

Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2025

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Company name: Sun Frontier Fudousan Co., Ltd.
 Stock listing: Tokyo Stock Exchange Prime Section
 Code number: 8934
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 Scheduled date of dividend payment commencement: -
 Supplemental materials for the financial results: Yes
 Presentation to explain the financial results: Yes (For institutional investors and analysts)

*Amounts are rounded down to millions of yen.

1. Consolidated Performance in the Third Quarter of Fiscal Year Ending March 31, 2025

(1) Consolidated Operating Results

(indicate year on year changes)

	Net Sales		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2025/3 3Q	60,501	-2.8	11,970	-15.5	11,414	-17.9	7,855	-19.4
FY2024/3 3Q	62,258	-17.4	14,163	-3.6	13,902	-3.5	9,744	-5.9

(Note) Comprehensive income: FY2025/3 3Q : 7,863 millions of yen (-24.8%)
 FY2024/3 3Q : 10,450 millions of yen (-6.6%)

	Earnings per Share	Fully Diluted Earnings per Share
	¥	¥
FY2025/3 3Q	161.73	142.69
FY2024/3 3Q	200.76	200.57

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	¥ million	¥ million	%
FY2025/3 3Q	203,864	98,968	46.7
FY2024/3	188,661	94,416	48.0

(Reference) Equity: FY2025/3 3Q : 95,278 millions of yen
 FY2024/3 : 90,519 millions of yen

2. Cash Dividends

	Cash Dividends per Share (yen)				
	1 st quarter end	2 nd quarter end	3 rd quarter end	Year end	Annual Total
	¥	¥	¥	¥	¥
FY2024/3	-	26.00	-	32.00	58.00
FY2025/3	-	33.00	-		
FY2025/3 (Forecast)				33.00	66.00

(Note) Changes from the latest released dividend forecast: No

3.Forecast for Consolidated Financial Results for FY2025/3 (April 1, 2024 to March 31, 2025)

(indicate year on year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		EPS (yen)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	100,000	+25.2	20,870	+18.6	20,000	+15.1	14,000	+17.5	288.24

(Note) Changes from the latest forecast: No

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changing scope of consolidation): Yes

New companies: 4 companies. Sun Frontier Asset Management Inc., Oriental Resort Associates.inc

Excluded companies: 1

(Note) The excluded company is an equity-method affiliate.

(2) Adaption of special accounting practices in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, estimates and retrospective restatement

1) Changes in accounting policies due to changes in accounting standard: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock):	FY2025/3 3Q	48,755,500 shares	FY2024/3	48,755,500 shares
2) Number of shares of treasury stock at the end of the period:	FY2025/3 3Q	172,616 shares	FY2024/3	203,208 shares
3) Average number of shares for the period (interim):	FY2025/3 3Q	48,570,033 shares	FY2024/3 3Q	48,538,232 shares

(Note) The number of shares of treasury stock at the end of the interim Third Quarter of FY2025/3 is due to the free transfer of 1,051 shares of restricted stock as remuneration held by the former employees resigned during their terms in this period and 31,643 treasury shares deducting disposed of as remuneration of restricted stock.

※ Consolidated Financial Results is not eligible for review by Certified Public Accountants or auditors.

※ Explanation for appropriate use of forecast and other special matters

Earnings per share in the forecast of consolidated financial results for FY2025/3 are calculated based on the average number of shares for the period, 48,570,033 shares.

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by the Company as well as certain assumptions deemed rational. It does not mean that the Company assures that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance may be significantly different from such expectations due to various factors. For further information on assumptions used in forecasts, please see Page 9, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements.

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1. Qualitative Information on Quarterly Financial Results

(1) Management's discussion

Forward-looking statements in the text are based on the judgment of our group as of the end of this quarter.

During the third quarter of the current fiscal year (hereafter, the current fiscal year), the Japanese economy was generally firm. The additional interest rate hike implemented by the Bank of Japan in January was as expected by the market. However, as policy interest rates are expected to continue to be raised in the future, it is necessary to closely monitor economic trends. The global economy has been driven by the steady and sustained economic growth of the U.S., but there are concerns about a slowdown in economic growth in the future due to the strengthening of protectionist policies following the change of administration in the country and the impact of the slowdown in the Chinese economy and geopolitical risks.

In the real estate market, new supply of office buildings began to decline, and the return to office work also progressed. Rent increases and vacancy rates continued to improve. Demand for shared offices and co-working spaces is also increasing, and the operating style of office buildings is diversifying. In the real estate investment market, despite the Bank of Japan raising policy interest rates, the cost of raising funds is lower than in the European and North American markets. Accordingly, high-net-worth individuals and institutional investors, particularly in Asia, continue to show a strong willingness to invest in stable income properties continues. In the hotel and tourism market, the occupancy rate of accommodation facilities and average price per room are rising due to growth in domestic travel and inbound demand, while the effects of labor shortages and over-tourism are becoming increasingly apparent.

In this business environment, our Group's office building business focuses on commercializing real estate that meets social value, such as office buildings that can accommodate diverse operating styles and office buildings that have acquired environmental certification. With regard to property sales, although the progress rate for the fiscal year under review has remained in the 50% range due to the concentration in the fourth quarter in the full-year results planned at the beginning of the fiscal year, overall progress has been made as planned and we expect to achieve the full-year forecast. With regard to the purchase of properties, we are steadily developing the Group's next medium-term management plan, which will begin in the next fiscal year. We are also conducting purchasing activities while keeping an eye on changes in the market to ensure sustainable growth beyond that. In the hotel and tourism business, we are making steady progress in acquiring land for hotel development, and construction work is proceeding almost as planned for new openings from the next fiscal year onward. In hotel operations, we also achieved significant growth in operating results as a result of the strengthening of hospitality and marketing, leading to substantial increases in occupancy rates and average price per room.

(Millions of yen)

	FY2024/3 3Q	FY2025/3 3Q	Rate of Change	Forecast	Progress
Net sales	62,258	60,501	-2.8%	100,000	60.5%
Gross profit	20,620	19,445	-5.7%	31,000	62.7%
Operating income	14,163	11,970	-15.5%	20,870	57.4%
Ordinary income	13,902	11,414	-17.9%	20,000	57.1%
Profit attributable to owners of parent	9,744	7,855	-19.4%	14,000	56.1%

Results by business segment were as follows.

(Real Estate Revitalization Business)

In the Real Estate Revitalization business, we are engaged in ① the Replanning Business and ② the Rental Building Business.

① In the Replanning Business, the occupancy rate declines, and we renovate buildings that require repairs and improved designs from a client-centric perspective. In this way, we aim to increase the value of high occupancy and high-value-added buildings. In the real estate revitalization business in New York, we utilize the know-how we have cultivated in Japan to realize rich lifestyles for local residents and provide real estate investment opportunities for investors in Japan. In the Real Estate Specified Joint Business, we carefully select prime real estate properties, mainly in central Tokyo, and make them smaller, thereby expanding our investor base and offering small-lot owned products that enable easy and secure asset management.

In the fiscal year under review, the number of properties sold was 22 (of which, 2 were small-lot owned products). Despite a year-on-year increase of two properties, both sales and profits decreased as the scale of the properties was small year-on-year. Property sales for the current fiscal year are concentrated in the fourth quarter, and including properties that are already contracted and scheduled for settlement, it is expected to achieve the full-year forecast.

② In the Rental Building Business, the Group aims to build a stable earnings base as a stock business. Even within the merchandising of properties in the remanufacturing business, the Group is working to increase rental income by leveraging the know-how it has accumulated in the real estate services business.

During the fiscal year under review, the vacancy rate improved due to favorable leasing activities. As a result, net sales increased year on year, but profits declined due to the occurrence of construction costs and other expenses.

<Results of Real Estate Revitalization Business>

(Millions of yen)

	FY2024/3 3Q	FY2025/3 3Q	Rate of Change	Forecast	Progress
Net sales	39,037	38,305	-1.9%	69,800	54.9%
Replanning Business	37,118	36,343	-2.1%	67,000	54.2%
Rental Building Business	1,919	1,961	+2.2%	2,800	70.0%
Gross profit	12,421	11,890	-4.3%	21,230	56.0%
Replanning Business	11,954	11,686	-2.2%	20,600	56.7%
Rental Building Business	467	204	-56.3%	630	32.4%
Segment profit	11,620	10,743	-7.5%	-	-
Replanning Business	11,152	10,539	-5.5%	-	-
Rental Building Business	467	204	-56.3%	-	-

(Real Estate Service)

The Real Estate Service segment engages in ① Property Management Business, ② Building Maintenance Business, ③ Sales Brokerage Business, ④ Leasing Brokerage Business, ⑤ Rental Conference Room Business, and ⑥ Rent Guarantee Business.

① In the Property Management Business, we strive to improve the profitability of owner-occupied properties and maximize real estate value by building management that meets the needs of tenants, thereby supporting high occupancy and highly profitable building management.

During the fiscal year under review, the number of buildings contracted increased to 528 units, up by 34 units year on year. The occupancy rate also remained at the same level as the same period of the previous year, at

93.43%, and net sales and profits both increased. The number of buildings under contract is expected to increase to 540 during the current fiscal year, ahead of the fiscal year-end target of the current medium-term management plan of 500 buildings.

- ② In the Building Maintenance Business, the Group carries out inspections, cleaning, renovation work, surveys, and other projects to maintain and manage buildings under the slogan "Best Tokyo in the World."

In the fiscal year under review, both net sales and profits increased year on year due to an increase in the number of buildings under management in collaboration with various divisions within the Group. We will continue to improve our business results so that we can absorb inflationary pressures with appropriate management fees while enhancing our service content.

- ③ As part of its real estate consulting services, the Sales Brokerage Business segment provides services to promptly resolve problems such as property sales and purchases from clients in each division, including property management and leasing brokerage businesses.

During the fiscal year under review, investors, primarily in Asia, were eager to invest in Japanese real estate due to the effects of the yen's depreciation against the U.S. dollar, mainly against the backdrop of interest rate differentials between Japan and overseas. As a result, both net sales and profits increased year-on-year due to an increase in the number of external brokerage transactions including overseas investors. We expect strong performance to continue in the future as strong investment appetite by overseas investors is expected to continue.

- ④ In the Leasing Brokerage Business, we have established a service network of 12 offices in major areas of central Tokyo. We provide services that support building owners with all their management-related issues and assisting tenants with their store openings and relocations.

In the fiscal year under review, the recovery trend in the office market has continued, and both sales and profits were on par with the same period last year. We expect the number of brokerages deals to increase on a full-year basis as the office leasing market improves further due to the return of offices and other factors.

- ⑤ The Rent Conference Room Business operates 18 locations in the Tokyo metropolitan area and leases spaces that meet diverse clients' needs, including training, seminars, exhibitions, test sites, and parties.

During the fiscal year under review, we opened three new locations and expanded the floor space of three locations, bringing the total size of our operations to 18 bases and 9711 tsubo. Although net sales increased year-over-year due to an increase in orders for long-term and large-scale events from repeat clients, profits decreased due to the recording of new opening costs for large-scale bases. Based on our policy of "achieving success of events rather than selling rooms," we will continue to increase profitability of our business as a whole by expanding floor space during the fiscal year under review and moving into the black at new locations opened. At the same time, we will promote new openings and the expansion of existing locations with the aim of achieving the 16,000 tsubo target set in the next medium-term management plan.

- ⑥ The Rent Guarantee Business offers TRI-WINS (Triwins), a rent guarantee service that covers a wide range of areas, including occupancy surveys, examination, guarantees for delinquent payments, lawsuits for the surrender and vacating of buildings in offices and stores. The business endeavors to resolve the risks and issues faced by both owners and tenants and to contribute to economic growth and social stability.

In the fiscal year under review, both net sales and profits increased year on year due to the steady performance of the Company as a result of an increase in the number of new contracts for credit guarantees, the Company's main business.

<Results of Real Estate Service Business>

(Millions of yen)

	FY2024/3 3Q	FY2025/3 3Q	Rate of Change	Forecast	Progress
Net sales	7,766	9,279	+19.5%	11,650	79.6%
Gross profit	4,290	4,589	+7.0%	6,300	72.8%
Segment profit	4,272	4,581	+7.2%	-	-

(Hotels and Tourism)

In the Hotel and Tourism Business, the Group conducts ① Hotel Development Business and ② Hotel Operation Business.

- ① The Hotel Development Business is involved in the development and revitalization of highly attractive hotels that contribute to the revitalization of the city and society.

In the fiscal year under review, both net sales and profits decreased due to a reaction to the sale of one hotel, which was in the same period of the previous fiscal year. On the other hand, the total number of hotels under construction and planned was 2236 rooms in 15, mainly due to the conclusion of a basic agreement with Rokkasho Village, Aomori Prefecture, regarding the opening of new hotels, and steady progress in the construction of development plans.

- ② The Hotel Operation Business values the culture and history of the region, and while operating hotels that develop together with the region, provides natural-friendly services under the theme of "Healthy and Fun Hotels."

In the fiscal year under review, the number of hotels currently in operation will be 3144 rooms for 28 hotels. Both net sales and profits increased significantly year-on-year as a result of expanding inbound demand and continued increases in occupancy rates and average price per room based on our group's high value-added strategy. We expect that the Hotel Operation Business will continue to perform well in the future, coupled with the expansion of tourism demand due to the relaxation of visas for Chinese people and other factors, as well as the results of efforts to improve operational efficiency and strengthen marketing through the use of systems.

<Hotel and Tourism Business Results>

(Millions of yen)

	FY2024/3 3Q	FY2025/3 3Q	Rate of Change	Forecast	Progress
Net sales	14,352	12,502	-12.9%	17,430	71.7%
Hotel Development Business	5,270	275	-94.8%	3,000	9.2%
Hotel Management Business, etc.	9,082	12,227	+34.6%	14,430	84.7%
Gross profit	4,095	3,230	-21.1%	3,840	84.1%
Hotel Development Business	2,200	109	+95.0%	1,100	9.9%
Hotel Management Business, etc.	1,895	3,120	+64.6%	2,740	113.9%
Segment profit	4,018	3,041	-24.3%	-	-
Hotel Development Business	2,123	20	+99.1%	-	-
Hotel Management Business, etc.	1,895	3,021	+59.4%	-	-

(Other)

Other Businesses include ① Overseas Development Business and ② Construction Business.

① In the Overseas Development Business, the Group has expanded into Da Nang City, the largest city in central Vietnam, where growth is expected, and is developing a total business, from the development and sale of high-rise condominiums to leasing brokerage and management services.

In the fiscal year under review, both net sales and profits decreased year on year. The second project, HIYORI Aqua Tower, is scheduled to begin construction in August and be completed in the fall of 2026. Sales activities will start in the next fiscal year, but we plan to book results from 2026 onward after construction is completed.

② In the Construction Business, the Group is engaged in interior work for offices and houses, and telecommunications network work for offices, with a focus on renovation plans for office spaces, appearances, entrances, and other areas.

In the fiscal year under review, net sales declined in reaction to the receipt of orders for large-scale projects at Group subsidiaries in the same period of the previous fiscal year. On the other hand, profit increased due to an improvement in the profit margin and other factors.

<Other results>

(Millions of yen)

	FY2024/3 3Q	FY2025/3 3Q	Change	Forecast	Progress
Net sales	1,786	1,357	-24.0%	2,560	53.0%
Gross profit	238	328	+37.3%	420	78.1%
Segment profit	203	281	+38.3%	-	-

Our group is promoting efforts to resolve social issues through business based on our Sustainability Vision. "We will contribute to the realization of a sustainable society through our business activities, valuing the spirit of other interests, which is our company motto (Credo)." We have recently formulated and disclosed a human rights policy with the aim of creating a society where all stakeholders can smile.

In addition, we announced the Declaration on Partnership Development with the aim of promoting cooperation and mutual prosperity with our supply chain business partners and value-creating businesses, in line with the intention of the Declaration on Partnership Development promoted by the Ministry of Economy, Trade and Industry. Going forward, we will continue to work to increase added value throughout the supply chain and work with our stakeholders to realize a sustainable society.

Our group's efforts regarding sustainability can be found on the sustainability site below.

<https://www.sunfrt.co.jp/sustainability/en/>

(2) Explanation of Financial Position

Total assets at the end of the fiscal year under review were 203,864 million yen (up 8.1% year on year), liabilities were 104,895 million yen (up 11.3%), and net assets were 98,968 million yen (up 4.8%).

The increase in total assets was mainly due to an increase in real estate for sale of 7,003 million yen and an increase in real estate for sale in progress of 11,877 million yen, despite a decrease in cash and deposits of 9,898 million yen.

The increase in liabilities was mainly due to an increase in short-term loans payable of 1,019 million yen and an increase in long-term loans payable of 11,837 million yen, despite a decrease in current portion of long-term loans payable of 3,749 million yen and a decrease in income taxes payable of 1,348 million yen.

The increase in net assets was mainly due to the recording of quarterly net income attributable to owners of the parent of 7,855 million yen, despite the payment of dividends of 3,161 million yen and other factors.

The equity ratio was 46.7% (down 1.2 percentage points).

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There is no change in the forecast for the fiscal year ending March 2025 announced on May 10 2024.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	End of previous fiscal year (As of March 31, 2024)	End of 3rd quarter of the fiscal year under review As of December 31, 2024
Assets		
Current assets		
Cash and deposits	47,867	37,969
Notes, accounts receivable and contract assets	2,138	2,100
Real estate for sale	11,632	18,636
Real estate in process for sale	95,081	106,959
Costs of uncompleted construction contracts	50	56
Supplies	104	108
Short-term loans	-	32
Others	2,680	3,344
Allowance for doubtful accounts	-38	-21
Total current assets	159,518	169,154
Non-current assets		
Property, plant and equipment		
Buildings (net amount)	10,038	11,302
Land	11,029	11,043
Other (net amount)	1,254	2,488
Total property, plant and equipment	22,323	24,835
Intangible assets		
Goodwill	579	1,031
Others	614	1,334
Total intangible assets	1,193	2,366
Investments and other assets		
Guarantee deposits	3,523	3,848
Deferred tax assets	1,644	1,785
Others	470	1,886
Allowance for doubtful accounts	-13	-12
Total investments and other assets	5,626	7,508
Total non-current assets	29,143	34,709
Total assets	188,661	203,864

(Millions of yen)

	End of previous fiscal year (As of March 31, 2024)	End of 3rd quarter of the fiscal year under review As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable	2,810	3,125
Short-term borrowings	62	1,081
Current portion of long-term loans payable	12,207	8,458
Income taxes payable	2,967	1,619
Provision for bonuses	279	164
Provision for directors' bonuses	80	60
Reserves for fulfillment of guarantees	44	39
Others	6,314	8,137
Total current liabilities	24,767	22,685
Non-current liabilities		
Bonds payable	9,999	9,999
Long-term borrowings	57,272	69,109
Retirement benefit liability	1	1
Provision for share-based remuneration	97	109
Others	2,105	2,989
Total non-current liabilities	69,477	82,209
Total liabilities	94,244	104,895
Net assets		
Shareholders' equity		
Share capital	11,965	11,965
Capital surplus	6,433	6,462
Retained earnings	71,725	76,415
Treasury shares	-233	-202
Total shareholders' equity	89,889	94,641
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	2	2
Foreign currency translation adjustment	626	634
Total other accumulated comprehensive income	629	637
Share acquisition right	30	30
Non-controlling shareholders' equity	3,867	3,659
Total net assets	94,416	98,968
Total liabilities and net assets	188,661	203,864

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Consolidated income statement for the Third Quarter (Cumulative)

(Millions of yen)

	First 3rd quarter of previous fiscal year (April 1, 2023 To December 31, 2023)	First 3rd quarter of fiscal year under review (April 1, 2024 To December 31, 2024)
Net sales	62,258	60,501
Cost of sales	41,638	41,055
Gross profit	20,620	19,445
Selling, general and administrative expenses	6,457	7,475
Operating Profit	14,163	11,970
Non-operating income		
Interest and dividend income	60	34
Foreign exchange gain	53	34
Others	39	27
Total non-operating income	154	97
Non-operating expenses		
Interest expenses	389	624
Others	25	29
Total non-operating expenses	414	653
Ordinary Profit	13,902	11,414
Extraordinary income		
Government subsidy	-	212
Gain on sale of shares of subsidiaries and affiliates	-	51
Total extraordinary income	-	263
Extraordinary losses		
Loss on reduction of non-current assets	-	212
Loss on retirement of non-current assets	25	-
Others	0	-
Total extraordinary loss	25	212
Profit before income taxes	13,876	11,465
Corporate tax, resident tax and business tax	3,471	3,741
Corporate tax adjustments	614	-123
Total income taxes	4,086	3,618
Profit	9,790	7,846
Profit attributable to non-controlling interest	46	-8
Profit attributable to owners of parent	9,744	7,855

Quarterly Consolidated Statements of Comprehensive Income
Third Quarter (Cumulative)

(Millions of yen)

	First 3rd quarter of previous fiscal year (April 1, 2023 To December 31, 2023)	First 3rd quarter of fiscal year under review (April 1, 2024 To December 31, 2024)
Profit	9,790	7,846
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	659	16
Total other comprehensive income	659	16
Comprehensive income	10,450	7,863
(Comprehensive income attributable to)		
Owners of parentt	10,371	7,863
Nton-controlling interests	78	0

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

I Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)

1.Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
BoD held on May 16, 2023	Common stock	1,216	25.00	March 31, 2023	June 28, 2023	Retained earnings
BoD held on November 9, 2023	Common stock	1,265	26.00	September 30, 2023	December 5, 2023	Retained earnings

(NOTE) The total amount of dividends declared by resolution of the Board of Directors on May 16, 2023 includes ¥3 million of dividends paid on our shares held by the trust account of the Board Benefit Trust (J-ESOP).

The total amount of dividends declared by resolution of the Board of Directors on November 9, 2023 includes ¥3 million of dividends paid on our shares held by the trust account of the Board Benefit Trust (J-ESOP).

2.Dividends for which the record date belongs to the third quarter of the current fiscal year and the effective date falls after the end of the third quarter of the current fiscal year

Not applicable.

3.Significant changes in shareholders' equity

Not applicable.

Third Quarter (From April 1, 2024 to December 31, 2024)

1.Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
BoD held on May 21, 2024	Common stock	1,553	32.00	March 31, 2024	June 26, 2024	Retained earnings
BoD held on November 7, 2024	Common stock	1,607	33.00	September 30, 2024	December 3, 2024	Retained earnings

(NOTE) The total amount of cash dividends declared by resolution of the Board of Directors on May 21, 2024 includes ¥4 million in dividends paid to the Company's shares held by the trust account of the Board Benefit Trust (J-ESOP).

Dividends per share of 2.1 include a commemorative dividend of 2.00 yen to commemorate the 25th anniversary of the Company's founding.

The total amount of cash dividends declared by resolution of the Board of Directors on November 7, 2024 includes ¥4 million of cash dividends paid to the Company's shares held by the trust account of

the Board Benefit Trust (J-ESOP).

2.Dividends for which the record date belongs to the third quarter of the current fiscal year and the effective date falls after the end of the third quarter of the current fiscal year

Not applicable.

3.Significant changes in shareholders' equity

Not applicable.

(Segment Information)

[Segment Information]

I Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)

1.Information on net sales and income (loss) by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable Segments				Others (NOTE)1	Total
	Real Estate Revitalization Business	Real estate services Business	Hotels and tourism Business	Subtotal		
Net sales						
Revenue from contracts with clients	36,280	6,113	14,221	56,614	1,768	58,383
Other income (Note 2)	2,750	1,026	98	3,875	-	3,875
Sales to external clients	39,031	7,139	14,319	60,490	1,768	62,258
Intersegment sales	6	626	32	665	17	683
Total	39,037	7,766	14,352	61,155	1,786	62,941
Segment profit	11,620	4,272	4,018	19,911	203	20,114

(NOTE) 1 "Others" is a business segment that is not included in reportable segments, including overseas development and construction businesses.

2 Other income consists of rental income in accordance with ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

2.Difference between the total amount of income (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, as well as the main details of said difference (matters related to difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segments total	19,911
Profit of "Others" category	203
Elimination of inter-segment transactions	-25
Corporate expenses (Note)	-6,186
Ordinary income on the quarterly consolidated statements of income	13,902

(NOTE) Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

3.Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

II Third Quarter (From April 1, 2024 to December 31, 2024)

1.Information on net sales and income (loss) by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable Segments				Others (NOTE)1	Total
	Real Estate Revitalization Business	Real Estate Services Business	Hotels and Tourism Business	Subtotal		
Net sales						
Revenue from contracts with clients	32,907	7,302	12,164	52,374	1,238	53,612
Other income (Note 2)	5,385	1,223	280	6,889	-	6,889
Sales to external clients	38,292	8,525	12,444	59,263	1,238	60,501
Intersegment sales	12	754	57	824	118	942
Total	38,305	9,279	12,502	60,087	1,357	61,444
Segment profit	10,743	4,581	3,041	18,366	281	18,647

(NOTE) 1 "Others" is a business segment that is not included in reportable segments, including overseas development and construction businesses.

2 Other income consists of rental income in accordance with ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

2.Difference between the total amount of income (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, as well as the main details of said difference (matters related to difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segments total	18,366
Profit of "Others" category	281
Elimination of inter-segment transactions	5
Corporate expenses (Note)	-7,239
Ordinary income on the quarterly consolidated statements of income	11,414

(NOTE) Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

3.Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

(Notes to Statements of Cash Flows)

The quarterly consolidated statements of cash flows for the third quarter of the current fiscal year have not been prepared. Depreciation and amortization related to the third quarter cumulative period (including amortization related to inventories under lease and amortization related to intangible assets excluding goodwill) and amortization of goodwill are as follows:

	First 3rd quarter of previous fiscal year (April 1, 2023 To December 31, 2023)	First 3rd quarter of fiscal year under review (April 1, 2024 To December 31, 2024)
Depreciation and amortization	1,551Millions of yen	1,814Millions of yen
Amortization of goodwill	48Millions of yen	144Millions of yen