

**The 3Q of FY ending March 2026  
Q&A Summary on disclosure of settlement of accounts**

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**Forecast for full-year results**

**Q1. Please tell us about your forecast for achieving an ROE of 20%.**

A1. As a result of the revised earnings forecast and share buyback announced on January 30, 2026, we expect to achieve an ROE of 20%.

**Orders received**

**Q2. Please tell us about the progress of the shift in sales areas to urban centers and your outlook for the future.**

A2. Orders received are declining in some areas, but vacancy rate are improving there. We will continue to strive to secure orders while carefully assessing the supply and demand balance.

**Net sales and gross profit on completed construction work**

**Q3. Please tell us about your forecast on gross profit margin on completed construction for this FY and the next FY.**

A3. We expect that the effects of price revisions will contribute to gross profit margin on completed construction of 25.3% for the current FY and in the 26% range for the next FY.

**Real estate leasing business**

**Q4. Please tell us about your policy on rent increases for properties under your management.**

A4. We expect that by shifting the supply area to urban centers, we will be able to set higher rents.

**Q5. Please tell us about your outlook for vacancy rate in the next FY.  
(Presentation slide P24)**

A5. We believe it will be important to see how much we can raise the occupancy rate in March, when it will be at its peak. Unless there are major changes in social conditions, it is likely to remain strong.

**Q6. Please tell us about tenant recruitment costs.**

A6. Having shifted the supply area to urban centers, tenant recruitment costs are currently on a downward trend.

**Real estate development business**

**Q7. Please tell us about background to the strong performance in the real estate development business. (Presentation slide P5)**

A7. The main factors behind the increase in profits are the addition of Ascot corp. to the Group and the strong sales performance of the purchase and resale business.

**Q8. Please tell us about your policy on overseas real estate development business.**

A8. We are currently expanding our purchase and resale business in Los Angeles, and will expand into other areas while carefully assessing market potential.

**Q9. Please tell us about your positioning of logistics facility development.**

A9. Considering the balance of supply and demand, we are currently working on six projects totaling approximately ¥50bn, but this does not account for a large proportion of our overall business.

**Q10. Please tell us about forecast for the investment balance in the real estate development business.**

A10. The investment balance is expected to be ¥280bn at the end of this FY, and is expected to increase by approximately ¥50bn each year from next FY onwards.

**Others**

**Q11. Please tell us about your forecast for achieving the operating income target of ¥140bn for the final year of the Medium-term Management Plan (FY ending March 2027).**

A11. We believe that the target is achievable by keeping strong occupancy rate and further increasing real estate sales.

**Q12. Please tell us about the impact of next year's Tax Reform Outline on your business.**

A12. Many of our customers are landowners who intend to hold their real estate for the long term, and do not own small-lot securitized real estate, so we do not believe that this reform will have a direct impact on our business.

**Q13. Please tell us about the progress of negotiations for the sale of overseas assets.**

A13. Negotiations are still ongoing regarding our overseas hotels.

**Q14. Please tell us about the status of your M&A considerations.**

A14. We continue to hold dialogues with potential targets, primarily in the construction industry in Japan to secure construction engineers, and primarily with real estate management companies overseas.

**Q15. Please tell us the background to the ¥25bn share buyback.**

A15. This is because when formulating the current Medium-term Management Plan, we were considering allocating 10% of net income over the three-year period to share buybacks, and to ensure our promise to shareholders of a 20% ROE.

End