

**The 2Q of FY ending March 2026
Q&A Summary on disclosure of settlement of accounts**

Orders received

Q1. Please tell us about the likelihood of achieving the ¥620bn target in orders received.

A1. Orders received in the first half of the FY were lower than the previous FY due to a shift in focus towards the central areas of the region, but they recovered to levels comparable to the previous year from August onwards. Considering that sales typically pick up towards the end of the FY due to campaigns and other initiatives, we believe that achieving the target of ¥620bn is possible.

**Q2. Please tell us about the trends in orders received and sales strategies for each region.
(Presentation slide P57)**

A2. Due to a shift in focus towards the central areas, orders received have decreased in some regions, but we will compensate for this by allocating sales resources primarily to the Kanto region and the three major metropolitan areas to expand our order volume.

Q3. Please tell us about the scheme of developing and selling rental housings.

A3. We are seeing an increase in the supply of development-type rental housing, where the Company acquires land using our own funds, constructs the buildings, and then sells them. Sales are primarily concentrated in Tokyo, with purchases made by investment funds and our existing clients.

Net sales and gross profit on completed construction work

**Q4. Please tell us about the forecast on gross profit margin on completed construction for the FY.
(Presentation slide P7)**

A4. The gross profit margin on completed construction for the first half of the FY exceeded expectations at 24.8%, primarily due to the early completion of wooden construction projects. While it depends on future trends in production costs, we currently expect a gross profit margin of 25.2% for the second half of the FY and 25.0% for the full year, as planned.

Real estate leasing business

Q5. The operating income for the real estate leasing business in the first half of the FY is progressing well, reaching 62% of the full-year plan, but what are your expectations for the second half of the FY? (Presentation slide P45)

A5. Although the occupancy rate exceeded expectations in the first half of the FY, as of the end of September, the occupancy rate was 0.09% lower than the previous FY, so the operating income for the real estate leasing business in the second half of the FY is expected to be lower than last FY.

Q6. Please tell us about specific examples of rent discounts being offered in some areas where the number of vacant new-build properties is increasing, and the percentage of properties offering these discounts.

A6. While some properties in certain areas are offering temporary rent discounts of around 10-20%, these represent only a very small percentage of the total number of properties.

Real estate development business

**Q7. Please tell us about your vision for the future expansion of the overseas business.
(Presentation slide P37)**

A7. We are planning for sales of ¥7.0bn next FY. Although there was a temporary impact due to the wildfires in Los Angeles, our business is currently unaffected.

Q8. You are investing in a project in Dubai. Please tell us about your vision for future business expansion.

A8. We invested in one project with the aim of understanding the market potential in Dubai and generating investment returns. We will consider future investments based on the results of this investment.

Others

Q9. Please tell us about the progress of your discussions regarding measures to achieve 20% ROE.

A9. We intend to achieve this by selling off some of our assets, but if that's not enough, we will consider repurchasing our own shares.

Q10. Please tell us about the progress of negotiations regarding the sale of your assets.

A10. Regarding the overseas hotels, negotiations are still ongoing. Based on the progress of them, we will also consider the sale of our domestic assets.

End