



**MEIWA ESTATE Co., Ltd.**

Q2 Financial Results Briefing for the Fiscal Year Ending March 2023

November 15, 2022

## Event Summary

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<b>[Company Name]</b>	MEIWA ESTATE Co., Ltd.
<b>[Company ID]</b>	8869-QCODE
<b>[Event Language]</b>	JPN
<b>[Event Type]</b>	Earnings Announcement
<b>[Event Name]</b>	Q2 Financial Results Briefing for the Fiscal Year Ending March 2023
<b>[Fiscal Period]</b>	FY2022 Q2
<b>[Date]</b>	November 15, 2022
<b>[Number of Pages]</b>	45
<b>[Time]</b>	10:00 – 10:50 (Total: 50 minutes, Presentation: 32 minutes, Q&A: 18 minutes)
<b>[Venue]</b>	Webcast
<b>[Venue Size]</b>	
<b>[Participants]</b>	
<b>[Number of Speakers]</b>	2
	Hideaki Harada                      President & CEO
	Shunsuke Yoshizawa              Executive Director, Executive Officer

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## Presentation

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**Moderator:** Good afternoon, ladies and gentlemen. We are pleased to present the financial results for Q2 of the fiscal year ending March 31, 2023 of MEIWA ESTATE Co., Ltd. Thank you very much for taking time out of your busy schedule to join us today.

We would like to introduce the attendees.

Mr. Hideaki Harada, President and CEO

**Harada:** My name is Harada. Thank you for your cooperation today.

**Moderator:** Mr. Shunsuke Yoshizawa, Executive Director and Executive Officer.

**Yoshizawa:** My name is Yoshizawa. Thank you for your cooperation.

**Moderator:** Today, President Harada and Managing Director Yoshizawa will give an overview of the financial results for Q2 of FYE 3/2023, and then move on to the question-and-answer session.

We will be happy to answer as many questions as time permits, so please do not hesitate to ask any questions you may have. We would also appreciate your cooperation in filling out the questionnaire to assist us in our future IR activities.

Let me begin. President Harada, thank you for your time.

**Harada:** I am Harada, President and CEO of MEIWA ESTATE. Thank you for taking time out of your busy schedule to attend our financial presentation today.

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- In 1H FY03/23, consolidated net sales and profits declined YoY. (This is because the delivery of newly built condominiums is concentrated in Q4 in this fiscal year's plan).
- No change has been made to the full-year plan for FY03/23. We expect both net sales and profits to increase.
  - No change in dividend forecast.
  - In the Residential Development business, contracts have already been concluded for sales to be booked for the full year as of the end of Q2.
- The Residential Development business is performing robustly, with the amount of purchases, supply, and contracts respectively exceeding those of the same period last year.
- The Real Estate Agency business continued to achieve double-digit growth.
- The Condominium Management business performed well due to strong switchover from other property management companies.

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Today, I will explain our Q2 financial results in the first half of the presentation and the progress of our medium-term management plan in the second half.

Consolidated sales and profits declined in Q2 YoY, but this was due to the fact that the delivery of two-thirds of the new condominiums planned for the current fiscal year is concentrated in Q4.

For FYE 3/2023, there is no change to the full-year forecast, and both sales and profits are expected to increase. Accordingly, the dividend forecast remains unchanged.

All of the sales to be booked for the current fiscal year in the residential property sales have been contracted by Q2.

Purchasing in the residential property sales business was favorable, thanks to new initiatives, such as participation in the proposal method, in addition to the usual efforts to reliably obtain primary information. In addition, the supply of well-located properties that matched the needs of our customers resulted in steady progress in contracts and YoY growth.

The distribution business continues to achieve double-digit growth by strengthening workforce, including hiring experienced personnel, increasing the number of point-of-sale stores, and expanding operations by offering highly convenient and customer-oriented services, such as AI assessments.

The condominium management business is performing well with a high level of customer satisfaction. We have organized a dedicated replacement team to propose fee plans that have benefits to customers, resulting in a solid performance in the replacement.

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## Financial Results for 1H FY03/23 (Consolidated)

Due to the concentration of condominium deliveries in Q4, Q2 net sales and profits declined YoY.

**Net sales: ¥17.6 billion** (down ¥6.1 billion YoY) **Operating profit: ¥70 million** (down ¥1.0 billion YoY)

**Ordinary loss: ¥0.5 billion** (down ¥1.2 billion YoY)

## Forecast of Consolidated Financial Results for Full-Year FY03/23

There is no change to the forecast of consolidated financial results for full-year FY03/23.

We expect **both net sales and profits to increase.**

**Net sales: ¥61.6 billion** (up 7% YoY) **Operating profit: ¥5.0 billion** (up 19% YoY)

**Ordinary profit: ¥3.7 billion** (up 17% YoY)

➤ Contracts at the end of Q2 amounted to **101% of the full-year condominium net sales forecast.**

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Next, I would like to explain our consolidated financial results.

# Consolidated Financial Results

- Net sales: ¥17.6 billion (down ¥6.1 billion YoY)
- Operating profit: ¥70 million (down ¥1.0 billion YoY), Ordinary loss: ¥0.5 billion (down ¥1.2 billion YoY)

	(Millions of yen)				(Millions of yen)	
	1H FY03/22 actual (Cons.)	1H FY03/23 actual (Cons.)	Change	Change (%)	Full-year FY03/23 forecast (Announced May 12, 2022)	Progress (%)
Net sales	23,801	17,684	-6,116	-25.7	61,600	28.7
Gross profit	5,405	4,493	-911	-16.9	15,000	30.0
(Gross profit margin)	(22.7%)	(25.4%)	(-2.7pp)	-	(24.4%)	-
SG&A expenses	4,296	4,422	126	2.9	10,000	44.2
Operating profit	1,109	71	-1,038	-93.6	5,000	1.4
(Operating profit margin)	(4.7%)	(0.4%)	(-4.3pp)	-	(8.1%)	-
Non-operating income	50	64	14	28.7	-	-
Non-operating expenses	441	662	220	50.0	-	-
Ordinary profit	717	-527	-1,244	-173.4	3,700	-
(Ordinary profit margin)	(3.0%)	(-3.0%)	(-6.0pp)	-	(6.0%)	-
Extraordinary income	-	6	6	-	-	-
Extraordinary loss	19	2	-17	-89.3	-	-
Profit before income taxes	698	-522	-1,220	-174.9	-	-
Profit attributable to owners of parent	563	-421	-985	-174.9	3,100	-
(Profit margin)	(2.4%)	(-2.4%)	(-4.8pp)	-	(5.0%)	-

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Net sales decreased JPY6.1 billion to JPY17.6 billion due to a decrease in the number of condominiums delivered compared to the same period last year. While there were few deliveries, advertising expenses increased due to the steady supply of new properties and sales activities that will be recognized as sales from the next fiscal year onward.

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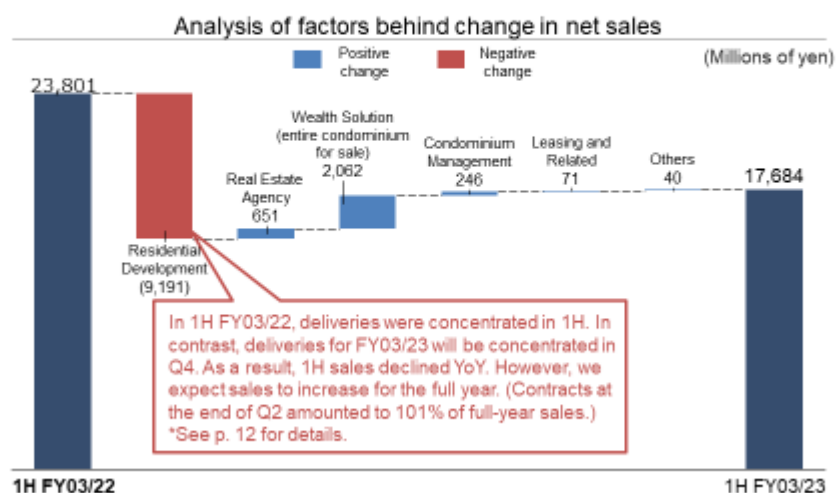
Operating profit decreased by JPY1 billion to JPY70 million. Non-operating expenses increased due to an increase in interest expenses on borrowings in line with progress in purchasing, resulting in an ordinary loss of JPY500 million and a net loss of JPY400 million.

Progress against the full-year plan is 28% for net sales and 1% for operating profit, but the full-year plan remains unchanged from that announced at the beginning of the fiscal year.

## Factors Behind Change in Net Sales

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- This fiscal year, condominium completions and deliveries are concentrated in Q4. As a result, both net sales and profits declined YoY in 1H



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Looking at the factors behind the change in net sales for Q2 of the previous fiscal year and the one of the current fiscal year by business segment, the condominium sales business, which is the red portion of the revenue decline, saw a JPY9.1 billion YoY decline in Q2, as condominium deliveries were concentrated in Q4. For the full year, we expect to achieve an increase in both sales and income as planned through steady deliveries.

The blue portion of the revenue increase is in the distribution business, with a JPY0.6 billion increase, which is positioned as a growth area, and in the wealth solutions business, a JPY2 billion increase from the delivery of two single-rental condominium buildings. In the condominium management business, revenue increased by JPY200 million from strengthened replacements.

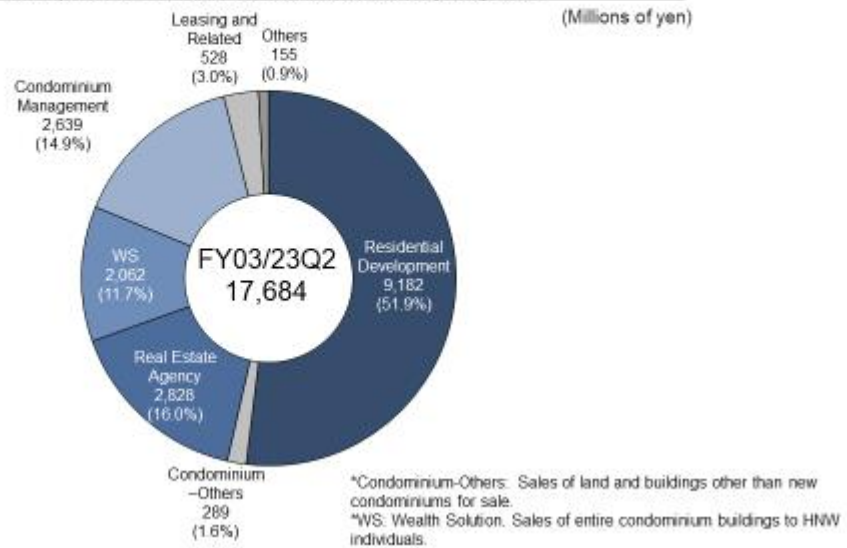
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Composition of consolidated net sales by segment



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The composition of consolidated net sales of JPY17.6 billion by business segment is as shown.

The residential condominium business accounted for 51% at JPY9.1 billion, the renewal, resale, and brokerage business at JPY2.8 billion and 16%, the wealth solutions business for wealthy individuals at JPY2 billion and 11%, and the condominium management business at JPY2.6 billion and 14%.

From here, Executive Director Yoshizawa will explain the details of each business segment.

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- **Purchases: ¥41.5 billion (up 37.7% YoY)**
  - Secured ¥180.0 billion worth of properties that will contribute to net sales from Q3 onward.
- **Supply: ¥30.4 billion (up 40.8% YoY)**
  - Steady progress in the supply of properties scheduled to be recorded as net sales from FY03/24 onward.
- **Contracts: ¥26.9 billion (up 32.7% YoY)**
  - Strong growth supported by steady demand.
- **Solid progress in concluding contracts, with 14 condominiums in completed inventory as of the end of Q2.**
- **Sales Contracts at the end of Q2 amounted to 101% of the full-year net sales forecast.**

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**Yoshizawa:** My name is Yoshizawa, Executive Director. I will explain from here.

Summary of residential condominium business.

In H1, purchase volume was JPY41.5 billion, supply volume was JPY30.4 billion, and contract volume was JPY26.9 billion, all of which were higher than the same period last year.

Contracts have been favorable, and the inventory of completed units at the end of Q2 was at a low level of 14 units.

Of the full-year sales plan of JPY45 billion for condominiums for sale, 101%, or JPY45.5 billion, has been contracted.

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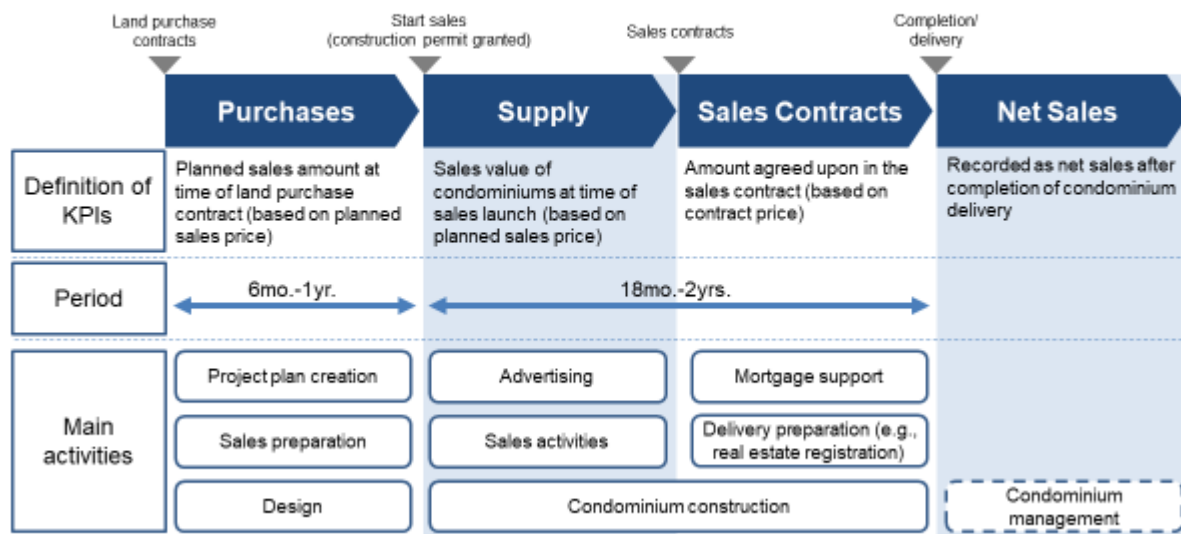
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## Ref.: Leading Sales Indicators (KPIs) for the Residential Development Business

- KPIs are defined as follows.



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This section describes the flow of the residential condominium business and the definition of each indicator.

For condominiums, our mainstay product, sales are recorded after construction is completed and delivery to the customer is completed. Therefore, it takes more than two years from the time land is purchased to the time sales are recorded.

First, we purchase land and design it, conduct sales activities, complete condominium construction, and deliver them. Then, finally, it becomes sales. Therefore, we regard the stated purchase volume, supply volume, and contract volume as leading indicators of sales in the residential condominium business, and we place importance on progress.

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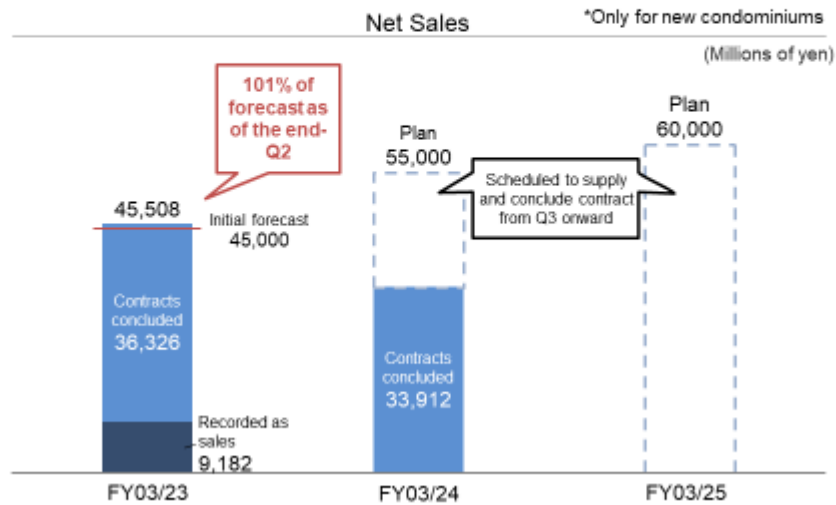
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**Residential Development Business:  
Progress Against Full-Year Net Sales Plan (1)**



- Sales contracts at the end of Q2 amounted to 101% of the full-year net sales forecast



I will explain the progress of sales in the residential condominium business.

The total sales of JPY9.1 billion is 20% of the JPY45 billion forecast announced at the beginning of the period. The total of JPY36.3 billion of contracts already signed will be 101% of the JPY45 billion forecast announced at the beginning of the fiscal year. We will gradually proceed with the delivery from Q3 onward.

Currently, sales activities are focused on contracts for properties that will generate sales in the next fiscal year. Of the JPY55 billion planned, JPY33.9 billion has been contracted, which is 61% progress.

At the end of Q2, we already had a contract balance of JPY70 billion, and we will continue to actively supply and sign contracts from Q3 onward, focusing on properties scheduled for sales in the next fiscal year and the year after next.

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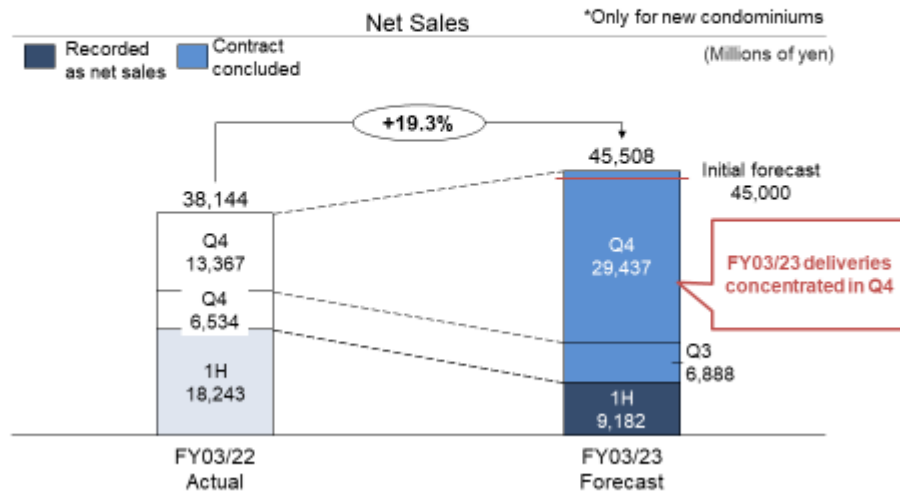
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## Residential Development Business: Progress Against Full-Year Net Sales Plan (2)



- Full-year net sales are projected at ¥450.0 billion (up 19% YoY)



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Sales in the residential condominium business are shown by quarter.

In the current fiscal year, construction and deliveries are particularly concentrated in Q4, and of the JPY45 billion in sales forecasted at the beginning of the fiscal year, JPY29.4 billion, or two-thirds, is expected to be recorded in Q4.

By ensuring delivery, full-year sales are expected to increase 19% YoY to JPY45.5 billion, in line with the plan.

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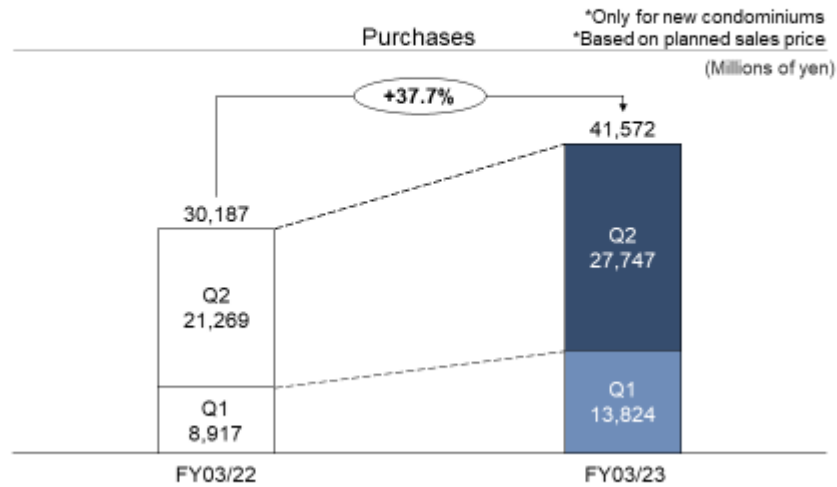
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## Residential Development Business: Purchases

- Purchases in 1H were strong at ¥41.5 billion (up 37% YoY)



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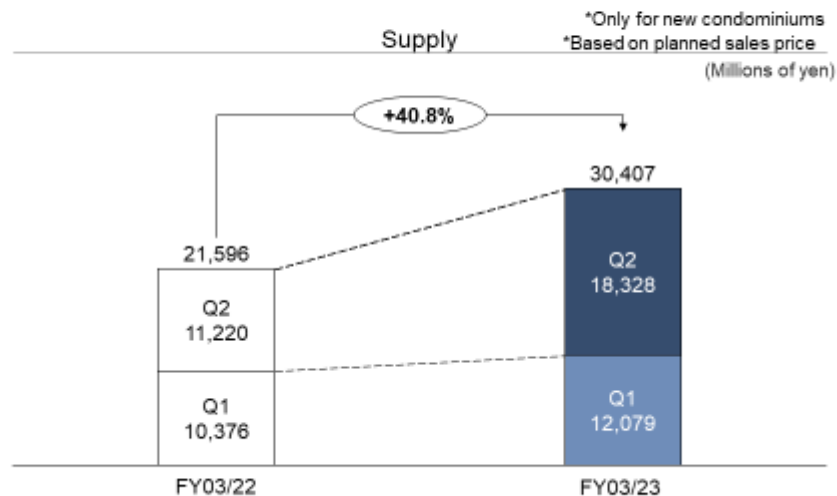
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Purchases increased 37% YoY to JPY41.5 billion.

We will continue our efforts to secure future sales materials.

## Residential Development Business: Supply

- Supply was strong in 1H amounting to ¥30.4 billion (+40.8% YoY)



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Supply volume increased 40% YoY to JPY30.4 billion.

Our basic policy is to sell properties before construction is completed, and we have begun supplying properties scheduled for delivery in the next fiscal year or later.

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## Residential Development Business: Properties Supplied in Q2

Purchases → Supply → Contracts → Net Sales → 明和地所



Kawasaki, Kanagawa  
Total number of units: 95  
Sales launched in July 2022  
Scheduled to be completed in February 2024



Kawaguchi, Saitama  
Total number of units: 91  
Sales launched in September 2022  
Scheduled to be completed in March 2024

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The following is a lineup of properties that we began supplying in Q2. We began supplying five properties, mainly in the Tokyo metropolitan area.

CLIO RESIDENCE KAWASAKI MINAMISAIWAICHO, which opened in July, is located within walking distance from the west exit of Kawasaki Station, which is experiencing remarkable development, but is also situated in a calm residential environment. The site is lushly landscaped, and all units have wide spans for a comfortable living environment. The building has been certified as an environmentally friendly low-carbon building, and sales are progressing extremely well.

CLIO RESIDENCE KAWAGUCHI SAIWAICHO is a nine-minute walk from Kawaguchi Station and is conveniently located past the shopping area on the main street. It is the first newly built condominium for sale in Kawaguchi City that is certified as a ZEH. Although there are competing redevelopment properties on the market in the neighborhood, we offer a wide variety of plans, including units with patios on the top floor, and we have received favorable feedback from our customer by setting a fair price.

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## Residential Development Business: Properties Supplied in Q2

Purchases → Supply → Contracts → Net Sales → 明和地所

**CLiO** クリオ横浜生麦アーバンマークス  
CLIO YOKOHAMA NAMAMUGI URBAN MARKS



Yokohama, Kanagawa  
Total number of units: 51  
Sales launched in September 2022  
Scheduled to be completed in March 2024

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**CLiO** クリオ横浜鶴見ミッドグレイス  
CLIO YOKOHAMA TSURUMI MID GRACE



Yokohama, Kanagawa  
Total number of units: 40  
Sales launched in September 2022  
Scheduled to be completed in January 2024

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In the Tokyo metropolitan area, we began supplying two properties in September. CLIO YOKOHAMA NAMAMUGI URBAN MARKS is located in Namamugi, which is easily accessible to Yokohama, Kawasaki, and Shinagawa, and is designed to provide a sense of openness in the corner units and wide spans that allow for natural lighting and ventilation. The building is certified as an environmentally friendly low-carbon building. While well priced to match the market, the high quality and classical model design that show presence in the neighborhood are well received.

CLIO YOKOHAMA TSURUMI MID GRACE is conveniently located near Tsurumi station, which provides easy access to the city center, as well as the municipality office and other administrative offices. The building has also been certified as a low-carbon building, and all units offer spacious living spaces with plenty of storage.

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**Residential Development Business:  
Properties Supplied in Q2**

Purchases → Supply → Contracts → Net Sales → **明和地所**

**CLiO** クリオ渡辺通サザンマークス  
CLIO WATANABE-DORI SOUTHERN MARKS



Fukuoka, Fukuoka  
Total number of units: 42  
Sales launched in September 2022  
Scheduled to be completed in March 2024

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We also began supplying in Fukuoka City in September. CLIO WATANABE-DORI SOUTHERN MARKS, the 12th building in Fukuoka, is conveniently located near two major areas: Tenjin, which is undergoing redevelopment, and Hakata, a bustling business and transportation hub. All units are facing south and are designed in a modern Japanese style, with benches on the premises for local residents to sit and rest, creating a place for interaction. It is also the first property in Fukuoka to be certified as a low-carbon building. Sales have been extremely strong.

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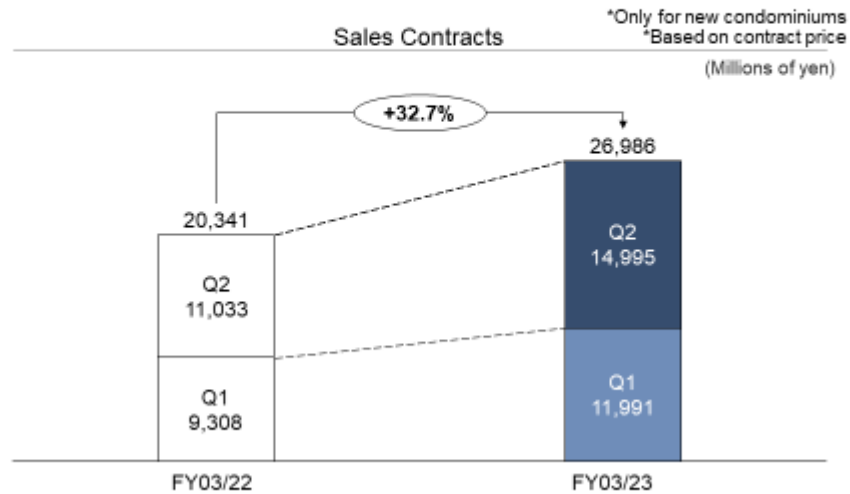
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## Residential Development Business: Sales Contracts

- Sales Contracts in 1H were strong amounting to ¥26.9 billion (+32.7% YoY)



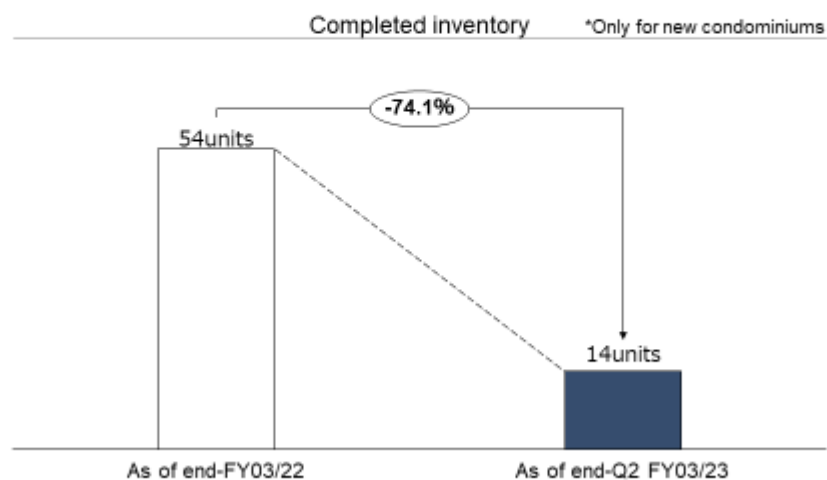
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Contract volume increased 32% YoY to JPY26.9 billion. Against the backdrop of low mortgage interest rates, customer readiness continues to rise, and sales have been strong since we are able to supply well-located and well-matched properties to meet customer needs.

## Residential Development Business: Completed Inventory

- Completed inventory at the end of Q2 decreased to 14 units



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The number of units in uncontracted inventory at the end of the period under review decreased significantly to 14 units from 54 units at the end of March 31, 2022. Contracts have remained strong, resulting in extremely low levels.

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The equity ratio is declining, but equity capital is building up, as purchases are strong and total assets are increasing on the back of stable business operations.

We have secured sufficient funding from financial institutions, and our cash flow is stable.

## Real Estate Agency Business

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- **The purchase and resale business continued to grow at a CAGR of 43%**
  - **Sales: ¥2.4 billion (+24% YoY)**
- **The brokerage business continued to grow at a CAGR of 23%**
  - **Sales: ¥360 million (+12% YoY)**
- **In the wealth solution business for high net worth (HNW) individuals, the sale of two rental condominiums was completed.**

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I would like to explain our distribution business.

As you can see, the distribution business, which we are strengthening, continues to grow by double digits.

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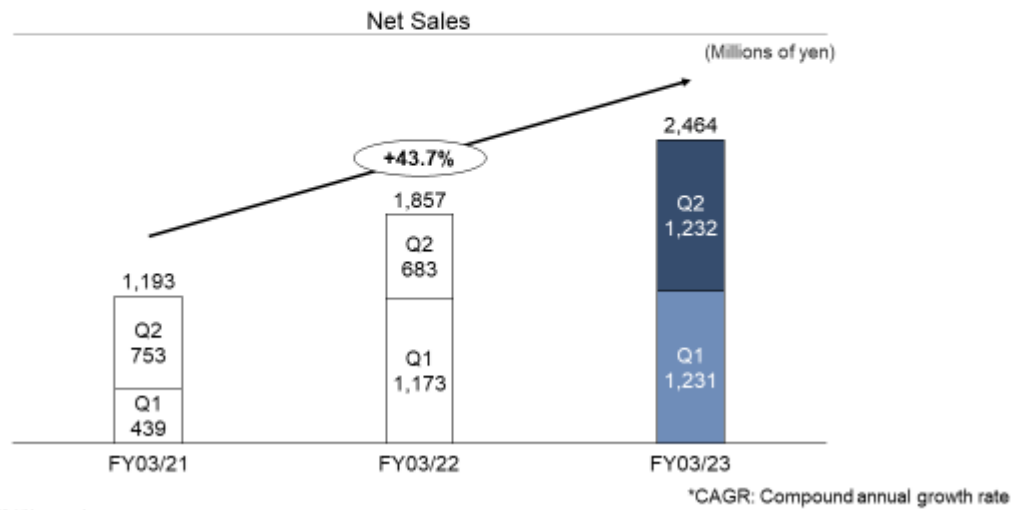
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## Real Estate Agency Business: Purchase and Resale

- Net Sales in 1H expanded to ¥2.4 billion at a CAGR of 43.7%

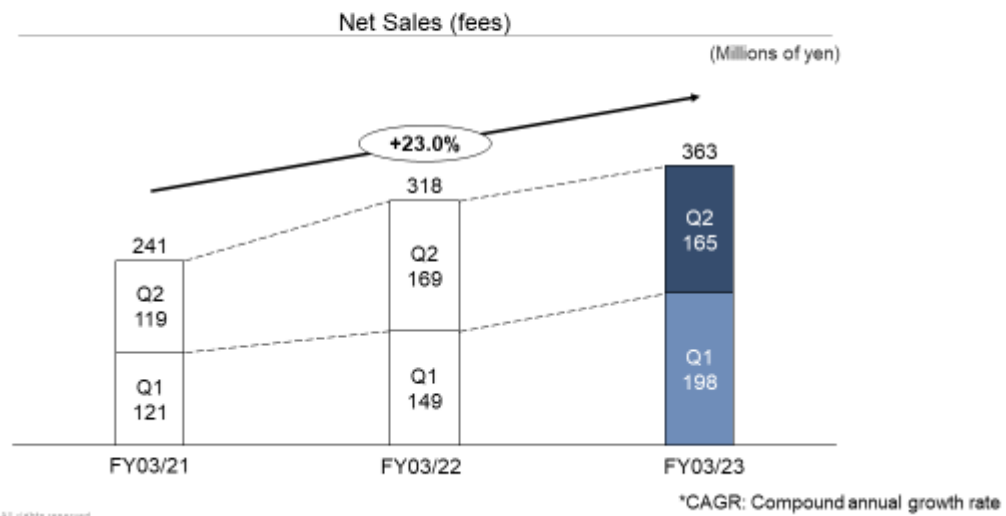


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The purchase and resale of existing condominiums is a field that we have been strengthening for some time, with sales of JPY2.4 billion and average annual growth of 43%.

## Real Estate Agency Business: Brokerage

- Net Sales in 1H expanded to ¥363 million at a CAGR of 23.0%



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Brokerage is another area that is being strengthened, with sales of JPY360 million, growing at an average annual rate of 23%.

We will continue to strengthen the purchase and resale of existing condominiums and brokerage of sales, aiming to approximately double the level of the current fiscal year in FYE 3/2027, the final year of our mid-term plan.

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- Settlement and delivery of two buildings were completed in Q2



CLIO la belle vie RYOGOKU  
Total number of units: 35  
Sumida, Tokyo



CLIO la belle vie HANANOKI  
Total number of units: 28  
Nagoya, Aichi

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In the wealth solutions business for high-net-worth individuals, we completed the delivery of two rental condominiums for sale in a single building. The high-quality, well-designed rental-purposed condominiums developed under the CLIO brand match the needs of our customers.

Since the start of the business in 2021, we have steadily built up a client base and have seen results, which we will continue to strengthen.

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- **Maintained high customer satisfaction**
- **Significant increase in switchovers of condominiums managed by other companies (+888% YoY)**
- **Number of units under management as of the end of Q2: 43,963**
- **Net Sales remained strong**

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Next is the condominium management business.

In the condominium management business, we strive to provide high quality services that are close to our customers and have earned a high level of customer satisfaction.

As a result, replacement of properties managed by other companies is accelerating.

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- MEIWA KANRI has achieved a high level of customer satisfaction



Won the SUUMO AWARD 2022 Excellence Award



Highly rated in Oricon Customer Satisfaction Ranking

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MEIWA KANRI, which manages condominiums, is committed to providing services that meet the needs of its customers and continued to receive high customer satisfaction ratings in a 2022 customer satisfaction survey conducted by a third-party.

In addition to receiving an award for excellence in the SUUMO AWARD 2022, we also received more than 90% of respondents in the ORICON Customer Satisfaction Survey for the fourth consecutive year for customers intention to continue to use us as a condominium management outsourcing company. In this survey, MEIWA KANRI is the only condominium management company chosen by customers for continuous use for their condominiums' management that has exceeded 90% for four consecutive years.

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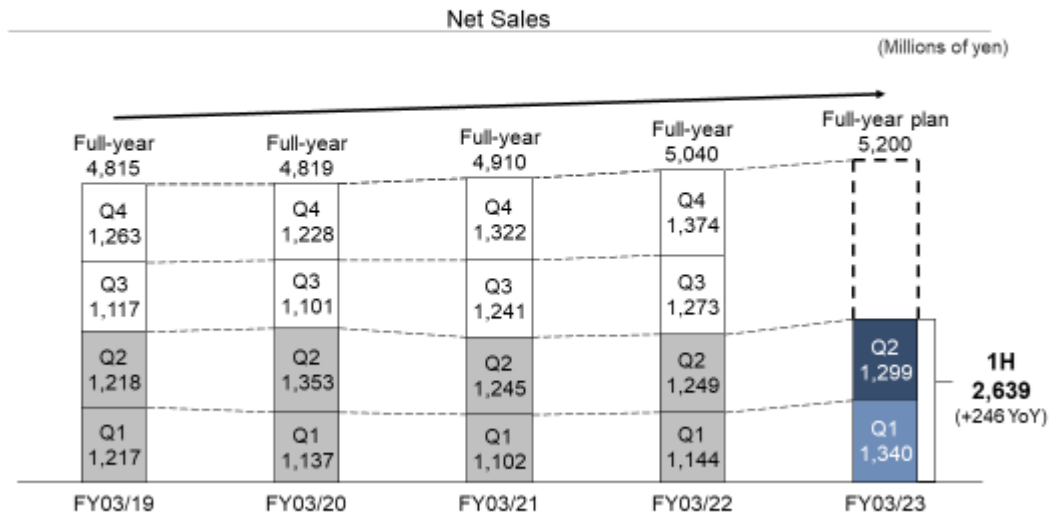
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## Condominium Management Business: Sales

- Net Sales for 1H were ¥2.6 billion

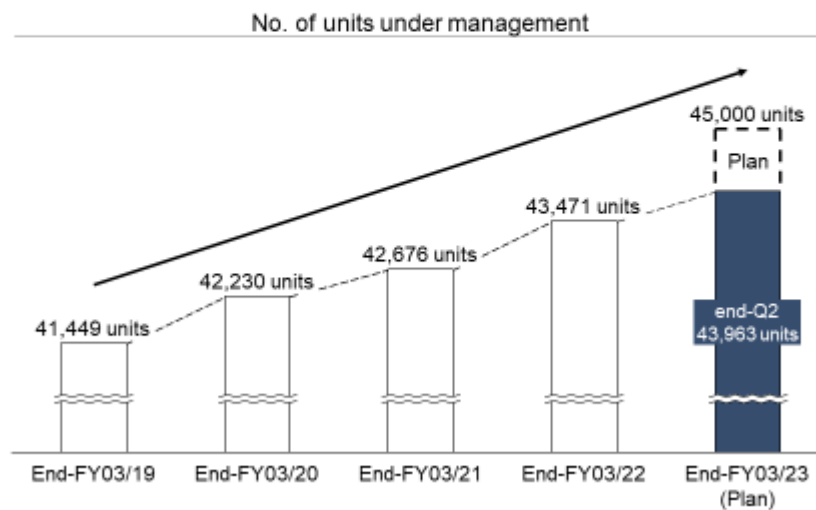


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Sales in the condominium management business for Q2 were JPY2.6 billion, up JPY0.2 billion from the same period last year. This is 50% progress against the full-year plan of JPY5.2 billion and is on track to meet the plan.

## Condominium Management Business: No. of Units Under Management

- The number of units under management increased to 43,963 as of the end of Q2



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The number of units under management grew steadily, reaching 43,963 units at the end of Q2. We plan to build up to 45,000 units by the end of March 2023.

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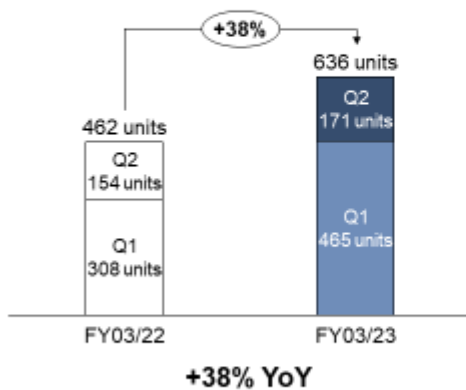
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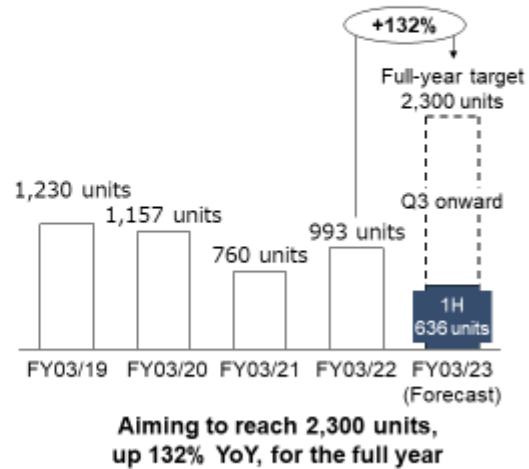
## Condominium Management Business: New Management Contracts

- The number of new management contracts expanded

No. of units under new management contracts



Change in new management contract units



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The number of new units under management increased 38% YoY to 636 units in H1.

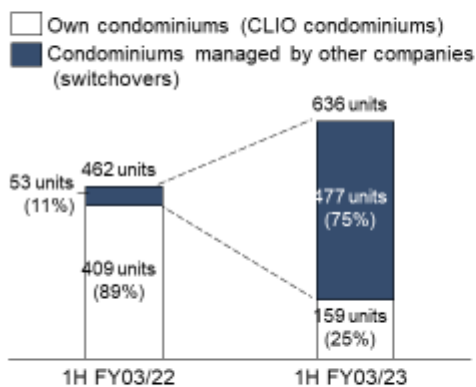
For the full year, we target 2,300 new units under contract, up 132% from 993 units in the previous year.



## Condominium Management Business: New Management Contracts

- Number of condominiums switching from other management companies increased (9x YoY)

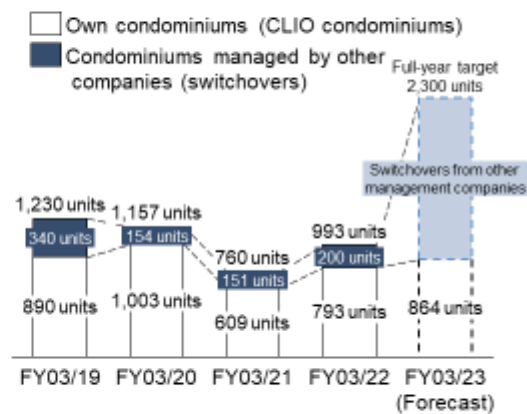
No. of units under new management contract (1H)



**Number of units switched from other management companies increased from 53 units to 477 units (9x YoY)**

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Change in new management contract units



**Expect switchovers from other management companies to account for 60% of new contract units for the full year**

\*Based on start of management

The number of new units under management consists of contracts of CLIO condominiums, which are our properties for sale, and contracts for the replacement of properties managed by other companies.

Backed by a high level of customer satisfaction, MEIWA KANRI has organized a dedicated replacement team to enhance the replacement process by proposing rate plans that offer benefits to customers.

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By strengthening new contracts through replacement, we were able to significantly increase the number of units contracted in Q2 from 53 units in the same period of the previous year to 477 units, a nine-fold increase.

For the full year, we plan to achieve 60% of the 2,300-unit commissioning target through replacement.



## Summary of the Five-Year Strategy : Basic Policies

明和地所

- The basic policies of the Five-Year Strategy are as follows

### 1 Strengthen core businesses and expand new business areas

- Achieve steady business expansion by further strengthening core businesses
- Expand business portfolio by entering new business areas

### 2 Enhance shareholder returns

- Aim for stable and continuous dividend increases
- Consider further improvement of profit distribution based on business performance

### 3 Promote corporate activities with an awareness of the SDGs

- Promote activities to achieve the SDGs through business and CSR activities

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**Harada:** Now, I would like to explain the progress of the medium-term management plan announced in February 2022.

In February of this year, we announced a new medium-term management plan with three basic policies: strengthening our core businesses of condominium sales, distribution, and management and expanding into new business areas; strengthening shareholder returns; and promoting corporate activities with an awareness of SDGs.

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## Summary of the Five-Year Strategy : Performance Targets (Consolidated)

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- We aim to achieve net sales of ¥100 billion and ordinary profit of ¥6 billion in FY03/27, the final year of the Five-Year Strategy

(Billions of yen)

	FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
<b>Net sales</b>	59	74	84	90	100
Residential Development	45	55	60	63	66
Real Estate Agency	8	10	12	15	18
Wealth Solution	1.2	4	6	7	10
Condominium Management	5.2	5.3	5.5	5.6	5.8
<b>Ordinary profit</b>	3.7	4.2	4.8	5.5	6
<b>Profit attributable to owners of parent</b>	2.6	2.9	3.3	3.8	4.1

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\*Agency Business consists of brokerage, purchase and resale, renovation, and property management (PM) businesses

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As consolidated performance targets, we aim to achieve sales of JPY100 billion and ordinary profit of JPY6 billion in the final year of the plan of FYE 3/2027. The current fiscal year is the first year of this plan.



## Progress of Residential Development Business

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- We expect to achieve the FY03/23 plan
- Steady progress is being made in the sale of condominiums that will be recorded as sales in FY03/24

(Billions of yen)

		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
<b>Plan</b>	<b>Net Sales (Residential Development)</b>	45	55	60	63	66
	<b>Net sales recorded (①)</b>	9.1	—	—	—	—
<b>Progress</b>	<b>Contracts concluded (②)</b>	36.3	33.9	—	—	—
	<b>Expected net sales (①+②)</b>	45.5	33.9	—	—	—
	<b>Progress against full-year forecast</b>	101%	61%	—	—	—

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I would like to explain the progress of the medium-term management plan by business segment.

In the residential property sales business, sales of JPY9.1 billion have been booked as of Q2, and a total of JPY36.3 billion in sales contracts have been signed, bringing the total to JPY45.5 billion, 101% of the JPY45 billion in sales plan.

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Contracts for properties scheduled to post sales in FYE 3/2024 are also in progress, and as of the end of Q2, sales were JPY33.9 billion, or 61% of the JPY55 billion planned. Sales are progressing well.

## Progress of Residential Development Business

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- Steady progress is being made in securing properties for net sale (i.e., purchases)
- Already secured properties for net sale through FY03/25

(Billions of yen)

		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Plan	Net Sales (Residential Development)	45	55	60	63	66
Progress	Net Sales recorded (①)	9.1	–	–	–	–
	Contract concluded (②)	36.3	33.9	–	–	–
	Supplied, no contract (③)	1.7	14.1	–	–	–
	Purchased, not supplied (④)	–	11.6	63.7	21.1	–
	Sales & properties for sale (①+②+③+④)	47.2	59.6	63.7	21.1	–
	Progress against full-year forecast	104%	108%	106%	33%	–

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This section explains the sales materials of the residential condominium business.

As for the total sales material, which is the total of sales booked and sales contracts already made, as well as supply contracts and purchase yet to be made, we are at JPY47.2 billion for this fiscal year, 104% of our sales plan; JPY59.6 billion for FYE 3/2024, 108%; JPY63.7 billion for FYE 3/2025, 106%; and JPY21.1 billion for FYE 3/2026, 33% of our progress.

Since we have already secured sales materials to achieve the plan through FYE 3/2025, the purchase of condominiums will not be a bottleneck in achieving the mid-term plan for the time being.

Going forward, we will focus on purchasing materials to secure sales materials for FYE 3/2026 and beyond, as well as progressively supply and sign contracts for properties that we plan to book sales for FYE 3/2024 and beyond.

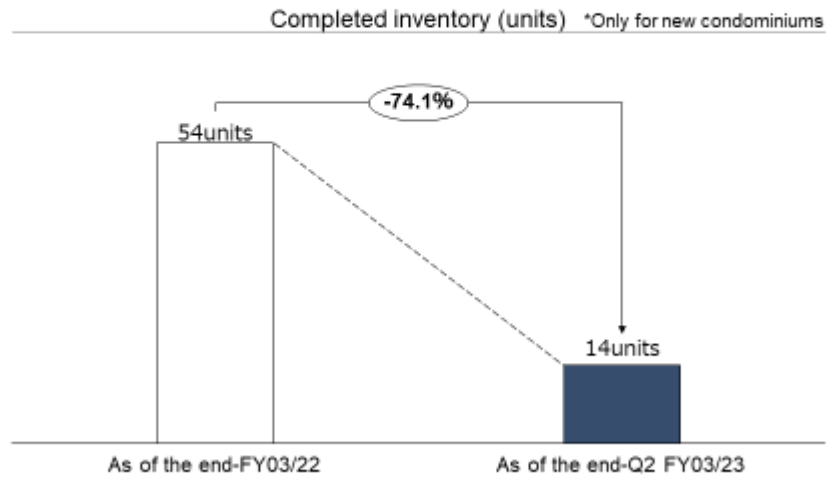
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- Completed inventory at the end of Q2 was low at 14 units



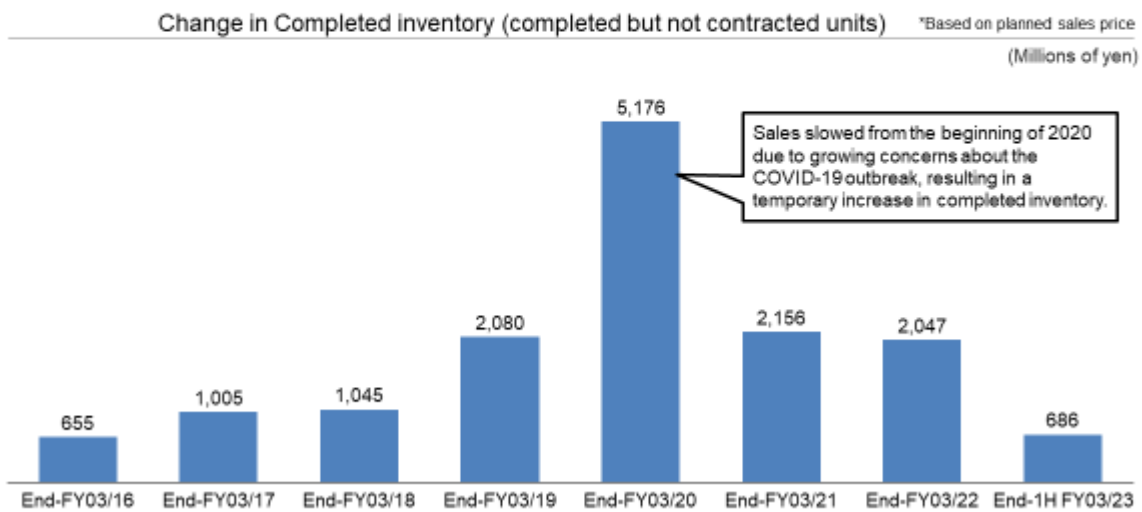
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The inventory of completed units at the end of Q2, as I mentioned earlier, was low at 14 units.

## Completed Inventory

- We strive to sell out inventory as soon as possible, so our completed inventory is small



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Looking at the past trends in completed inventories, it has maintained a low level.

We always strive to sell our properties as quickly as possible before they are completed.

As of the end of March 2020, sales of completed inventory increased temporarily due to a slowdown in sales as customers refrained from going out due to growing concerns over the spread of the new coronavirus since the beginning of the year 2020, but sales have progressed steadily since then.

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## Progress of Real Estate Agency Business: Purchase and Resale

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- Net sales of Purchase and resale are progressing as planned
- As of 1H FY03/23, sales including properties under contract have reached 51% of the full-year plan

(Billions of yen)

		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Plan	Net Sales (Real Estate Agency)	8.0	10.0	12.0	15.0	18.0
	Purchase and Resale	6.4	8.3	10.5	13.0	15.8
Progress	Net sales recorded (①)	2.4	—	—	—	—
	Contract concluded (②)	0.9	—	—	—	—
	Expected net sales (①+②)	3.3	—	—	—	—
	Progress against full-year target	51%	—	—	—	—
	(Achievement rate)	(50%)	—	—	—	—

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I would like to explain our distribution business.

As for purchase and resale, the progress rate, including contracts already signed, is 51% against the sales plan of JPY6.4 billion.

## Progress of Real Estate Agency Business: Purchase and Resale

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- We have already secured the properties required to meet our sales plan for FY03/23

(Billions of yen)

		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Plan	Net sales (Real Estate Agency)	8.0	10.0	12.0	15.0	18.0
	Purchase and Resale	6.4	8.3	10.5	13.0	15.8
Progress	Net sales recorded (①)	2.4	—	—	—	—
	Contract concluded (②)	0.9	—	—	—	—
	Purchased, no contract (③)	3.5	1.5	—	—	—
	Sales and properties for sale (①+②+③)	6.8	1.5	—	—	—
	Progress against full-year target	106%	18%	—	—	—

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Purchasing is going well, and we have the materials to achieve our sales plan for FYE 3/2023. We will focus on sales and aim to achieve the plan.

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## Progress of Real Estate Agency Business: Purchase and Resale

- In April 2022, we formed a team dedicated to purchasing in order to strengthen our purchasing activities
- In 1H FY03/23, the number of units purchased increased by 43.3% YoY

### Purchase and Resale Business Number of Purchase Staff

(as of March 31, 2022)

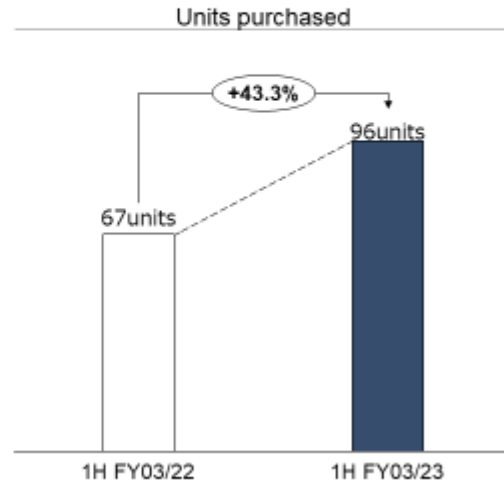
3



(as of September 30, 2022)

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In the past, we mainly purchased properties based on information obtained through intermediary stores, but in order to strengthen purchasing for purchase and resale, we formed a team specializing in purchasing this April, oriented by staff with experience in purchasing and sales for the residential condominiums.

In addition to increasing staff and further strengthening relationships with real estate brokers, we are also using IT to improve the speed of procurement.

Thanks in part to these efforts, the number of units acquired increased, and the number of units purchased in Q2 rose 43% YoY to 96 units.

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## Progress of Real Estate Agency Business: Brokerage

- Net Sales are progressing as planned
- Net Sales reached 60% of the full-year target as of 1H FY03/23

(Billions of yen)

		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Plan	Net Sales (Real Estate Agency)	8.0	10.0	12.0	15.0	18.0
	<b>Brokerage</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>1.1</b>
	No. of stores	11	13	15	15	15
Progress	Net Sales (as of 1H)	0.36	—	—	—	—
	Progress against full-year target	60%	—	—	—	—
	(Achievement rate)	(50%)	—	—	—	—
	No. of branches	11	—	—	—	—

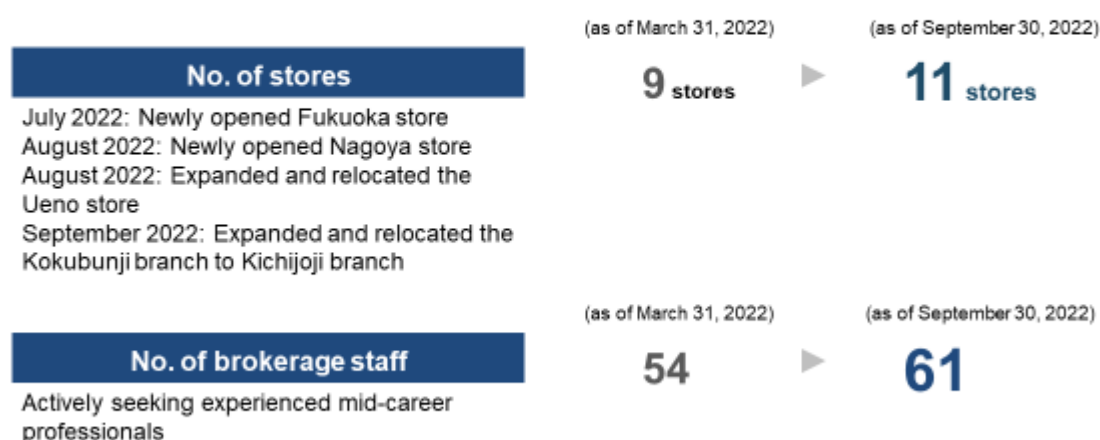
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Sales from sales brokerage were JPY360 million at the end of Q2, 60% of the full-year plan of JPY600 million.

## Progress of Real Estate Agency Business

- We are opening new stores and expanding our workforce



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To strengthen sales brokerage and purchase and resale, we are opening new branches and increasing our workforce.

The Fukuoka store opened in July and the Nagoya store in August, bringing the total number of stores in the Tokyo metropolitan area, Sapporo, Fukuoka, and Nagoya to 11.

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In addition, the Ueno store was expanded and relocated for business expansion in August, the Kokubunji store was relocated to the Kiichiro store in September, where it has a more extensive operating base.

In addition, we are actively hiring experienced personnel to increase our workforce and improve profitability at each of our stores.

## Progress of Condominium Management Business

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- Net Sales are progressing as planned
- Net Sales reached 50% of the full-year target as of 1H FY03/23

		(Billions of yen)				
		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Plan	Net Sales	5.2	5.3	5.5	5.6	5.8
	No. of units under management (end of period)	45,000	47,000	49,000	51,000	53,000
Progress	Net Sales (as of 1H)	2.6	-	-	-	-
	Progress against full-year target	50%	-	-	-	-
	(Achievement rate)	(50%)	-	-	-	-
	No. of units under management (as of end-Q2)	43,963	-	-	-	-

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As for the condominium management business, the sales progress rate is 50%, which is in line with the plan. We will continue to strengthen our dedicated replacement team and aim to have 53,000 units under management in the final year of the project.

We have installed iPads and online management systems in the properties we manage. Through our proprietary IT service, Management Online, we are able to quickly identify and address problems at each property, thereby improving customer satisfaction.

It has also led to more efficient labor management and reporting by management staff, which has helped to improve productivity. Our policy is to pursue quicker response to customers through IT services and to promote both higher customer satisfaction and higher productivity.

This is the progress of the medium-term management plan.

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- We will continue to develop eco-friendly housing and ZEH condominiums.



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**Yoshizawa:** I, Yoshizawa, will explain the status of compliance with the criteria for maintaining listing.

Since 2010, we have been developing environmentally symbiotic homes designed to reduce environmental impact while living comfortably and in harmony with the natural environment.

The CLIO HEIWADAI, completed in 2013, received the Good Design Award for its concept.

The fifth eco-friendly residence completed this year, CLIO RESIDENCE YOKOHAMA TSUNASHIMA, is our first ZEH condominium, which is not only eco-friendly, but also friendly to the environment and residents.

In the properties that we started to supply this fiscal period, CLIO YOKOHAMA TSURUMI MID GRACE and CLIO RESIDENCE KAWASAKI MINAMISAIWAICHO have acquired low-carbon building certification, and CLIO RESIDENCE KAWAGUCHI SAIWAICHO has acquired ZEH certification.

It is becoming the standard for future homes to provide comfortable living and to be long-lasting. We would like to keep promoting the creation of homes where living is eco-friendly.

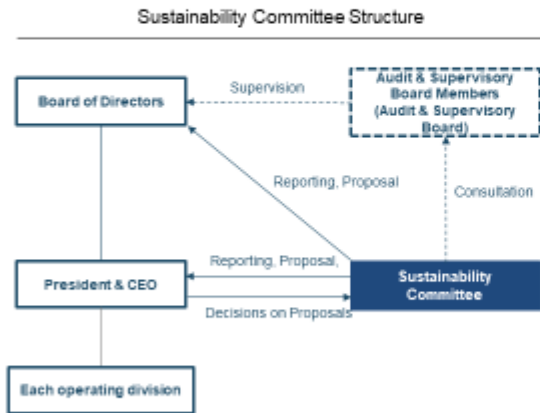
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- We formed a Sustainability Committee in April 2022
- With this, we have established a structure to promote sustainability



**Sustainability Committee Meetings Held**

Number of times held: 7 (April 1, 2022 - October 31, 2022)

Main agenda items:  
 Development of Basic Sustainability Policy  
 Identification of materiality  
 Preparation for disclosure in accordance with TCFD

**TCFD Working Group Meetings Held**

Number of times held: 5 (April 1, 2022 - October 31, 2022)

- We announced our support for TCFD in August 2022
- We will continue to hold cross-Group working group meetings to improve disclosures from April 2023



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To further promote sustainable business, we established the Sustainability Committee in April of this year, and we formulated our basic sustainability policy and identified materialities in June.

In August, we announced our endorsement of the TCFD and are preparing to make disclosures in accordance with the TCFD from next April onward.

- In June 2022, we formulated our Sustainability Policy

**Basic Sustainability Policy**

We, the MEIWA ESTATE Group, aim to realize a sustainable society together with our own growth based on trust, co-creation, and empathy, which are the foundations of our corporate philosophy. To this end, we engage in dialogue and foster collaboration with all stakeholders, including customers, business partners, shareholders and investors, employees, and local communities.

- 1 We will contribute to the sustainable development of society by providing homes and services that enrich people's lives.
- 2 We will continue to undertake initiatives to revitalize society and communities and to protect the environment.
- 3 We aim to be a trusted company by emphasizing corporate governance systems and risk management.

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The MEIWA ESTATE Group's basic sustainability policy is based on the three principles of trust, co-creation, and empathy, which are the cornerstones of our corporate philosophy, and aims to realize a sustainable society.

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The first is to contribute to the sustainable development of society by providing homes and services that enrich people's lives in our core businesses.

The second is to contribute to the sustainable development of society by actively working to revitalize society and the communities in which we operate and to preserve the environment.

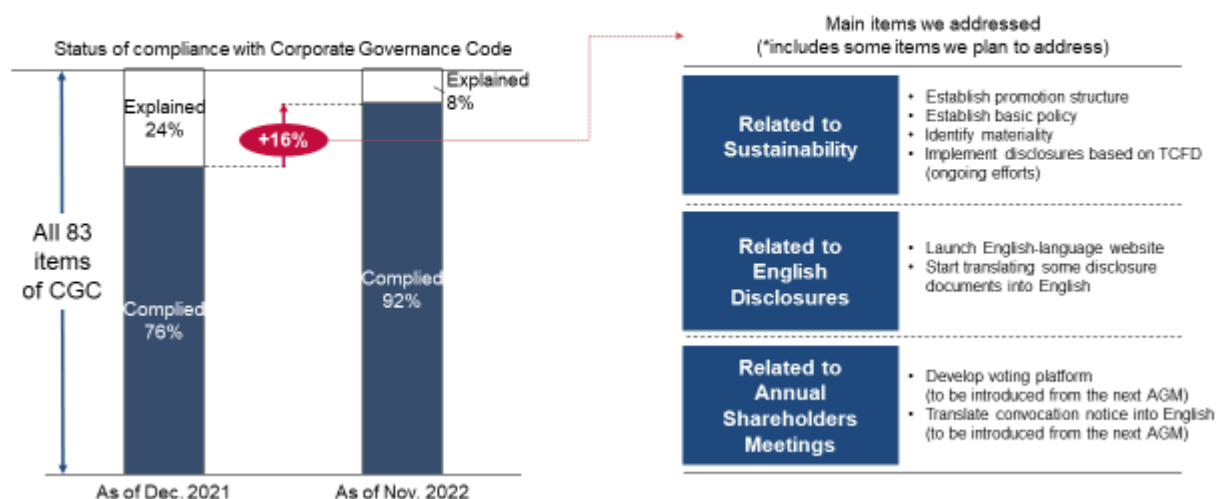
The third is to earn the trust of stakeholders and achieve sustainable growth as a company by strengthening our corporate governance system and thorough risk management.

Based on these three policies, we intend to achieve our own growth as well as the realization of a sustainable society.

## Response to Corporate Governance Code

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- We are continuing to work to raise governance standards
- The following is an update on the status of our efforts



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Next, I will explain the status of disclosure regarding the corporate governance code.

With the transition to the prime market in April of this year, we have further strengthened our structure to raise the level of governance.

As of December 2021, 76% of the 83 principles were in compliance, but at present, 92% of the principles have been addressed and their contents disclosed.

The main contents that we started to implement this fiscal year are related to sustainability, disclosure in English, and the general meeting of shareholders.

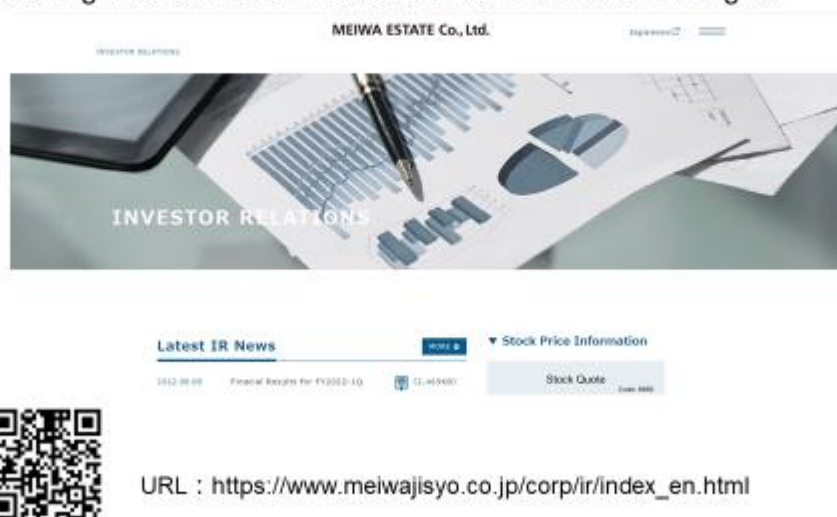
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- Launched our English website in November 2022
- Began disclosing financial statements and other information in English



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In the area of disclosure in English, some of our websites, mainly the IR site, have been available in English since November. We have also begun disclosing financial results and other information in English.

We plan to continue to disclose content in English in a phased manner in order to expand our overseas investor base.

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## Compliance with Continued Listing Criteria ( Prime Market )

- Our compliance status as of September 30, 2022 is as follows

	No. of shareholders	No. of tradable shares (units)	Total market value of tradable shares (billions of yen)	Ratio of tradable shares	Daily avg. trading value (millions of yen)
Continued Listing Criteria ( Prime Market )	800	20,000	10.0	35%	20
Compliance status	○	○	×	○	○
As of September 30, 2022	9,810	105,755	6.52	42.5%	27
(Reference) As of the transition base date	8,757	108,216	6.93	43.4%	50

\*The number of tradable shares and the ratio of tradable shares are calculated by the Company based on the shareholders' register as of September 30, 2022.

\*The total market value of tradable shares was calculated by multiplying the above number of tradable shares by the average daily closing prices over the three-month period from July 2022 to September 2022.

\*The daily average trading value is the average of daily value for the one-year period from October 2021 to September 2022.

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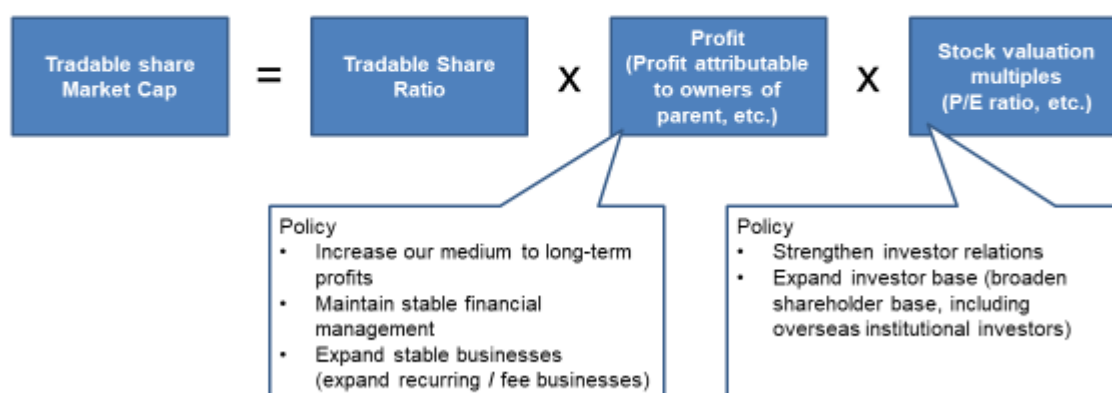
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This will be the compliance status as of the end of September 2022 with the Prime Listing Maintenance Criteria.

As shown in the table, the market capitalization of tradable shares currently does not meet the standard of JPY10 billion, but we will achieve this standard as soon as possible by steadily promoting the measures I will explain next.

## Factors to Improve Market Capitalization of Tradable Shares

- To increase market capitalization, we are striving to improve our performance over the medium to long term and to strengthen investor relations activities to expand our shareholder base, including overseas institutional investors



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We recognize that in order to improve the market capitalization of tradable shares, it is necessary to increase profit levels and improve multiples, such as PER.

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To this end, we will improve our performance by promoting our medium-term management plan and other measures and improve our multiple by expanding our shareholder base, including overseas institutional investors, through enhanced investor relations.

## Measures to Expand Shareholder Base

- We are taking steps to broaden our shareholder base, including overseas institutional investors

		Policy	Measures
Technical	Increase stock liquidity	<ul style="list-style-type: none"> <li>• Increase the trade volume to make it easier for institutional investors to consider investing in the company</li> </ul>	<ul style="list-style-type: none"> <li>• (Under consideration)</li> </ul>
Fundamental	Improve ROIC	<ul style="list-style-type: none"> <li>• Regularly review the business structure</li> <li>• Conduct management with an eye toward ROIC</li> </ul>	<ul style="list-style-type: none"> <li>• Review the business structure by disclosing the medium-term management plan on a rolling basis</li> </ul>
	Explain growth potential	<ul style="list-style-type: none"> <li>• Clearly articulate our growth strategy</li> <li>• Explain our growth potential to investors</li> </ul>	<ul style="list-style-type: none"> <li>• Announce our medium-term management plan on a rolling basis</li> <li>• Explain our progress against the medium-term management plan (financial results presentation)</li> </ul>
Measures to expand visibility among investors		<ul style="list-style-type: none"> <li>• Expand visibility and exposure of MEIWA ESTATE (TYO8869: Meiwa Estate), including to overseas institutional investors</li> </ul>	<ul style="list-style-type: none"> <li>• Translate IR materials into English</li> <li>• Launch English IR website</li> <li>• Make English transcriptions of briefing meetings available</li> <li>• Publish external reports (scheduled for Q3)</li> <li>• Hold 1-on-1 meetings</li> </ul>

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Next, I would like to explain the measures we are taking to expand our investor base.

We feel the need to expand our investor base to include foreign institutional investors. To this end, we will take measures to increase stock liquidity and return on invested capital.

At the same time, to expand our name recognition among investors, IR materials were translated into English, and an IR website was released in English. In addition, we will continue to strongly promote the expansion of IR content, such as the distribution of transcript of financial results presentation in English and the publication of external reports.

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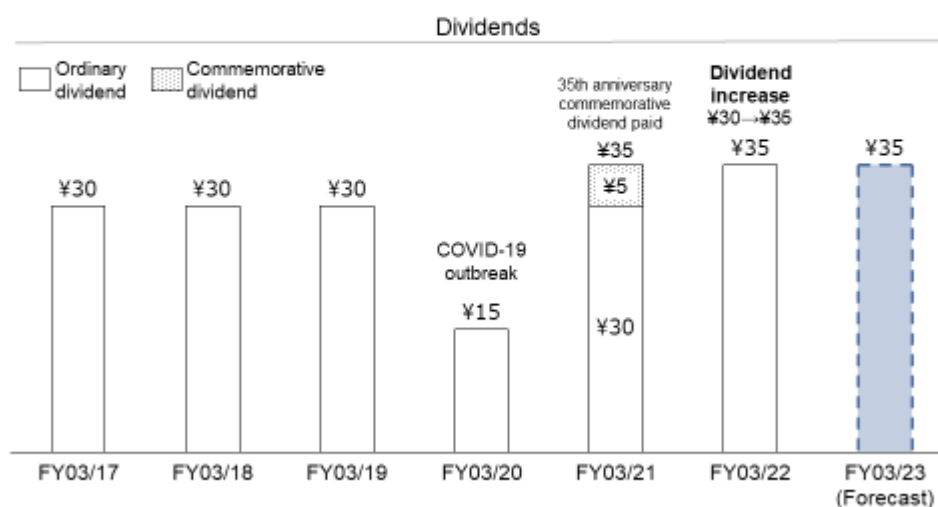
- The following is the current status of our IR enhancement measures

	As of Apr. 2022	As of Nov. 2022	Upcoming
Medium-Term Management Plan	○: Published	○: <b>Explained progress</b>	• Medium-term plan to be updated on a rolling basis (full year)
Financial results briefing	△: Distributed recording	○: <b>Live streaming</b>	• Conduct for 1H and full year
Q&A session in briefing meetings	×: Not provided	○: <b>Live + Transcript</b>	• Conduct for 1H and full year
Quarterly financial results presentation material	△: Provided for 1H and Full-Year	○: <b>Providing from Q1</b>	• Provide quarterly updates
IR website (Japanese)	○: Provided	○: <b>Renewed</b>	
IR website (English)	×: Not provided	○: <b>Launched in November 2022</b>	
Translate IR materials into English	×: Not provided	△: <b>Started providing financial results materials, etc.</b>	• Content to be expanded
Briefing meetings for individual investors	△: Radio Nikkei	-: Did not hold in Q1, Q2	• <b>To be held in Q4</b>
External reports (Japanese, English)	×: Not provided	×: Not provided	• <b>To be published in Q4</b>

The progress in strengthening IR is shown in the table you see.

## Dividends

- At this time, a dividend of ¥35 per share is planned for FY03/23 (Unchanged from previous forecast)



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**Harada:** Next, I would like to talk about dividends.

The dividend forecast remains unchanged from that announced at the beginning of the fiscal year and is expected to be JPY35 per share at the end of the fiscal year.

This concludes the presentation. Thank you for your attention.

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**Moderator:** Thank you, President Harada and Executive Director Yoshizawa, for your explanation.

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## Question & Answer

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**Moderator [Q]:** Now, we move on to the question-and-answer session.

We have received many questions. Now, for your first question.

In the fluctuating economic environment, what do you think will happen to the real estate market in the future, and what measures will you take in response?

**Harada [A]:** I will answer to this question.

The recent rise in land costs and construction costs, as well as the persistently high prices, and the new needs of customers during the pandemic have led to a sustained increase in the prices of condominiums for sale, including not only new construction, but also existing properties, over the past few years.

Even today, there is a firm underlying willingness among customers to purchase. It is conceivable that changes in external factors will affect the overall economy in the future. However, the extent of the decline in the Japanese economy is expected to be moderate compared to other countries, and we do not anticipate a major impact on real estate for actual demand, given such expectations.

While being encouraged to raise wages by business sectors, there is an increase in the number of so-called power couples who have purchasing power since they are dual-earner households. Therefore, we do not expect any major impact on real estate for actual demand.

Having said that, we are determined to make a corporate effort to provide quality housing at reasonable prices to our clients through cost control of each project.

In addition, as a response to the changing environment, we intend to strengthen our relationship with financial institutions more than ever to secure funds and build up our strength as a company.

That is all.

**Moderator [Q]:** Thank you very much. Now, next question.

You mentioned that revenue and income decreased due to the concentration of condominium deliveries in Q4, but what happened to expenses?

**Harada [M]:** I will let Mr. Yoshizawa, Executive Director, answer your question.

**Yoshizawa [A]:** I would like to answer to your question.

The expense budget is JPY4.4 billion compared to the full-year plan of JPY10 billion, which is 44% of the full-year plan, and is generally on schedule. We do not see any particular problem.

That is all.

**Moderator [Q]:** Thank you very much. Now, for the follow-up question.

The question is whether the plan is originally biased toward H2, although the progress rate of SG&A expenses is 44%.

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**Harada [A]:** I would like to answer to this question.

The plan at the beginning of the fiscal year was weighted toward H2, and actual results were generally in line with the plan.

That is all.

**Moderator [Q]:** Thank you very much. Now, let me move on to the next question.

Regarding purchase and resale, it appears that materials have been secured for this fiscal year, but for FYE 3/2024, only JPY500 million or less than 20% of the planned JPY8.3 billion in sales has been secured.

The questions are whether it is feasible to secure materials, or whether you have any special ideas about purchasing, as you seem to be aiming to increase sales, but securing of materials seems to be a shoestring operation.

**Harada [A]:** I will answer to this question.

We believe that the purchase and resale business will be able to make satisfactory progress in securing materials, as we have focused on strengthening procurement, as explained earlier, including the formation of a procurement team. We believe that the purchase and resale business has a higher business turnover rate than the residential condominium business and that the business is viable with less inventory.

That is all.

**Moderator [Q]:** Thank you very much. Now, let's move on to the next question, shall we?

Regarding sales brokerage, the question is, how do you plan to expand stores in the future?

**Harada [A]:** I will answer this as well.

Our strategy is not to open stores in all major terminals. Basically, we will focus on areas where we have accumulated a large number of properties for sale, such as Yokohama, but we believe that we will be able to further leverage our strengths by limiting our development to areas where we can demonstrate our strengths and where we have a proven track record.

That is all.

**Moderator [Q]:** Thank you very much. Now, let me move on to the next question.

Regarding new contracts in the condominium management business, you mentioned that there has been significant growth in replacements to acquire properties managed by other companies. As a condominium developer, I wonder if you should essentially focus on building up a stable accumulation of contracts in your own properties.

**Harada [M]:** As for this question, Mr. Yoshizawa, Executive Director, will answer.

**Yoshizawa [A]:** Now, let me explain.

We have always placed importance on the stable accumulation of our own properties, together with MEIWA KANRI. The low ratio of in-house properties in Q2 is due to the fact that the delivery of properties in the current quarter is skewed toward the end of the last quarter of the fiscal year.

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Since we have traditionally viewed the management of our own properties as a stable business, we would like to position replacement as a growth driver for our stock business and promote it with higher quality, as I explained earlier.

That is all.

**Moderator [Q]:** Thank you very much. Now, next question.

The question is whether you are considering M&A of condominium management companies to increase stock.

**Harada [M]:** As for this question, Mr. Yoshizawa, Executive Director, will answer.

**Yoshizawa [A]:** Let me explain.

We are always considering M&A of the condominium management business. We are willing to consider if there are any good companies, with the expectation of inorganic growth. However, as a matter of course, we would like to think on a case-by-case basis so as not to grab it at the high price.

We believe that we will be able to smoothly take on business succession projects, etc., since we have developed a fairly well-developed internal system for the condominium management business.

That is all.

**Moderator [Q]:** Thank you very much. Now, let me move on to the next question.

The condominium management business has only achieved 636 units in Q2, less than 30% of the full-year target of 2,300 units for new management contracts. The question is whether it is really possible to achieve the goal.

**Harada [M]:** Mr. Yoshizawa, Executive Director, will answer this question.

**Yoshizawa [A]:** Let me explain.

As stated in previous documents, the figures are based on the start of management. For new contracts, there are contracts that have already been resolved by the board of directors and those that have been resolved by the general meeting of the management association which are waiting to start management.

Therefore, including the 636 units that we have already started to manage, 1,400 units have already been entrusted to other companies or have been replaced by them. If we add our own sales to this, we believe that 2,300 units is an attainable goal.

That is all.

**Moderator [Q]:** Thank you very much. Now, let me move on to the next question.

The medium-term management plan calls for stronger shareholder returns, but the dividend forecast for this fiscal year is JPY35, the same as the previous year. The question is whether an increase in dividends will be considered.

**Harada [A]:** I will answer this question.

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Naturally, we will consider increasing dividends based on performance. However, we do not consider the current dividend of JPY35 to be low by any means, and we will consider increasing the dividend each time as our business performance increases.

Naturally, we consider shareholder returns to be of the utmost importance, so we will continue to announce any shareholder return measures that are decided immediately, and we hope that shareholders will see this as a piece of information for them.

That is all.

**Moderator [Q]:** Thank you very much. Now, next question.

The question is whether it is possible to achieve the standard, although the market capitalization of tradable shares is JPY6.5 billion, 35% below the mitigation standard of JPY10 billion, which has not changed significantly since the transition standard date.

**Harada [A]:** I will answer this question as well.

As I mentioned earlier in my explanation, we will steadily implement the measures I have explained to achieve the standards. As for raising the share price, we accept it as a matter of course, that improving our business performance will lead to a higher share price. In the future, we would like to do our best to raise the share price while making sure that the measures I have just explained are met.

That is all.

**Moderator [Q]:** Thank you very much. Let me move on to the next question. It is almost the end time, so this will be the last question. Now, one last question.

Purchasing seems to be doing well, including the use of primary resource, but please add more. For example, do you purchase land that is currently built on, or do you purchase land that takes time to develop? The question is whether the increase in purchasing personnel, etc., will be significant.

**Harada [A]:** I will answer this question.

We are aware that our procurement is almost on track for the next fiscal year and the year after that, and that we are maintaining a certain level of favorable sales. I believe that our greatest strength lies in the speed with which we can quickly grasp information that comes in from other companies and quickly make decisions.

Naturally, we do not live in an era in which completely cleared land can be found as in the past. So, some condominiums are developed into condominium sites by buying out existing lands, which is probably not the best way to describe, or adjusting the rights of the owners, as you mentioned in your question. Some of them are finished into condominium lots by doing so.

We purchase land using a variety of methods, making clear decisions about what risks to take and what risks not to take. I believe that this is what has led to our achievement.

We are also working to increase the number of personnel for such purchases. However, we do not want to just bring in people who have been purchasing from other companies. We will hire graduates and strive to develop human resources for our future who can learn our methods. We are working to develop more and more such human resources and to aim for strong procurement as a company.

**\*Answers have also been added to questions that could not be answered on the day of the financial results briefing due to time constraints.**

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**[Q]:** Is the renewal and resale business of condominiums in the real estate agency business dealing with condominiums that your company sold in the past? As the competition in purchasing continues to be severe, what are your strengths and innovations in purchasing?

**[A]:**Our strength is that we manage more than 43,000 units. The CLIO condominiums sold in the past are basically managed by our subsidiary, MEIWA KANRI Co., Ltd., and we have established a system to ensure that we meet residents' sales and renovation needs. Therefore, we do purchase condominiums we have sold ourselves. In addition, to strengthen purchases of condominiums sold by other companies, we increased the number of purchasing personnel in April and established a specialist purchasing team. These efforts have created results.

**[Q]:** About the renewal and resale business, I understand that the procurement environment is severe, but what estimates do you have for future profit margin? Also, are you mostly purchasing vacant units rather than change of ownership units? In addition, we would appreciate it if you could tell us about development areas and the competitive environment.

**[A]:** As you said, the competition regarding purchasing for the renewal and resale business has become severe. In addition to condominiums developed in-house, there are increasing cases of purchasing condominiums sold by other companies via intermediaries to secure merchandise. Therefore, the gross profit margin ratio is based on a conservative estimate. Although we mainly purchase condominiums that are currently vacant or that are scheduled to become vacant, we are also proceeding with purchase of change of ownership condominiums as we can secure rent income. We are focusing on the Tokyo Metropolitan Area while also expanding into Sapporo, Fukuoka and Nagoya.

That is all.

**Moderator [M]:** Thank you very much. We now end the question-and-answer session, as well as today's program.

Finally, we would appreciate if you could do us a favor. Please send us your opinions and impressions of today's web-based financial results presentation by filling out the questionnaire. Questionnaires will be distributed via email after the presentation. The contents of the survey will be used as reference information for future IR activities, so we would greatly appreciate your cooperation.

This concludes the presentation of the financial results for Q2 of FYE 3/2023 of MEIWA ESTATE. Thank you for your participation to the end of presentation.

[END]

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