

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

We are aiming to be the most appreciated
visionary company in the world.

February 6, 2025



SUN FRONTIER

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Overview of the Results for FY2025/3 3Q



Stock-type businesses such as the Real Estate Service Business and the Hotel Operation Business achieved record-high profits. Property sales are concentrated in the fourth quarter, and the full-year performance is expected to meet the initial forecast.

(Unit: million yen)

	Results	Profit margin	Year-on-year	Growth rate
Net sales	60,501	—	-1,756	-2.8%
Operating profit	11,970	19.8%	-2,192	-15.5%
Ordinary profit	11,414	18.9%	-2,488	-17.9%
Profit※	7,855	13.0%	-1,889	-19.4%

Forecast (disclosed on Feb. 8, 2024)	Achievement rate
100,000	60.5%
20,870	57.4%
20,000	57.1%
14,000	56.1%

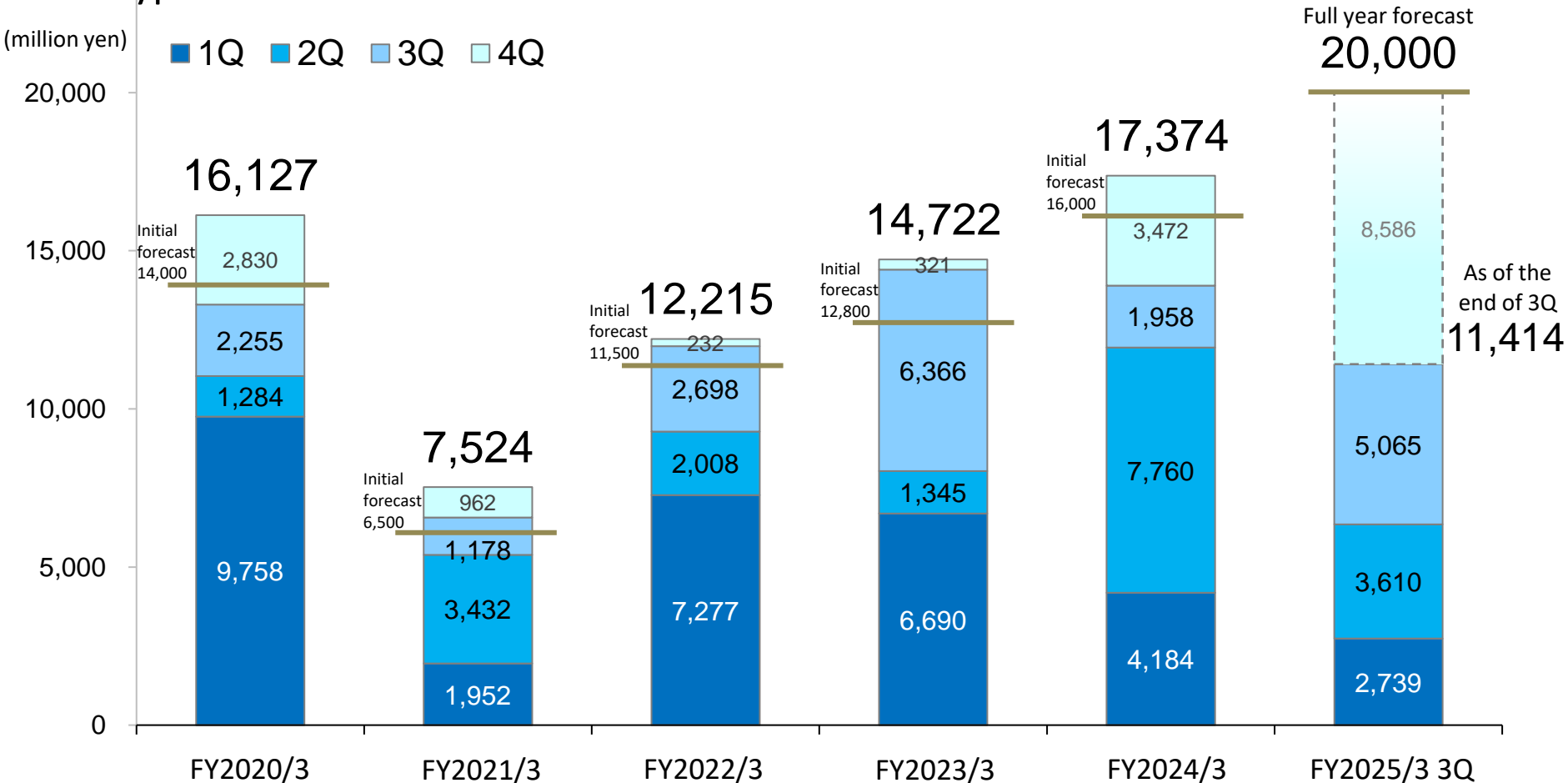
*The profit attributing to owners of parent.

Performance Highlights

- As of the announcement date, the progress rate of gross profit against the full year forecast is over 90% including the properties that are contracted and will be settled within this fiscal year.
- In the Replanning Business, the number of properties sold increased by two from the same period last year. Progress is as planned, as disclosed at the beginning of the fiscal year. A large number of settlements are scheduled in the fourth quarter.
- In the Real Estate Service Business, each segment achieved record-high profits by securing new clients and expanding the use of services by existing customers.
- In the Hotel Operation Business, it continued to capture the recovery of domestic travel demand and the expansion of inbound demand, achieving both high occupancy rates and high profitability.
- In the Hotel Development Business, the sale of properties is scheduled for the fourth quarter. Steady progress has been made in M&A, acquisition of land for hotel development and construction.

Trends in Ordinary Profit for the past 5 fiscal years

Property sales scheduled in the fourth quarter have almost progressed as planned. The annual forecast is expected to be achieved when combined with well-performing stock-type businesses.



Consolidated Income Statement



(Unit: million yen)

	FY2024/3 3Q	FY2025/3 3Q	YoY increase/decrease	YoY change rate
Net sales	62,258	60,501	-1,756	-2.8%
Real Estate Revitalization Business	39,037	38,305	-732	-1.9%
Replanning Business	37,118	36,343	-774	-2.1%
Rental Buildings Business	1,919	1,961	42	2.2%
Real Estate Service Business	7,766	9,279	1,513	19.5%
Hotel and Tourism Business	14,352	12,502	-1,849	-12.9%
Hotel Development Business	5,270	275	-4,994	-94.8%
Hotel Operation, etc	9,082	12,227	3,144	34.6%
Other Business	1,786	1,357	-428	-24.0%
Adjustments	-683	-942	-259	-
Gross Profit (Loss)	20,620	19,445	-1,174	-5.7%
Real Estate Revitalization Business	12,421	11,890	-530	-4.3%
Replanning Business	11,954	11,686	-267	-2.2%
Rental Buildings Business	467	204	-263	-56.3%
Real Estate Service Business	4,290	4,589	298	7.0%
Hotel and Tourism Business	4,095	3,230	-865	-21.1%
Hotel Development Business	2,200	109	-2,090	-95.0%
Hotel Operation, etc	1,895	3,120	1,225	64.6%
Other Business	238	328	89	37.3%
Adjustments	-425	-592	-167	-
Selling, General and Administrative Expenses	6,457	7,475	1,017	15.8%
Operating Profit (Loss)	14,163	11,970	-2,192	-15.5%
Ordinary Profit (Loss)	13,902	11,414	-2,488	-17.9%
Profit	9,744	7,855	-1,889	-19.4%
EPS	200.76 yen	161.73 yen	-39.03 yen	-19.4%

Keynotes of Income Statement

<Real Estate Revitalization Business>

The number of properties sold was 22, an increase of 2 compared to the same period last year (including 2 small-lot properties). Including properties that are contracted and scheduled to be settled in the fourth quarter, the gross profit is expected to meet the performance forecast.

<Real Estate Service Business>

Achieved record-high results in the first nine months of the fiscal year by winning new customers through property management contracts and sales brokerage, while strengthening proposals of sub-leases to existing customers.

<Hotel and Tourism Business>

Boosted by strong inbound demand, Hotel Operation maintained a high occupancy rate and saw significant growth in both sales and profit. Hotel Development has property sales scheduled for the fourth quarter.

<Selling, General and Administrative Expenses>

Progressed according to plan. Increased YoY due to personnel costs from human capital investment and depreciation due to investment in operations, systems and M&A.

Consolidated Balance Sheet



- Assets -

<Cash and deposits> Decreased by 9.8 billion yen from the end of the previous fiscal year due to property purchases and construction progress, tax payments and dividends.

<Inventories> Increased by 18.8 billion yen from the end of the previous fiscal year due to purchases and construction of RP properties, small-lot products and land for hotel development.

<Non-current assets> Increased by 5.5 billion yen from the end of the previous fiscal year due to land acquisition, construction progress for hotel development, and M&A.

(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of December 2024	Increase/decrease (compared to the End of March 2024)
Current assets	125,886	159,518	169,154	+9,636
Cash and deposits	42,016	47,867	37,969	-9,898
Inventories	80,182	106,869	125,760	+18,890
Breakdown) RP※	70,327	95,927	106,570	+10,643
Hotel	9,750	9,545	16,981	+7,435
Overseas, etc.	105	1,398	2,208	+811
Other current assets	3,688	4,780	5,423	+643
Non-current assets	26,633	29,143	34,709	+5,566
Property, plant and equipment	20,410	22,323	24,835	+2,511
Intangible assets	815	1,193	2,366	+1,172
Investments and other assets	5,406	5,626	7,508	+1,882
Total assets	152,519	188,661	203,864	+15,202

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

Consolidated Balance Sheet

- Liabilities/Equity -



<Interest-bearing debt> Increased by 9.1 billion yen due to borrowings for property purchases.
A total of interest-bearing debt is 88.6 billion yen.

<Equity ratio> Maintained a high level of 46.7 % while actively investing.

Changes of Equity Ratio		
As of End of March 2023	As of End of March 2024	As of End of September 2024
52.9%	48.0%	46.7%

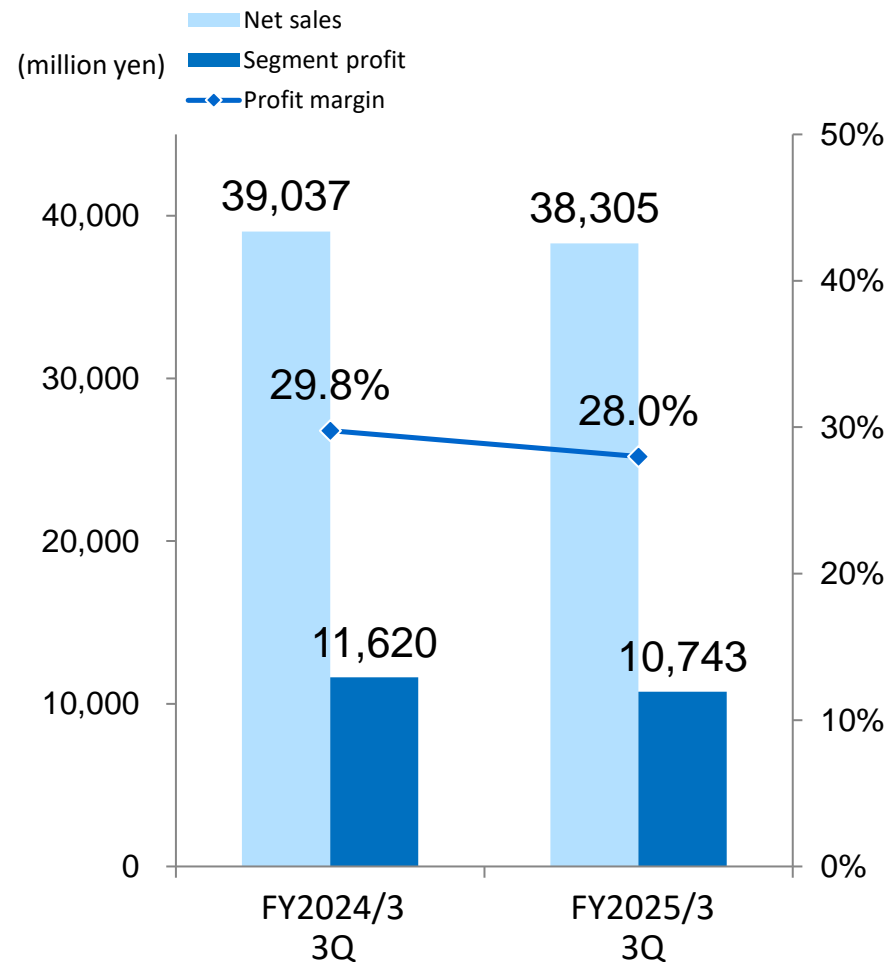
(Unit: million yen)	As of End of March 2023	As of End of March 2024	As of End of December 2024	Increase/decrease (compared to the End of March 2024)
Current liabilities	16,363	24,767	22,685	-2,081
Short-term borrowings, etc.	5,492	12,269	9,539	-2,730
Other current liabilities	10,871	12,497	13,146	+648
Non-current liabilities	52,190	69,477	82,209	+12,732
Long-term borrowings	50,170	57,272	69,109	+11,837
Bonds payable	0	9,999	9,999	+0
Other non-current liability	2,019	2,205	3,100	+894
Total liabilities	68,553	94,244	104,895	+10,650
Shareholders' equity	80,430	89,889	94,641	+4,751
Other	3,535	4,526	4,327	-199
Total net assets	83,965	94,416	98,968	+4,552
Total liabilities and net assets	152,519	188,661	203,864	+15,202

Real Estate Revitalization Business (Replanning and Rental Buildings)

<Replanning Business>

- The total number of properties sold this term is 22 (including 2 small-lot properties). Although both revenue and profit decreased compared to the same period last year, including properties that are contracted and scheduled to be settled within this term, the performance forecast is expected to be met.
- The average business period was 655 days (-45 days YoY). Excluding one new property (1,877 days) and one long-term property (1,911 days), the average was 509 days.

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	39,037	38,305	-1.9%
Replanning Business	37,118	36,343	-2.1%
Rental Building Business	1,919	1,961	+2.2%
Segment profit ※1	11,620	10,743	-7.5%
Replanning Business	11,152	10,539	-5.5%
Rental Building Business	467	204	-56.3%
Profit margin	29.8%	28.0%	-1.7%pt
Replanning Business	30.0%	29.0%	-1.0%pt
Rental Building Business	24.4%	10.4%	-13.9%pt
Number of properties sold	20 cases	22 cases	+2 cases
Number of stocks	61 cases※2	70 cases※2	+9 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.

Real Estate Revitalization Business

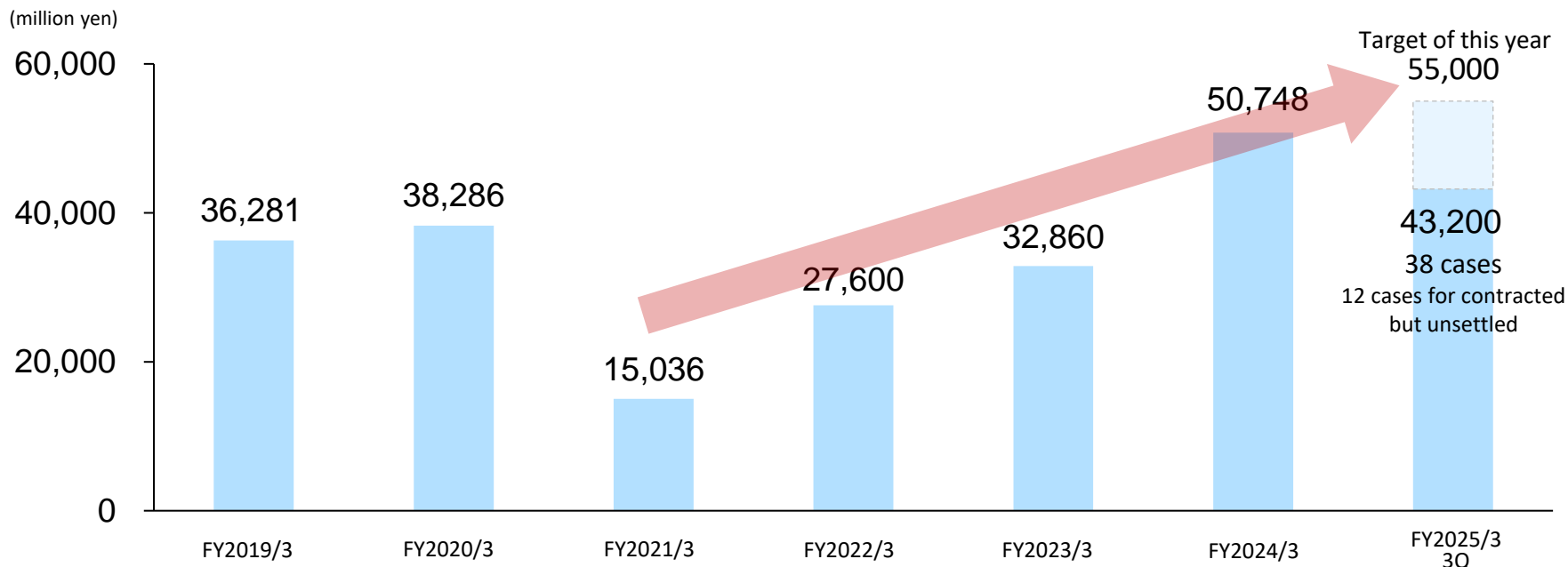
<Property purchases of Replanning Business > ※

The purchase amount, including contracted but unsettled properties, is 43.2 billion yen.

Steady progress toward the full-year purchase target of 55 billion yen.

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

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Number of property purchases	33 cases	38 cases	+5 cases
(of which, contracted and unsettled)	4 cases	12 cases	+8 cases
Purchase amount	43,118	43,000	+82
(of which, contracted and unsettled)	6,920	18,371	+11,451



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
		Sale in the following fiscal year	Sale during the year	Sale in the following fiscal year	Sale during the year
		Keep holding	Carry-over	Keep holding	Carry-over
			Keep holding		Carry-over

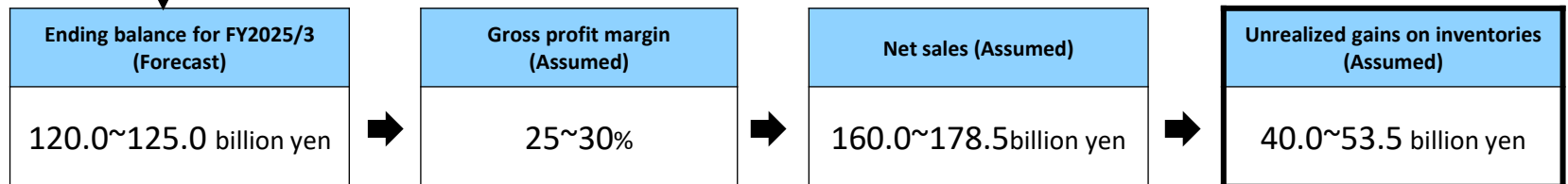
Affected by COVID-19, both net sales and purchase decreased, and causing the decrease of the balance of inventories .

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

Performance for Each Business Segment

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



Real Estate Services Business

<Property Management and Building Maintenance>

- In PM Business, both sales and profit increased due to an increase in the number of buildings under management.
- In BM Business, both sales and profit increased due to price revisions and efforts to improve added value in addition to increasing the number of managed buildings, while controlling cost increases associated with inflation.

<Brokerage>

- Leasing brokerage was flat compared with the same period of the previous year.
- In Sales Brokerage, in addition to winning referral contracts, the Brokerage Business for Taiwanese clients by Sun Frontier Fudousan Taiwan, a group company, grew and led to increased sales and profit.

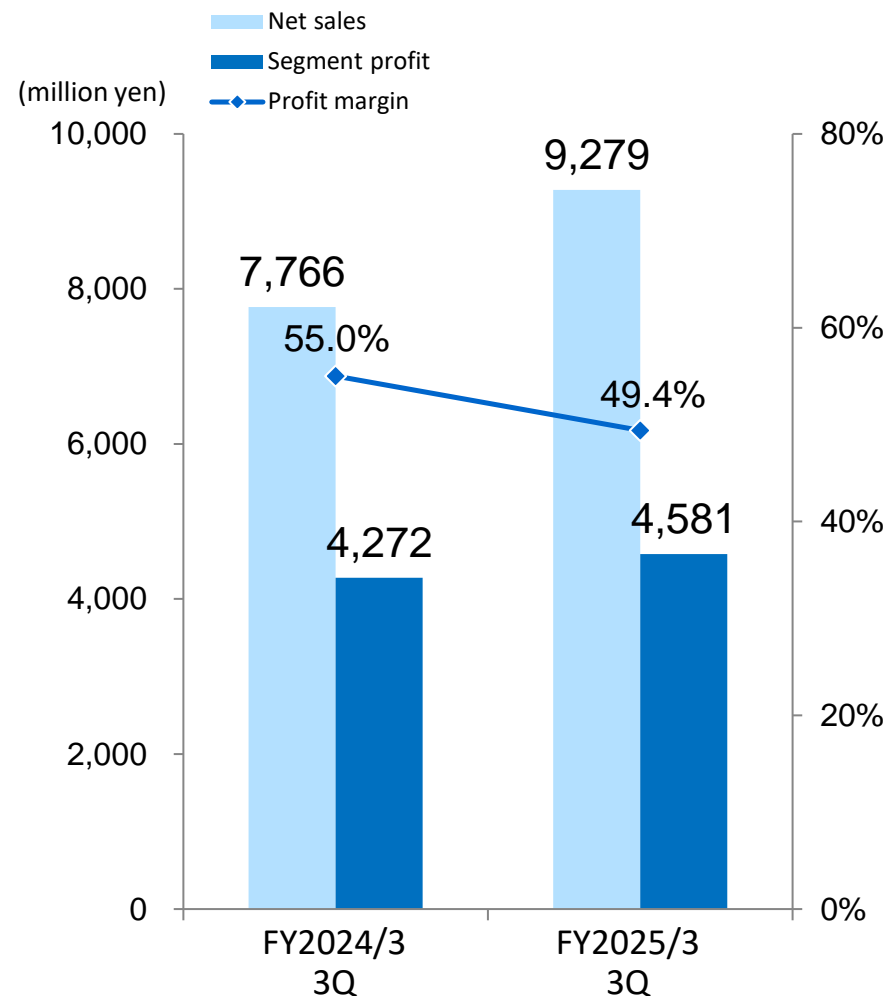
<Rental Conference Room>

- Despite an increase in sales due to the expansion of operations from new openings and increased orders for long-term and large-scale events from repeat customers, profit decreased due to increased start-up preparation expenses..

<Rent Guarantee>

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

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	7,766	9,279	+19.5%
Segment profit ※1	4,272	4,581	+7.2%
Profit margin	55.0%	49.4%	-5.6%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.

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

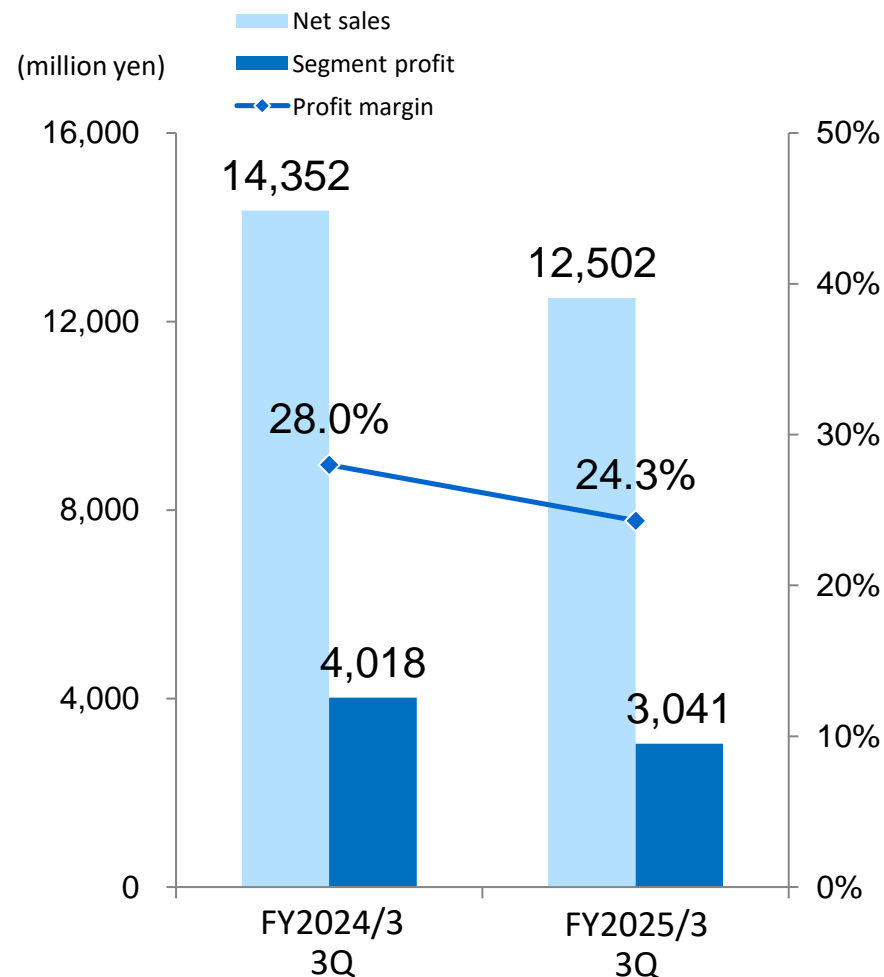
<Hotel Development Business>

- Both sales and profit decreased due to the impact of the sale of one hotel in the same period last year.
- We acquired land in Nago, Okinawa. Construction in Ishikari and Kakogawa has also progressed smoothly. Furthermore, construction in Kumamoto is scheduled to commence in January, etc. Many development projects are in progress.

<Hotel Operation Business*1>

- The number of hotels increased due to M&A. Both sales and profit increased due to the continued recovery of travel demand and effect of inbound demand, as well as increases in occupancy rates and average daily rates.

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	14,352	12,502	-12.9%
Hotel Development Business	5,270	275	-94.8%
Hotel Operation Business, etc.	9,082	12,227	+34.6%
Segment profit ※2	4,018	3,041	-24.3%
Hotel Development Business	2,123	20	-99.1%
Hotel Operation Business, etc.	1,895	3,021	+59.4%
Profit margin	28.0%	24.3%	-3.7%pt
Hotel Development Business	40.3%	7.3%	-33.0%pt
Hotel Operation Business, etc.	20.9%	24.7%	+3.8%pt



※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.

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

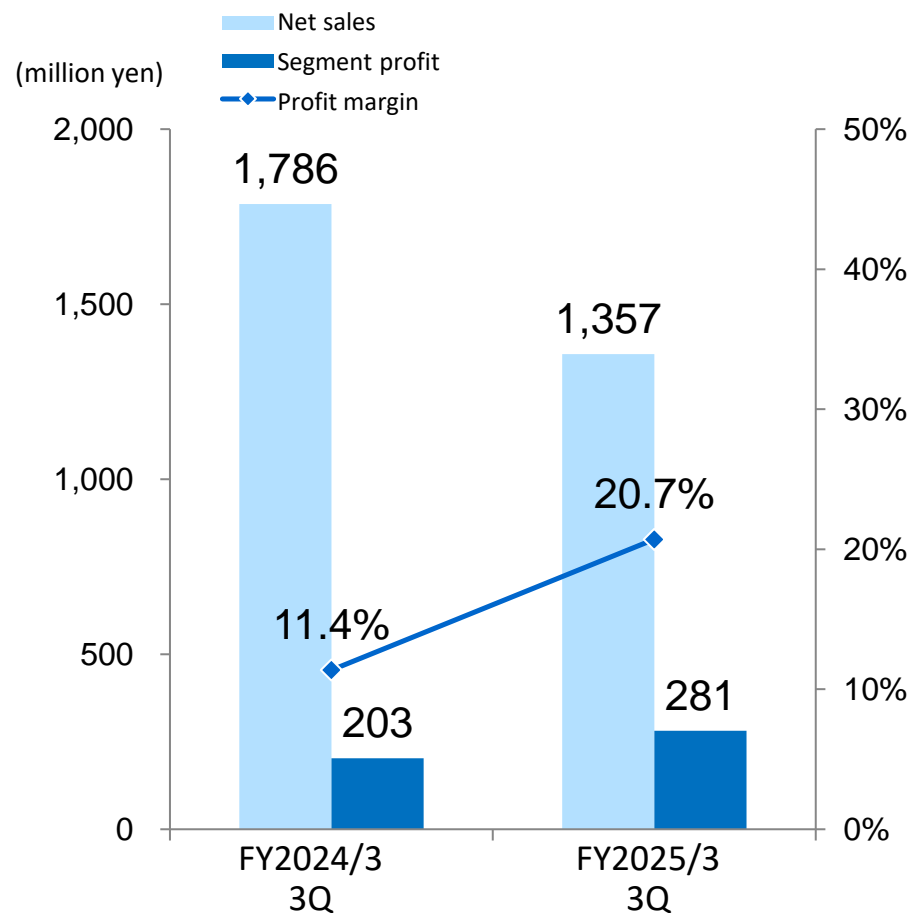
<Construction Business>

- Profits increased due to improvements in profit margins on large projects and other factors.

<Overseas Development Business>

- The second condominium project in Vietnam (HIYORI Aqua Tower), which started constructing in August 2024, is scheduled to be completed in Autumn 2026.

(Unit: million yen)	FY2024/3 3Q	FY2025/3 3Q	Increase/ decrease
Net sales	1,786	1,357	-24.0%
Segment profit ^{※1}	203	281	+38.3%
Profit margin	11.4%	20.7%	+9.3%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.



Forecast and Progress for FY2025/3



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Progress for FY2025/3 Forecast

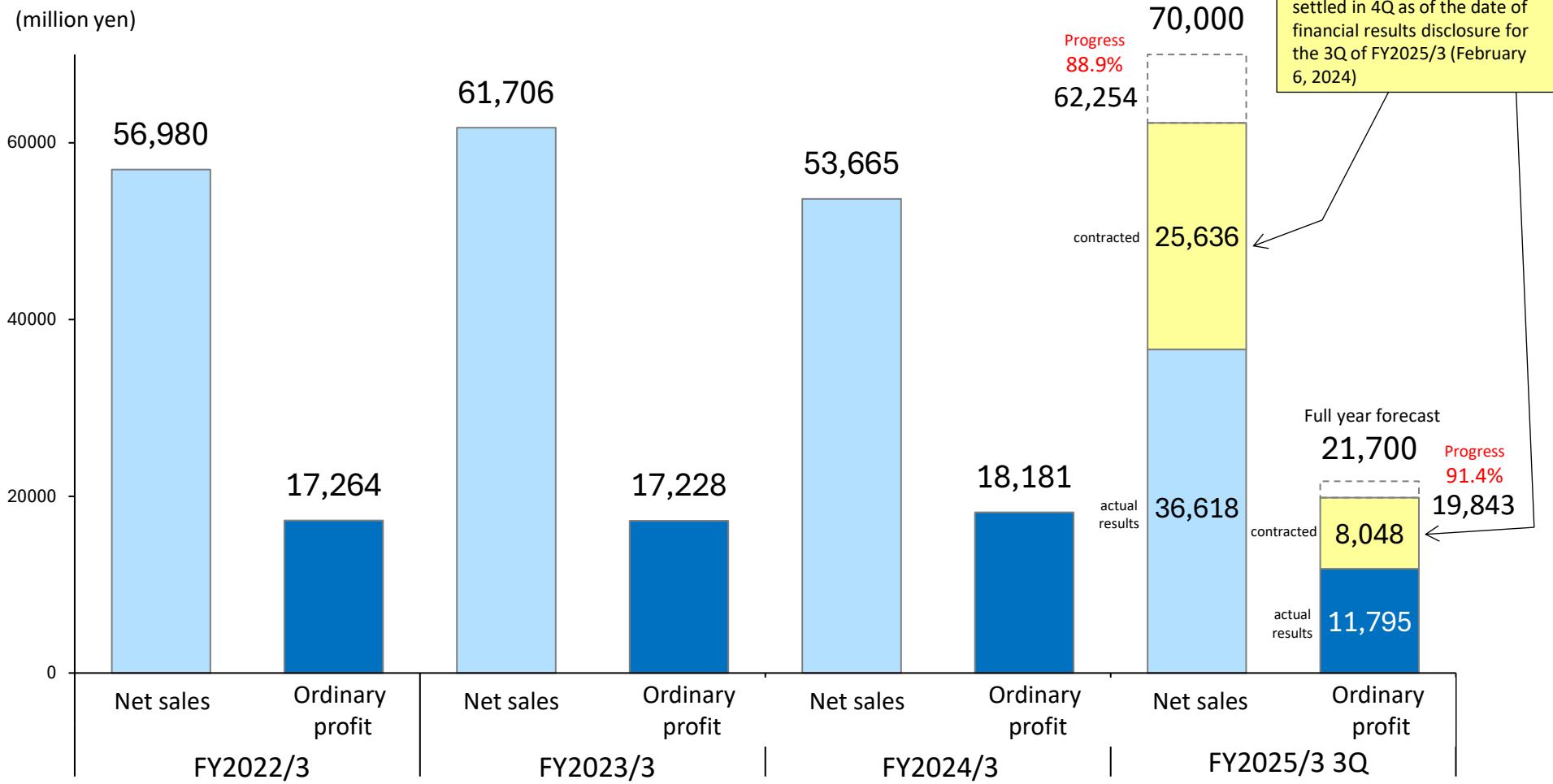
(Unit: million yen)	Result for FY2024/3	Initial forecast for FY2025/3	Result for FY2025/3 3Q	Progress Rate
Net sales	79,868	100,000	60,501	60.5%
Real Estate Revitalization Business	51,027	69,800	38,305	54.9%
Replanning Business	48,395	67,000	36,343	54.2%
Rental Buildings Business	2,632	2,800	1,961	70.0%
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%

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.



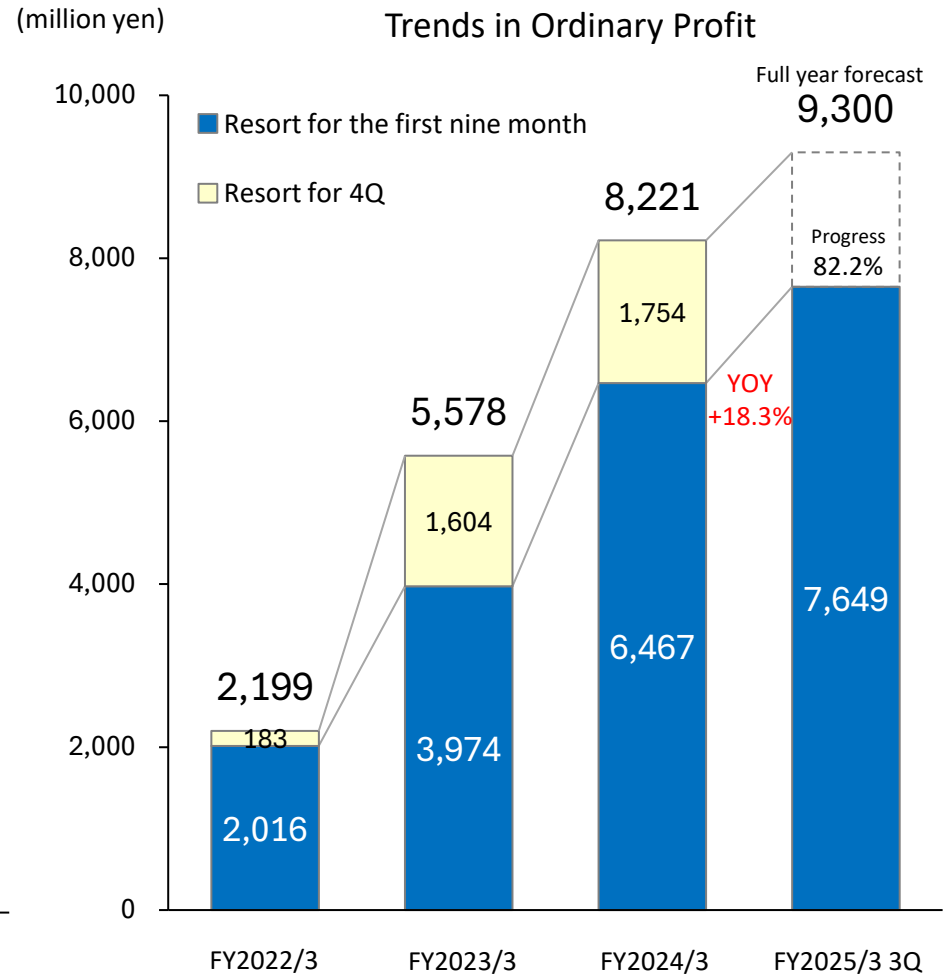
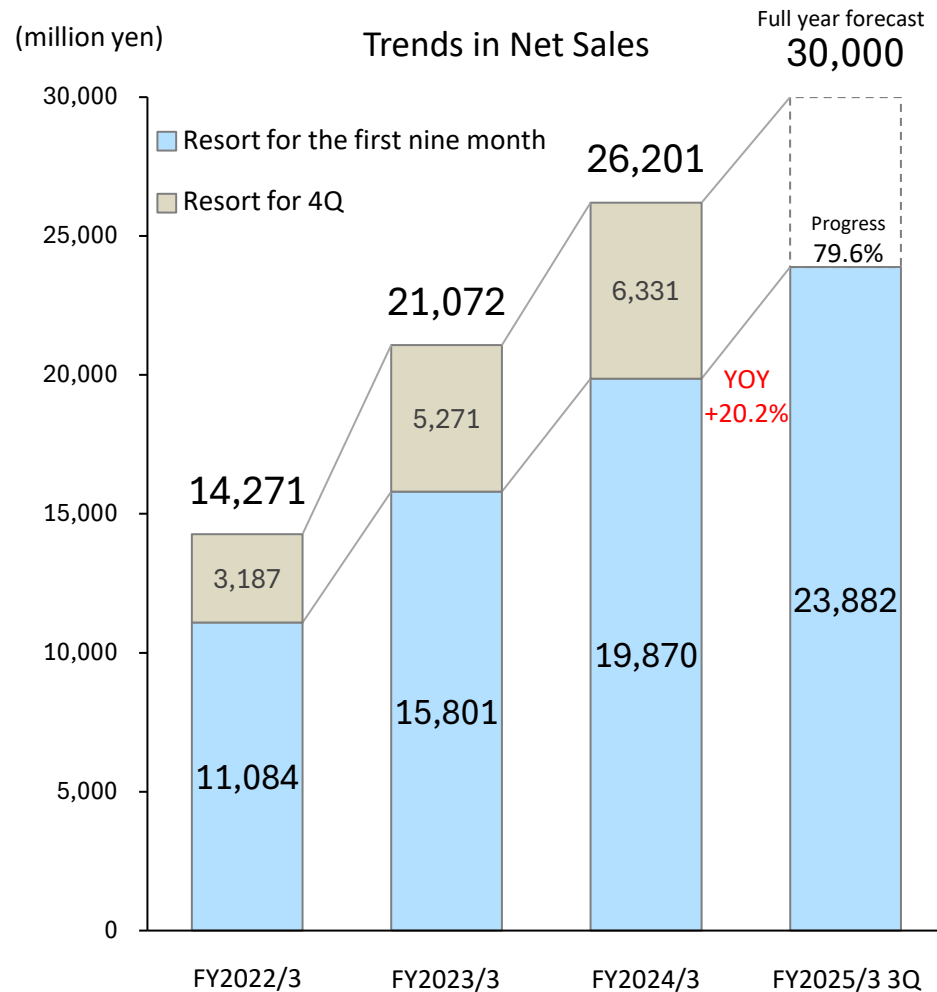
Progress of Stock-Type Businesses

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



Sales and profit continued to increase.

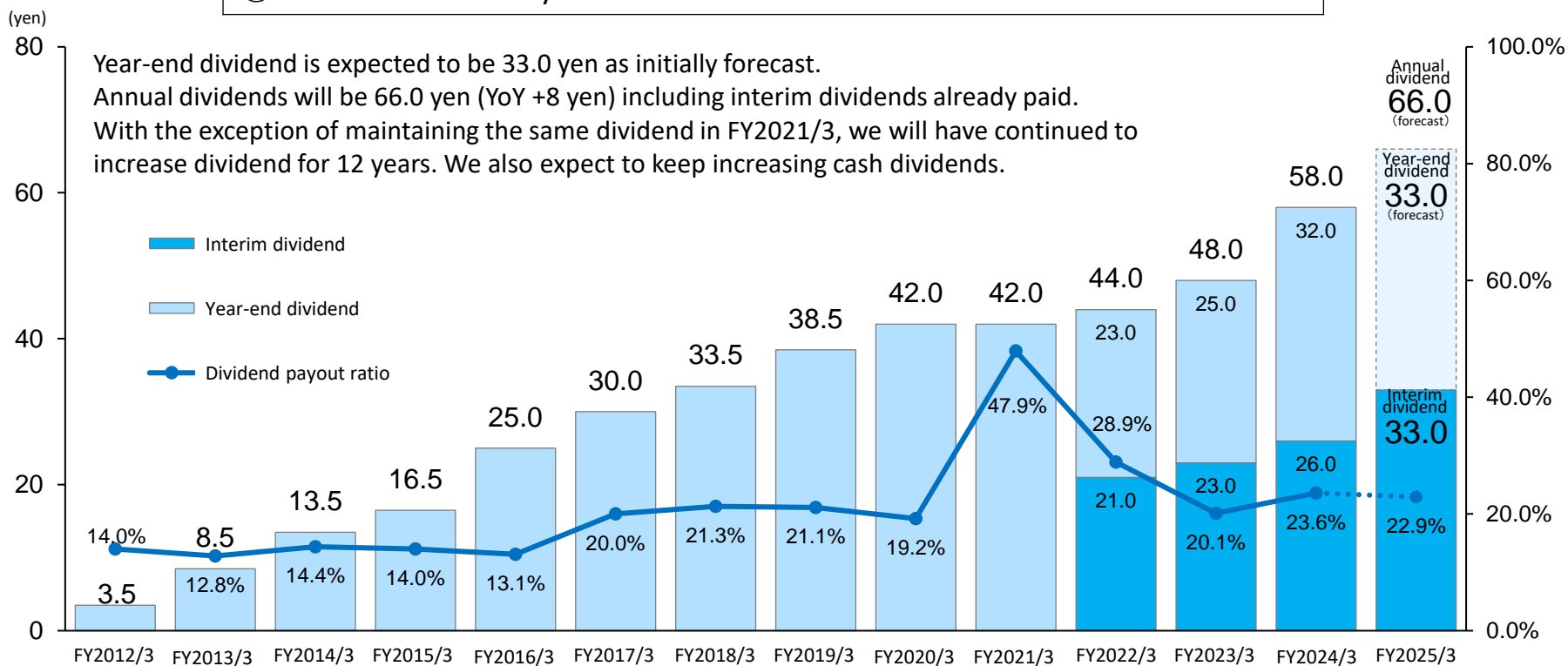
Both sales and gross profit hit record highs in the first nine months of the fiscal year.



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



※Interim dividend started from FY2022/3



Growth Strategies



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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.

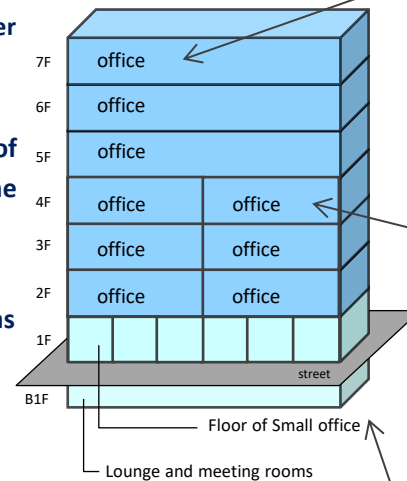
- ◆ Tourist spending by visitors to Japan in 2024 reached 8,139.5 billion yen, exceeding the previous year's 5,306.5 billion yen and setting a new record.
- ◆ The number of visitors to Japan in 2024 reached 36.87 million people, exceeding the previous record of 31.88 million in 2019 and setting a new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

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)



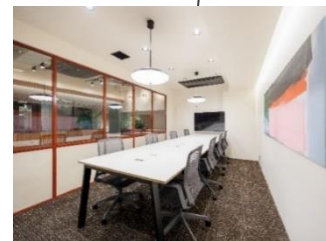
2F to 4F (1 floor 2 areas)
*install Smart sensor in ceiling with wireless power supply.



1F Small offices (1 floor 6 areas)



B1F Lounge

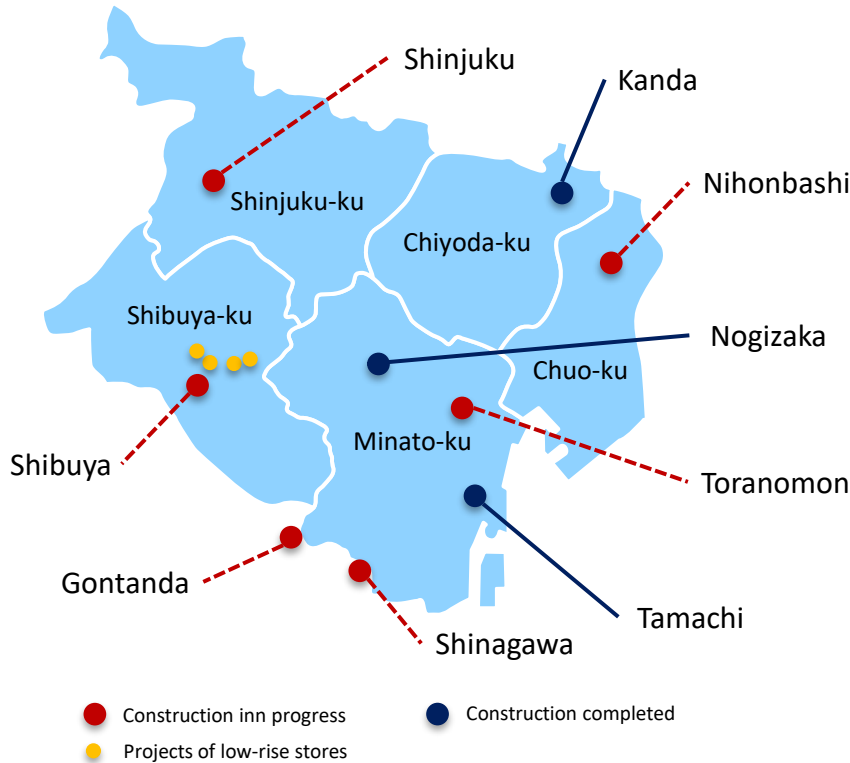


B1F Meeting rooms

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

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.



New Construction Building in Tamachi construction completed in Oct. 2024



Roof top terrace



Lounge

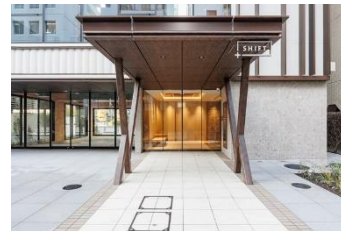


Meeting room



Office

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



Entrance



Elevator

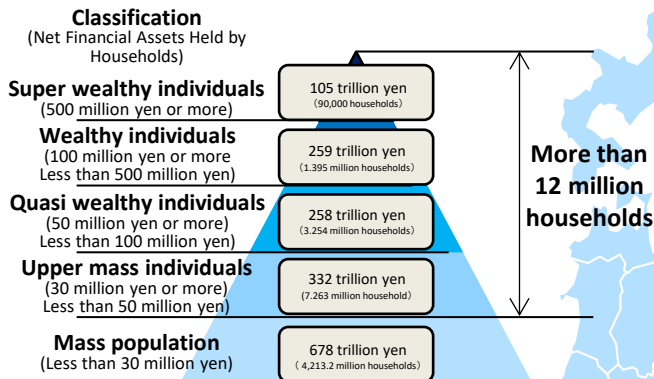
Specified Joint Real Estate Ventures



Promoting the Diversification of Small-lot Real Estate Product

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

There are more than 12 million households nationwide of potential customers in small-lot real estate properties



Source: Prepared by the Company based on Nomura Research Institute "wealthy individuals Pyramid"

23 wards of Tokyo

- Sold out in February 2024.**
Licensed nursery school
- Sold out in September 2024.**
Licensed nursery school (codominium)
- Sold out in March 2023.**
Licensed nursery school
- Now on Sale**
Compass Biz Ginza East
Sale in November 2024
- Now on Sale**
Compass Toyoyama
DAIKIN maintenance station
Sale in October 2024
- Now on Sale**
Compass JINUSHI
In front of Keio University Land Owner Project.
Sale in June 2024
- Sold out in August 2021.**
Licensed nursery school
- Sold out in December 2024.**
International Academy
- Sold out in November 2022**
Medical and educational mall

Osaka Area

Developing products in the suburbs of Osaka to meet the diverse investment needs clients nationwide.

- Minoh Medical mall **on construction**
- Nishinomiya Medical mall **on construction**

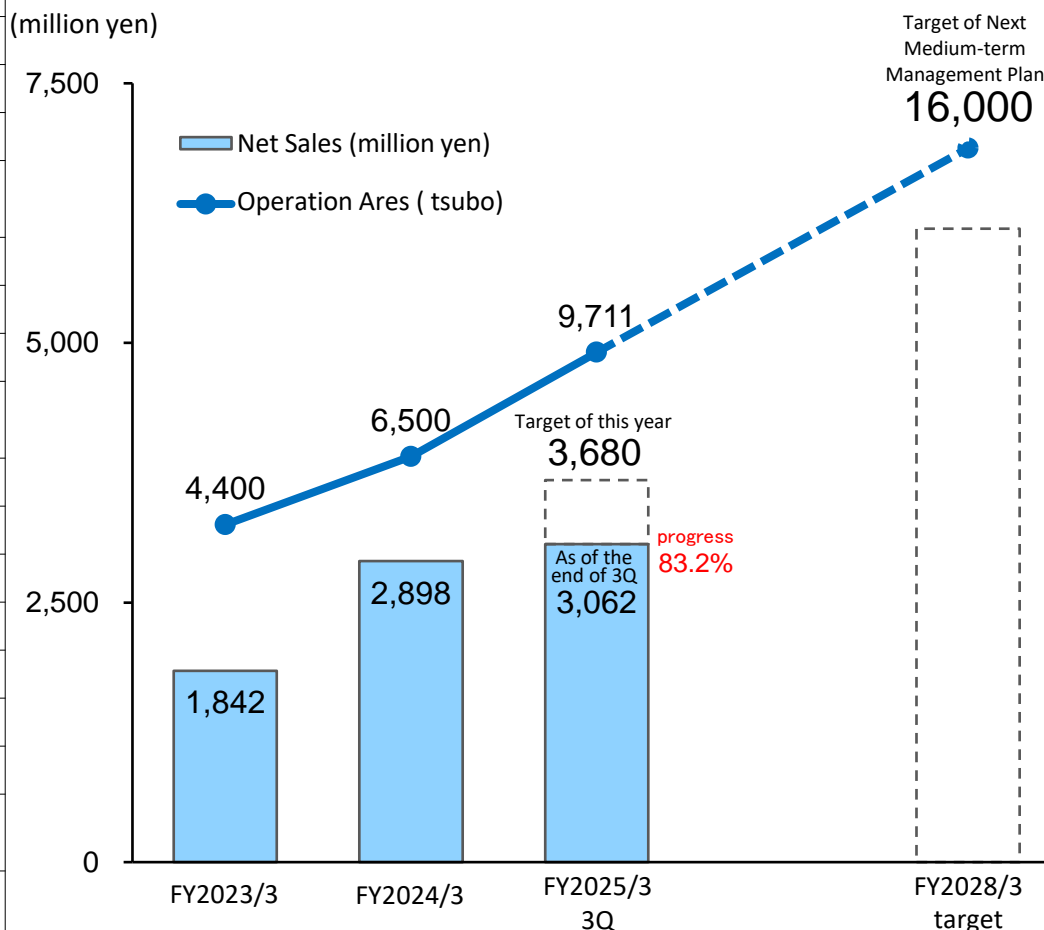
Improving Operations at New Sites through Customer-Focused Services



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 Toranomom	Vision Center Shinbashi	390 tsubo
8		Vision Center Tokyo Toranomom	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		Vision Center Shinakawa	641 tsubo
13	Shinjuku	Vision Center Shinjuku Minds Tower	687 tsubo
14		Vision Center Hishishinjuku	789 tsubo
15	Akasaka Ichigaya	Vision Center Ichigaya	366 tsubo
16		Vision Center Akasaka (Nagatacho)	248 tsubo
17	Yokohama Maminatomirai	Vision Center Tokohama (Nishiguchi)	558 tsubo
18		Vision Center Yokoha Maminatomirai	427 tsubo

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

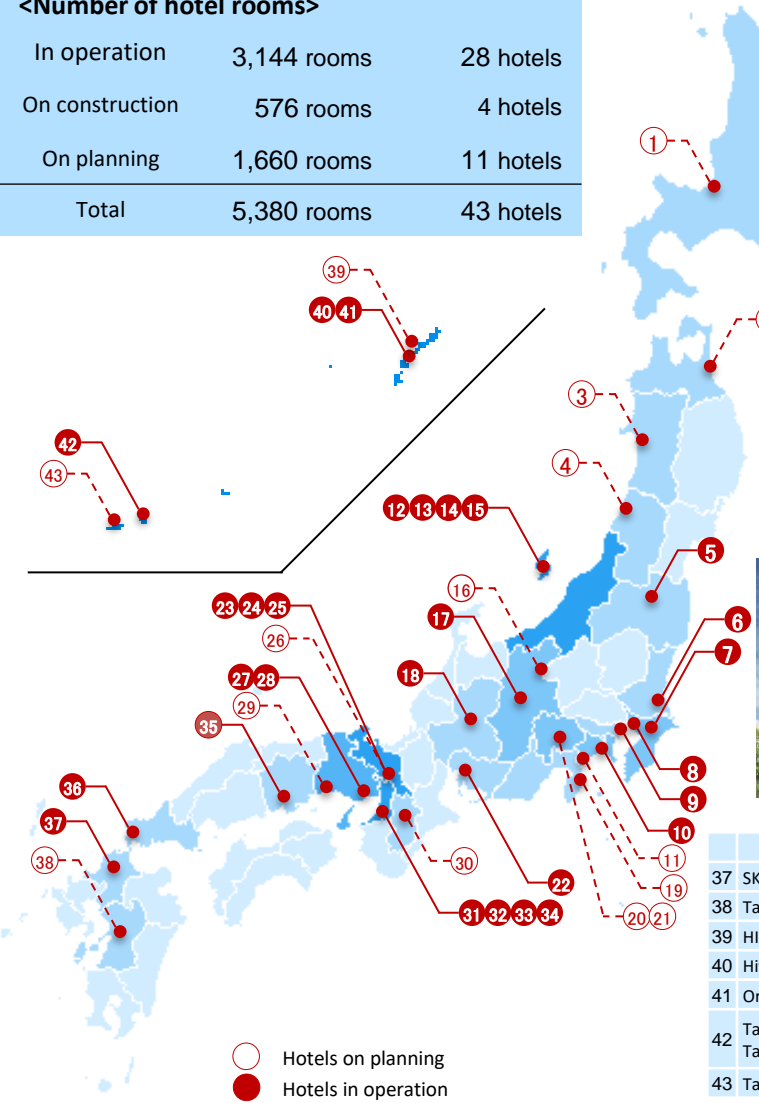


Actively expanding the hotel business through hotel development and M&A



<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



Construction scheduled to be completed in FY2026/3
1 Tabino Hotel Ishikari



Appearance perspective

26 STITCH HOTEL Kyoto



Appearance perspective

29 Tabino Hotel Kakogawa



Appearance perspective

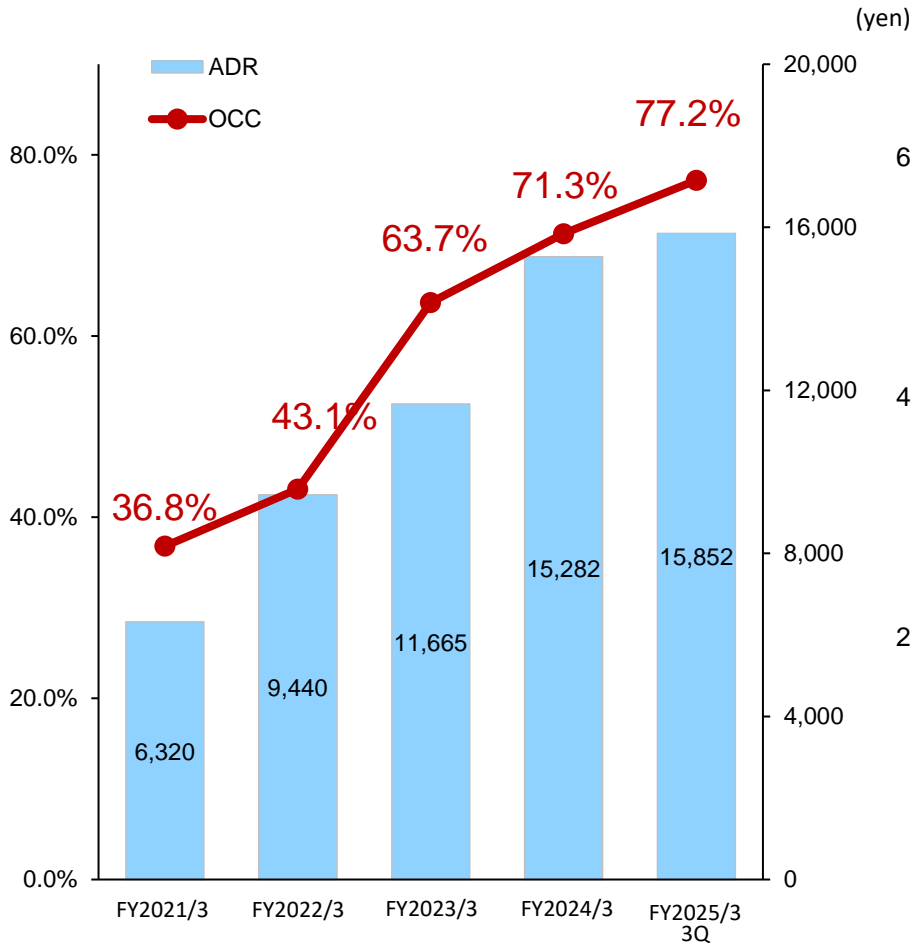
(As of February 2025)

	Name of Hotels	Rooms	Progress
1	Tabino Hotel Ishikari	175	※on construction
2	Tabino Hotel Rokkashomura	202	※on planning
3	Tabino Hotel lit Akita Ekimae	230	※on planning
4	Tabino Hotel lit Sakata	173	※on planning
5	Seifutei	11	※M&A
6	Tabino Hotel Kashima	194	
7	HIYORI HOTEL MAIHAMA	80	
8	Tabino Hotel EXpress Narita	91	
9	SKY HEART Hotel Keisei Koiwa Mae	102	
10	SKY HEART Hotel Kawasaki	197	
11	Sora Niwa TERRACE Hakone Yumoto	108	※on planning
12	SADO RESORT HOTEL AZUMA	52	
13	SADO NATIONAL PARK HOTEL OOSADO	72	
14	Tabino Hotel Sado・Live Sado	129	
15	DONDEN Highland	12	
16	HIYORI Hotel Karuizawa Spa & Resort	81	※on planning
17	Tabino Hotel lit Matsumoto	176	
18	Tabino Hotel Hida Takayama	80	
19	Atami Hotel Project	150	※on planning
20	Sora Niwa TERRACE kawaguchiko Bettei	30	※on planning
21	HIYORI TERRACE Kawaguchiko (Fuji)	142	※on planning
22	Spring Sunny Hotel Nagoya Tokoname Station	194	
23	Sora Niwa Terrace Kyoto	102	
24	Sora Niwa Terrace Kyoto Bettei	32	
25	HIYORI Stay Kyoto Kamogawa	38	
26	STITCH HOTEL Kyoto	16	※on construction
27	Kobe Plaza Hotel	107	※M&A
28	Kobe Plaza Hotel West	120	※M&A
29	Tabino Hotel Kakogawa	172	※on construction
30	HIYORI HOTEL Kintetsu Nara	177	※on planning
31	HIYORI HOTEL OSAKA NAMBA STATION	224	
32	Joytel Hotel Namba Dotonbori	53	※M&A
33	Joytel Hotel Shinsekai Sakaisujidori	103	※M&A
34	Osaka Joy Hotel	229	※M&A
35	Tabino Hotel Kurashiki Mizushima	155	
36	SKY HEART Hotel Shimonoseki	102	
37	SKY HEART Hotel Hakata	157	
38	Tabino Hotel Kumamoto Ozu	213	※on construction
39	HIYORI HOTEL Nago	164	※on planning
40	Hiyori Ocean Resort Okinawa	203	
41	Oriental Hills Okinawa	14	※M&A
42	Tabino Hotel lit Miyakojima・Tabino Hotel Villa Miyakojima	115	
43	Tabino Hotel lit Ishigakijima	230	※on planning

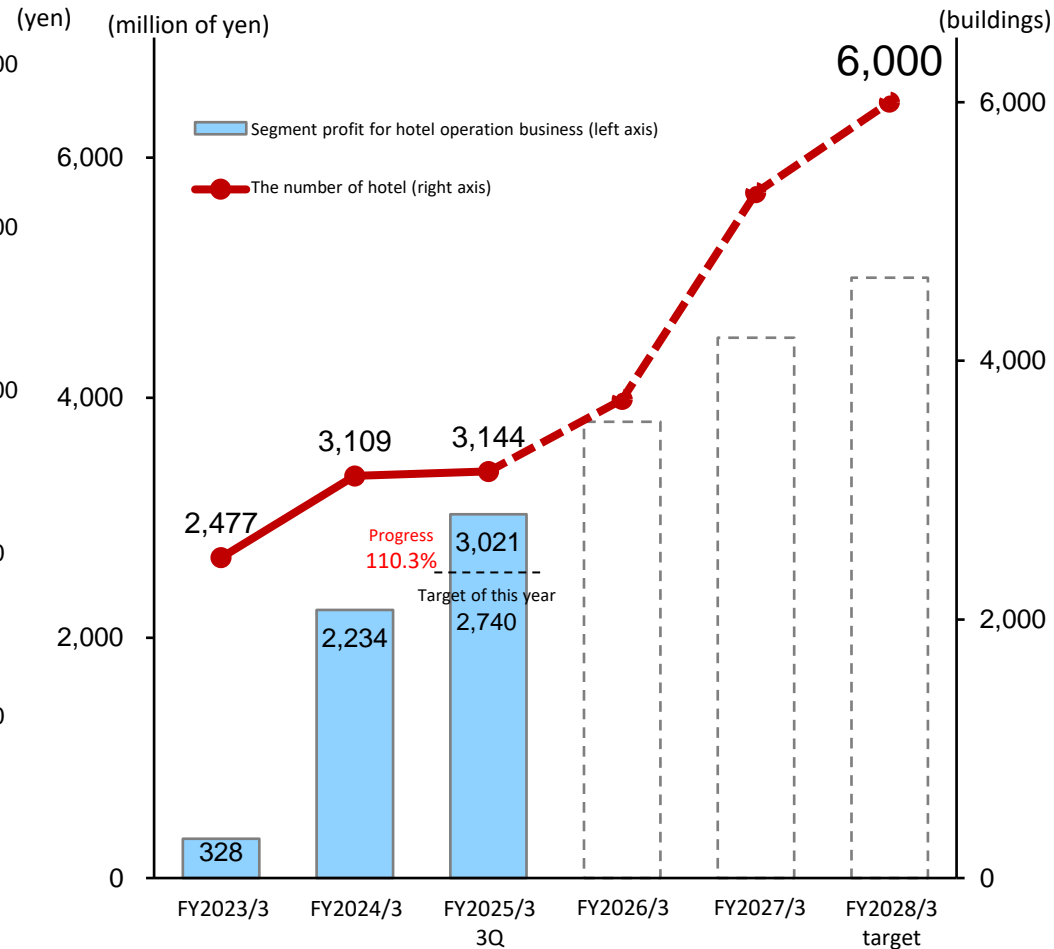
Occupancy Rates and Average Daily Rates

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

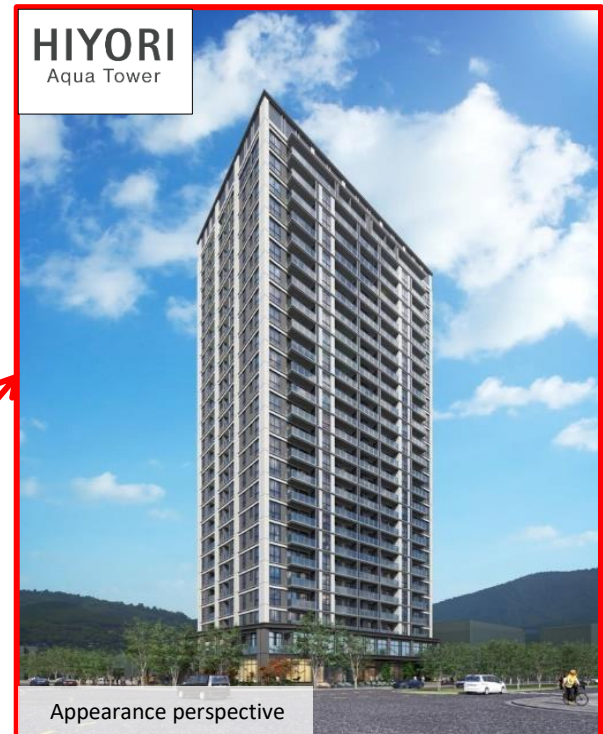
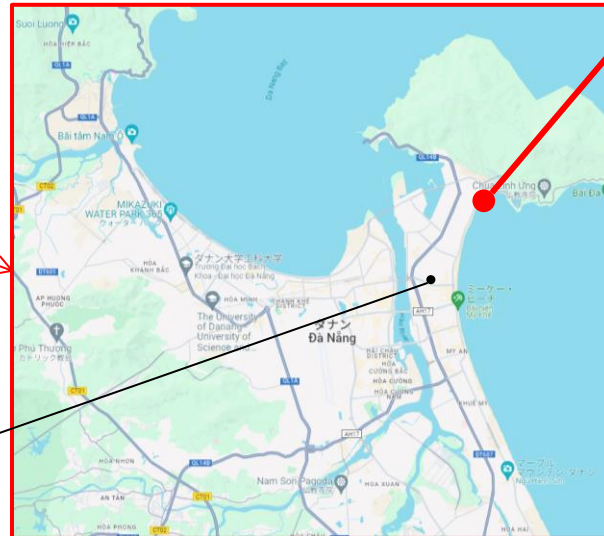


Vietnam HIYORI Aqua Tower PJ

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 1,850m ²	Building area 1,062m ²	Total floor area	24,498m ²
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



Medium-term Management Plan



SUN FRONTIER

Road Map for the next Medium-term Management Plan

Long-term vision
2035

Utilize limited resources to fill the world with smiles and excitement!
Becoming a corporate group that continues to challenge the creation of future value.

Net sales	300 billion yen
-----------	-----------------

Ordinary profit	60 billion yen
-----------------	----------------



Next Medium-term
Management Plan
FY2026/3 to FY2028/3

Basic policy
Work to resolve social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heart-warming services.

Net sales	135 billion yen
-----------	-----------------

Ordinary profit	27 billion yen
-----------------	----------------

Ordinary profit margin	20%
------------------------	-----

ROE	10% or more
-----	-------------

Equity ratio	Around 45%
--------------	------------



Extant Medium-term
Management Plan
FY2019/3 to FY2025/3

Basic policy
Providing “a place where people gather and communicate with each other, and create social development and happiness for people”

Net sales	100 billion yen
-----------	-----------------

Ordinary profit	20 billion yen
-----------------	----------------

Ordinary profit margin	20%
------------------------	-----

ROE	10% or more
-----	-------------

Equity ratio	Around 50%
--------------	------------

Long-term vision 2035

Utilize limited resources to fill the world with smiles and excitement!
Becoming a corporate group that continuing to challenge and create future value.

FY2035/3

Net Sales **300** billion yen

Ordinary Profit **60** billion yen



Basic Policy for the next Medium-term Management Plan

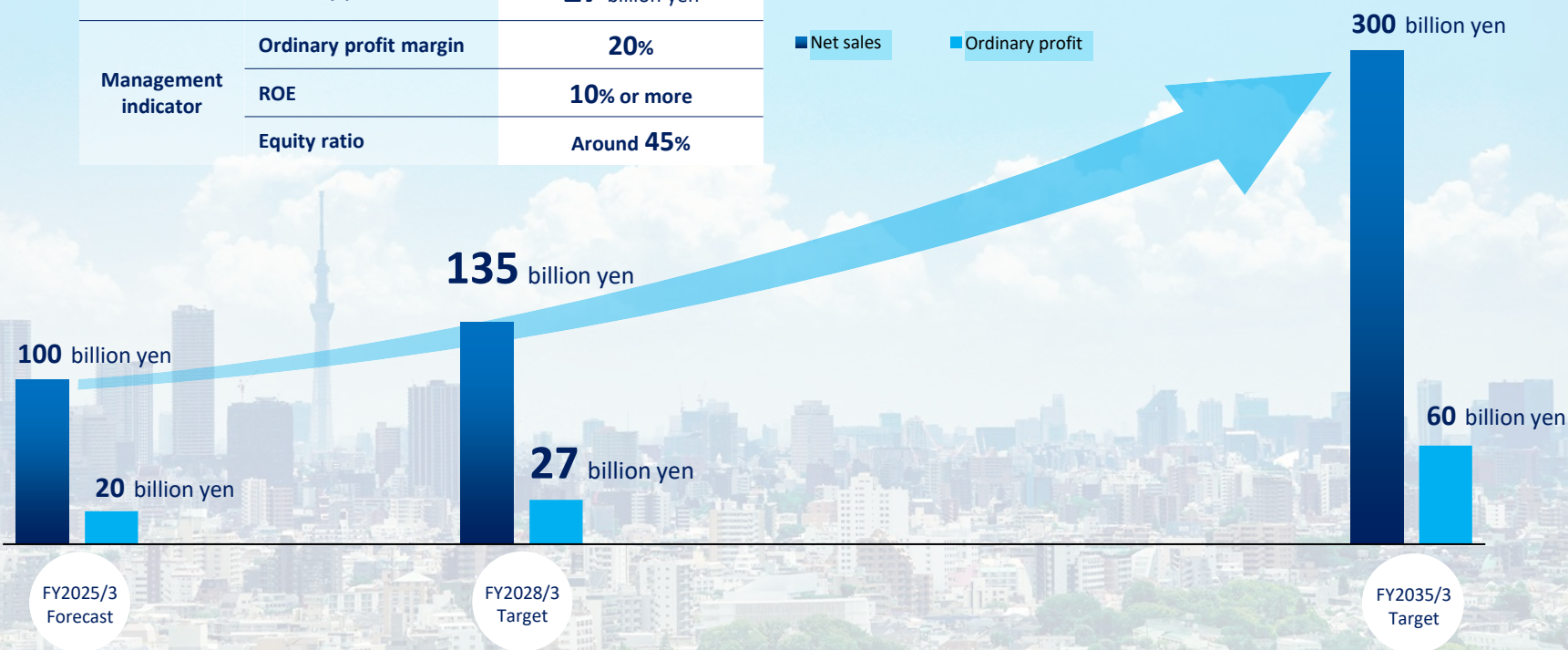
Work for resolving social issues by promoting cooperation and diversification within core business, providing manufacturing through clients' point of view and heart-warming services.



Quantitative Plan for the next Medium-term Management Plan

Continuing high profitability and growth even after achieving the current medium-term plan. 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%



Focus points for the Next Medium-term Management Plan

1

Strengthening human resource base

- Strengthen recruitment and training to enhance human recourse.
- Cultivating human resources as leaders through education and expanding organizations through amoeba division.
- Further evolve into a corporate group that attracts human resource with diversity and our values of altruism regardless of age, sex, or nationality

2

Manufacturing through clients' point of view and heart-warming services

Manufacturing through clients' point of view

- To develop new buildings, hotels, apartments in New York City, and condominiums in Viet Nam through utilizing the creativity cultivated by clients' point of view in Office Replanning and further strengthen.
- Strengthening base of Construction Business through M&A.

Heart-warming services through clients' point of view

- Working closely with building owners to improve long-term problem-solving ability.
- Improving ability of responding to needs of tenants and service users with care and warmth.
- Educate and create an organizational culture to provide heart-warming and enjoyable services that impress hotel guests

3

Cooperation and diversification within core business

Cooperation and diversification within core business (flow-type business)

- Development of New Construction Business that aims to maintain the long-term economic value of buildings through the cooperation with Leasing Management, Property Management, and Construction department.
- Promotion of small-lot real estate property (properties in Osaka and Nagoya in addition to the central Tokyo area)
- Development of apartment replanning in New York and condominium in Vietnam.

Cooperation and diversification within core business (stock-type business)

- Provide further variegate service for real estate to solve clients' problems.
- Increase branches in Tokyo, focus on sub-leases entrusted, and increase entrusted buildings for Property Management.
- Increase operating area in Rental Conference Room Business
- Increase rooms of hotel operation (including M&A).

Growth Strategies in the Next Medium-Term Management Plan

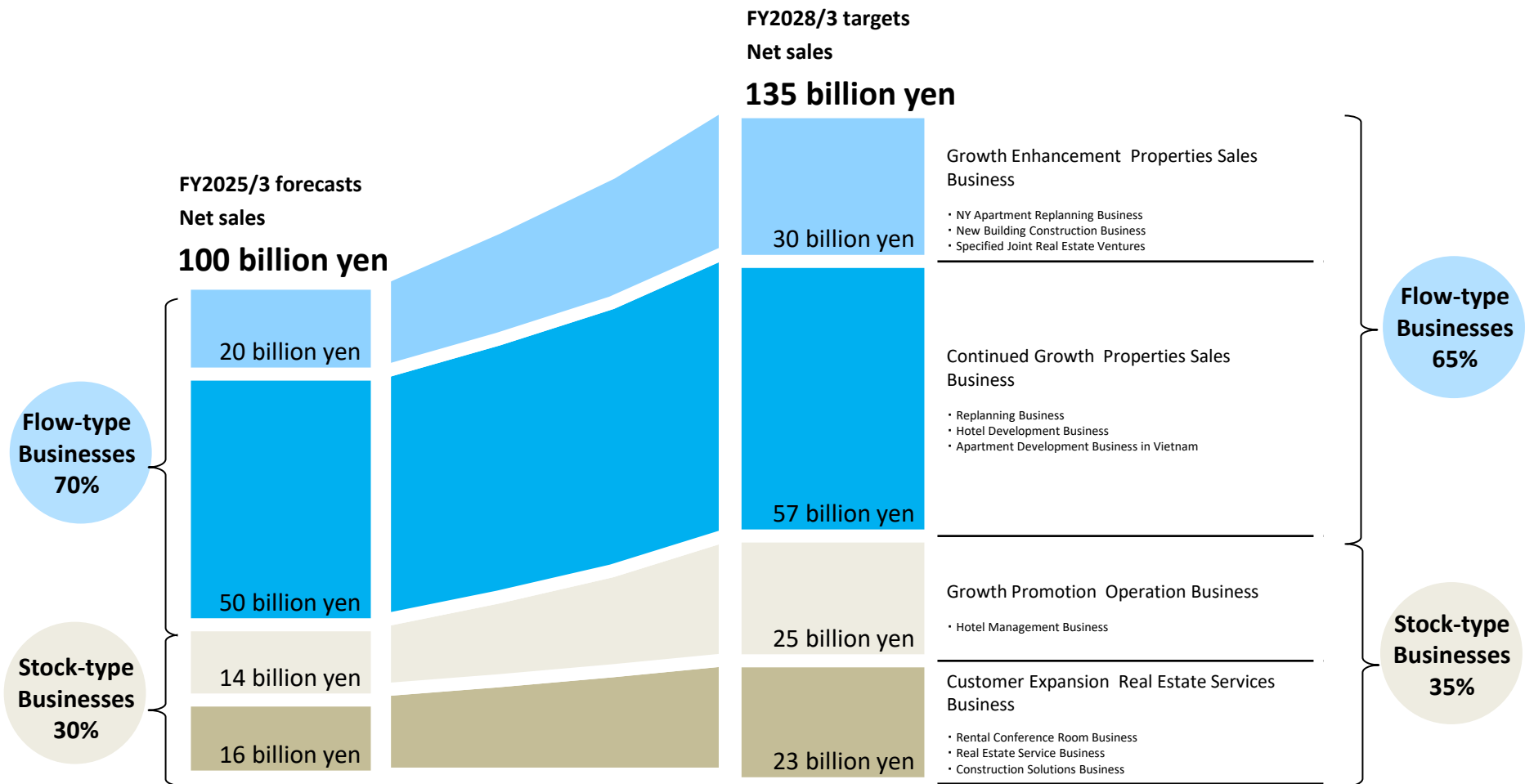
Diversify the use of real estate by combining development and services, and expand business domains and areas and accelerate growth

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	Sale of small-lot <small>(Act on Specified Joint Real Estate Ventures)</small>	Tokyo		<small>Area expansion</small> Osaka, Nagoya
		Real Estate Services	Tokyo		
Operation	Rental conference rooms	Tokyo	<small>Area expansion</small> Osaka, Nagoya		
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		

Diversification of Flow-type Business and Expansion of Stock-type Business



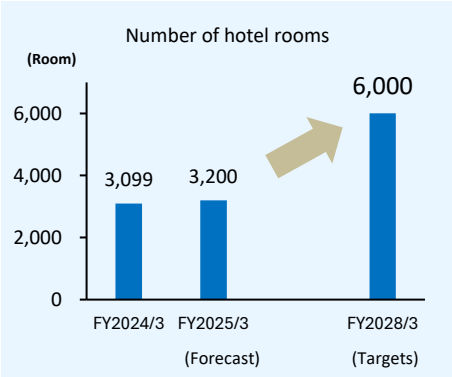
As we expand our business areas, we will diversify our flow-type businesses and increase the sales ratio of our stock-type businesses.



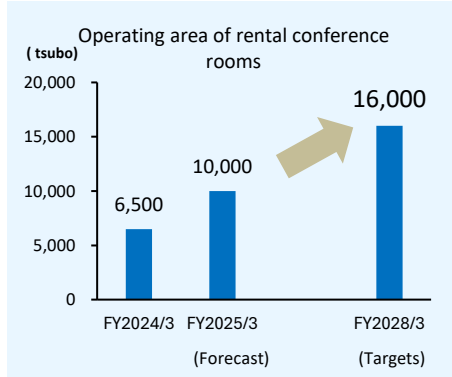
Expanding the Business Base and Customer Base of Stock-Type Business



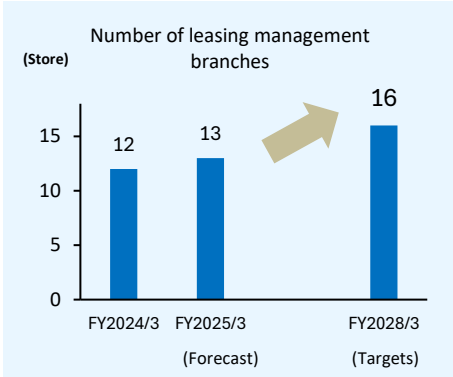
Accelerate growth of stock-type businesses and strengthen the stable earnings base of the Group as a whole



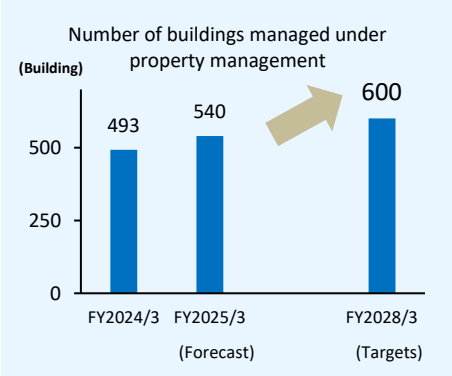
Promote development and M&A, aiming for 10,000 rooms



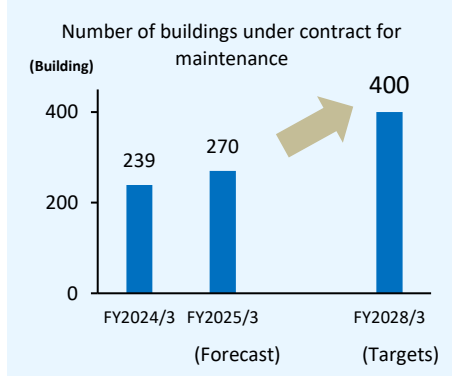
In addition to promoting business in the Tokyo area, planning to expand business in the Kansai area



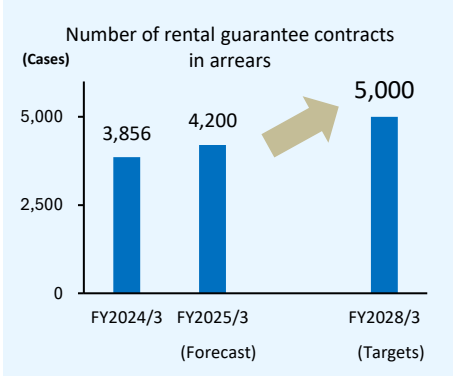
Strengthening community-based branch network in central Tokyo
Further improve our ability to solve customer problems



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

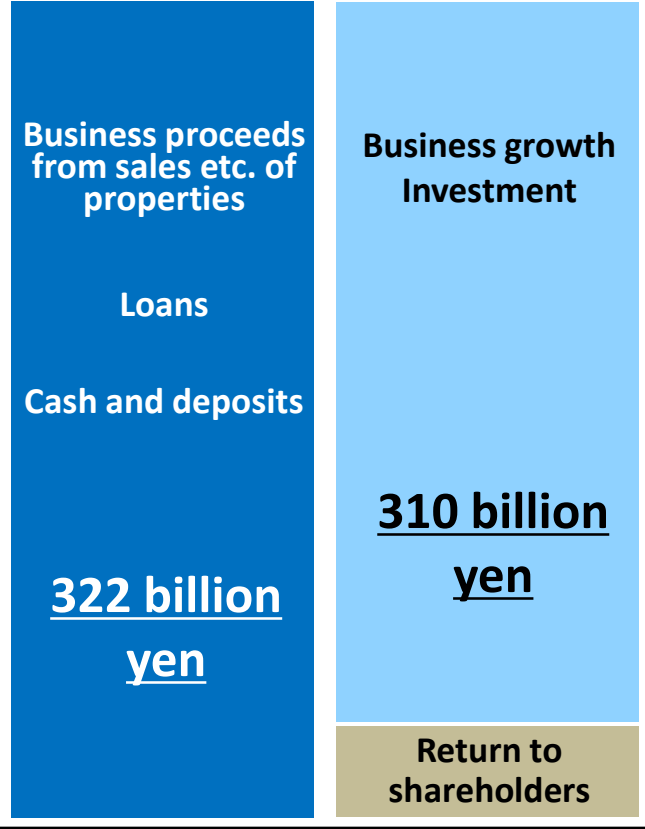
Aggressive Investment for Future Business Growth



Actively invest in growing fields while paying attention to the capital cost, focusing on the profitability and turnover of each business.

Total investment in the next Medium-term Management Plan (FY2026/3-FY2028/3): will be 310 billion yen

【Cumulative capital income】 【Cumulative capital expenditure】



Short-term Replanning	100 billion yen	Continue to actively invest in small and medium-sized buildings in the five central wards of Tokyo
Mid- to long-term Replanning	50 billion yen	Invest in buildings that can be developed on a relatively large scale
New construction development	30 billion yen	Expanding investment in New Construction Business with our cultivated technologies
NY Apartments Replanning	20 billion yen	Increase investment to expand business in high-growth markets
Small-lot real estate properties	21 billion yen	Promotion of commercialization in Kansai and other regions in addition to Tokyo
Hotel development	70 billion yen	Aggressively invest to increase the number of operating rooms to 10,000
Vietnam Apartment development	9 billion yen	Investment in Da Nang, where high growth potential and housing demand are expected
Other M&A	10 billion yen	Actively use to accelerate business growth and create synergies
Dividend	12 billion yen	Increase dividends in line with profit growth and return to shareholders

* From FY3 / 25 to end-FY3 / 27, conversion of convertible bonds into shares is expected to progress at the end of each fiscal year, resulting in increased number of shares issued and outstanding.



Philosophy and Business Initiatives



SUN FRONTIER



The Value and the Course of Action shared by all employees, the Core of our Corporate Culture







Sustainability Management

Sustainability Vision

We will contribute to the realization of a sustainable society through our business activities, respecting the heart of altruism that is our company policy.

Sustainability website
https://www.sunfrt.co.jp/sustainability/library/sustainability_report/

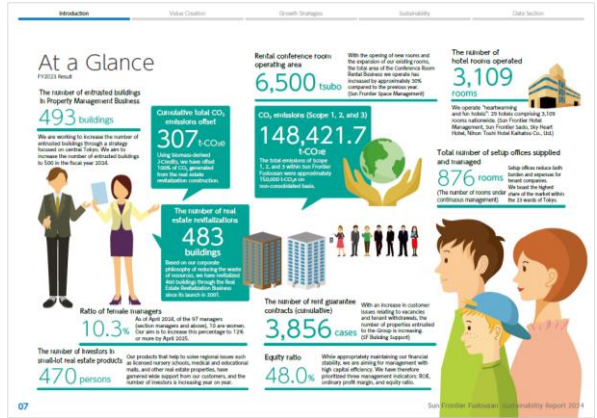


Important Challenges	Social issues to be solved	Main Measures	Targets (KPIs)	Related SDGs
Environmental Protection	Small and medium-sized buildings that can still be used if their value increases are being demolished = Waste of resources	<ul style="list-style-type: none"> Extension of healthspan of real estate "Energy conservation" and "Reduction of environmental impact" through real estate revitalization 	<ul style="list-style-type: none"> Economic lifespan extended by 30% or more Occupancy rate of buildings over 30 years old: 90% or more Continuation of management after the sale of replanning properties: 90% or more Reduce CO2 emissions by an average of 12% or more compared to building reconstruction work Carbon offset 100% Reduce greenhouse gas emissions by 22% from fiscal 2022 levels by 2030 and achieve carbon neutrality by 2050 	  
	Revitalization of the regional economy	<ul style="list-style-type: none"> Create buildings, offices, and spaces that are motivating and creative and contribute to economic growth 	<ul style="list-style-type: none"> Establish "Sun Frontier Wellness Score (SWO)," an in-house standard for the revitalization of real estate that takes well-being into consideration and increase the ratio of newly supplied replanning properties that exceed SWO to at least 30% in fiscal 2023, 50% in fiscal 2025 and 70% in fiscal 2030. Conduct tenant satisfaction survey (Company-owned properties) 	 
Regional Revitalization	Response to devastating natural disasters	<ul style="list-style-type: none"> Disaster prevention and mitigation through regional cooperation 	<ul style="list-style-type: none"> Provide set-up offices with emergency supplies or installation space At least five lots by fiscal 2023, and at least 20 lots by fiscal 2024 Providing information for tenants to prevent disaster. Posting disaster prevention information on the website: 100% (Company-owned properties) 	
	Human Resource Development	Decrease in the working-age population (decrease in the real labor force) due to the declining birthrate and aging population, and elimination of the gender gap	<ul style="list-style-type: none"> Respect for and utilization of diversity Create a workplace with "Job satisfaction," "creativity" and "growth opportunities" 	<ul style="list-style-type: none"> Increase the ratio of female managers to at least 12% by April 2025 Ratio of training hours to designated working hours: 12% or more Increase the amount of ordinary profit per hour compared to the previous year

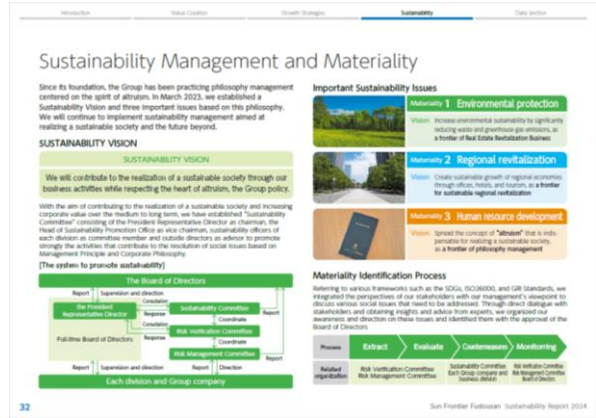
Sun Frontier Sustainability Report 2024 Issued



Front cover



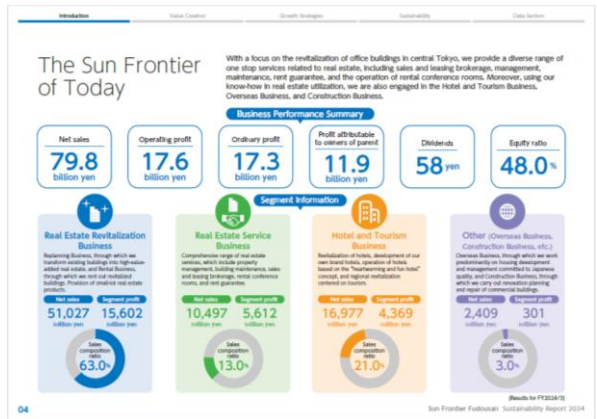
Financial and non-financial highlights



Sustainability management and materials



Top message



Business overview

[Main contents]

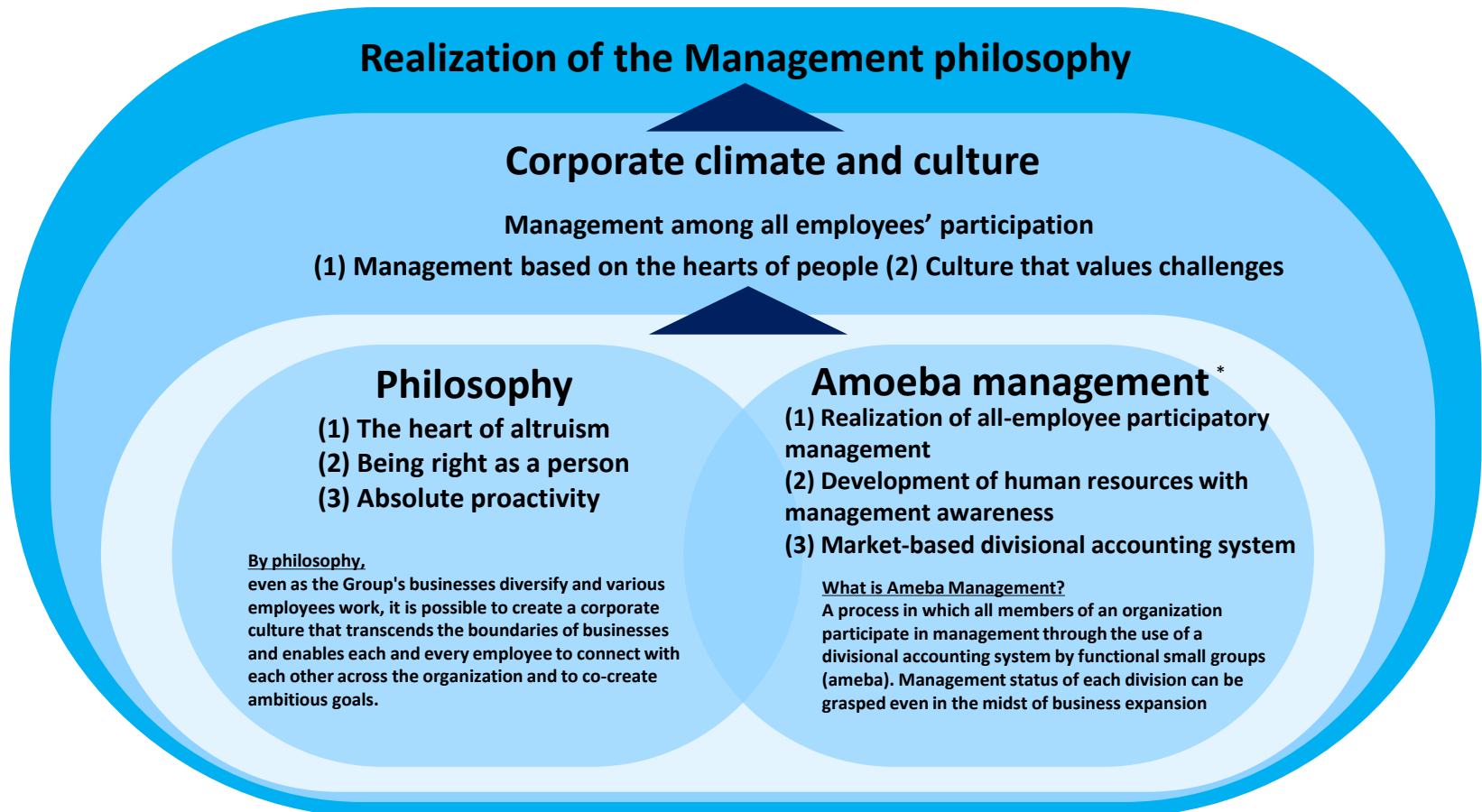
- Sun Frontier Philosophy
- History of Sun Frontier
- Top message
- Growth strategies
- Examples of sustainability activities
- ESG data Etc.

Sustainability website
https://www.sunfrt.co.jp/sustainability/en/library/sustainability_report/



Sun Frontier's Strength

Create a good corporate climate and culture based on the two wheels of Philosophy and Amoeba Management to realize our Management philosophy.



By philosophy,
even as the Group's businesses diversify and various employees work, it is possible to create a corporate culture that transcends the boundaries of businesses and enables each and every employee to connect with each other across the organization and to co-create ambitious goals.

What is Ameba Management?
A process in which all members of an organization participate in management through the use of a divisional accounting system by functional small groups (ameba). Management status of each division can be grasped even in the midst of business expansion

* Amoeba management is the registered trademark of KYOCERA Corporation.

Human Resource Development



Desired image of human resources

Human resources with both "the heart of altruism" and "frontier spirit"

Human Resources Development Policy

Develop human resources who can develop new fields with a frontier spirit toward the realization of a sustainable and affluent society together with colleagues who share values of altruism.

We aim to realize a society that can be passed down to future generations by fostering human resources who have the kindness to care for others around them and the strength to maintain personal integrity, and boldly take on challenges in areas where they have no experience. To this end, the pillars of our human assets are exploration, curiosity, self-motivation, autonomy, and respect for and utilization of diversity.

Environmental Improvement Policy

Create a work environment that provides "job satisfaction," "creativity," and "growth opportunities." Create a "co-creation" organization in which all employees set their own goals, work toward those goals with enthusiasm, and continue to create new value based on mutual trust.

- Job satisfaction** — A corporate culture that encourages challenge and growth
- Creativity** — A corporate culture that envisions the future and aims to create new value
- Growth opportunity** — A corporate culture that stimulates the desire to learn and works toward high goals

Human Resources Development Policy

Respect for and utilization of diversity

Environmental Improvement Policy

Creating a workplace with motivation, creativity, and growth opportunities

Measures

- Creation of a work environment suited to each employee's life stage and provision of flexible training opportunities
- Cultivating Ameba leaders for business diversification and organizational expansion
- Establish training programs for the next generation leaders, improve support systems for external training, and increase the ratio of training hours to designated working hours to 12% or more.
- Use of DX, improvement of business processes and individual capabilities, and year-on-year increase in ordinary profit per hour

Key Points

Strengthening the human resource base

Manufacturing from the perspective of customers and heart-warming services

Promotion of core business tie-ups and diversification

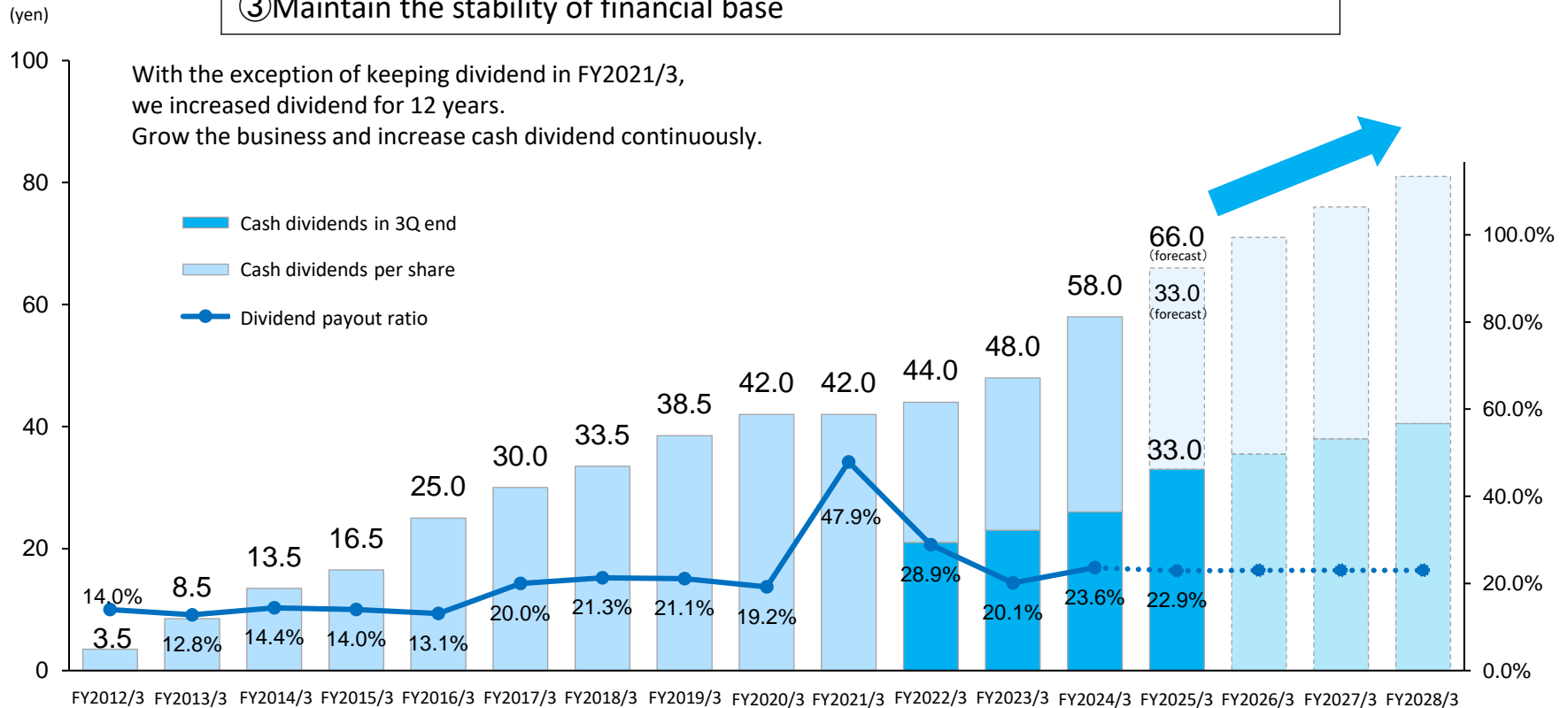
Basic Policies of the next Medium-Term Management Plan

Working to resolve social issues by promoting core business tie-ups and diversification through customer-oriented manufacturing and heart-warming services

Shareholders Return

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



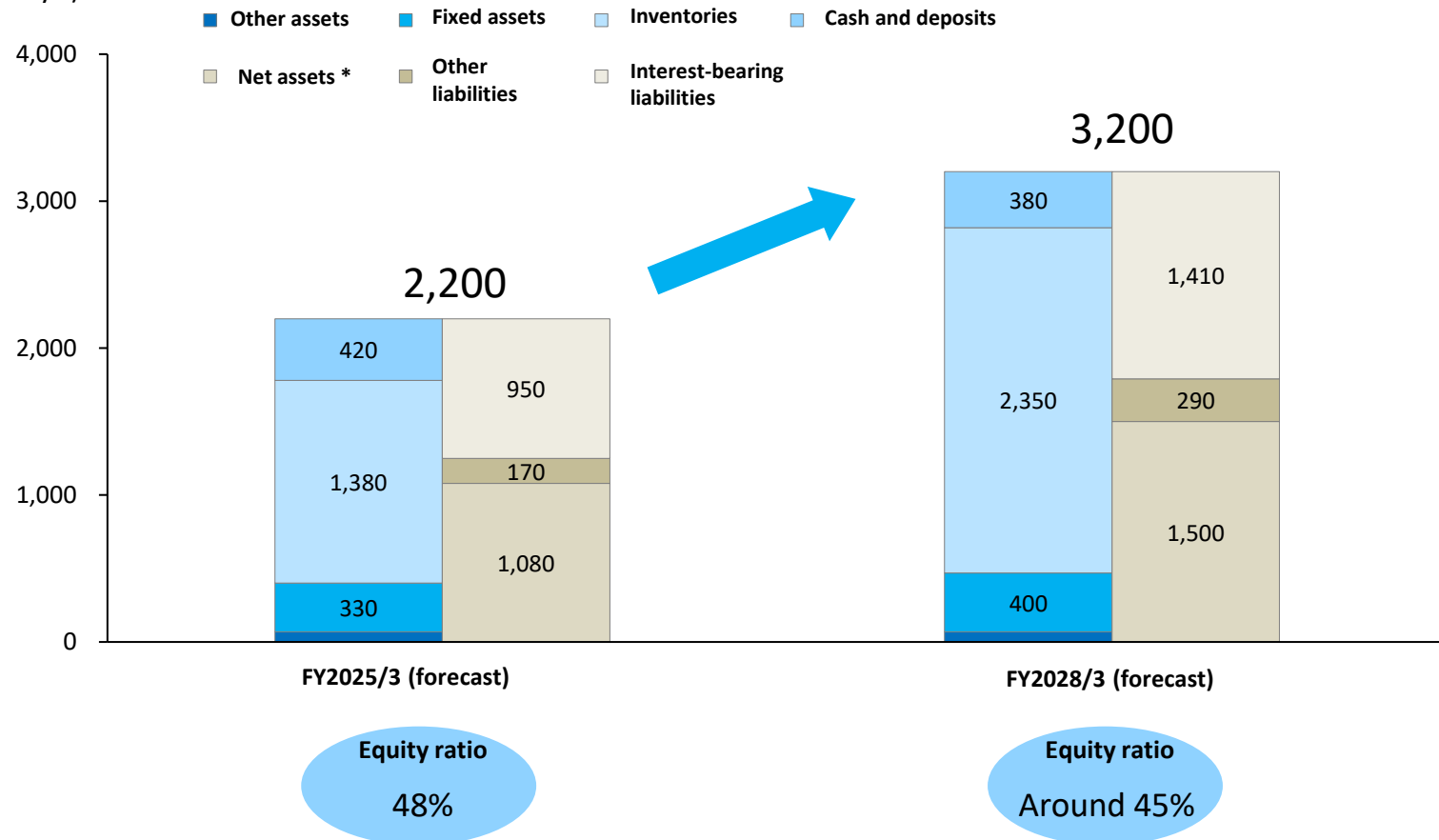
※1 Interim dividend started from FY2022/3

※2 Dividends are anticipated in expectation of the progress of conversion of CB to stocks at the end of each period from FY25/3 to the end of FY27/3.

Simulation of Balance Sheet

Expand total assets by investing more aggressively for future business growth while maintaining financial discipline

(100 millions of yen)

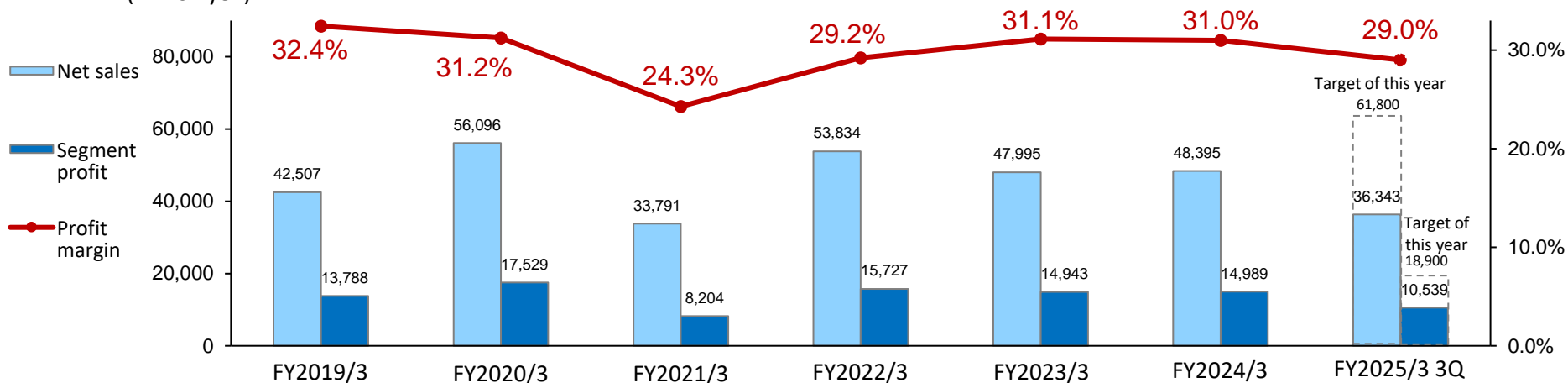


* From FY2025/3 to end-FY2027/3, conversion of convertible bonds into shares is expected to progress at the end of each fiscal year.

Trends in the Performance of Replanning Business and Property Acquisitions

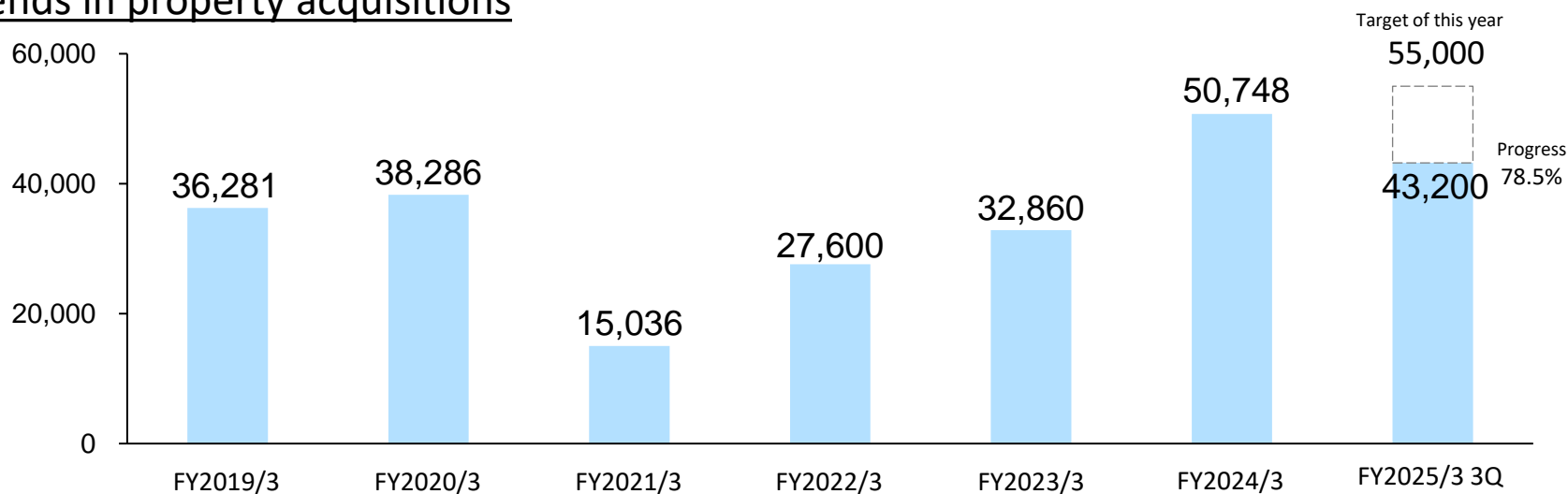
● Trends in net sales, Segment profit and Segment margin

(million yen)



● Trends in property acquisitions

(million yen)

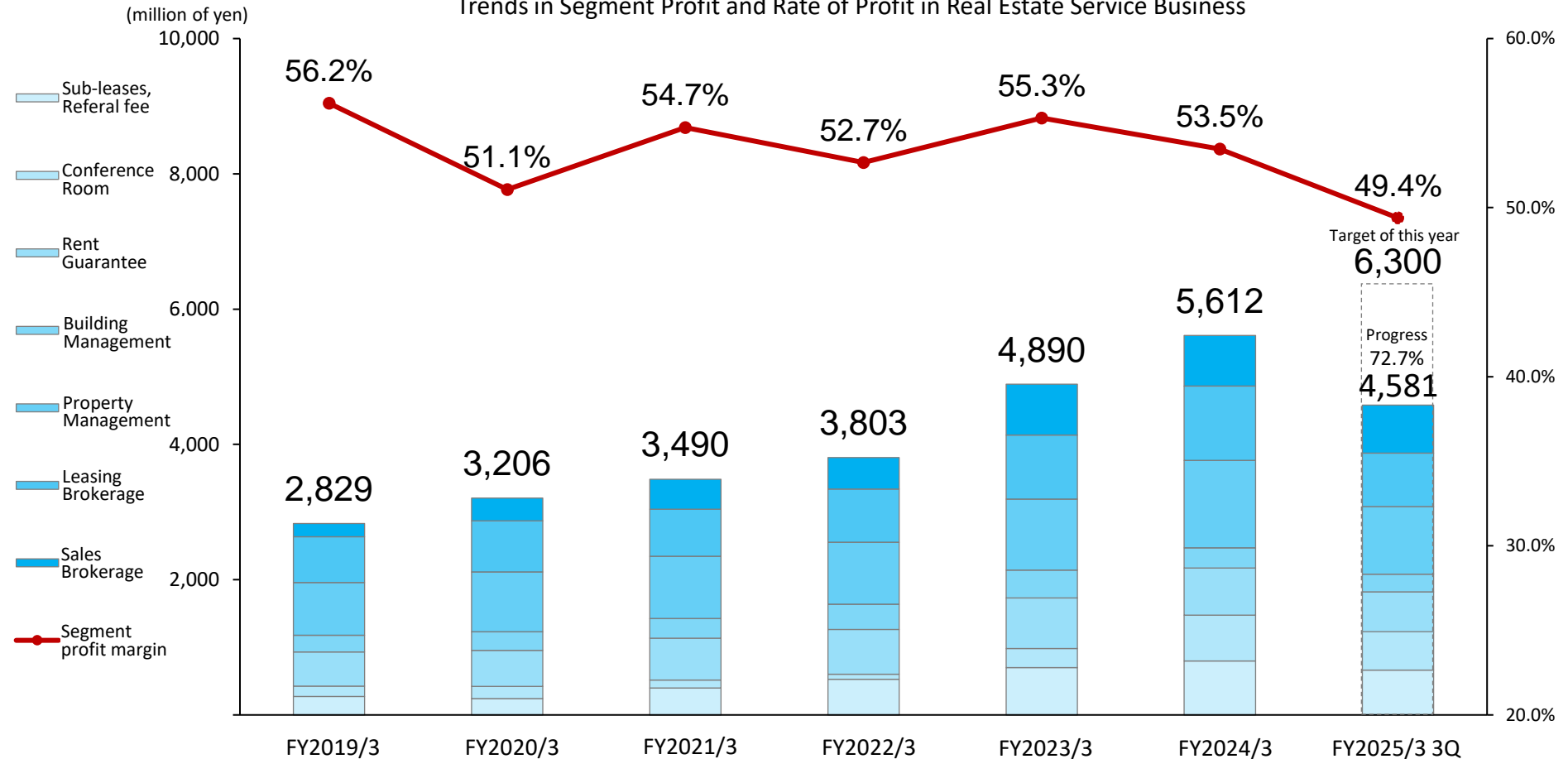


Steady Growth in Real Estate Service Business



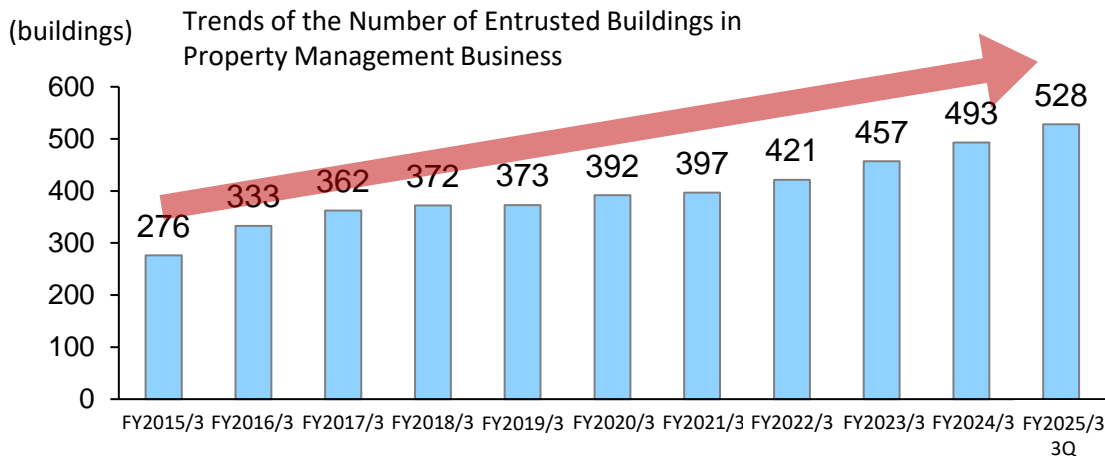
Stock Business continues to grow steadily as stable business. The profit in FY2025/3 is expected to record a new high.

Trends in Segment Profit and Rate of Profit in Real Estate Service Business

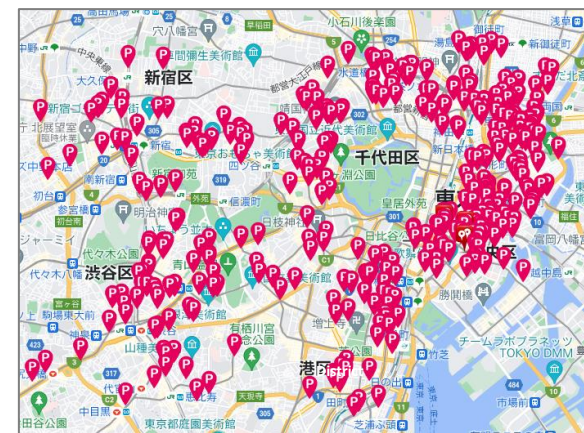


Real Estate Service Business Continues to Expand Its Customer Base

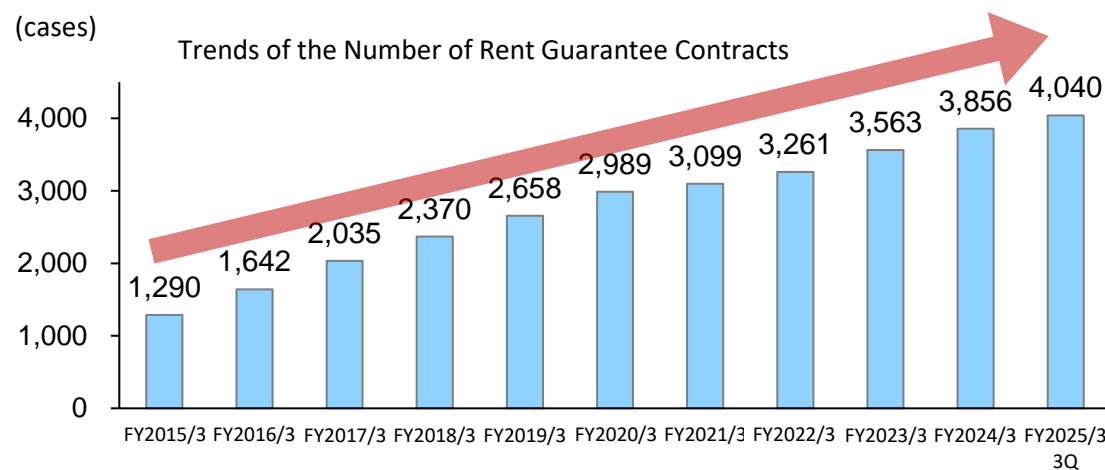
Expanding as a platform for business growth



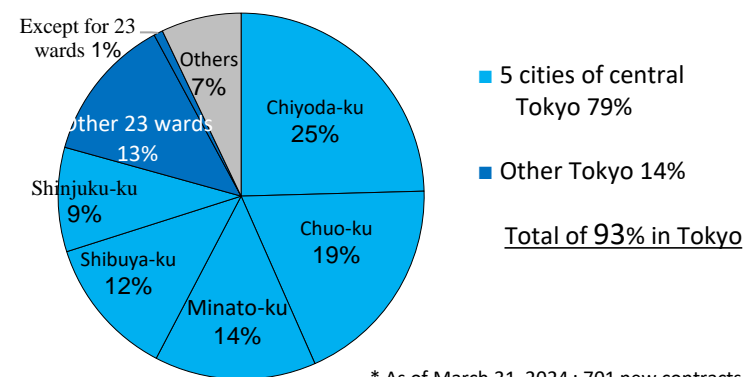
【Property Management entrusted property distribution】



Entrusted properties of the Company



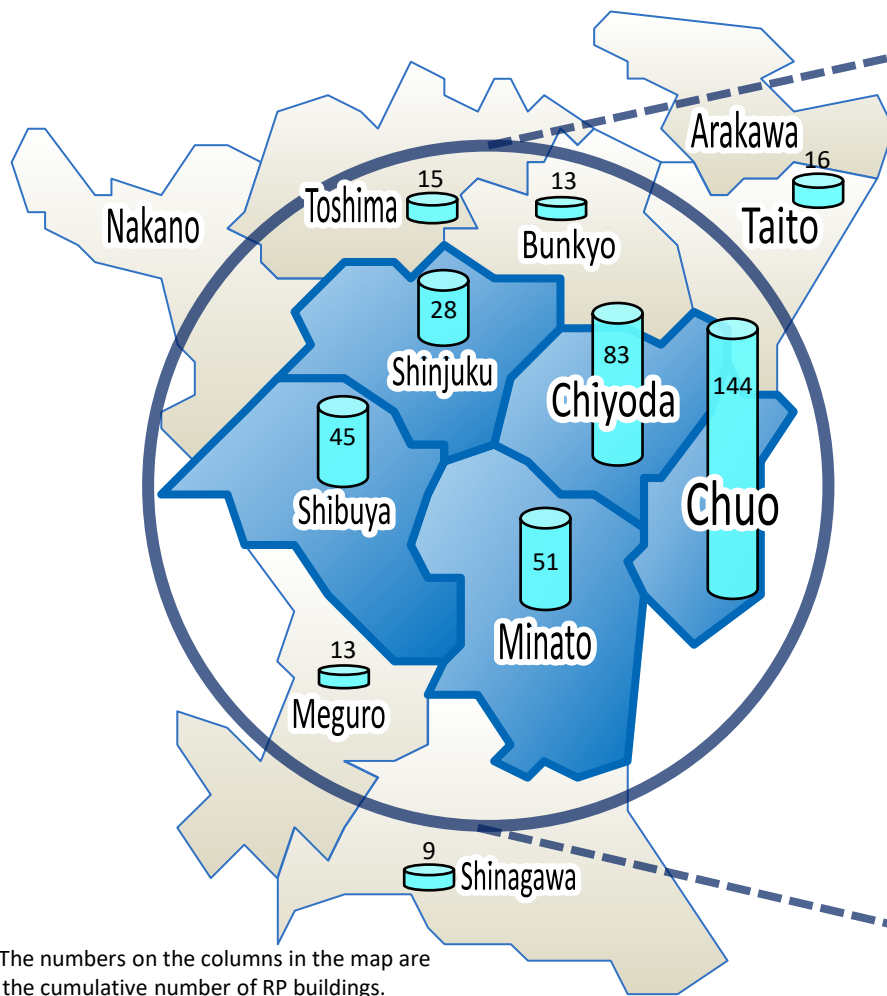
【Percentage of new contracts of Rent Guarantee by area】



* As of March 31, 2024 : 701 new contracts

Strategy in Office Business

Solving client's various problems, mainly in the five cities of central Tokyo.

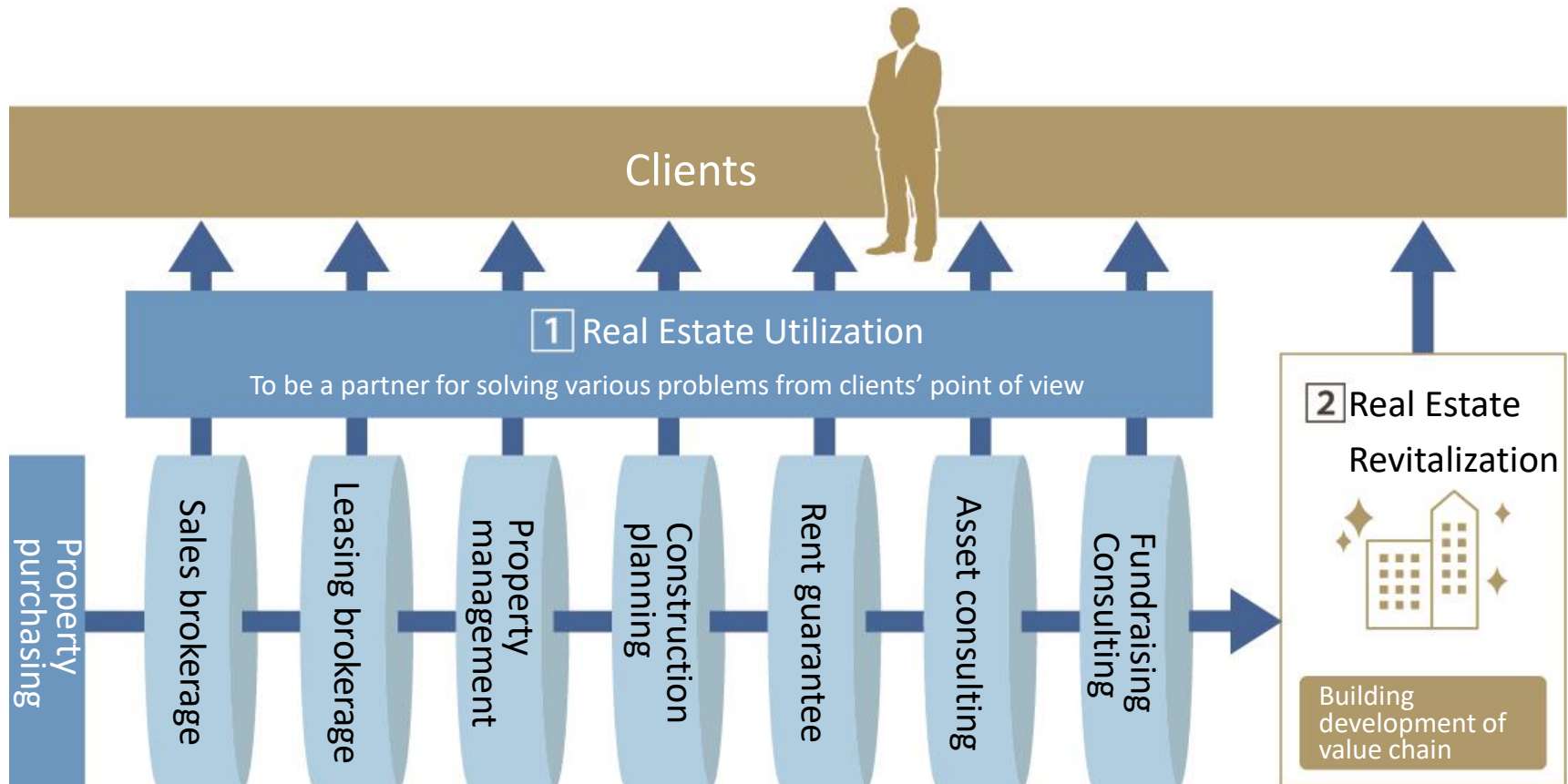


RP	Of the total number of RP buildings, 502 buildings, 80% are in the five cities of central Tokyo and adjacent cities. *As of the end of December 2024
LM	Community-based 12 branches Ginza, Kanda, Nihonbashi, Kodemmacho, Kojimachi, Shinjuku, Shibuya, Gotanda, Hamamatsucho, Yokohama, Shimbashi, Ikebukuro
PM	Of the 528 entrusted properties, over 80% are in the five cities of central Tokyo. *As of the end of December 2024
BM	Of the 264 buildings under comprehensive management, 85% are in the five cities of central Tokyo. *As of the end of December 2024
Rent Guarantee	Of the 8,389 cumulative new contracts signed, 90% are in the five cities of central Tokyo. *As of the end of December 2024
Rental Conference Room	18 of the 16 sites are in the five cities of central Tokyo. *As of the end of December 2024. The rest of two are in Yokohama

* The numbers on the columns in the map are the cumulative number of RP buildings.

Strengths in Office Business

With in-house manufacturing from purchase, development, leasing to sales and consulting, we solve various problems by getting client's needs correctly.



- 1 Real estate revitalization: Get close to our clients and solve various problems. Capture the source of added value from clients' voices.
- 2 Real estate revitalization: Utilize the needs we earned and the know-how for improving the valuation to conduct sales activities.

Business Model for Replanning Business

Renovating the office buildings with low occupancy and in need of large-scale repairs into high-value-added properties demanded by society using “clients’ point of view.”



Set-up Office Share

"Set-up Office" is a kind of office replanned by our Company. Unlike regular office interiors, there are reception and reception room, etc., in the office with highly designed interior. We also provide some equipment for rent or fixtures pre-installed.

◆ Four benefits for tenant companies

Merit 1) Reduced burden on management
No need for unfamiliar tasks such as designing office interiors and selecting interior decorators, significantly reducing management's effort.

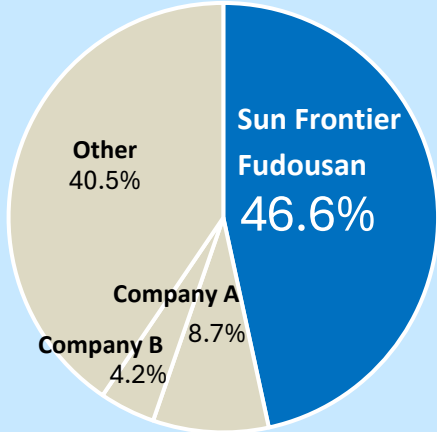
Merit 2) Immediately available after moving
Increase the net estimated internal useful life due to no work other than wire-related work and moving, a significant reduction in the relocation period and a shorter construction period for interior finishing and restoration.

Merit 3) Reduced financial burden
Significant cost reduction for office interiors, etc., and no interior assets recorded by tenants.

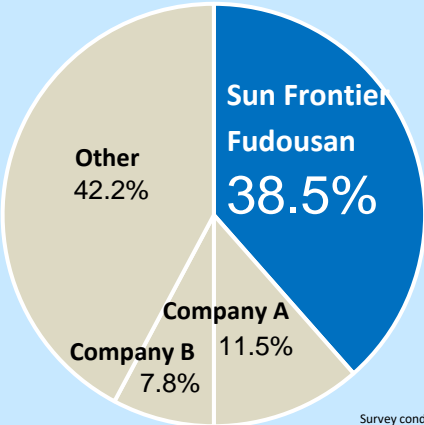
Merit 4) Employment, motivation and productivity improvement
Improve employment of human resources, employee motivation, and office productivity by the office interior that pursues a high level of design, focusing on design, functionality, and various usage scenes.

The share of Set-up Office in 23 wards of Tokyo

Based on the number of rental rooms



Based on rental area



Survey conducted in February 2024
Survey planning: Sun Frontier Fudousan Co., Ltd.
Survey conducted: H. M. Marketing Research

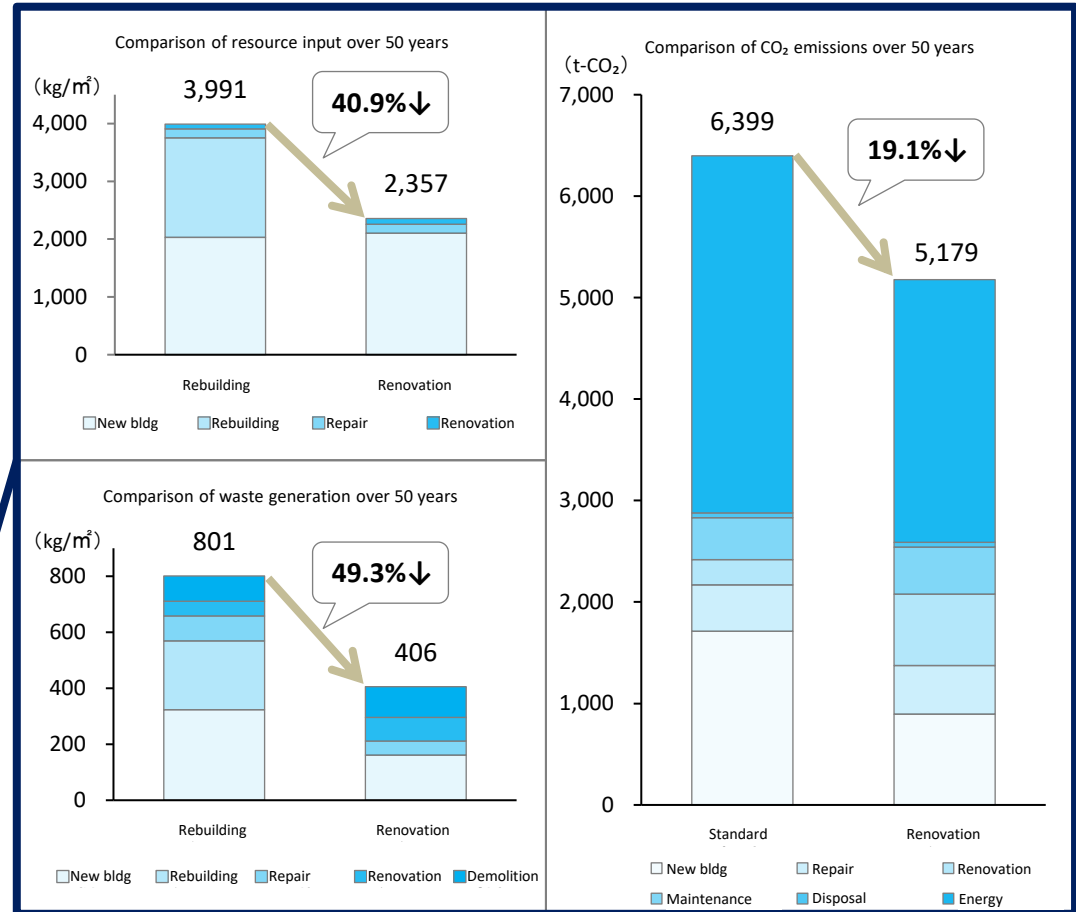
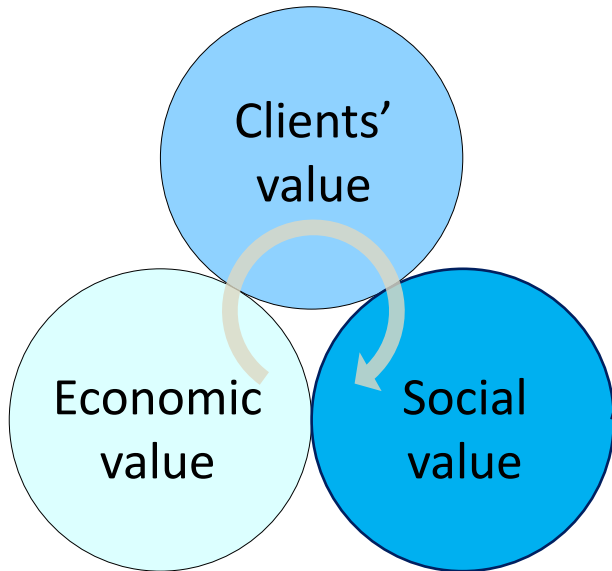
Create both Customer Value and Social Value

Solving social issues through supporting our clients' business.

Supporting the business growth for building owners and tenants through our Replanning Business.

II

Utilizing the limited, keeping challenging to create new value, and aiming to become the most appreciated visionary company in the world.



<Assumptions and rationale> Assuming a 30-year-old office building of approximately 3,000 square meters, the environmental contribution over a 50-year period (the service life of SRC office buildings) was estimated based on the Architectural Institute of Japan's LCA Tool (*).
 • Rebuilding: "In the case of rebuilding every 35 years" • Renovation: "Regeneration without destroying old buildings (long-life buildings)" • Standard: "Assuming a 30-year-old unrenovated building"
 *Architectural I "LCA Tool for Buildings Ver5.0 - Evaluation Tool for Global Warming, Resource Consumption and Waste Management", estimated with the cooperation of Engineering Research Institute of Japan.

Business Model of NY Apartment Replanning Business

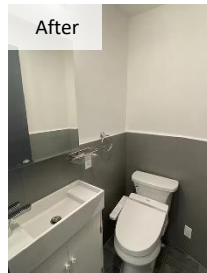
Use high-quality technology to add value to apartments that are over 100 years old in the United States, where growth is high



The United States has a high growth rate and its population continues to grow. Manhattan in New York has many jobs and high housing demand.

A 100-year-old brick apartment in Manhattan, New York

• Example of construction



Separate bathrooms and toilets
Installation of washlet toilets



Installation of a built-in kitchen



Replanning to a comfortable living space (Interior and furniture are a sample image)

Point 1

Long-term stable assets can be held in New York, the world's largest city

Point 2

High-quality building renovated and repaired by Sun Frontier

Point 3

Sun Frontier's buildings can be purchased after consideration.

Point 4

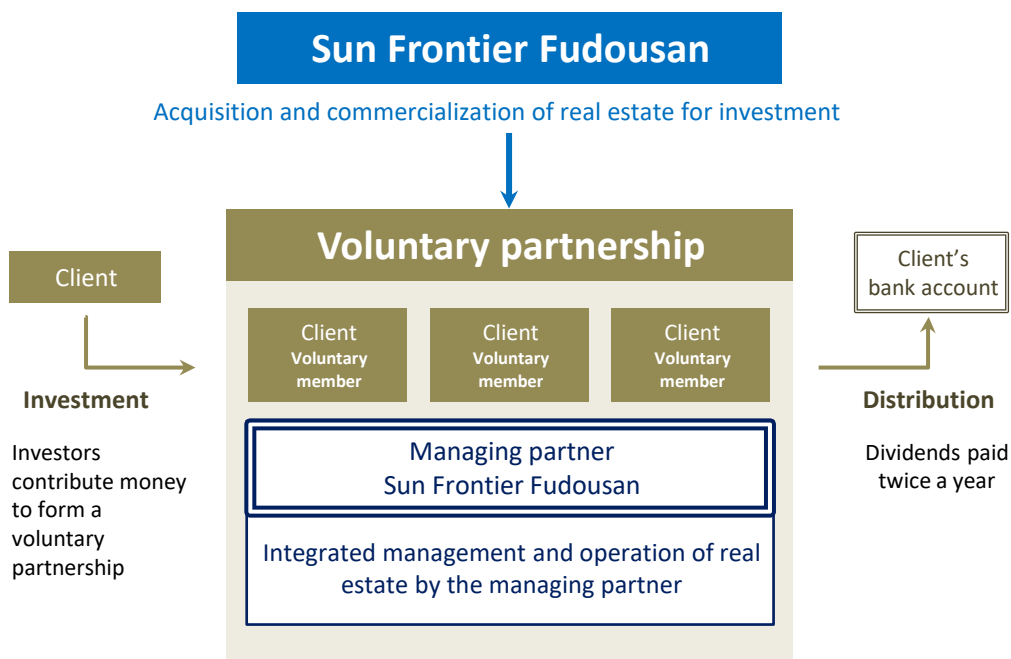
Sun Frontier will conduct both building management and lease operation after purchase.

Specified Joint Real Estate Ventures

(Sale of Small-lot Real Estate Properties)

Realizing a form of real estate ownership that makes it easy to divide the estate to the successor and makes asset management easy.

Scheme of the Compass series



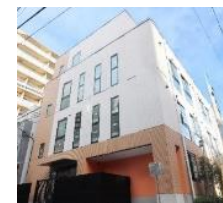
Features of the Compass Series

- Point 1** Easy acquisition of prime real estate that can be expected to operate stably
- Point 2** Easy and secure management and operation by Sun Frontier Fudousan
- Point 3** Can be used as a measure against asset division

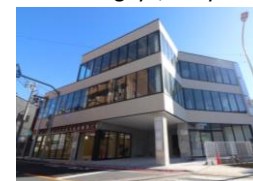
Examples of Compass Series



New licensed nursery school in Setagaya, Tokyo



New licensed nursery school in Ueno



New Medical and Educational Mall in Ota-ku, Tokyo



New licensed nursery school in Takanodai, Nerima

Established Sun Frontier Asset Management Co., Ltd.

As part of our efforts to diversify and cooperate within our core business, we have entered the private REIT business to further expand our business base.



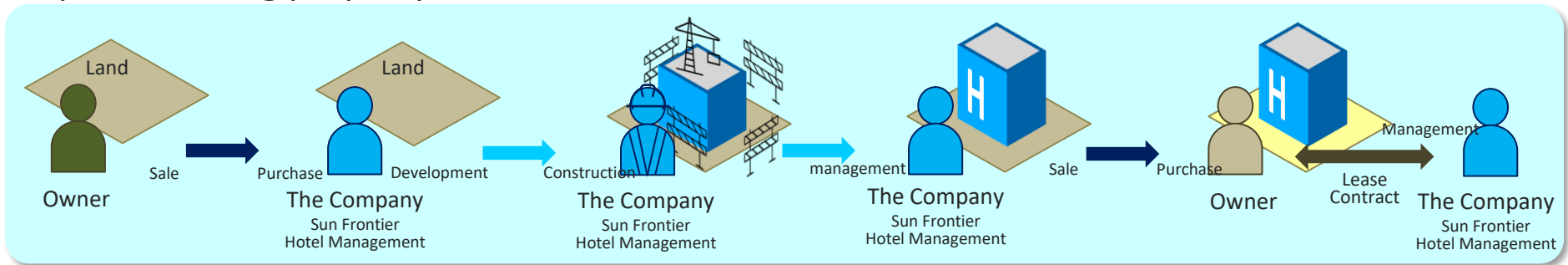
Based on 25 years of experience in real estate revitalization and utilization, Sun Frontier Asset Management Co., Ltd. was established on September 18, 2024, to address regional social issues and contribute to the realization of a sustainable and affluent society through the long-term management of real estate.

We aim to establish the first private REIT sponsored by Sun Frontier Fudousan Co., Ltd. in the fiscal year ending March 2026..



Hotel Development Business and Hotel Management Business

Selling the hotel we developed after operation
 After the sale, the property is leased and managed, contributing to asset formation as a profit-making property



* In addition to the method of acquisition and development of the land, the optimal development method is selected according to the case, such as renting and leasing the land and the building.

Examples of hotels under development and management



Hiyori Hotel Maihama
 Opened in July 2017, sold and currently in operation



Hiyori Hotel Nanba Ekimae
 Opened in May 2019, currently in operation



Tabino Hotel Kurashiki Mizushima
 Opened in February 2020, currently in operation



Tabino Hotel Kashima
 Opened in April 2020, currently in operation



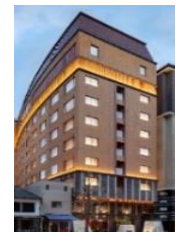
HIYORI Ocean Resort Okinawa
 Opened in February 2021, sold and currently in operation



Tabino Hotel Iit Miyakojima
 Opened in June 2021, currently in operation



Tabino Hotel Iit Matsumoto
 Opened in July 2021, currently in operation



Sora Niwa Terrace Kyoto Bettei
 Opened in June 2022, currently in operation

Regional revitalization initiatives centered on hotels



We will energize the islands through tourism business! When region becomes energized, Japan will be as well.

Japan offers many attractions, including beautiful nature, rich history and culture, delicious food and hot springs, warm hospitality, local festivals, and outdoor activities.. With the rapid increase in foreign visitors to Japan and growing interest in various regions, we started our business in Sado, where we have strong connections, and have already created about 200 jobs.

SADO
Sado Island, Niigata Prefecture

Tabino Hotel Live Sado

Tabino Hotel Sado

UNESCO World Heritage Centre

Aikawa Gold and Silver Mine

SADO NATIONAL PARK HOTEL OOSADO

SADO RESORT HOTEL AZUMA

LE BLUE SADO SAWANE

Donden Kogen Lodge

Port of Ryotsu

気軽にレンタカー
Kiguruni Rent a Car

おけさ観光タクシー
OK おけさ観光タクシー
観光客の夢として、美しい郷土のお守りとして

UNESCO World Heritage Centre

Nishimikawa Placer Gold Mine

Sado Outdoor Base

Promoting partnership agreements for regional development

Rokkasho, Aomori

September 2024, a basic agreement on opening a new business office was signed in preparation for the hotel's opening.

Sakata, Yamagata

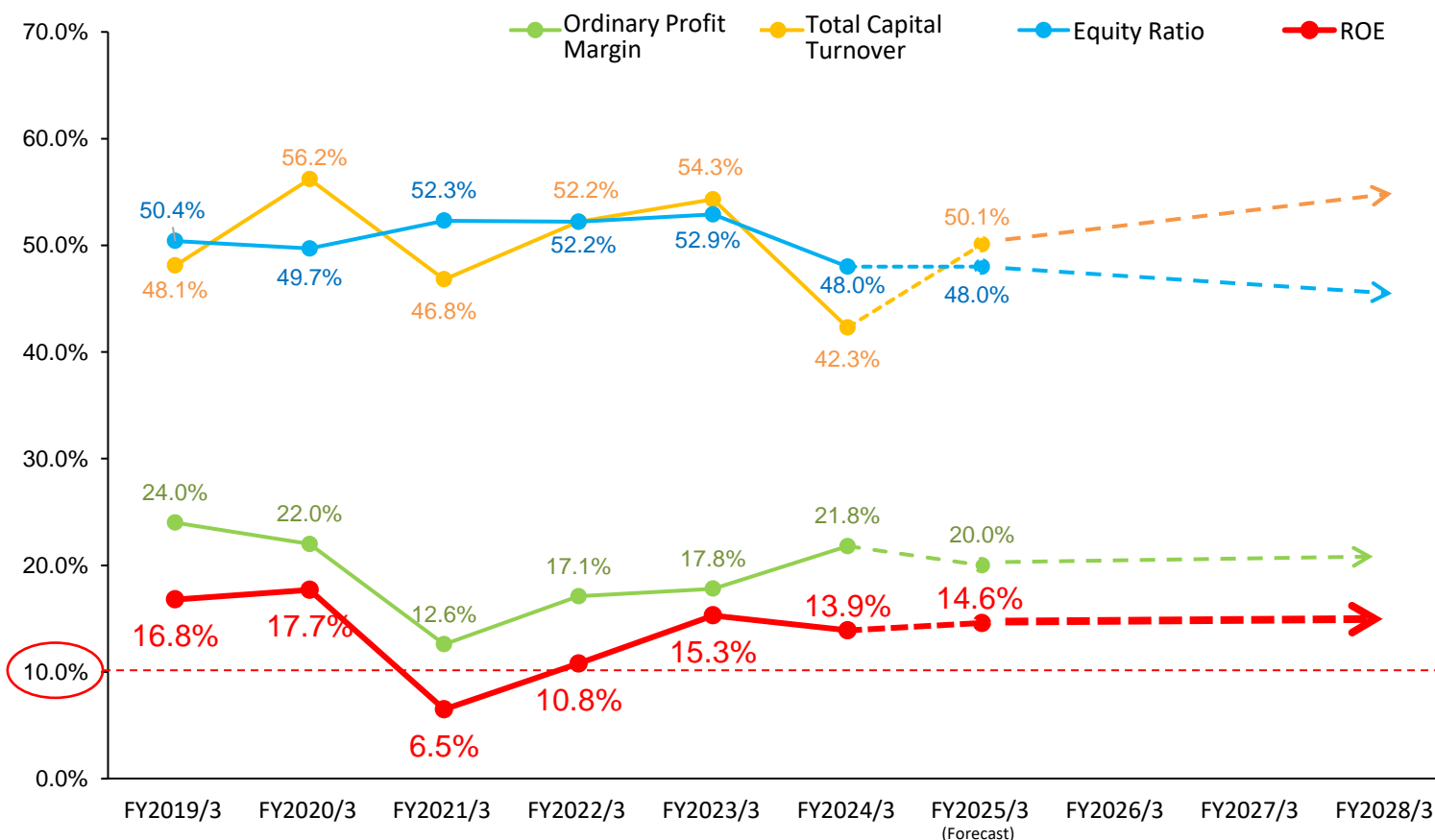
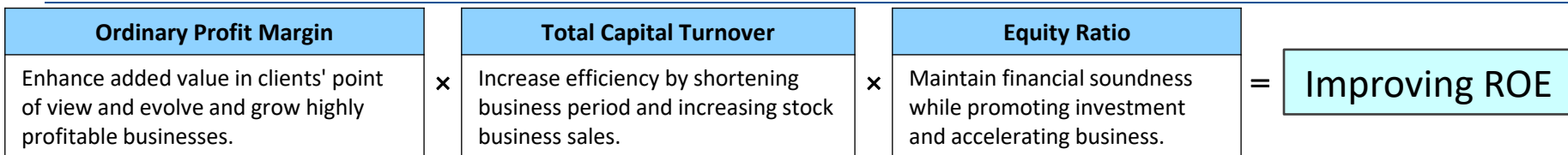
Tabino Hotel Sakata
Scheduled to open in December 2026

Miyakojima, Okinawa

Tabino Hotel lit Miyakojima
Opened in June 2021

Construction and sales of rental residential

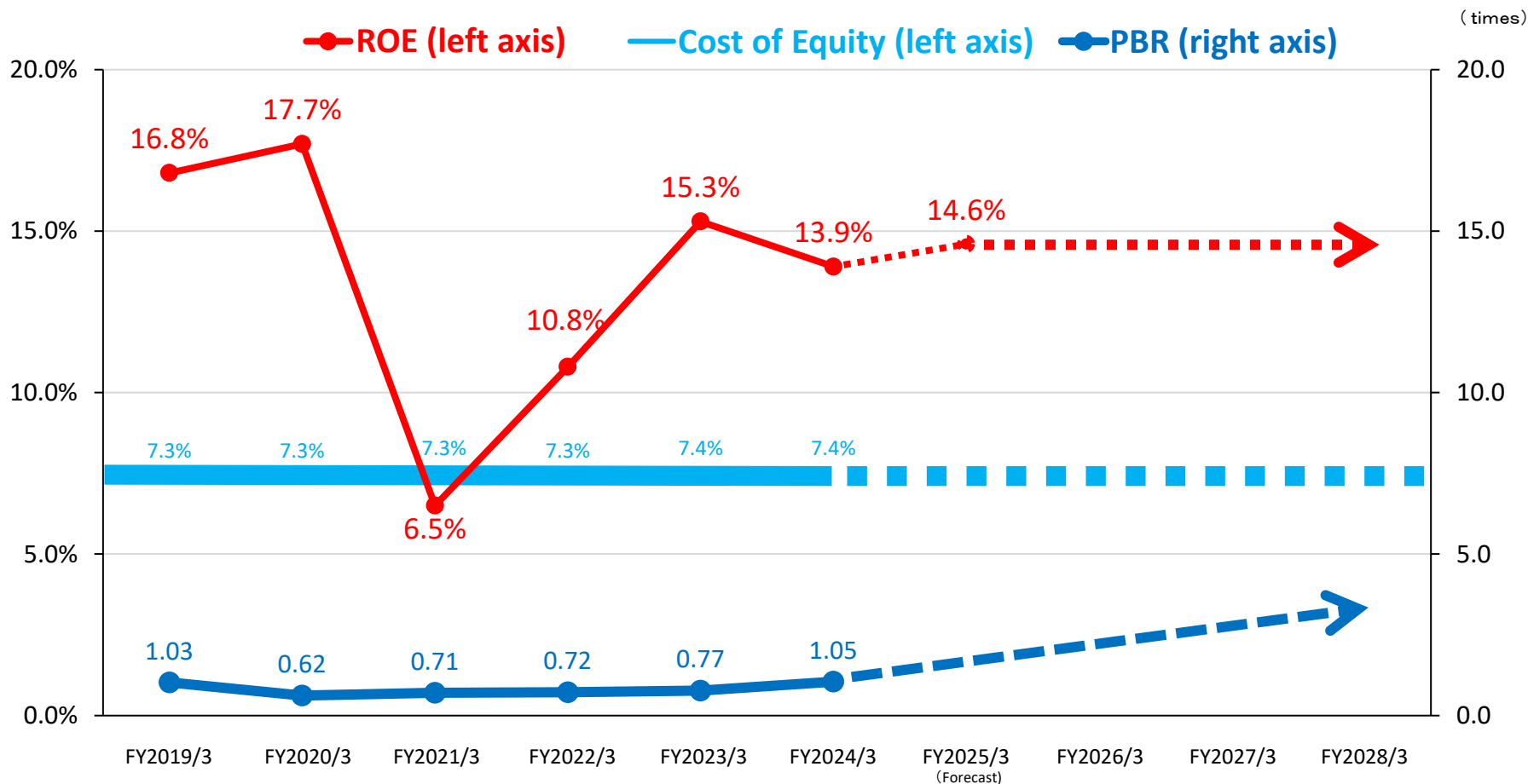
Trends for Each Indicator and Initiatives for ROE Improvement



Improve PBR by the initiatives for ROE Improvement



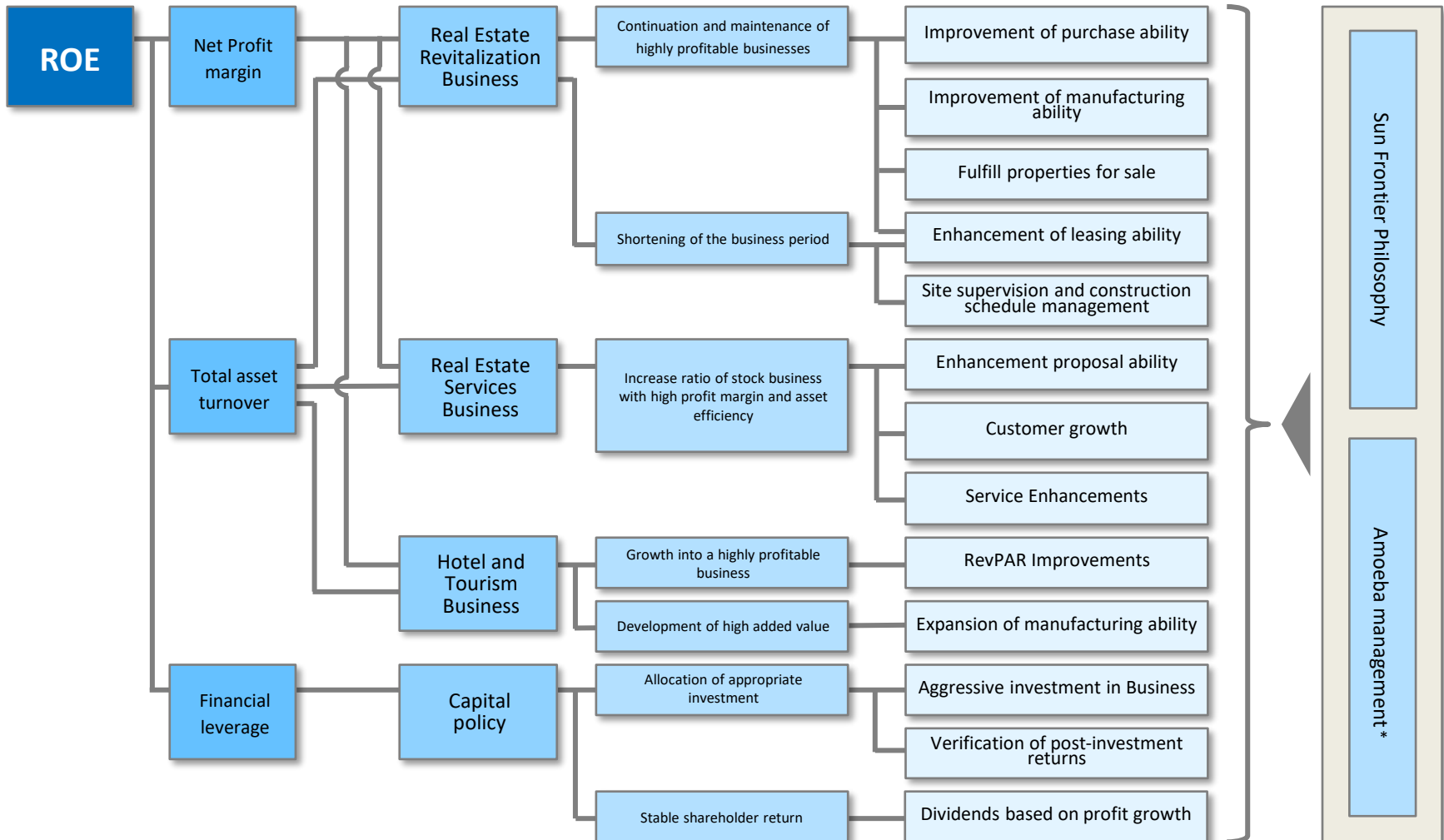
Increase PBR by maintaining an ROE that exceeds the cost of shareholders' equity.



※Cost of Equity is calculated by Capital Asset Model. Cost of Equity will be around 7 to 8%.

Driver to improve ROE

Keep employees in high engagement through Sun Frontier Philosophy and Amoeba Management. Promoting Business by the style of “All join to Management”.



* Amoeba management is the registered trademark of KYOCERA Corporation.

Strengthening IR Activities




We have revamped our IR website by adding a real-time stock price display and a chart generator!


Sun Frontier IR website

https://www.sunfrt.co.jp/ir_info/



Actual result of main activities of IR		FY2023/3	FY2024/3	FY2025/3
Presentation of financial results	Held every quarter by President Representative Director, Seiichi Saito.	Held 4 times	Held 4 times	Held 4 times (forecast)
Individual IR meetings	Conducted individually as needed. (mainly handled by President Representative Director and IR staff).	61 times	68 times	64 times (until 3Q)
Property visit (RP properties)	Invite to RP properties ✕for analysts and institutional investors	-	9 times	5 times (until 3Q)
Property visit (sites of Vision Center)	Invite to sites of Vision Center ✕for analysts and institutional investors	-	1 time	1 time

Disclosed materials	
Financial Results	Disclose Japanese and English version simultaneously. Disclose Chinese version within a week after Japanese.
IR Presentation	Disclose Japanese, English version and Chinese version simultaneously.
Annual Securities Report	Disclose Japanese and English version.
Notice of General Meeting of Shareholders	Disclose Japanese and English version.
Analyst Report	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>FISCO 【Japanese】</p>  </div> <div style="text-align: center;"> <p>Shared Research 【Japanese】</p>  </div> <div style="text-align: center;"> <p>【English】</p>  </div> </div>

Shareholder benefit program	
Outline	Discount coupons for hotels operated by our group companies based on the number and period of shares held.
Period	From July 1st of the issuance year to June 30th of the following year.
Details	<p>For the details, please review to the website of Shareholder benefit program.</p> <p>https://www.sunfrt.co.jp/ir_info/stockholder_benefit_plan/</p> 



References Materials

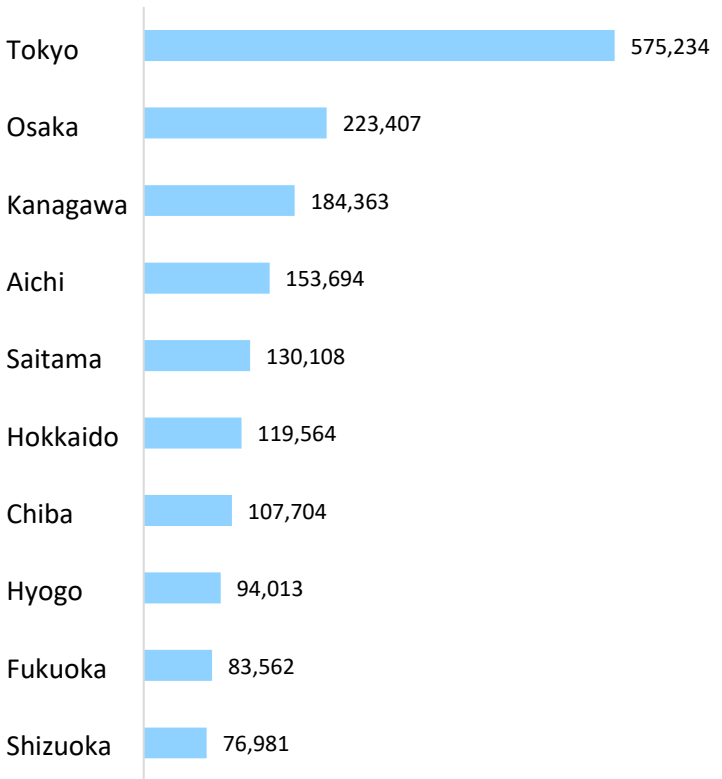


Number of Corporations by Prefecture and Number of Office Buildings in Tokyo's 23 wards



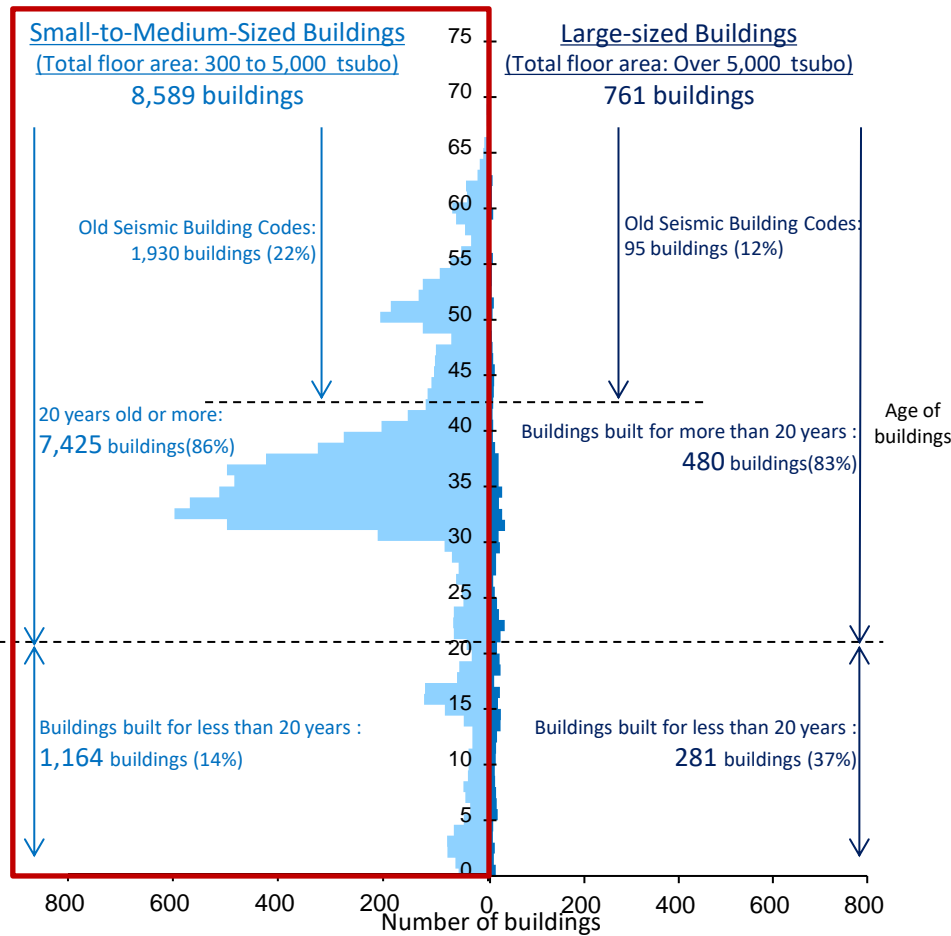
In Tokyo concentrated many companies, demand renovation and rebuilding suppressed waste of resources remains high in while small and medium-sized buildings continue to age.

Top 10 Prefectures in Number of Corporations



Source: Compiled by the Company based on the National Tax Agency's "Number of Corporations by Prefecture".

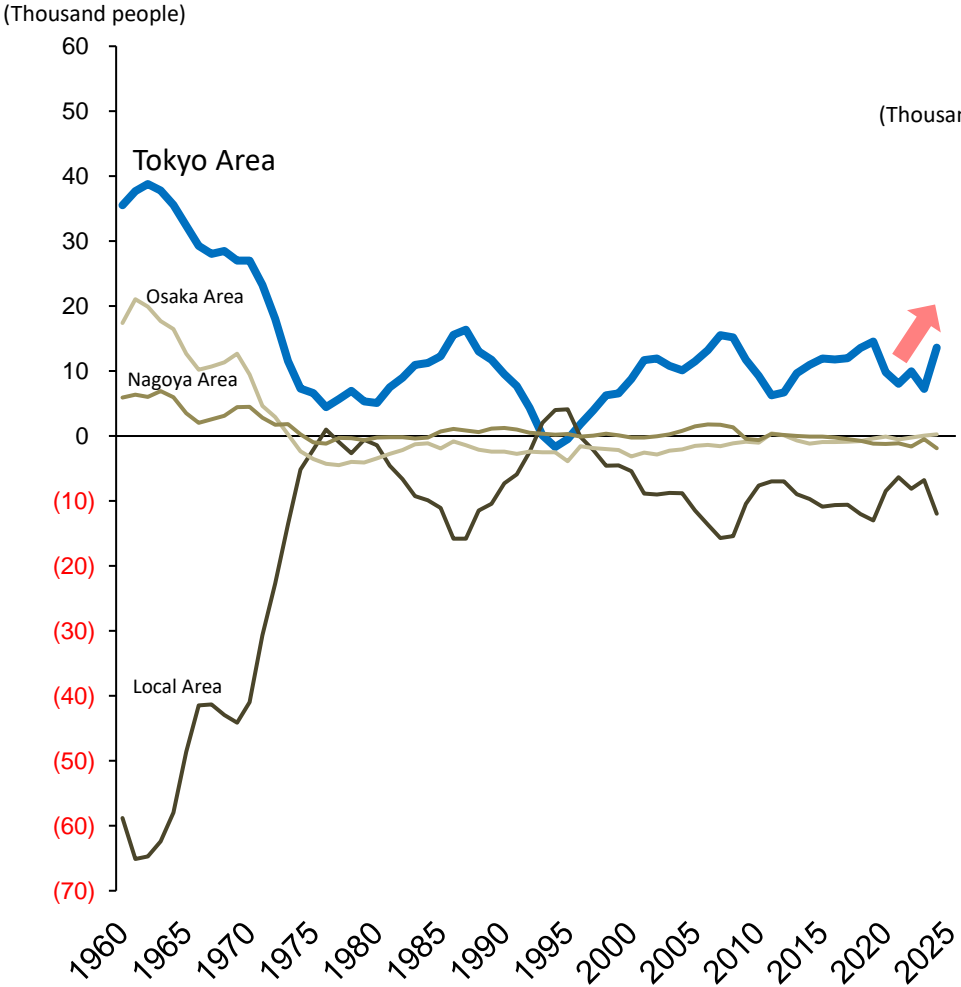
Tokyo 23 cities with 9,350 buildings



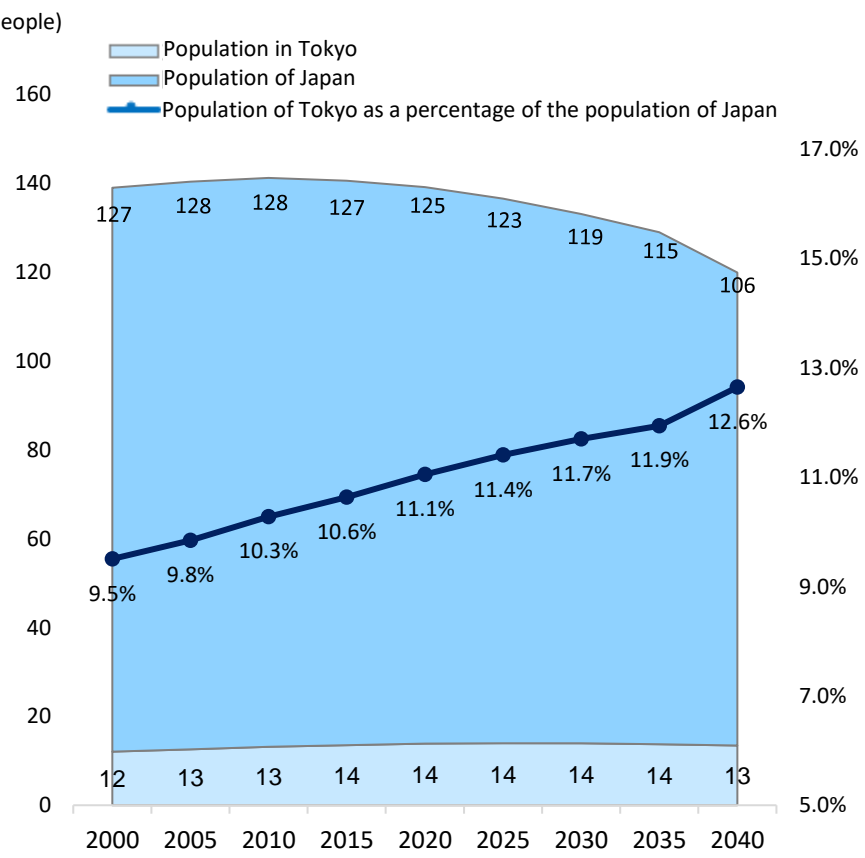
Source : Created by us based on "Tokyo 23 cities Office Pyramid 2023 (based on the number of buildings)" (Xymax Real Estate Institute)

Transfer of Tokyo Area and Japanese Population

While the population of Japan is decreasing, the population of Tokyo is increasing as more people are moving into the Tokyo area.



Ratio of Tokyo population to Japanese population (estimate)



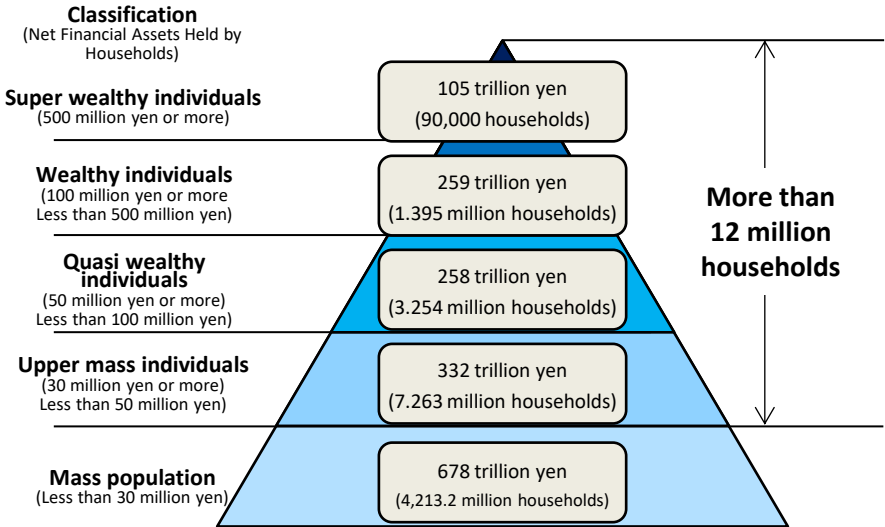
Source: Prepared by the Company based on Statistics Bureau, Ministry of Internal Affairs and Communications, "Number of New Residents by Address Before and After"

Source: Compiled by the Company based on Tokyo Metropolitan Government statistics - "Population of Tokyo (Estimate)."

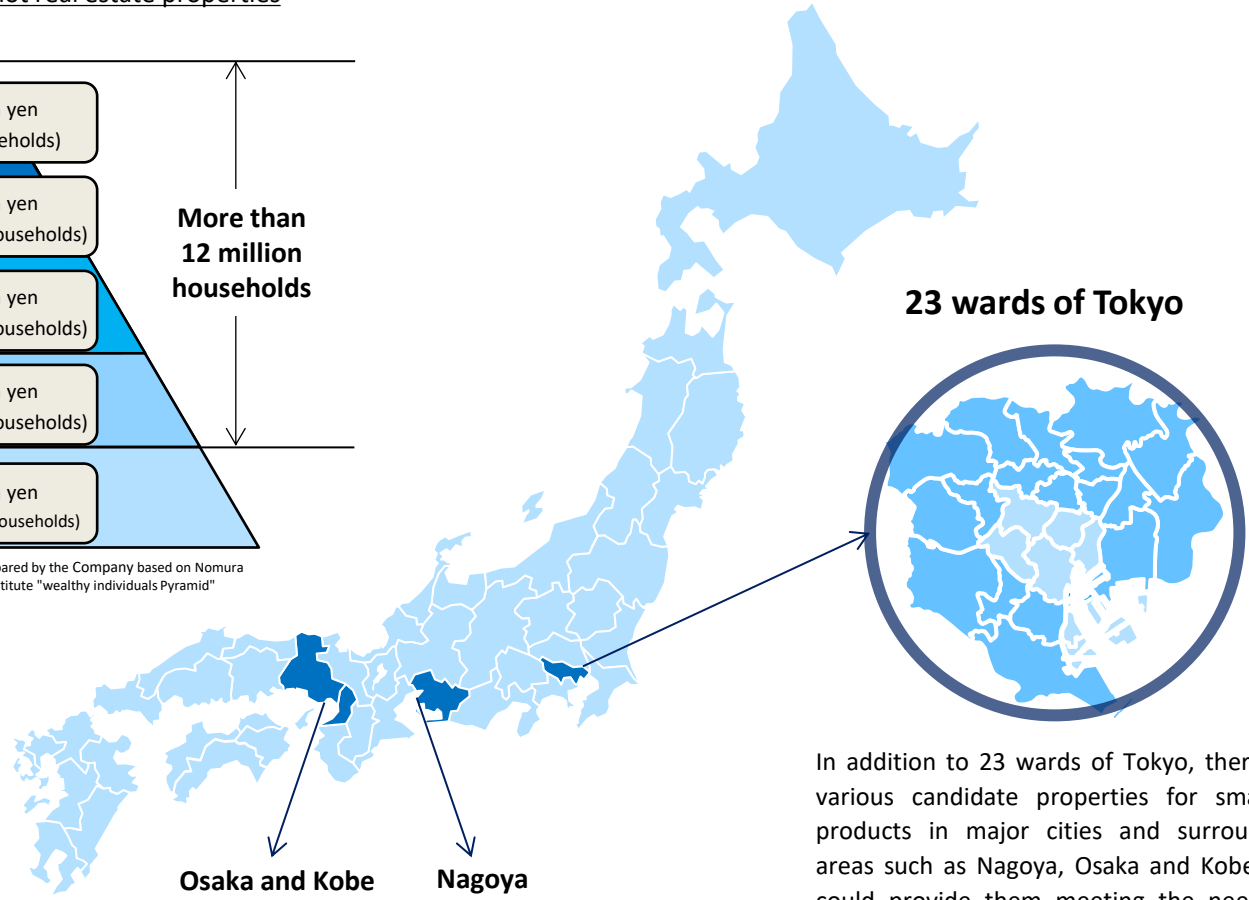
Marketability in small-lot real estate property

Promote commercialization of small-lot real estate properties in major cities. Make proposals meeting needs of investors throughout Japan.

There are more than 12 million households nationwide of potential customers in small-lot real estate properties



Source: Prepared by the Company based on Nomura Research Institute "wealthy individuals Pyramid"



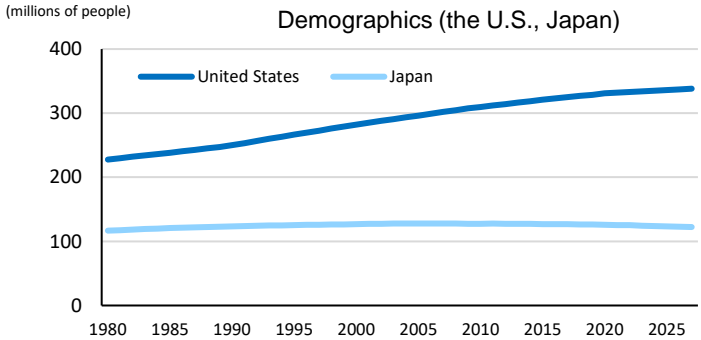
- Small-lot real estate properties
- Nursery school
 - Educational and medical malls
 - Commercial buildings
 - Office buildings
 - Land, etc.
- Provide wide varieties of properties

In addition to 23 wards of Tokyo, there are various candidate properties for small-lot products in major cities and surrounding areas such as Nagoya, Osaka and Kobe. We could provide them meeting the needs of investors nationwide

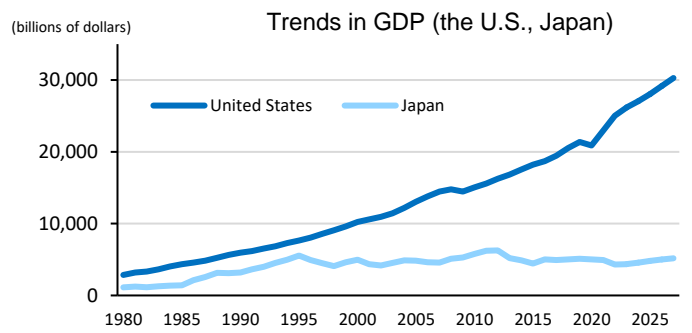
Overseas Markets (the U.S., Vietnam)

Supplying Japan's high-quality residential real estate in the United States (New York) and Vietnam (Danang), where population growth and high growth rates continue

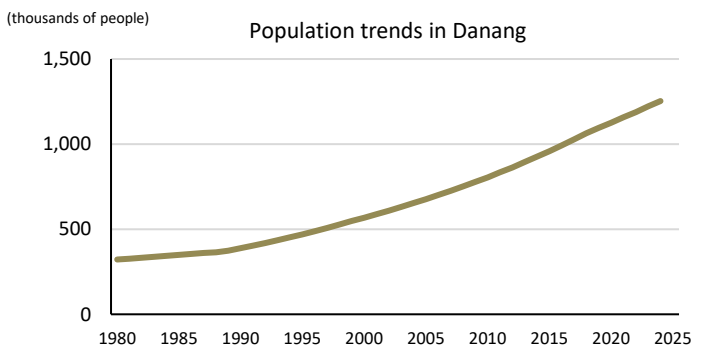
While the population of Japan is decreasing, the population of the United States continues to increase, and there is a high possibility of continued housing demand.



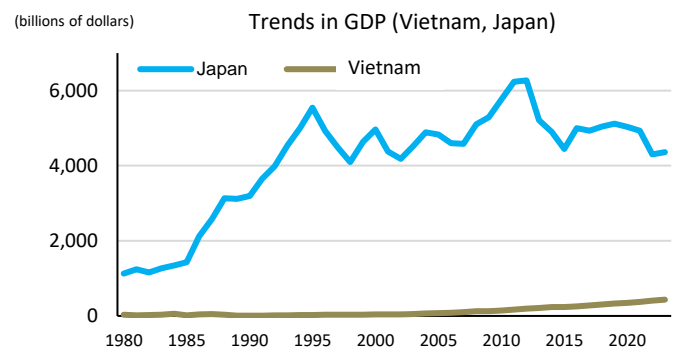
In contrast to Japan, where the growth rate is flat, the U.S. has a very high growth rate, has many jobs, and is expected to continue to have a high demand for real estate.



Da Nang is the third largest city in Vietnam. The population exceeded 1 million in 2017 and has continued to increase since then, and high housing demand is expected in the future.



Although the GDP of Vietnam is lower than that of Japan, the growth rate is higher than that of Japan, and Vietnam is considered to have a high potential for future.



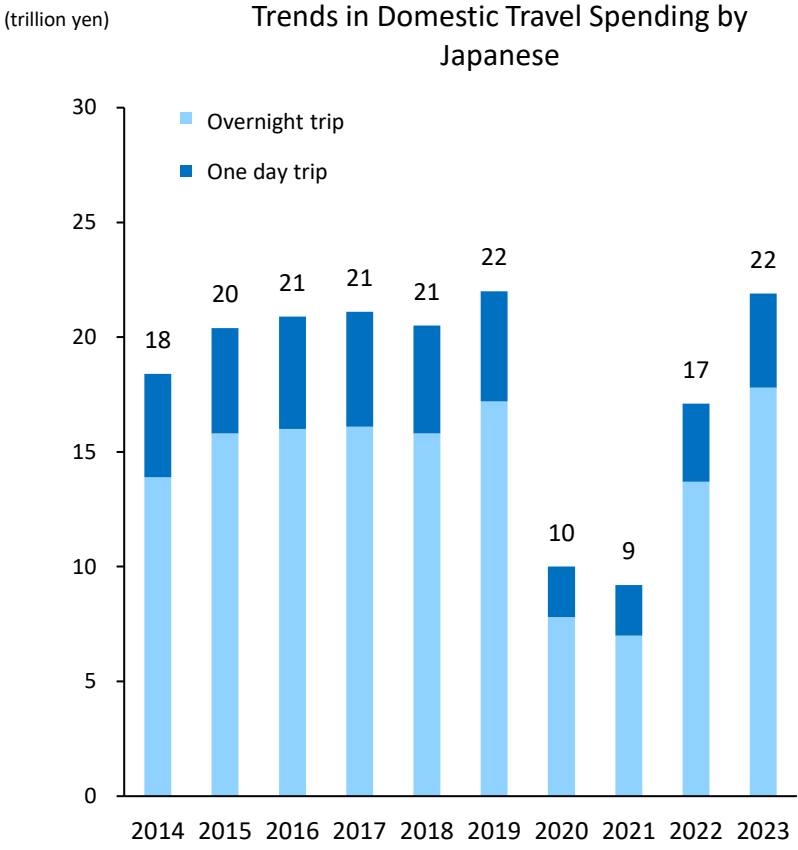
Source: IMF World Economic Outlook database (prepared by the Company)

Recognition of the business environment

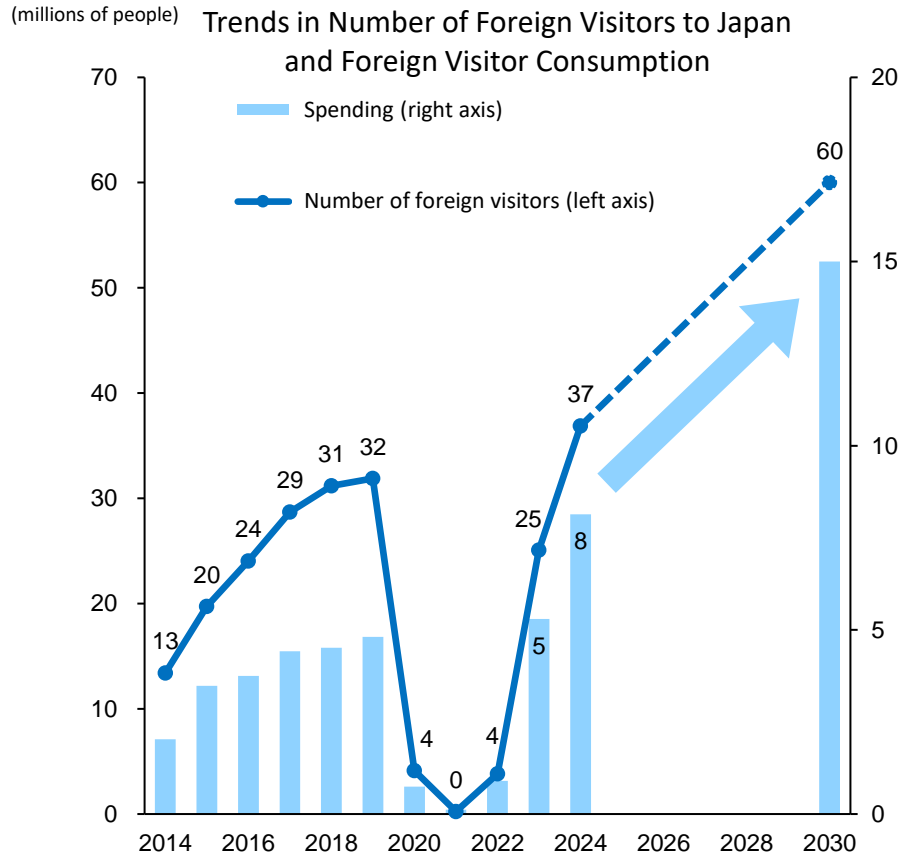
Demand recovery and growth potential in the hotel market



The recovery in travel demand has been remarkable, and both the number of foreign visitors to Japan and their spending are expected to further expand in the future.



Source: Compiled by the Company based on the Japan Tourism Agency's Travel and Tourism Consumption Trend Survey "Domestic Travel Spending of Japanese"



Source: Compiled by the Company based on the JNTO Statistics on the Number of Foreign Visitors to Japan and the government's targets for the number of foreign visitors to Japan and the amount of consumption

Environment

As of December 31, 2024

Actual number of RP buildings



Total **502** buildings



Acquired BELS for **14** properties

Carbon Offset
Cumulative total **3,303t**



RE100/Mori no Denki
Total 19 buildings **2,241t**

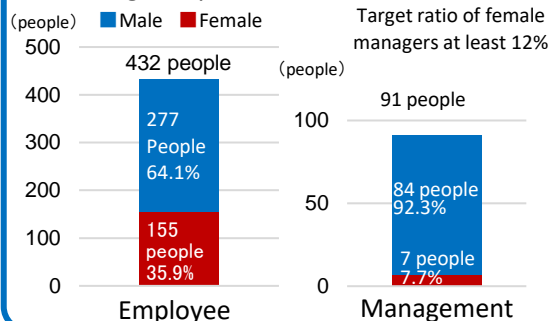
RP construction
56 buildings
1,062t

Social

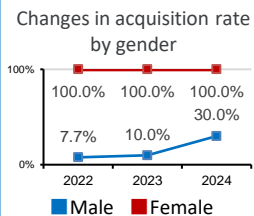
As of December 31, 2024

In December 2024, Sun Frontier Group Human Rights Policy were made.

Ratio of male and female employees in managerial positions

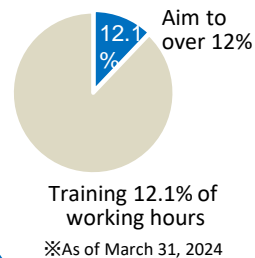


Childcare leave



Return to work
Male: 100.0% Female: 89.3%

Human resource development



Governance

As of December 31, 2024

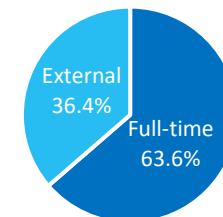
Transition to a company with Audit & Supervisory Committee

As of June 30, 2022

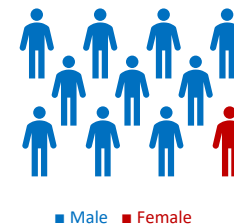
Board of Directors

Audit & Supervisory Committee

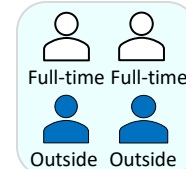
Ratio of Outside Officers 1/3 or more



Female Directors 1 out of 11



Nomination and Compensation Committee (optional)
2 out of 4 outside officers



Ensuring transparency and soundness

Sustainability website

https://www.sunfrt.co.jp/sustainability/library/sustainability_report/

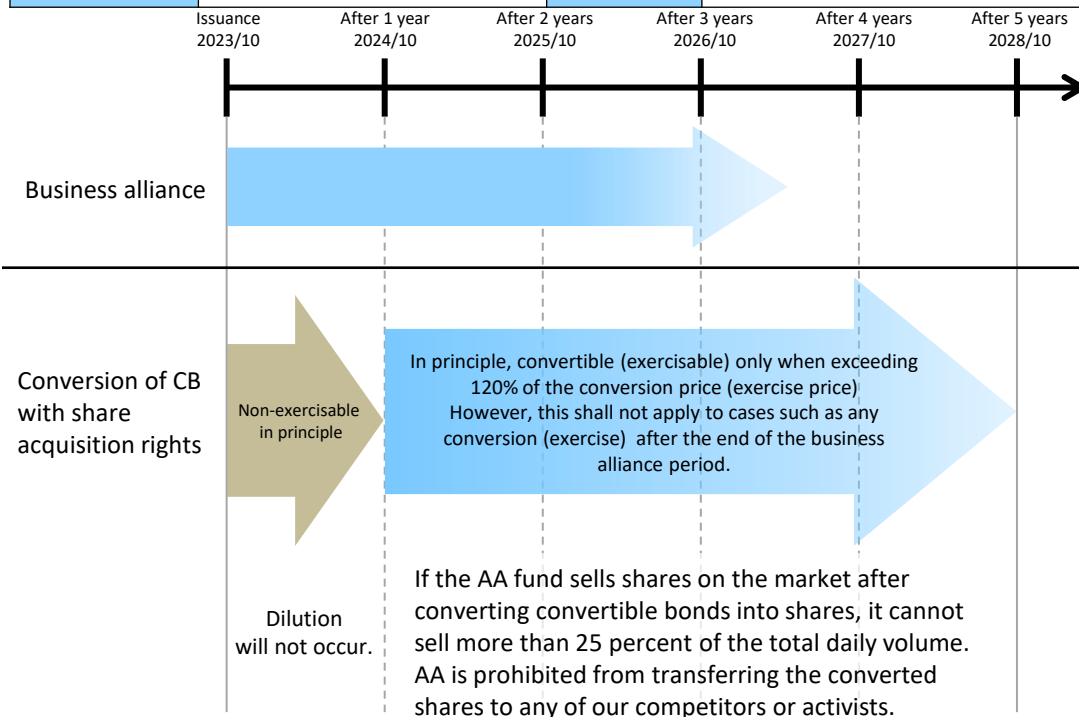


- RE100 • • • • Carbon offset using J-credit derived from renewable energy. Initiatives to become the first in Japan to introduce this system on each floor. Achieve zero Co2 emissions per tenant company.
- "Mori no Denki" • • • • Carbon offset using J-credit derived from forests. We can feel that we are supporting forests side-by-side and moving into the building will contribute to the environment.

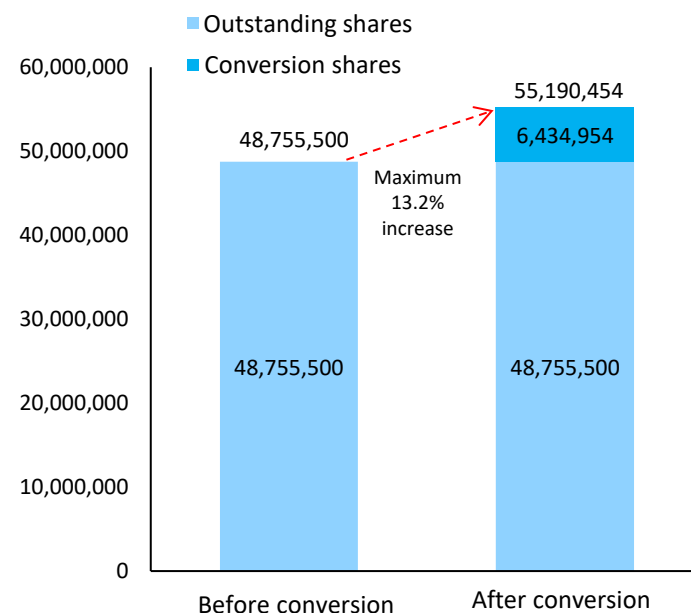
Conversion conditions of CB

Type	Convertible bonds with share acquisition rights	Maturity	5 years
Issuance date	October 6, 2023	Convertible period	5 years after the payment due date However, In principle, non-convertible for 1 year after the payment due date
Amount of funds acquired	Approximately 10 billion yen	Conversion price	1,554 yen per share In principle, convertible (exercisable) only when exceeding 120% (1,865 yen) of the conversion price (exercise price) However, this shall not apply to cases such as any conversion (exercise) after the end of the business alliance period.
Bond interest rate	0%		

Specific use of funds	Amount
Acquisition of land in conjunction with new hotel development and construction work investment	Approx. 8 billion yen
M&A funds primarily for the hotel development business and construction business	Approx. 2 billion yen



Possibility of Share Increasing due to the Conversion



History of Sun Frontier Group

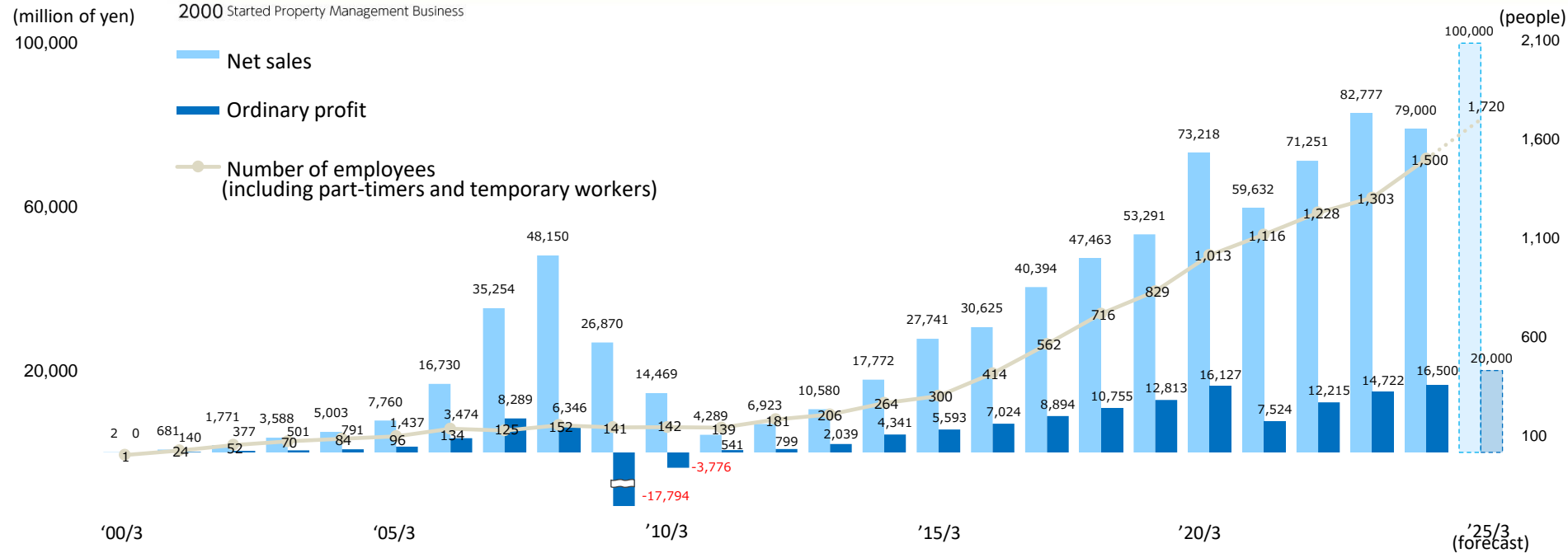
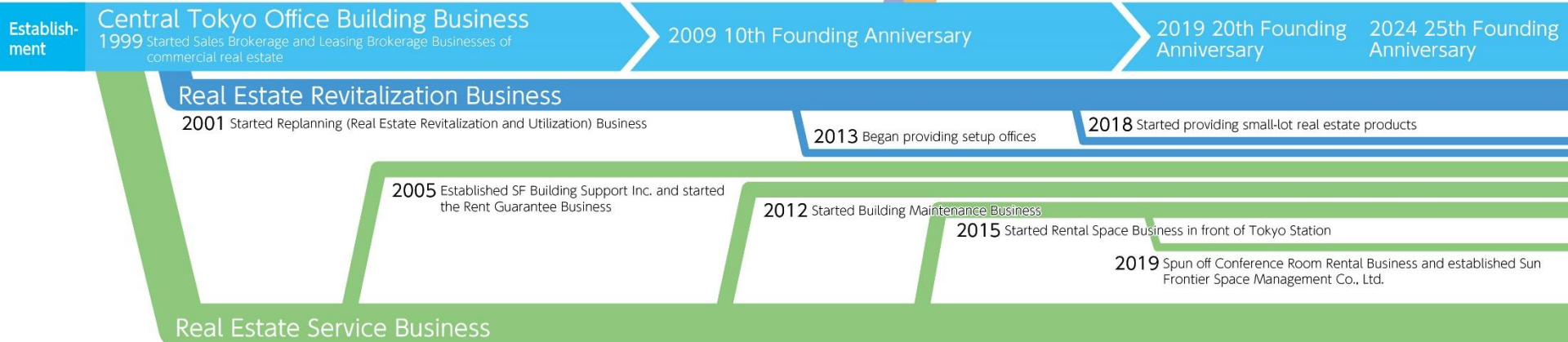
Overseas Business

2015 Established SUN FRONTIER VIETNAM CO., LTD. in Vietnam

2017 Established Sun Frontier Sado Co., Ltd. and started to work on Regional Revitalization Business

Hotel and Tourism Business

2015 Established Sun Frontier Hotel Management Inc. and started Hotel Operation Business



Company Profile



Company Name	Sun Frontier Fudosan Co., Ltd.
Location of Head Quarters	1-2-2, Yurakucho, Chiyoda-ku, Tokyo
Date of Foundation	April 8, 1999
Date of Listing	February 26, 2007 (First Section of Tokyo Stock Exchange)
Capital Stock *	11,965 millions yen
Representative	Tomoaki Horiguchi, Chairman Representative Director Seiichi Saito, President Representative Director
Number of Consolidated Employees *	900 employees (1,753 including part-timers and temporary workers)
Average Age of Employees*	36.0 years old
Business Profile	<p>Real Estate Revitalization</p> <p>Real Estate Service (Properties Management, Brokerage, Construction Planning, Rent Guarantee, Rental Conference Room, Building Operations, Asset Consultation)</p> <p>Hotel Development and Operation</p> <p>Others</p>
Accounting Month	March
Listed Market	Tokyo Stock Exchange Prime (Code number: 8934)

* As of the end of December 2024

Thank you for your continued support.

- ◆ The purpose of this document is to provide information that can be used as a reference, not for soliciting or promoting you to purchase a specific product. Please make your decision by your own discretion and responsibility when you make an investment. If you want to purchase shares of our Company, please contact securities companies.
- ◆ The information provided in this document is not necessarily in compliance with the Financial Instruments and Exchange Act, the Building Lots and Buildings Transaction Business Act, the Listing Rules for the Tokyo Stock Exchange and other related laws and regulations.
- ◆ Forward-looking statements included in this document do not guarantee future performance.
- ◆ Although we have made every effort to ensure the contents of this document, we can not guarantee their accuracy or certainty. Please note that they are subject to change or removal without notice.

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Mail : ir-contact@sunfrt.co.jp



SUN FRONTIER