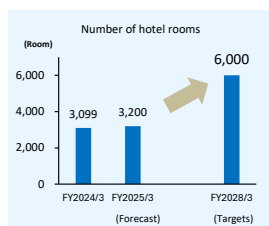
Next, let's discuss our residential-related businesses.

As a new venture, we have started engaging in the construction of condominiums and apartments. As an initial example, this slide features our project in Vietnam.

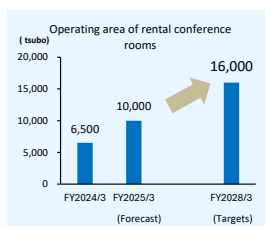
Our second project in Da Nang, Vietnam, the Hiyori Aqua Tower, is progressing smoothly. This condominium project consists of 202 residential units and is scheduled for completion in the fall of 2026.

In addition to Vietnam, we are also advancing apartment re-planning projects in Manhattan, New York. To date, we have undertaken a total of 9 projects. Furthermore, within Japan, we have begun constructing rental apartments in areas near our hotels, such as Miyako Island, as well as in the suburbs of central Tokyo.

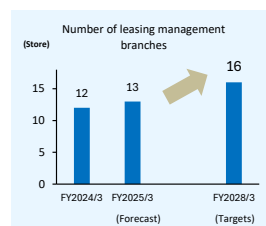
Accelerate growth of stock-type businesses and strengthen the stable earnings base of the Group as a whole



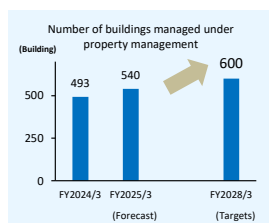
Promote development and M&A, aiming for 10,000 rooms



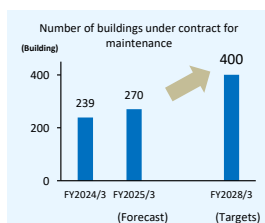
In addition to promoting business in the Tokyo area, planning to expand business in the Kansai area



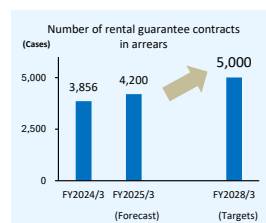
Strengthening community-based branch network in central Tokyo. Further improve our ability to solve customer problems



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



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



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

Lastly, regarding the growth strategy for our stock-type businesses, we have summarized the policies and key performance indicators (KPIs) for each business here.

Hotel and Conference Room Rental Businesses are as previously explained.

We are also actively working on expanding our leasing business by opening new stores and increasing the number of properties under our Property Management Business and Building Management Business.

By achieving these goals, we aim to expand our customer base and strengthen the stable revenue foundation of the entire group.

That concludes my presentation.