



## **MEIWA ESTATE Co., Ltd.**

Q2 Financial Results Briefing for the Fiscal Year Ending March 2024

November 24, 2023

## Event Summary

---

[Company Name]	MEIWA ESTATE Co., Ltd.	
[Company ID]	8869-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending March 2024	
[Fiscal Period]	1H FY03/2024	
[Date]	November 24, 2023	
[Number of Pages]	44	
[Time]	10:00 – 10:42 (Total: 42 minutes, Presentation: 33 minutes, Q&A: 9 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	3	
	Hideaki Harada	President & CEO
	Koji Kakizaki	Executive Director, Executive Officer
	Motomi Shimazu	Executive Officer

---

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com



## Presentation

---

**Moderator:** Thank you for your patience. We will now begin the financial results of MEIWA REAL ESTATE COMPANY LTD. for Q2 of the fiscal year ending March 31, 2024. Thank you very much for taking the time out of your busy schedule to join us today. I would like to introduce today's speakers.

From the left, facing you, is President and CEO, Mr. Hideaki Harada.

**Harada:** I am Harada. Thank you for joining us today.

**Moderator:** Mr. Koji Kakizaki, Executive Director, and Executive Officer.

**Kakizaki:** My name is Kakizaki. Thank you for joining us today.

**Moderator:** Mr. Motomi Shimazu, Executive Officer.

**Shimazu:** My name is Shimazu. Thank you for joining us today.

**Moderator:** These are today's attendees. Thank you.

Next, I would like to address the presentation handouts. We distributed copies of the presentation materials to today's meeting participants. If you don't have it on hand, please let us know. Those who are watching the live-streaming webcast can download a copy from the same website you are using to view the event.

We will email a questionnaire to all participants after the session, so please take a moment to complete it.

Now, I would like to discuss today's agenda. First, Mr. Harada, the President, and Mr. Kakizaki, the Executive Director, will give a presentation using the presentation materials. After that, we will take your questions. President Harada, please go ahead.

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

Today, I will discuss our Q2 financial results in the first part of the presentation and the progress of our Five-Year Strategy in the second part, in line with the financial results presentation material released on November 13.

I will discuss the consolidated financial results for Q2, and Executive Director Kakizaki will discuss the details by business segment starting on page 19. After that, I will discuss the progress of the Five-Year Strategy starting on page 58.

---

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com





- In 1H FY03/24, consolidated net sales and profits increased YoY.
- No change to the full-year forecast for FY03/24, net sales and profit growth on an operating and ordinary profit basis.
  - No change to dividend forecast.
  - Contracts concluded for 99% of full-year condominium sales plan (as of the end of Q2).
- In the Residential Development Business, purchases, supply and contracts decreased significantly YoY.
- In the Real Estate Agency Business, both the Purchase and Resale Business and the Brokerage Business performed well.
- The Condominium Management Business made steady performance due to strong switchover from other property management companies.

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.



As a quick reminder, our consolidated results for Q2 showed a YoY increase in both sales and profit.

For the fiscal year ending March 2024, there is no change to the full-year forecast, and both sales and profit are expected to increase, in terms of operating profit and ordinary profit. Accordingly, the dividend forecast remains unchanged. As for the residential condominium sale, the full-year target is JPY60 billion. Out of which, 99% of sales contract has been completed by the end of Q2.

In the residential development business, purchases, supply, and contracts were significantly lower than those in the same period of the previous year.

In the real estate agency business, both purchase and resale business and brokerage business performed well.

The condominium management business is performing well due to the brisk takeover of property management from other companies.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com



## ■ Consolidated Financial Results for 1H FY03/24

Both net sales and profit increased as the **deliveries of condominium units increased YoY**

**Net sales: ¥30 billion** (up ¥12.3 billion YoY)

**Operating profit: ¥1.7 billion** (up ¥1.6 billion YoY)

**Ordinary profit: ¥1.1 billion** (compared with ordinary loss of ¥0.5 billion in the same period of the previous year)

## ■ Forecast of Consolidated Financial Results for Full-Year FY03/24

No change from the previous announcement of full-year results forecast. **Net sales and profit on an operating and ordinary profit basis are expected to increase**

**Net sales: ¥83 billion** (up 33% YoY) **Operating profit: ¥6.3 billion** (up 6% YoY)

**Ordinary profit: ¥5.2 billion** (up 4% YoY)

➤ **Contracts concluded for 99%** of full-year condominium sales plan (as of the end of Q2).

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

4

This is the summary of the consolidated results. The factors behind the change in operating profit are presented in the following slide.

## Change in Reporting Segments

- As announced in May 2023, we change reporting segments to suit our current management structure

### ➤ Former reporting segments



### ➤ New reporting segments



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

5

Please note that we have changed reporting segments as shown based on the current management structure. Accordingly, we have been using these new segments from Q1 FY2023.

## Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com



## Consolidated Financial Results 1H FY03/24

MEIWA 明和地所

- Net sales: ¥30 billion (up ¥12.3 billion YoY), Operating profit: ¥1.7 billion (up ¥1.6 billion YoY), ordinary profit: ¥1.1 billion (compared with ordinary loss of ¥0.5 billion in the same period of the previous year)

	1H FY03/23 Actual	1H FY03/24 Actual	Change	Change (%)		(Millions of yen)	
Net sales	17,684	30,048	12,363	69.9%	Increase in condominium units delivered	Full-year FY03/24 forecast (Announced May 11, 2023)	Progress (%)
Gross profit	4,493	6,847	2,353	52.4%		83,000	36.2%
(Gross profit margin)	(25.4%)	(22.8%)	(-2.6pp)	-		17,500	39.1%
SG&A expenses	4,422	5,123	701	15.9%	• Personnel expenses +192M • Taxes and duties* +260M • Brokerage fees, etc. +164M • Advertising expenses +50M	(21.1%)	-
Operating profit	71	1,723	1,652	2,320.1%		11,200	45.7%
(Operating profit margin)	(0.4%)	(5.7%)	(5.3pp)	-		6,300	27.4%
Non-operating income	64	71	6	10.5%		(7.6%)	-
Non-operating expenses	662	606	-56	-8.5%	• Gain on sale of non-current assets (5 properties) • Gain on sale of stocks by The Impact Neutralization Trust	-	-
Ordinary profit	-527	1,188	1,715	-		5,200	22.9%
(Ordinary profit margin)	(-3.0%)	(4.0%)	(6.9pp)	-		(6.3%)	-
Extraordinary income	6	144	138	2,191.7%		-	-
Extraordinary loss	2	71	69	3,329.4%	Loss on liquidation of subsidiaries acquired through real estate M&A	-	-
Profit before income taxes	-522	1,261	1,783	-		-	-
Profit attributable to owners of parent	-421	1,110	1,532	-		3,800	29.2%
(Profit margin)	(-2.4%)	(3.7%)	(6.1pp)	-		(4.6%)	-

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

\*Increase due to change in accounting presentation of non-deductible consumption tax (187M)

6

Next is an overview of our financial results. Net sales increased by JPY12.3 billion to JPY30 billion due to an increase in the number of condominium units delivered, compared to the same period last year. As for SG&A expenses, although personnel expenses, taxes and dues, and commissions paid increased, operating profit increased by JPY1.6 billion to JPY1.7 billion, and ordinary profit landed at JPY1.1 billion.

Although extraordinary losses increased due to the liquidation of a subsidiary acquired through a real estate M&A transaction, extraordinary income exceeded extraordinary losses due to gains on sales of non-current assets and gains on sales of shares through the Impact Neutralization Trust, resulting in net profit of JPY1.1 billion.

Progress against the full-year forecast is 36% for net sales and 27% for operating profit. However, as we will discuss later, this is because net sales in the residential development business are concentrated in Q4, and the full-year plan remains unchanged from what was announced at the beginning of the fiscal year.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

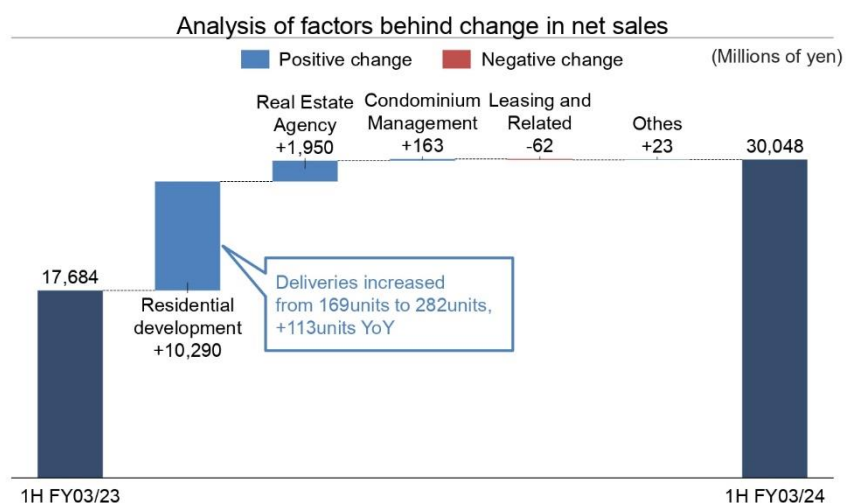
**SCRIPTS**  
Asia's Meetings, Globally



## Factors Behind Change in Net Sales by Segment 1H FY03/24

MEIWA 明和地所

- 1H net sales increased YoY due to an increase in condominium units delivered



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

7

Looking at the factors behind the change in net sales comparing Q2 of the previous fiscal year and Q2 of the current fiscal year by segment, the residential development business had the largest increase and saw an increase of JPY10.2 billion in net sales as a result of 113 condominiums more units delivered compared to the same period of the previous year.

In the real estate leasing business, which was a factor in the decline, leasing revenue decreased by JPY60 million due to the sale of five fixed assets.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

**SCRIPTS**  
Asia's Meetings, Globally

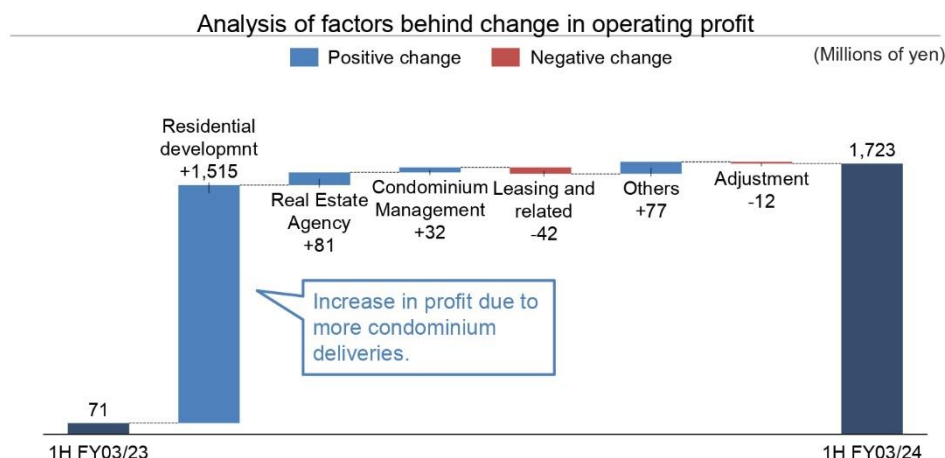




## Factors Behind Change in Operating Profit by Segment 1H FY03/24

MEIWA 明和地所

- Operating profit in the Residential Development Business increased due to higher net sales



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

8

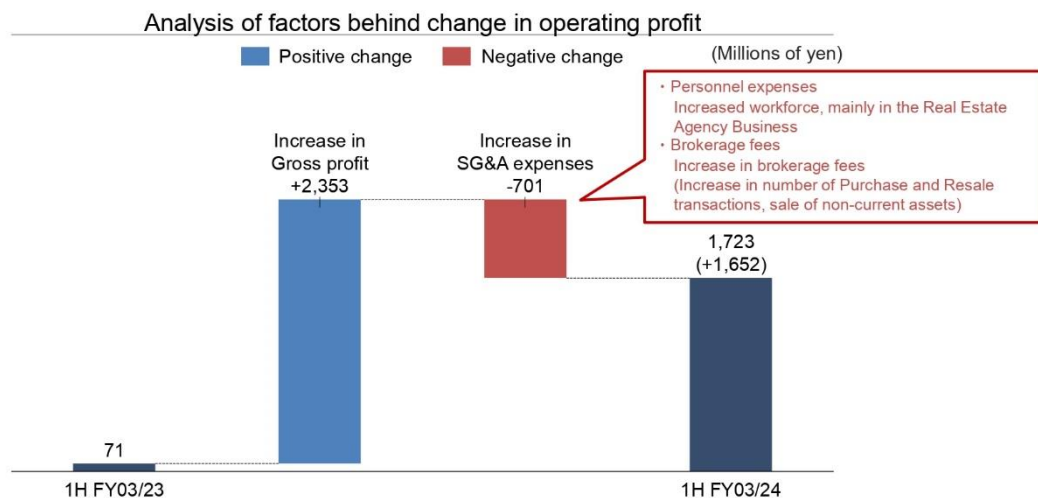
Next, I will discuss the factors behind the increase or decrease in operating profit. By segment, the profit from the residential development business increased YoY mainly due to the effect of higher net sales volume.



## Factors Behind Change in Operating Profit by Accounting item 1H FY03/24

MEIWA 明和地所

- As condominium deliveries increased, gross profit rose absorbing a ¥700 million increase in SG&A expenses aimed at strengthening sales capabilities, and operating profit rose significantly



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

9

Similarly, looking at the factors behind the increase or decrease in operating profit by accounting item, a significant YoY increase in the gross profit from the condominium sale offset the impact of increased SG&A expenses. As a result, operating profit increased by JPY1.6 billion YoY.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

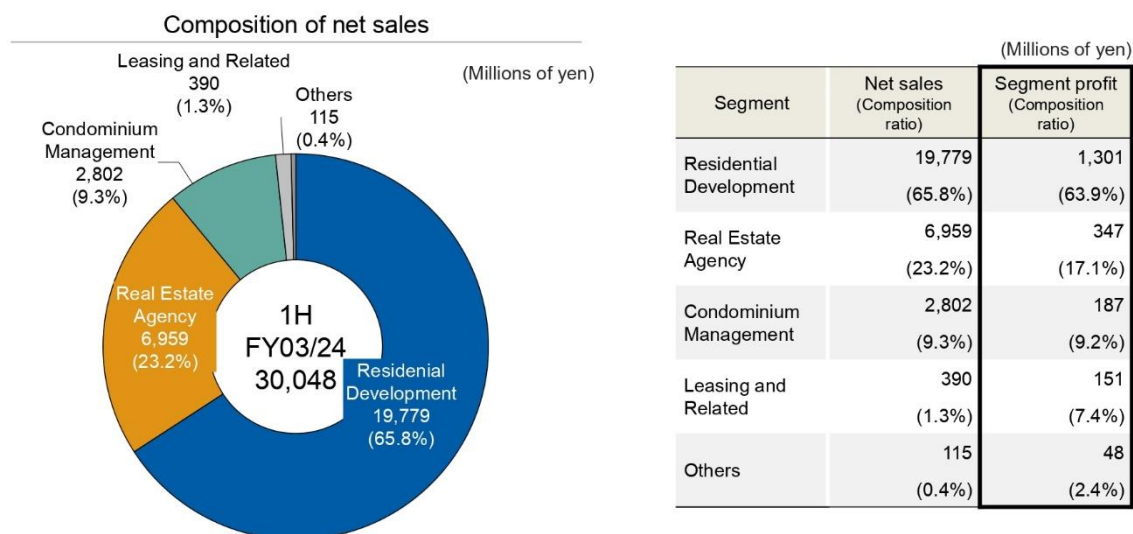
**SCRIPTS**  
Asia's Meetings, Globally



As for the increase in SG&A expenses, personnel expenses increased due to an expansion of the workforce, mainly in the real estate agency business. The brokerage fees increased due to an increase in the number of purchase and resale transactions and sales of non-current assets.

## Composition of Net Sales and Segment Profit 1H FY03/24

MEIWA 明和地所



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

10

The composition of net sales and profits by segment for the 1H FY03/24, is shown in the table below.

## Q2 FY03/2024 Completion and Delivery (1)

MEIWA 明和地所

- 4 condominiums completed, 190 units delivered



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

11

In Q2, we delivered a total of four condominiums with 190 units.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

**SCRIPTS**  
Asia's Meetings, Globally

The “CLIO Gakugeidaigaku The Classic” is a nine-minute walk from the Gakugeidaigaku train station, offering easy access to the city center and a peaceful living environment. All units face south, and the south side of the building is the Category 1 district exclusive for low-rise residential buildings, with an open view of the cityscape with no obstructing buildings in sight. Sales progressed quite well in the zone where newly built condominiums for sale are scarce.

The “CLIO La Belle Vie Osaki Grand Class” is just a three-minute walk from Osaki train station. This property is conveniently located, yet it is in the Category 1 residential district, known for its well-preserved residential environment. This is the first newly built condominium for sale within a 3-minute walk of Osaki Station and located in one of the Category 1 residential districts, and sales progressed very well.

## Q2 FY03/2024 Completion and Delivery (2)

MEIWA 明和地所

### ■ 4 condominiums completed, 190 units delivered

**CLIO** クリオ茅ヶ崎中海岸グランヴィラ  
CLIO CHIGASAKI NAKAKAIGAN GRAND VILLA



Chigasaki, Kanagawa  
Total number of units: 88  
Completed and delivered in July 2023

**CLIO** クリオ川越大手町  
CLIO KAWAGOE OTEMACHI



Kawagoe, Saitama  
Total number of units: 50  
Completed and delivered in July 2023

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

12

The “CLIO Chigasaki Nakakaigan Grand Villa” is located in the Category 1 low-rise residential area, at the seaside of the Southern Street shopping street stretching from the South Exit of Chigasaki Station. This is the first newly built condominium for sale located in one of the Category 1 residential districts in the Nakakaigan zone, where a favorable living environment prevails.

The property offers 38 variations of unit plans, including one with an inner garage and one with a rooftop terrace. The common area has three lounges, each with its own characteristics: the Open Share Lounge, the Work Lounge, and the Seaside Lounge. Sales progressed favorably, as the property was well received as a place to live with plenty of space that allows residents to pursue their ideal lifestyle.

Located in a quiet residential area, The “CLIO Kawagoe Otemachi” is designed with an exterior that reflects the Japanese modern concept to harmonize with the streetscape of Kawagoe, a town that boasts of the good old times of historic Little Edo. All units are equipped with mist saunas. Some of the first-floor units come with private lots for gardening. We packed a variety of ideas for the residents to enjoy leisurely time at home.

#### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

**SCRIPTS**  
Asia's Meetings, Globally

## "CLIO Chigasaki Nakakaigan Grand Chic" Wins Good Design Award

MEIWA 明和地所

- "CLIO Chigasaki Nakakaigan Grand Chic" received the Good Design Award 2023 from the Japan Institute of Design Promotion

CLIO クリオ茅ヶ崎中海岸グランシック  
CLIO CHIGASAKI NAKAKAIGAN GRAND CHIC



Top: photograph of completed exterior (taken in August 2023) Bottom left: photograph of completed courtyard Bottom right: photograph of completed entrance hall (taken in February 2023)

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

**GOOD DESIGN  
AWARD 2023**

### Jury's evaluation comments

The eaves are light and give a good impression. First floor residences do face the outside, and the private garden is half open to the outside. The garden also provides access to the residence, making it possible to use the apartment in various ways. This design was highly evaluated for its positive relationship with the surrounding area, including consideration of the landscape. At the same time, the size of the frontage of each dwelling unit is important as a hidden order. The balcony and the garden have a certain width, so they function as a stable place, and the effective utilization of the space for the residents is promoted by using them together with the rooms. It is also important to pursue this balance.

Property overview: Chigasaki City, Kanagawa / Total number of units: 23 units / Completed in March 2023

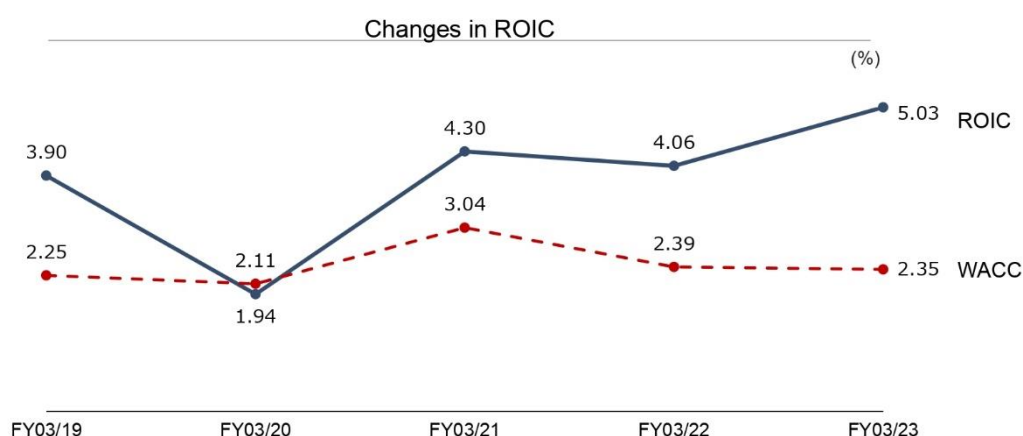
13

As announced in October, the "CLIO Chigasaki Nakakaigan Grand Chic" was completed, delivered in March and earned us the Good Design Award in 2023. This property was also developed in the Category 1 exclusive district for low-rise residential buildings. We believe that our approach to not only developing residential with a comfortable living environment in mind but also pursuing a positive harmony with the surrounding environment was highly evaluated. We will continue to develop value-added products.

## ROIC and WACC

MEIWA 明和地所

- ROIC in FY03/23 was 5.03%
- Exceeds WACC by 2.68% and is recognized as generating shareholder value



\*Calculated on a consolidated basis. See Fact Sheet for details of calculation formula

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

14

Next, let's look at ROIC. The ROIC for the year ending March 2023 is 5.03%, which is 2.68% above the WACC, and we recognize that the Company is creating shareholder value.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

**SCRIPTS**  
Asia's Meetings, Globally



## Change of listed market

- Change of listed market to the Standard Market on October 20, 2023
- Secure an environment in which our shareholders can hold our shares without any concern over the medium to long term and focus on investment for growth

### Continued Initiatives

- **Execute the Five-Year Strategy**
- **Continue shareholder returns**
- **Strengthen Corporate Governance**

### [Ref.] Compliance status for Continued Listing Criteria in the Standard Market

	No. of shareholders (Persons)	No. of tradable shares (Unit)	Tradable share market capitalization (billion yen)	Tradable share ratio (%)	Monthly average trading volume (unit)	Net assets (billion yen)
Our status	10,199	127,967	11.07	54.5	31,559	29.9
Standard Market Continued Listing Criteria	400	2,000	1.0	25	10	Positive
Compliance status	Met	Met	Met	Met	Met	Met

► We will continue our efforts to increase corporate value.

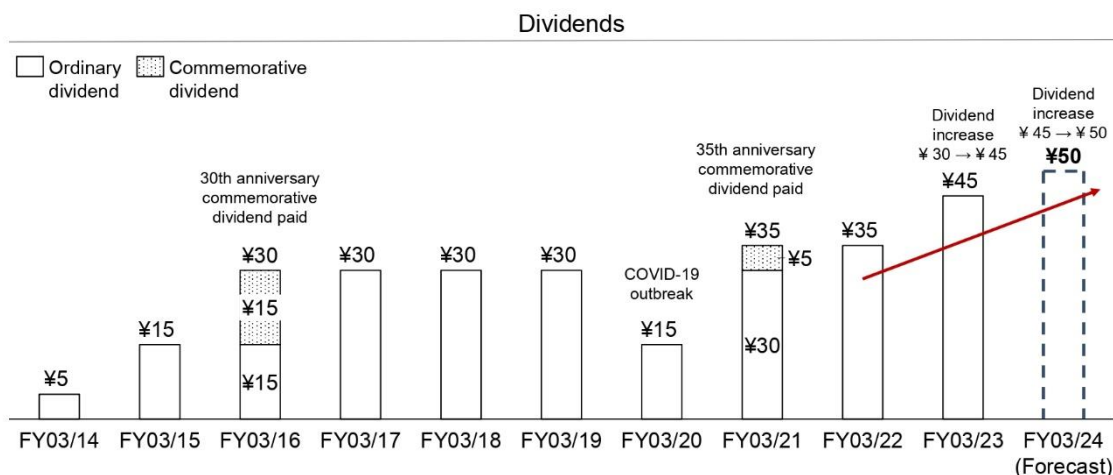
Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

15

Next, I would like to discuss the change in market segmentation. We have moved to the Standard Market as of October 20. We will continue to strive to enhance our corporate value by focusing on investments for growth, together with ensuring an environment in which shareholders can hold our shares for the medium to long term with peace of mind..

## Dividends

- Dividends of ¥50 per share is planned for FY03/24 (no change from the previous forecast)
- We aim for stable dividends, with a payout ratio of around 30%.



17

Next, I would like to discuss shareholder returns. The Company plans to pay a dividend of JPY50 per share at the end of the fiscal year, unchanged from the dividend forecast announced at the beginning of the fiscal year. We aim to continuously strengthen shareholder returns through stable earnings growth, with a target payout ratio of 30%.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

## Shareholder Benefits

- A shareholder benefit program to improve share liquidity is ongoing.
- Points will be awarded based on the number of shares held as of March 31 each year.

Shareholder benefit points are awarded based on the number of shares held

Number of shares held	Benefit points
600 shares to 699 shares	4,000 points
700 shares to 799 shares	6,000 points
800 shares to 1,499 shares	12,000 points
1,500 shares to 1,999 shares	20,000 points
2,000 shares to 2,499 shares	25,000 points
2,500 shares to 2,999 shares	30,000 points
3,000 shares or more	50,000 points



➤ Click here for details on the Meijiwa Estate Premium Club  
<https://meiwajisyo.premium-yutaiclub.jp/>



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

18

We have implemented a shareholder benefit program to improve the liquidity of our stock, which has been well received by our shareholders.

Mr. Kakizaki, the Executive Director, will now discuss the details of each business segment.

**Kakizaki:** My name is Kakizaki, Executive Director. I would like to provide my report.

## Residential Development Business

- **Purchases: ¥18.4 billion (down 55.6% YoY)**
  - Secured properties of ¥160 billion for Q3 onward
- **Supply: ¥21.5 billion (down 29.3% YoY)**
  - Started to supply condominiums scheduled to be recorded as net sales from next period onward
  - The supply of some properties was delayed and was moved to Q3 or later
- **Sales contracts: ¥18.9 billion (down 29.9% YoY)**
  - Shortage of sales materials due to supply schedule delay
- **Sales contracts amounted to 99% of full-year net sales plan**

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

20

The first will be a summary of the residential development business. In 1H, purchases volume was JPY18.4 billion, supply volume was JPY21.5 billion, and sales contracts volume was JPY18.9 billion, all of which were

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

lower than in the same period last year. Of the full-year net sales plan of JPY60 billion for condominiums for sale, 99%, or JPY59.7 billion, has been contracted.

## Residential Development Business Results 1H FY03/24

MEIWA 明和地所

### ■ 1H net sales and profits increased YoY

(Millions of yen)

	1H FY03/23 Actual	1H FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	9,489	19,779	10,290	108.4%
Intersegment sales and transfers	7	-	-7	-
Total	9,496	19,779	10,282	108.3%
Segment profit	-214	1,301	1,515	-

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

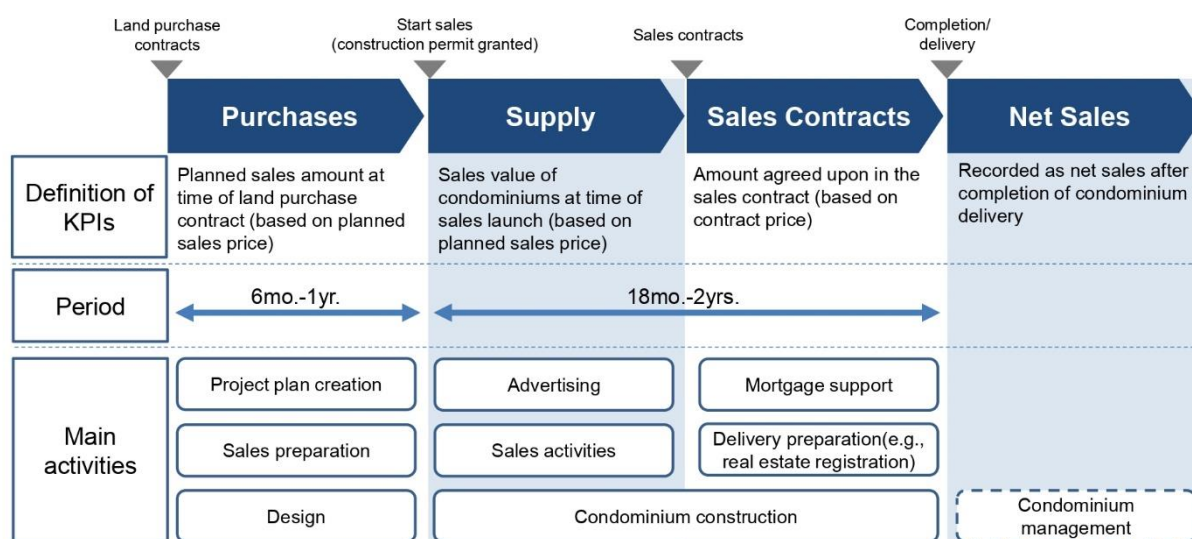
21

The following is a summary of the results of the residential development business. As you can see, both sales and profit increased YoY in 1H.

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

MEIWA 明和地所

### ■ KPIs are defined as follows.



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

22

Next, I would like to discuss the leading sales indicators for the residential development business. For condominiums, our mainstay product, net sales are recorded at the time of delivery to the customer after

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

**SCRIPTS**  
Asia's Meetings, Globally

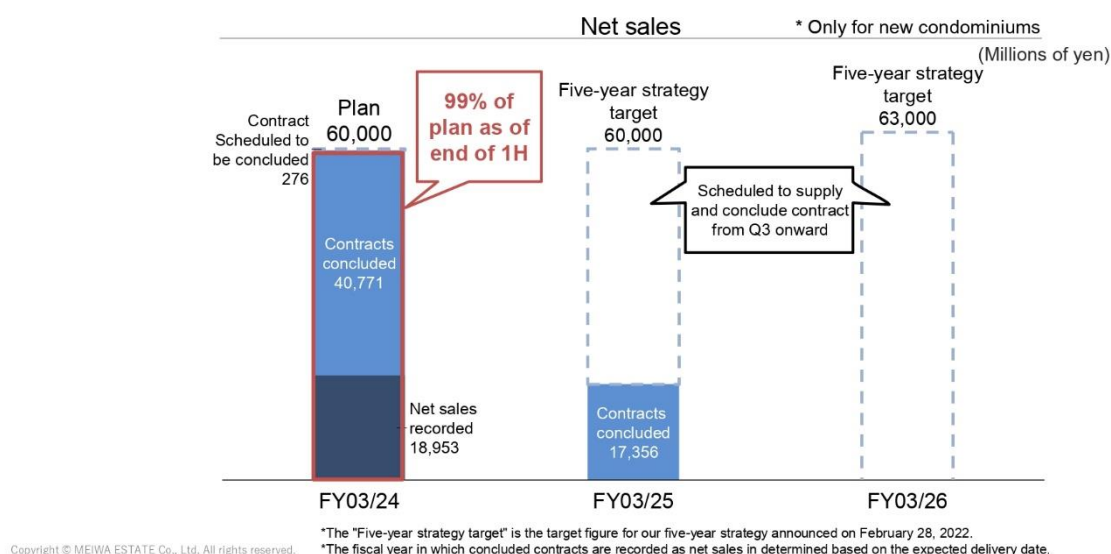
construction is completed, so it takes more than two years from the time land is purchased to the time net sales are recorded.

We begin by purchasing land, then proceed to design, followed by sales activities. Once the condominium construction is then completed we deliver it to clients for sale. Therefore, we regard the stated purchases volume, supply volume, and contracts volume as leading indicators of net sales in the residential development business and place importance on progress.

## Residential Development Business: Progress Against Full-year Net Sales Plan (1)

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

- Sales contracts at the end of 1H amounted to 99% of the full-year net sales plan



Next, I will discuss the progress of sales in the residential development business. The total sales amounted to JPY18.9 billion, and including the JPY40.7 billion in contracts already concluded as of the end of Q2, 99% of the full-year net sales plan of JPY60 billion announced at the beginning of the fiscal year has already been achieved.

Currently, sales activities are focused on properties for which sales will be recorded in the next fiscal year or later. As of the end of Q2, JPY17.3 billion in contracts had been concluded, but this is only 28% of the JPY60 billion sales target for the next fiscal year.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

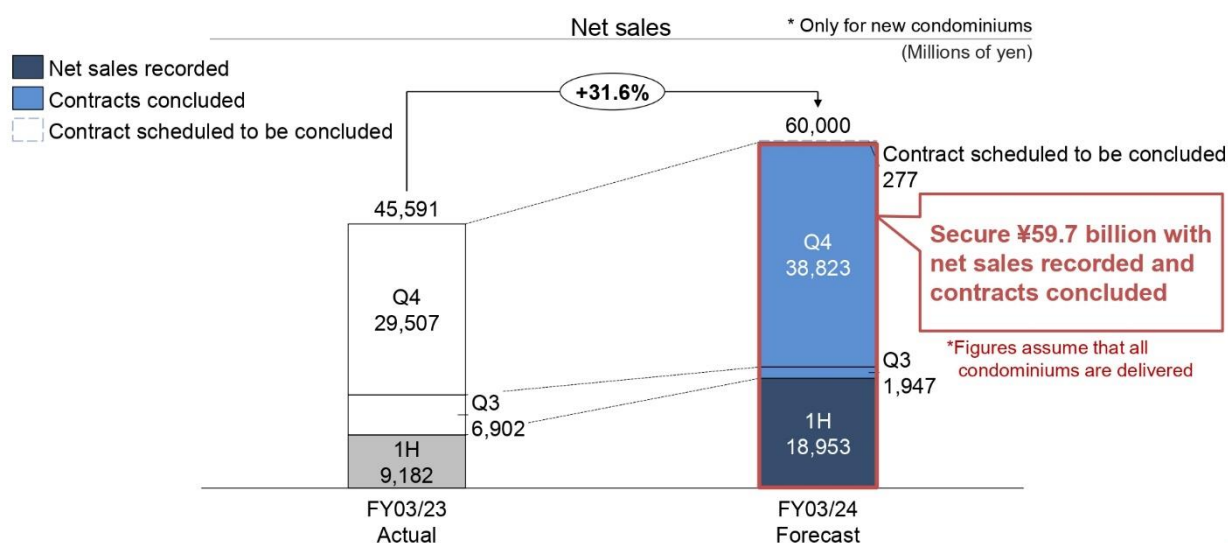
**SCRIPTS**  
Asia's Meetings, Globally



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

Purchases Supply Contracts Net Sales MEIWA 明和地所

- Full-year net sales are projected at ¥60 billion yen (up 31% YoY)



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

\*The fiscal year in which concluded contracts are recorded as net sales is determined based on the expected delivery date.

24

Next, here are the quarterly sales figures for the residential development business. In the current fiscal year, construction completion and delivery are concentrated in Q4, and of the full-year sales plan of JPY60 billion announced at the beginning of the fiscal year, JPY38.8 billion is expected to be recorded in Q4.

If all condominiums that were under contract as of the end of Q2 were delivered, net sales would be JPY59.7 billion.

### Support

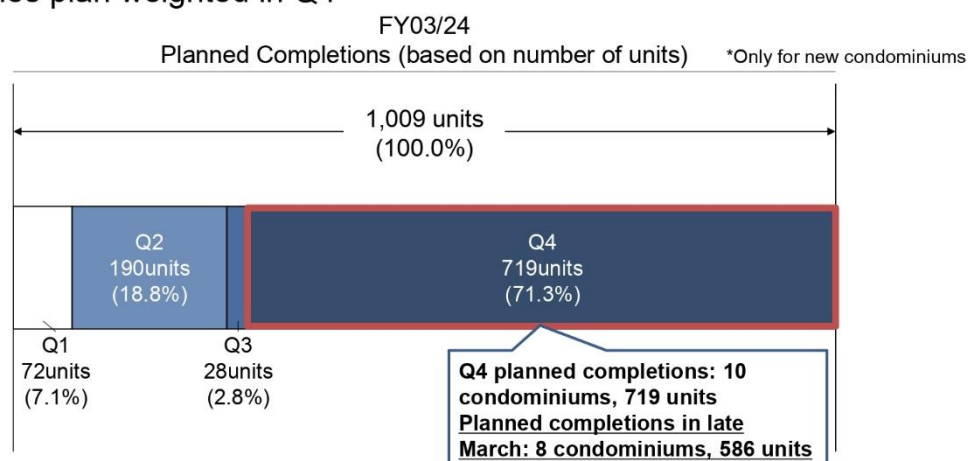
Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

SCRIPTS  
Asia's Meetings, Globally

## Residential Development Business: Completions Schedule

- Completion of condominiums concentrated in Q4 (net sales recorded at the time of delivery)
- Net sales plan weighted in Q4



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

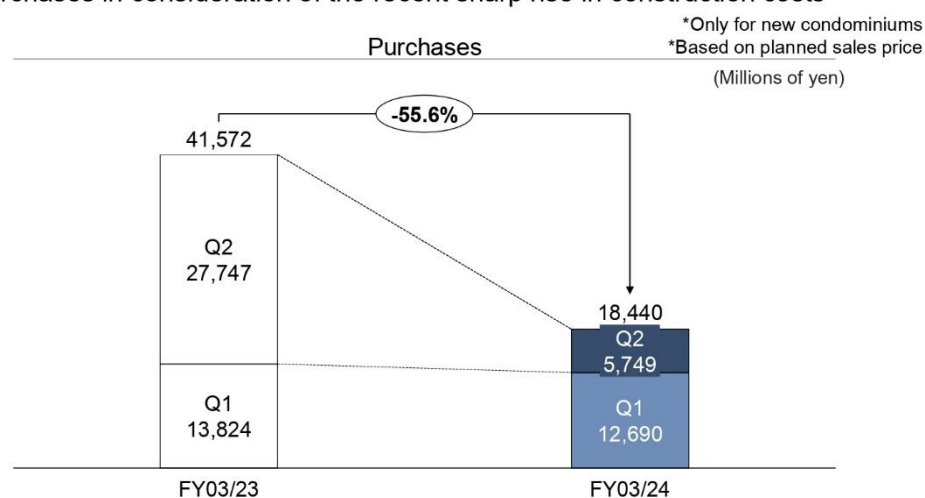
25

As you can see, construction completion schedules are concentrated in Q4 of this fiscal year, and net sales are expected to be skewed toward Q4. Of the 10 buildings with 719 units scheduled for completion in Q4, eight buildings with 586 units are scheduled for completion in late March.

## Residential Development Business: Purchases

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

- Purchases in 1H amounted to ¥18.4 billion (down 55% YoY)
- Secured properties of more than ¥160 billion worth for Q3 onward, and conducted carefully selected purchases in consideration of the recent sharp rise in construction costs



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

26

I will now discuss the purchases of the residential development business. Purchases volume decreased by 55% YoY to JPY18.4 billion. Since we have already secured more than JPY160 billion in sales materials for Q3 and beyond, we are carefully selecting our purchases, taking into account soaring construction costs and other factors.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

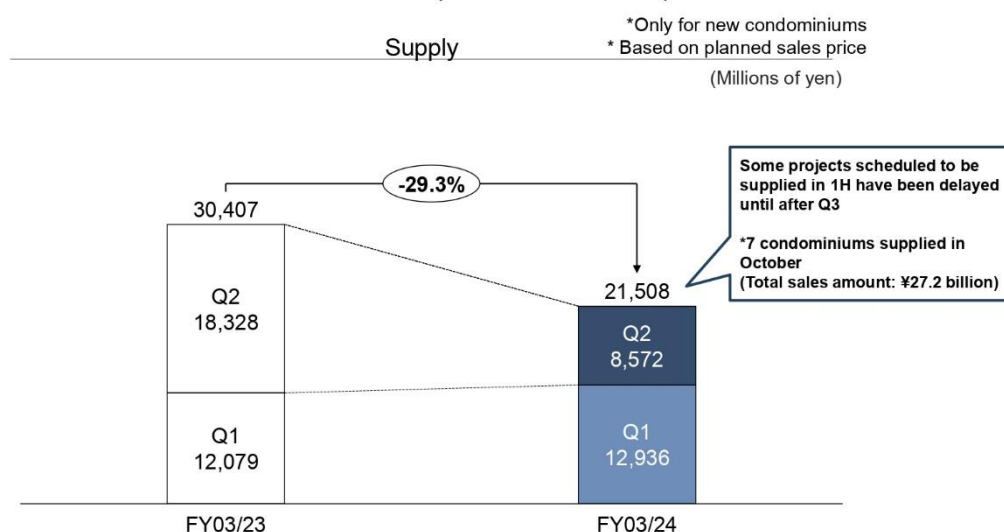
North America 1.800.674.8375  
Email Support support@scriptsasias.com

**SCRIPTS**  
Asia's Meetings, Globally

## Residential Development Business: Supply

Purchases Supply Contracts Net Sales MEIWA 明和地所

- Supply in 1H amounted to ¥21.5 billion (down 29% YoY)



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

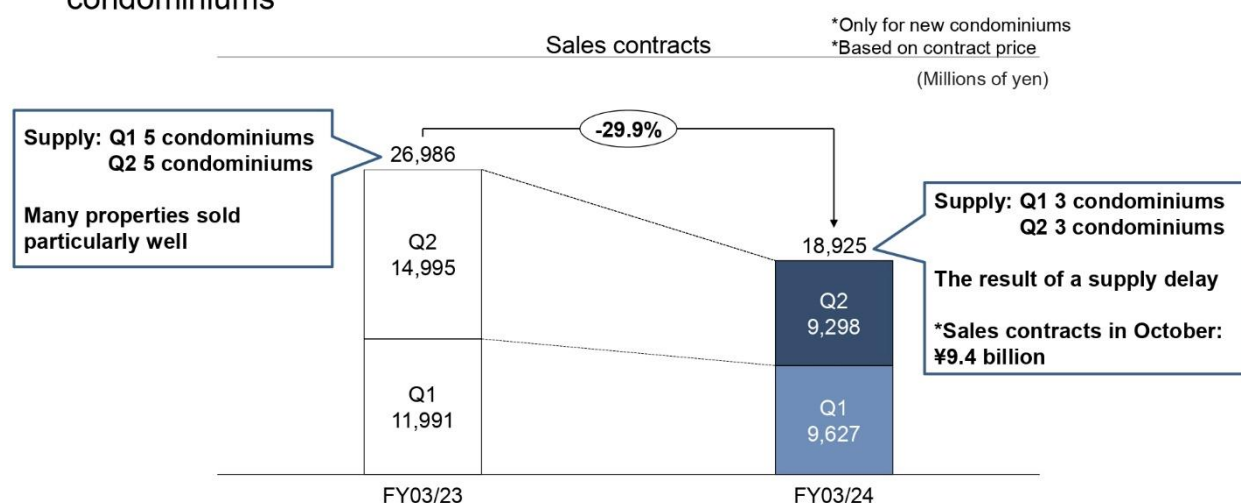
27

The supply volume for the residential development business was JPY21.5 billion, down 29% from the same period last year, as the supply schedule for some properties was postponed from H1 to Q3 or later due to the impact of soaring construction costs. In Q3, seven new condominiums with a total sales amount of JPY27.2 billion were supplied in October.

## Residential Development Business: Sales Contracts

Purchases Supply Contracts Net Sales MEIWA 明和地所

- Sales contracts in 1H amounted to ¥18.9 billion (down 29% YoY)
- Sluggish sales contracts due to a delay in the supply schedule of some condominiums



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

28

This is the sales contract volume of the residential development business. Sales contracts volume decreased by 29% YoY to JPY18.9 billion due to a shortage of materials for sale caused by delays in supply schedules. In October, seven condominiums were additionally supplied, and the sales contracts volume totaled JPY9.4 billion in a single month.

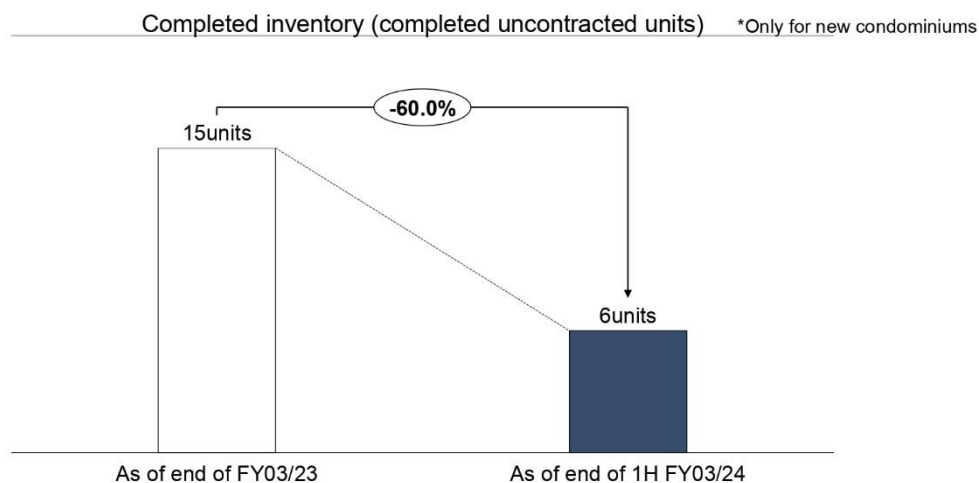
### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

**SCRIPTS**  
Asia's Meetings, Globally

- Completed inventory at the end of 1H was low at 6 units



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

29

Next is the inventory of completed projects in the Residential Development Business. The number of uncontracted and completed units in inventory as of the end of Q2 was 6 units, a significant decrease from the 15 units at the end of March 2023. This is an extremely low level.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

**SCRIPTS**  
Asia's Meetings, Globally

## Residential Development Business: Properties Supplied in Q2

MEIWA 明和地所

**CLiO** クリオ鶴見花月総持寺  
CLIO TSURUMI KAGETSU-SOJJI



Yokohama, Kanagawa  
Total number of units:54  
Sales launched in July 2023  
Scheduled to be completed in October 2024

**CLiO** クリオ札幌北4条ミッドグレイス  
CLIO SAPPORO KITA4JO MID GRACE



Sapporo, Hokkaido  
Total number of units:70  
Sales launched in July 2023  
Scheduled to be completed in March 2025

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

30

## Residential Development Business: Properties Supplied in Q2

MEIWA 明和地所

**CLiO** クリオ大野城駅前  
CLIO ONOJOEKIMAE



Onojo, Fukuoka  
Total number of units:40  
Sales launched in August 2023  
Scheduled to be completed in February 2025

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

31

Next, here is the lineup of properties that we supplied in Q2, please take a look.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

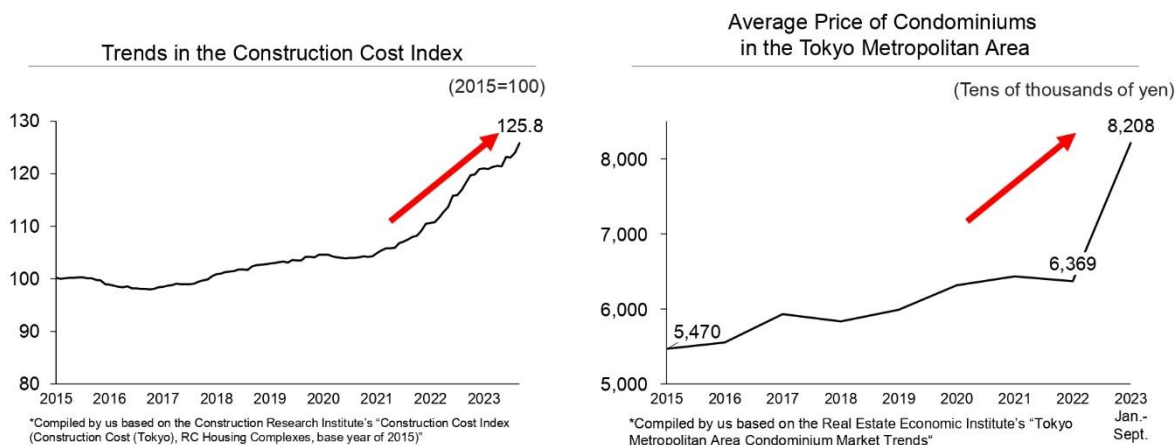
**SCRIPTS**  
Asia's Meetings, Globally



## Residential Development Business Topics: Trends in Construction Costs

Purchases Supply Sales Contracts Net Sales MEIWA 明和地所

- Construction costs continue to rise and sales price are also increasing



► We are continuing purchases by carefully selecting properties that match the increased construction costs

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

32

Following are the most recent topics of the residential development business. This section provides an overview of construction cost trends. In recent years, construction costs have continued to rise, by about 20% in 2022 and 2023, and the sales price of condominiums has increased significantly.

In order to provide products that customers can choose from despite such a difficult environment, we carefully select purchases and make products that can be commercialized even with rising construction costs.

## Residential Development Business Topics: Measures to Cope with Rising Construction Costs

Purchases Supply Contracts Net Sales MEIWA 明和地所

- Implemented Value Engineering\* (VE) as a countermeasure to rising construction costs
- As a result, the supply schedule has been delayed

### Measures to Cope with Rising Construction Costs

#### ► Implementing Value Engineering\*

- We are working with construction companies to reduce costs through value engineering
- We are developing products that are switching to low-priced materials and equipment while not compromising on the comfort of residences

\*Value Engineering is the process of understanding the "value" of a product or service in terms of the "function" it should perform and the "cost" it incurs and improving "value" through systemized procedures  
(Source: Website of Society of Japanese Value Engineering)

### New Supply in FY03/24

	FY03/24 Full-year plan	FY03/24 As of the end of Q2	Progress (%)
No. of newly supplied units	1,300 units	346 units	26.6%

- ✓ Value Engineering takes considerable time, impacting supply schedules
- ✓ Progress of new supply remained at 26% as of the end of Q2
- ✓ Supply has started smoothly since October

► We will continue to provide high-quality condominiums that are carefully designed despite the harsh construction environment

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

33

Here is a report on measures to handle rising construction costs. As a specific measure, value engineering is implemented. We have in-house design and cost estimation departments, and our dedicated staff members

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

**SCRIPTS**  
Asia's Meetings, Globally

20

work with construction companies to reduce costs and develop products that do not compromise the comfort of living while switching to low-cost materials and equipment.

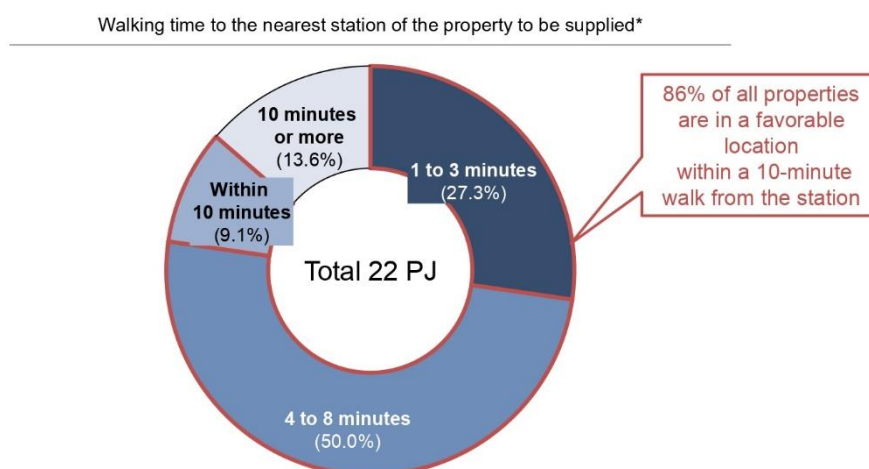
Since such value engineering takes a considerable amount of time, supply schedules are sometimes delayed, and as of the end of Q2, the progress rate of new supply was only 26% compared to the full-year plan.

Although the severe construction environment is expected to continue, we will strive to maintain value through ingenuity, reduce costs, and continue to provide safe, secure, and high-quality condominiums.

## Residential Development Business Topics: Implementation of Carefully Selected Purchases

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

### ■ Focusing on purchases near stations where asset value is unlikely to decline



\*Properties which have been purchased but not supplied as of September 2023

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

34

The next topic is purchases in the residential development business. As an example of our selective purchasing, we focus on purchasing properties near train stations, where property values are unlikely to decline. As of the end of September 2023, 86% of the purchased and unsupplied properties are within a 10-minute walk to the nearest station.

#### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

**SCRIPTS**  
Asia's Meetings, Globally



## Residential Development Business Purchases Topic 1: Real Estate M&A

Purchases Supply Sales Contracts Net Sales MEIWA 明和地所

- Conducting real estate M&A for the purpose of acquiring real estate for sales materials
- Using a variety of methods to secure sales materials amid intensifying competition

### Results of real estate M&A



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

35

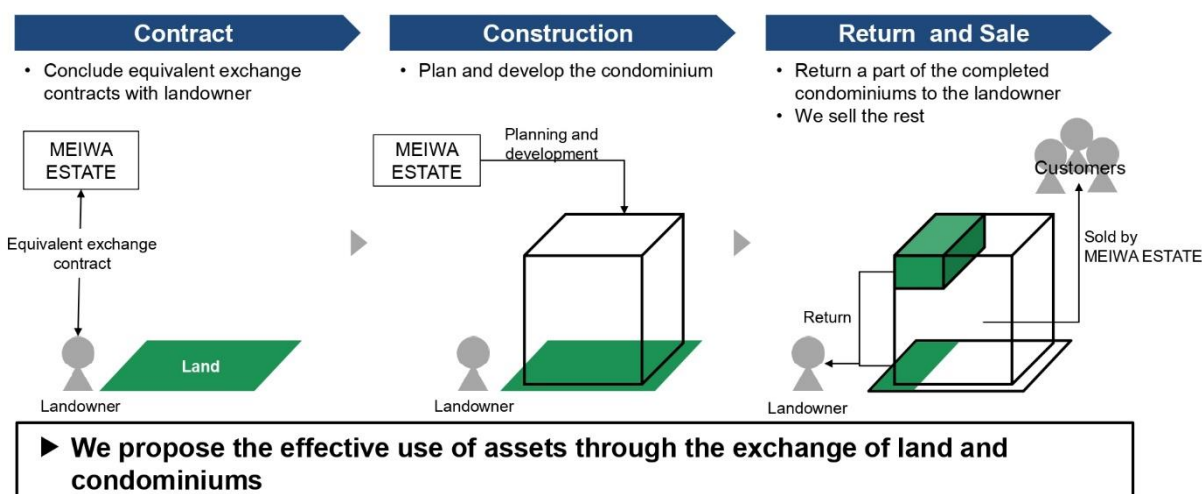
Next, we are also using real estate M&A and other methods as procurement methods. Amid intensifying competition in purchases, we are working to secure sales materials by diversifying its procurement methods. As one of the purchasing methods, we have been conducting M&A for the purpose of real estate acquisition, which has proven successful in both the residential development business and purchase and resale businesses.

## Residential Development Business Purchases Topic 2: Equivalent Exchange

Purchases Supply Contracts Net Sales MEIWA 明和地所

- Using equivalent exchange projects as a purchasing method

### Flow of Equivalent Exchange Projects



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

36

Next, in addition to M&A, we are also working on the equivalent exchange business. The general flow of the equivalent exchange business is as shown in this slide. We propose landowners to make effective use of their assets by exchanging land for condominiums.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

**SCRIPTS**  
Asia's Meetings, Globally

## Residential Development Business Purchases Topic 2: Major Results of Equivalent Exchange Operations

Purchases Supply Contracts Net Sales MEIWA 明和地所

- As described below, we have many results of equivalent exchange

### Results of Equivalent Exchange Operations (Excerpt)

#### CLIO クリオ千代田御茶ノ水 CLIO CHIYODA OCHANOMIZU



- Chiyoda, Tokyo
- 8-minute walk from Ochanomizu Station
- 37 units in total
- Completed in September 2022

#### CLIO クリオ横浜元町通り CLIO YOKOHAMA MOTOMACHI-DORI



- Yokohama, Kanagawa
- 6-minute walk from Motomachi-Chukagai Station
- 43 units in total
- Completed in October 2021

#### CLIO クリオレジデンス川崎南幸町 CLIO RESIDENCE KAWASAKI MINAMISAWAICHO



- Kawasaki, Kanagawa
- 11-minute walk from Kawasaki Station
- 95 units in total
- Scheduled for completion in February 2024

#### CLIO クリオ学芸大学ザ・クラシック CLIO GAKUGEI-DAIGAKU THE CLASSIC



- Setagaya, Tokyo
- 9-minute walk from Gakuei-daigaku Station
- 26 units in total
- Completed in August 2023

#### CLIO クリオ横浜桜木町ミッドグレイス CLIO YOKOHAMA SAKURAGICHO MID GRACE



- Yokohama, Kanagawa
- 7-minute walk from Sakuragicho Station
- 42 units in total
- Scheduled for completion in March 2024

#### CLIO クリオ川口幸町 CLIO KAWAGUCHI SAIWAICHO



- Kawaguchi, Saitama
- 10-minute walk from Kawaguchi Station
- 39 units in total
- Completed in March 2023

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

37

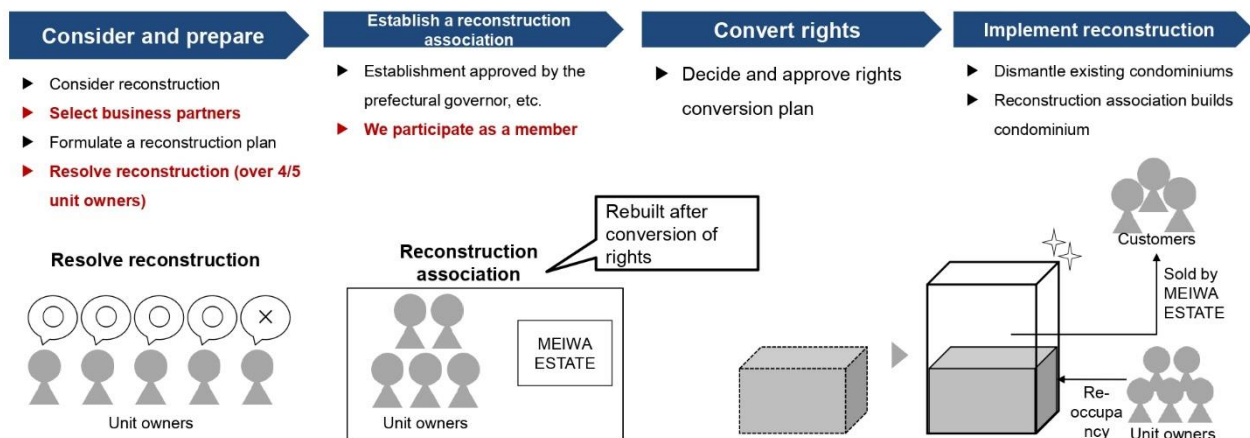
The main results of the equivalent exchange business are shown on this slide.

## Residential Development Business Purchases Topic 3: Redevelopment and Reconstruction Projects

Purchases Supply Contracts Net Sales MEIWA 明和地所

- Redevelopment and Reconstruction Department established in April 2023
- Focusing on the reconstruction of existing condominiums

### Example: Reconstruction Business Flow



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

38

Next, here is a description of the redevelopment and reconstruction business. In April 2023, we established a new redevelopment and reconstruction business department to focus on the reconstruction of existing condominiums. The slide shows an example of the flow of a reconstruction project.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

**SCRIPTS**  
Asia's Meetings, Globally

- Selected as a business partner for the reconstruction of a condominium in Shibuya, Tokyo
- Our first reconstruction business based on the Condominium Reconstruction Law

### Our Efforts in the Redevelopment and Reconstruction Business

Promote condominium reconstruction and urban redevelopment projects based on experience and know-how accumulated as a developer in the Residential Development Business.

**Selected as a business partner in a condominium reconstruction project in Shibuya, Tokyo,** utilizing the Act on Facilitation of Reconstruction of Condominium, etc. (Condominium Reconstruction Act). Furthermore, discussions are ongoing with several management associations for the realization of reconstruction projects and land sales projects.

For redevelopment projects, we are working to identify projects targeting urban areas and are accumulating consultation for commercialization.

- ▶ **Potential projects are in progress**
- ▶ **Actively working to achieve medium - to long-term growth and resolve social issues**

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

39

Next, I would like to introduce one of our projects. We are promoting redevelopment projects and reconstruction projects based on the experience and expertise we developed through the residential development business. We were selected as a business partner in a condominium reconstruction project in Shibuya, Tokyo. This is the first time we have embarked on a rebuilding project that leverages the Condominium Reconstruction Law.

Regarding the city redevelopment efforts, our company is currently undergoing the process of identifying projects in the central Tokyo area and conducted multiple discussions aiming to commercialize some upcoming projects. We will continue to be proactive in our efforts to achieve medium- to long-term growth and solve social issues.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

**SCRIPTS**  
Asia's Meetings, Globally

- **Purchase and Resale Business** continued to grow at a CAGR of 41%
  - **Net sales: ¥3.6 billion**
- **Brokerage Business** continued to grow at a CAGR of 20%
  - **Net sales: ¥465 million**
- **In the Wealth Solution Business** for high net worth (HNW) individuals, the sale of two rental properties was completed in Q1

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

41

Next, I would like to discuss the real estate agency business. The real estate agency business is positioned as a priority business to be strengthened. As you can see, there has been continued growth in both purchase and resale and brokerage.

## Real Estate Agency Business Results 1H FY03/24

- Strong performance in Purchase and Resale Business and Brokerage led to increased net sales and profits YoY

(Millions of yen)

	1H FY03/23 Actual	1H FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	5,009	6,959	1,950	38.9%
Intersegment sales and transfers	-	-	-	-
Total	5,009	6,959	1,950	38.9%
Segment profit	266	347	81	30.5%

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

42

Here are the results of the real estate agency business. In 1H, both net sales and profit increased YoY.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

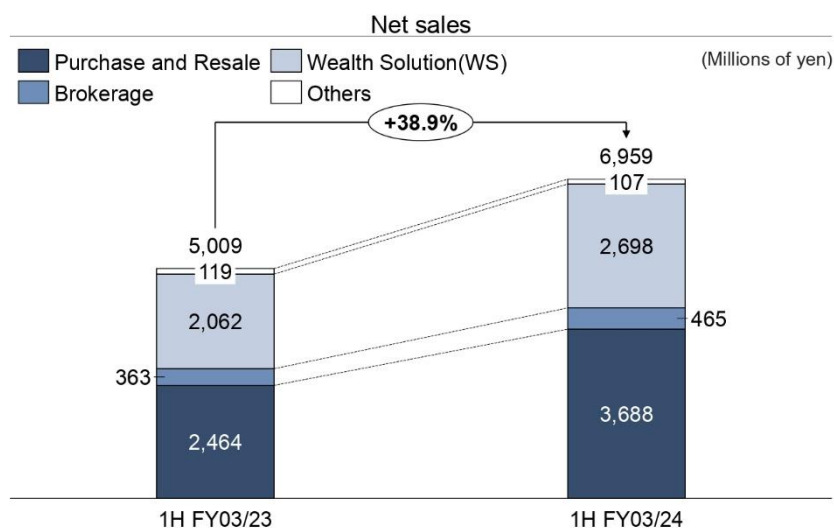
North America 1.800.674.8375  
Email Support support@scriptasia.com



## Real Estate Agency Business: Net Sales

MEIWA 明和地所

- Net sales in 1H were ¥6.9 billion



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

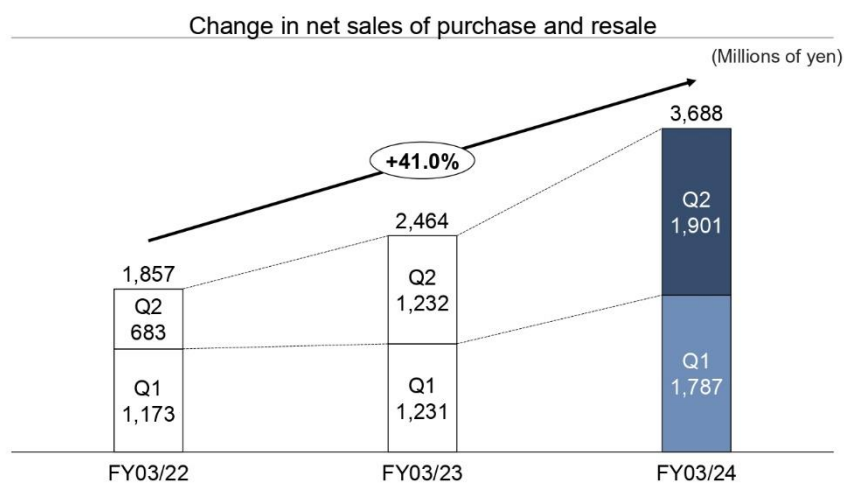
43

Next, sales in the real estate agency business increased 38% YoY to JPY6.9 billion, thanks to strong sales in both purchase and resale and sales brokerage.

## Real Estate Agency Business: Purchase and Resale

MEIWA 明和地所

- Net sales in 1H increased to ¥3.6 billion at a CAGR of 41%



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

\*CAGR: Compound Annual Growth Rate

44

This is about the purchase and resale business. The purchase and resale of existing condominiums continue to grow at an average annual rate of 41% with sales of JPY3.6 billion.

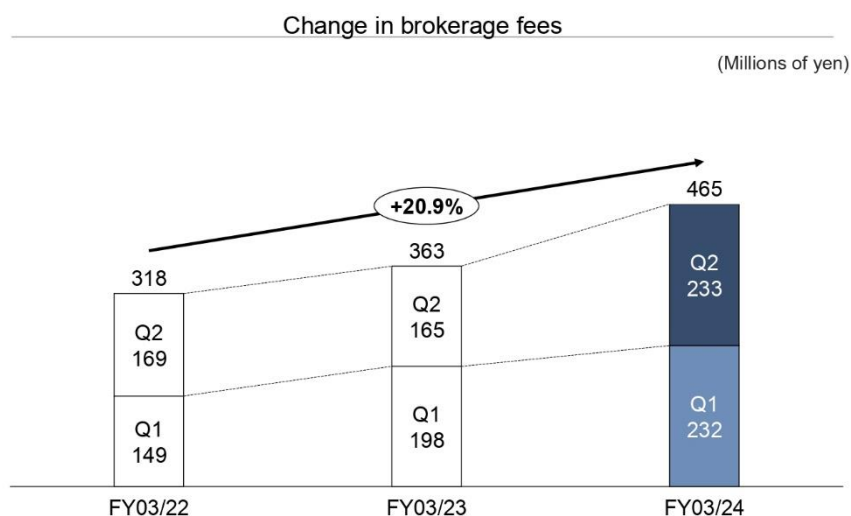
### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

**SCRIPTS**  
Asia's Meetings, Globally

- Net sales in 1H increased to ¥465 million at a CAGR of 20%



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

45

Next, we will discuss sales brokerage. As for sales brokerage, net sales were JPY465 million, growing at an average annual rate of 20%.

- Completed settlement and delivery of two properties in Q1



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

46

This is the wealth solutions business. In the wealth solutions business for high-net-worth individuals, we completed the sale of two rental properties, for sale per building, in Q1. We leveraged our expertise developed in creating the CLIO brand to design these aesthetically pleasing, high-quality rental apartment properties, which matched the needs of customers.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

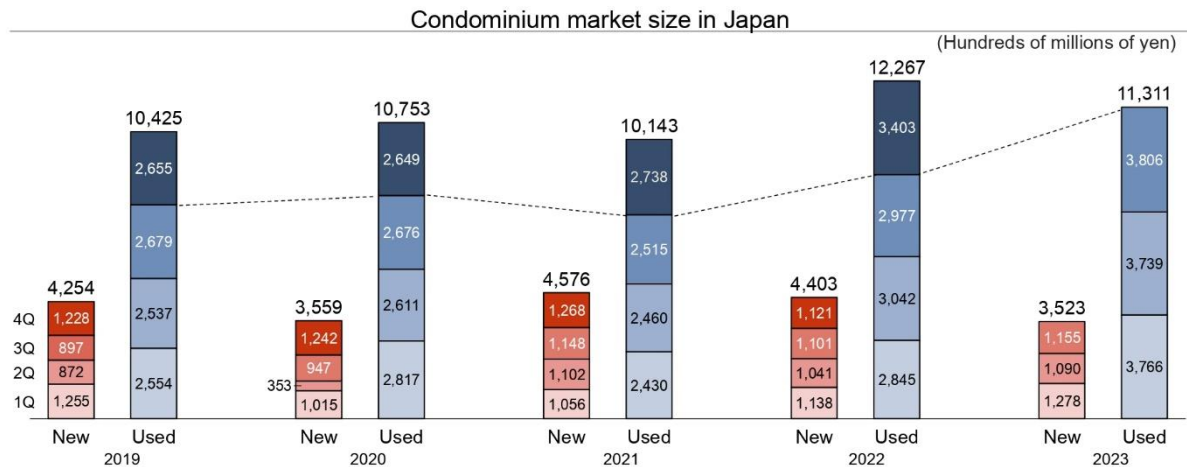
North America 1.800.674.8375  
Email Support support@scriptasia.com



## Real Estate Agency Business Topics: Expanding Used Condominium Market

MEIWA 明和地所

- Although the size of newly built condominiums in the condominium market remains flat, the size of used condominiums is steadily expanding.



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

Source: Compiled by us based on "Market Trends of New and Used Condominiums (Nationwide) November 1, 2023" by Tokyo Kantai

47

Next, I would like to discuss topics in the real estate agency business. The following is a report on the used condominium market. This graph shows the market size of new and existing condominiums as a percentage of the condominium market. While the size of the new condominium market has remained mostly flat, the size of the used condominium market continues to grow steadily.

The graph on the far right shows that, as of the end of September 2023, the size of the used condominium market is close to last year's level, and we expect the figures to increase considerably for the full year.

### Support

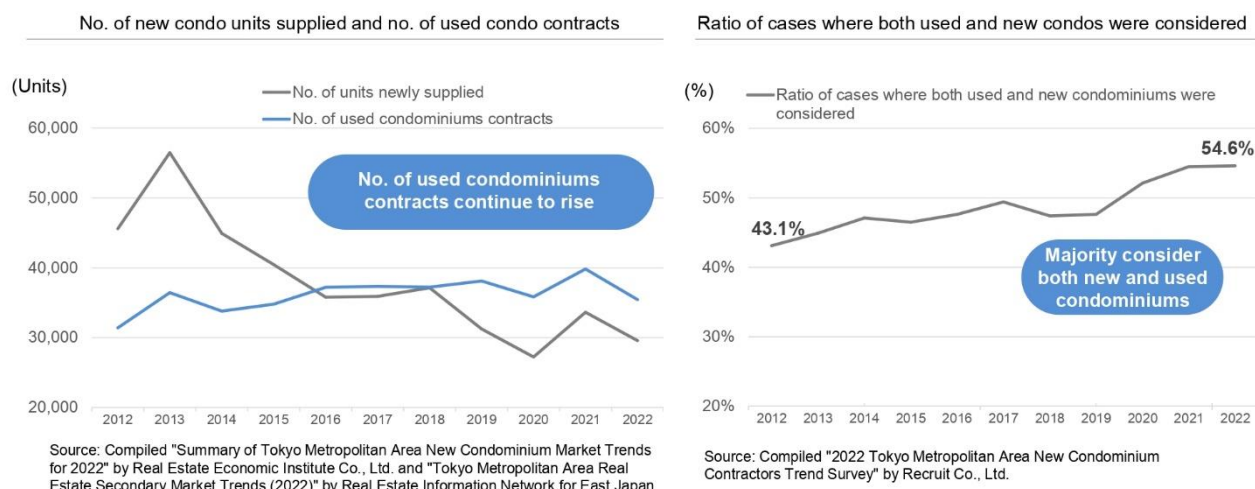
Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

**SCRIPTS**  
Asia's Meetings, Globally



- An increasing proportion of customers consider both new and used condominiums
- This provides a tailwind for us as it can offer both



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

48

Continuing on, here is a report on the used condominium market environment. As shown in the graph on the left, while the supply of new condominium units in the black line is decreasing year by year, the number of contracts for existing condominiums in the blue line continues to rise.

In addition, as shown in the graph on the right, the percentage of respondents who consider both new and used condominiums at the same time when purchasing a condominium has been increasing, reaching a level of over 50%.

We believe that these changes in the environment of the used condominium market will be a tailwind for our company, which can offer both new and used condominiums. We will continue to focus on capturing the used condominium market through the real estate agency business to make it a pillar of our business along with the residential development business.

## Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

**SCRIPTS**  
Asia's Meetings, Globally

- Achieved high customer satisfaction
- Significant increase in switchovers of condominiums managed by other companies (2.9 times more YoY)
- Number of units under management as of the end of Q2: 47,426
- Net sales maintained steady growth

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

50

Next, I would like to discuss the condominium management business. As for the condominium management business, we strive to provide high-quality services to our customers. The high customer satisfaction enabled us to take over a significant number of condominium management from other companies.

## Condominium Management Business Results 1H FY03/24

- Net sales and profit increased as switchovers of condominiums managed by other companies progressed strong

(Millions of yen)

	1H FY03/23 Actual	1H FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	2,639	2,802	163	6.2%
Intersegment sales and transfers	22	18	-3	-15.1%
Total	2,662	2,821	159	6.0%
Segment profit	154	187	32	21.3%

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

51

Here are the results of the condominium management business. In 1H, both sales and income increased YoY.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

- Meiwa Jisyo Community Co., Ltd. achieved high levels of customer satisfaction



Highly rated in the Oricon Customer Satisfaction Ranking



Won the SUUMO AWARD 2022 Excellence Award

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

52

Here is a report on customer satisfaction and other factors in the condominium management business. Meiwa Jisyo Community, a condominium management company, is committed to providing services that meet the needs of our customers. In a third-party customer satisfaction survey, we continued to receive high customer satisfaction ratings, and received an award of excellence in the Suumo Award 2022, as well as a high evaluation in the Oricon Customer Satisfaction Ranking in 2023.

## Condominium Management Business: Customer Satisfaction

- The Company was highly evaluated continuously in Oricon Customer Satisfaction Ranking 2023 “Tokyo Metropolitan Area Condominium Management Company”

Management company staff satisfaction ranking

Rank	Company Name	Score
1	Mitsui Fudosan Residential Service	72.2
2	<b>Meiwa Jisyo Community</b>	<b>72.0</b>
3	Nomura Real Estate Partners	71.8

Small-scale\* satisfaction ranking

Rank	Company Name	Score
1	Mitsui Fudosan Residential Service	71.9
2	Tokyo Tatemono Amenity Support	71.6
3	<b>Meiwa Jisyo Community</b>	<b>71.3</b>
4	Nomura Real Estate Partners	71.0
5	ITOCHU Urban Community	70.8

\*"Small-scale" refers to apartments of less than 100 households in which the respondents live. Respondents are those who live in or own such apartments.

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

Source: Compiled by the Company based on Oricon Customer Satisfaction Ranking 2023 "Tokyo Metropolitan Area Condominium Management Company"

53

Next, in the Oricon Customer Satisfaction Ranking of condominium management companies in the Tokyo metropolitan area, we were ranked second in the category of management company staff and third in the category of small-scale condominiums with less than 100 units, receiving high marks that are close to the top.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

**SCRIPTS**  
Asia's Meetings, Globally

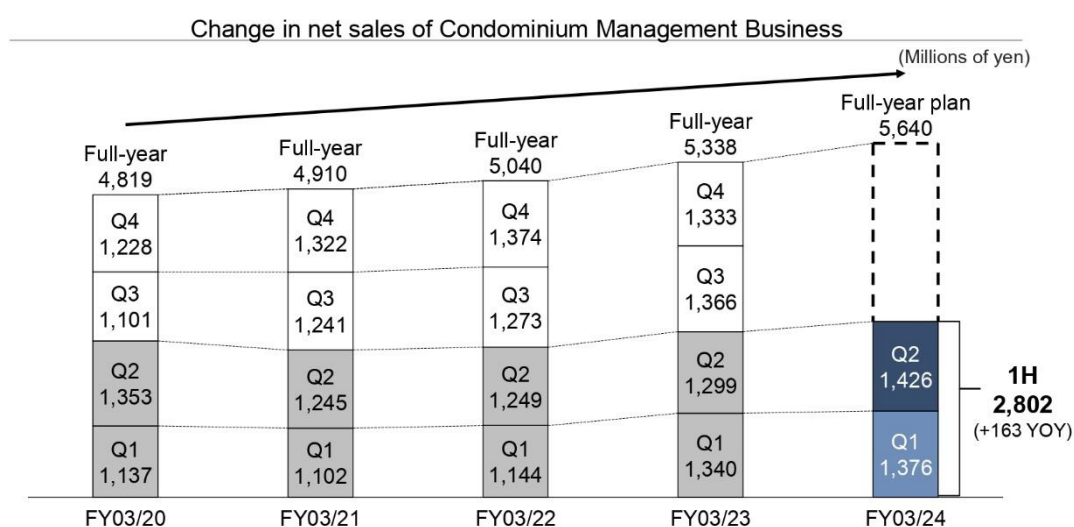
In the ranking of the management company staff category on the left, we are in second place, 0.2 points behind the rank 1 company, MITSUI FUDOSAN RESIDENTIAL SERVICE. In the ranking of the small-scale category with less than 100 units on the right side, we are in third place, 0.6 points behind the first-place winner, also MITSUI FUDOSAN RESIDENTIAL SERVICE.

We will continue to provide high-quality services that meet the needs of our customers and strive to receive better evaluations.

## Condominium Management Business: Net Sales

MEIWA 明和地所

### ■ Net sales in 1H were ¥2.8 billion



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

54

Here are the net sales for the condominium management business. Net sales for 1H in the condominium management business increased by JPY100 million from the same period of the previous year to JPY2.8 billion. We are making steady progress toward our full-year plan of JPY5.6 billion.

### Support

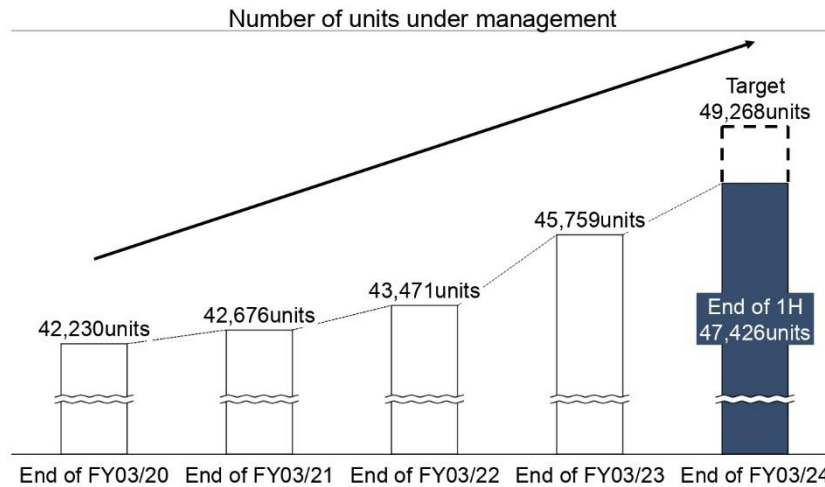
Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

 **SCRIPTS**  
Asia's Meetings, Globally

## Condominium Management Business: No. of Units Under Management 明和地所

- Number of units under management increased to 47,426 units as of the end of 1H



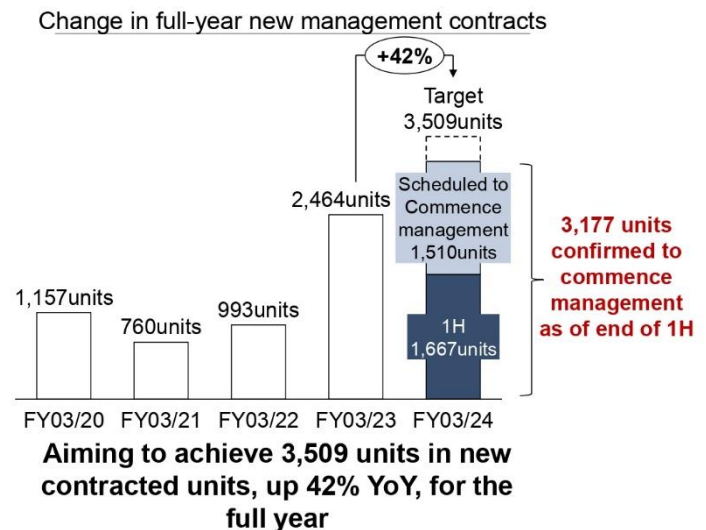
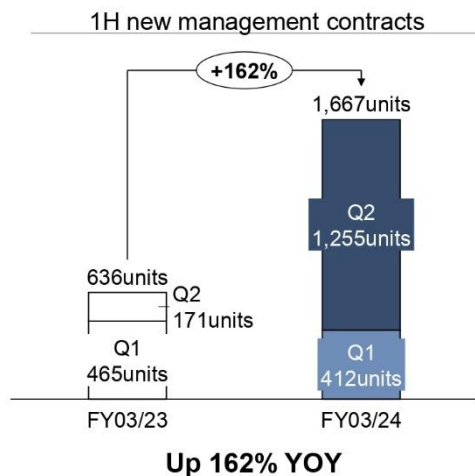
Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

55

Next, I would like to discuss the number of condominium units under management. The number of condominium units under management has been steadily increasing, reaching 47,426 units at the end of Q2. By the end of March 2024, we plan to build up to our target of 49,268 units.

## Condominium Management Business: New Management Contracts (1) 明和地所

- The number of new management contracts increased



Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

\*Based on start of management

56

This is the status of new management contracts. The number of units under new management contracts increased significantly by 162% YoY to 1,667 units in 1H. For the full year, we target 3,509 new units under contract.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

 **SCRIPTS**  
Asia's Meetings, Globally

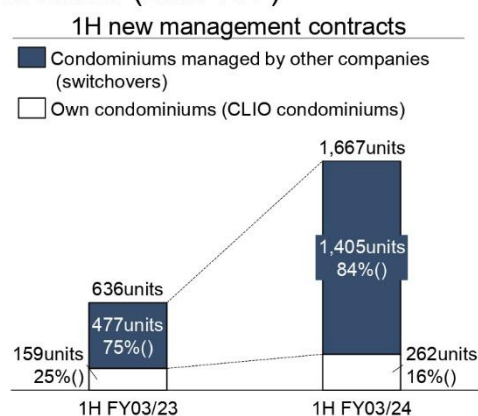
33



As of the end of Q2, 3,177 units were confirmed to commence management, making steady progress toward the target.

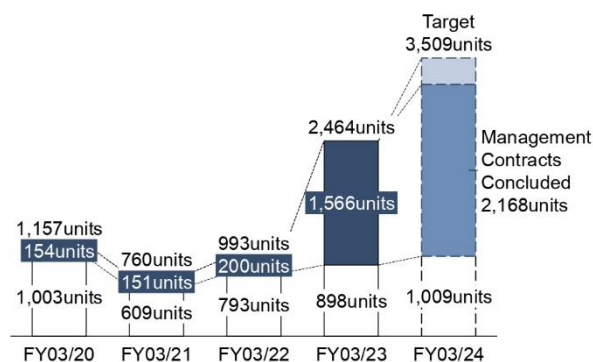
## Condominium Management Business: New Management Contracts (2) 明和地所

- Number of condominiums switching from other management companies increased (2.9x YoY)



**Number of units switched from other management companies increased from 477 units to 1,405 units (2.9x YoY)**

Change in full-year new management contracts



**Expect switchovers from other management companies to account for 70% of new contract units for the full year**

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

\*Based on start of management

57

This is the ratio of our own condominiums to other companies' condominiums under management. The number of new units under management consists of contracts for CLIO condominiums and contracts for the switchover of condominium management from other companies.

The number of units contracted for switchover in 1H increased 2.9 times from 477 units in the same period of the previous year to 1,405 units. For the full year, 70% of the target will be achieved. This is the end of my explanation.

**Harada:** Hello, this is Harada, I will now discuss the progress of the Five-Year Strategy announced in February 2022.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

 **SCRIPTS**  
Asia's Meetings, Globally

■ **Progress on schedule**

- Residential Development Business has secured contracts exceeding the net sales target for FY03/24
- Residential Development Business has secured properties up to the target of net sales for FY03/25
- Purchase and Resale in the Real Estate Agency Business has **secured properties that currently exceed the sales target for FY03/24**
- In Condominium Management Business, switchovers of condominiums managed by other companies made good progress and **number of units under management exceeded its target as of the end FY03/24**

\*Figures for the progress of Five-Year Strategy are as of the end of September 2023

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

59

I would like to discuss the progress of the Five-Year Strategy. As of September 30, 2023, the Company is making progress as planned, including in the residential development business.

Regarding the residential development business, for the fiscal year ending March 2024, we secured a number of contracts that exceeded net sales targets. In the real estate agency business, in purchase and resale, we have been able to secure sales materials that exceed our net sales target for the fiscal year ending March 2024. In the condominium management business, the takeover of condominium management contracts from other companies has been strong, and the number of units under management is progressing ahead of the target for the end of the fiscal year ending March 2024.

**Support**

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com

 **SCRIPTS**  
Asia's Meetings, Globally



## Progress of Five-Year Strategy

- Five-Year Strategy Targets are as follows.

(Billions of yen)

	FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
<b>Net sales</b>	<b>59.0</b>	<b>74.0</b>	<b>84.0</b>	<b>90.0</b>	<b>100.0</b>
Residential Development Business	45.0	55.0	60.0	63.0	66.0
Real Estate Agency Business	8.0	10.0	12.0	15.0	18.0
Wealth Solution Business	1.2	4.0	6.0	7.0	10.0
Condominium Management Business	5.2	5.3	5.5	5.6	5.8
<b>Ordinary profit</b>	<b>3.7</b>	<b>4.2</b>	<b>4.8</b>	<b>5.5</b>	<b>6.0</b>
<b>Profit attributable to owners of parent</b>	<b>2.6</b>	<b>2.9</b>	<b>3.3</b>	<b>3.8</b>	<b>4.1</b>

Plan achieved

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

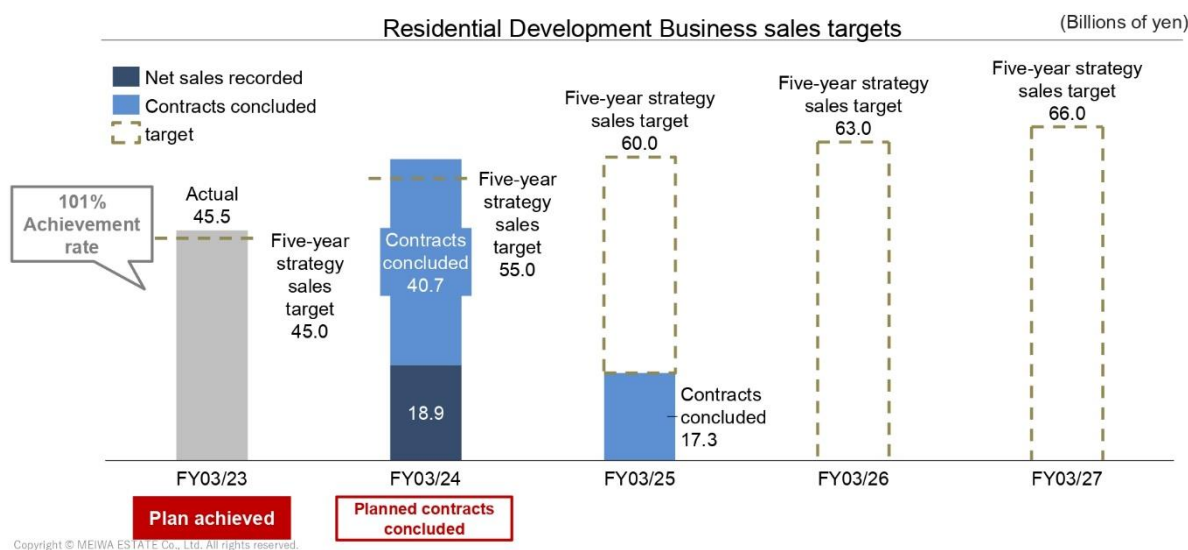
60

The slide of the target figures of the Five-Year Strategy is as shown. Although we have been moving forward with our plans, we are cautiously optimistic about the future, as we have been affected by soaring construction costs and other factors since Q2.

Next, I will discuss the progress of the Five-Year Strategy.

## Residential Development Business: Progress Against Sales Targets

- For FY03/24, we have secured contracts that exceed the sales targets of the Five-year strategy
- Progress for FY03/25 amounts to only about 30% of the sales target of the Five-year strategy



61

In the residential development business, we secured contracts concluded exceeding the net sales target of the Five-Year Strategy for the fiscal year ending March 2024, but progress in the fiscal year ending March 2025

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

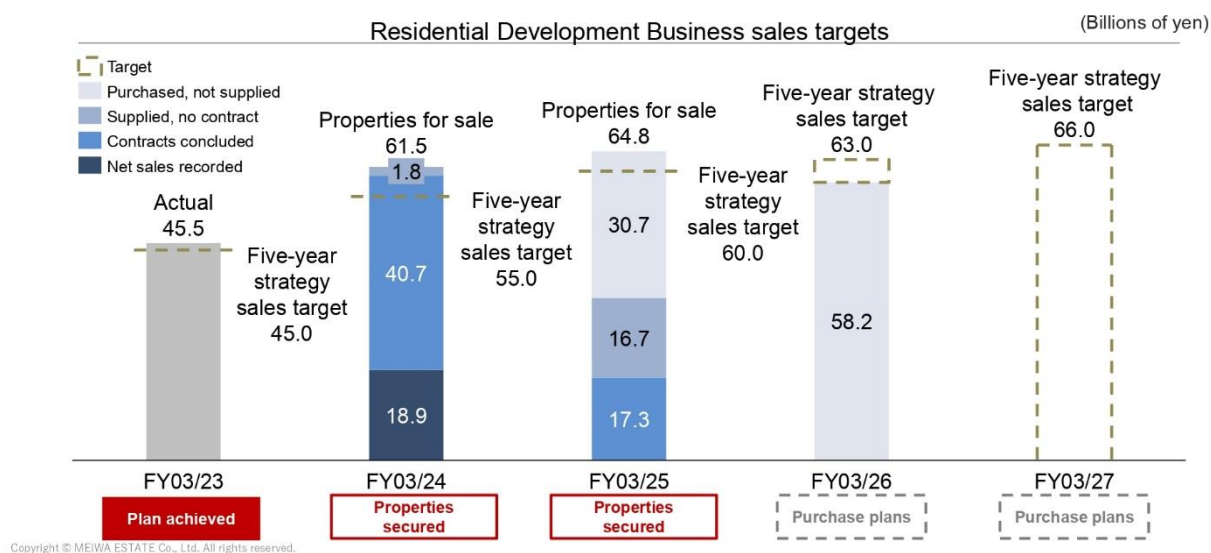
North America 1.800.674.8375  
Email Support support@scriptasia.com

**SCRIPTS**  
Asia's Meetings, Globally

is only about 30% of the Five-Year Strategy net sales target due to the delayed supply schedule and other factors.

## Residential Development Business: Progress Against Sales Targets MEIWA 明和地所

- Properties for sale secured sufficient through FY03/25
- Carefully select purchases for FY03/26 onward



Next, I would like to discuss the progress of purchases. Through the fiscal year ending March 2025, we have secured sales materials that exceed the net sales targets of the Five-Year Strategy. We will continue to carefully select and purchase materials to secure sales materials for the fiscal year ending March 2026 and beyond. The timing of recording sales of purchased, unsupplied properties is allocated based on the business plan at the time the properties were purchased.

There are JPY30.7 billion yet-to-be-supplied sales materials in the fiscal year ending March 2025 and JPY58.2 billion in the fiscal year ending March 2026; however, due to soaring construction costs and the impact of Work Style Reform in the construction industry, construction schedules are still being negotiated and the timing of net sales booking is yet to be determined for some items.

I will skip pages 63 and 64 as they are similar in content.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

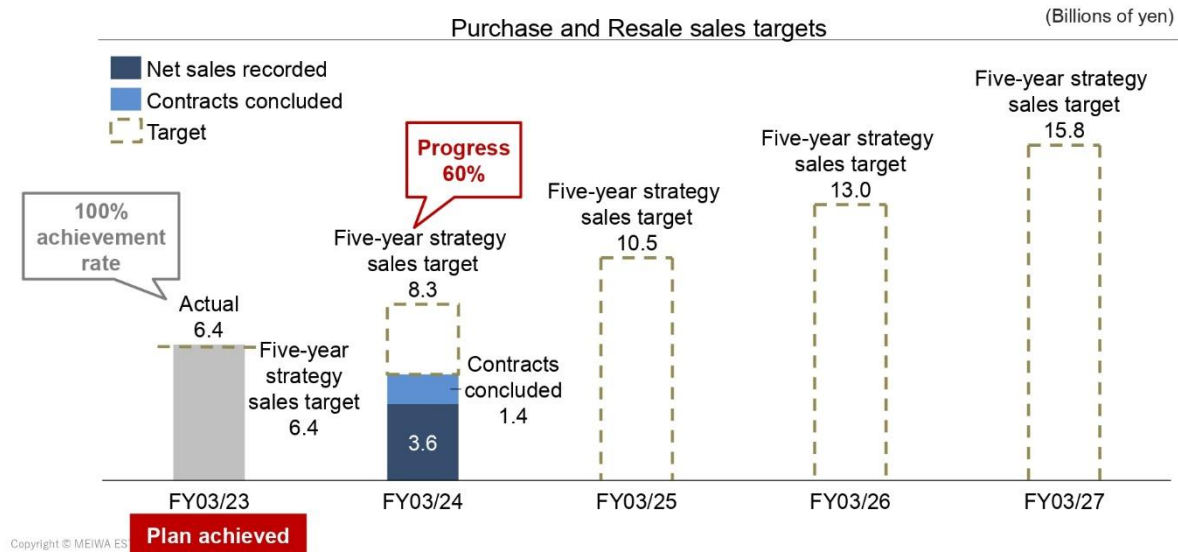
North America 1.800.674.8375  
Email Support support@scriptsasia.com



## Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

MEIWA 明和地所

- Sales of properties to be recorded as sales in FY03/24 are progressing smoothly



65

Next, I will discuss the purchase and resale business of the real estate agency business. For the fiscal year ending March 2024, JPY3.6 billion in net sales had been booked and JPY1.4 billion in contracts had been concluded as of the end of Q2 against the Five-Year Strategy net sales target of JPY8.3 billion. The progress rate is 60% and progressing well.



## Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

MEIWA 明和地所

- We have secured sufficient properties for FY03/24, and supply from the following fiscal year is possible



66

Next, , purchase and resale in the real estate agency business, and progress against sales targets. Sales material for purchase and resale for the fiscal year ending March 2024 is sufficient, amounting to JPY17 billion as of the end of Q2.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com

**SCRIPTS**  
Asia's Meetings, Globally

As for sales materials in preparation for sale or under lease, we will continue to secure sales materials to achieve our targets for the fiscal year ending March 2025 and beyond, as we are able to supply them in the following fiscal years and beyond.

Pages 67 and 68 are similar and will be omitted.

## Real Estate Agency Business, Brokerage: Progress Against Sales Targets

MEIWA 明和地所

- Net sales in FY03/24 are progressing steadily

(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
	Brokerage	0.6	0.7	0.8	0.9	1.1
	No. of stores	11	13	15	15	15
Progress	Net sales recorded	0.8	0.4	-	-	-
	Progress against full-year target	137%	66%	-	-	-
	No. of stores	11	11	-	-	-

**Plan achieved**

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

69

Next, I would like to discuss the progress of brokerage in the real estate agency business against sales targets. With regard to brokerage, sales for 1H of the fiscal year amounted to JPY460 million, against the Five-Year Strategy net sales target of JPY700 million for the fiscal year ending March 2024. Progress is steady at 66%.

## Condominium Management Business: Progress Against Sales Targets

MEIWA 明和地所

- Net sales in FY03/24 are progressing as planned
- Strong switchover of condominiums from other property management companies and number of units under management is already ahead of schedule

(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 recorded	5.3	2.8	-	-	-
	Achievement rate	102%	53%	-	-	-
	No. of units under Management (end of period)	45,759	47,426	-	-	-
	No. of units scheduled to commence management	-	1,510	-	-	-
	Achievement rate	101%	104%	-	-	-

**Plan achieved**

Copyright © MEIWA ESTATE Co., Ltd. All rights reserved.

70

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptasia.com

**SCRIPTS**  
Asia's Meetings, Globally

Next, we will discuss the condominium management business. For the fiscal year ending March 2024, the Company achieved JPY2.8 billion in net sales for 1H of the fiscal year, compared to the JPY5.3 billion net sales target of the Five-Year Strategy. Progress is on track at 53%. In addition, the takeover of condominium management contracts from other companies has been strong, and the number of units under management has already exceeded the plan.

Market conditions in the residential development business are subject to favorable and unfavorable fluctuations. As I noted, the conditions are becoming more difficult due to soaring construction costs and the impact of "Work Style Reform" in the construction industry; however, we will continue to carry on our business by adapting to the new environment. On the other hand, we believe that the existing condominium market is booming, and through our real estate agency business, we aim to capture the existing condominium market and achieve further growth.

This concludes the report on the financial results for Q2 of the fiscal year ending March 2024. Thank you very much for your kind attention.

---

**Support**

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support [support@scriptsasia.com](mailto:support@scriptsasia.com)





## Question & Answer

---

**Moderator [M]:** Thank you for your presentation. Now we would like to move on to the question-and-answer session. When you ask a question, please state your company name and your name first before you proceed to your question.

If you are participating via live streaming, please write your question in the comment box on the viewing screen and send it to us.

Now, we would like to take questions from the audience. If you have any questions, please raise your hand and let us know.

**Participant [Q]:** What are your thoughts on future interest rate trends and their impact on the real estate market? Please answer this question.

**Harada [A]:** I would like to discuss the future trend of interest rates. In general, we believe that at some point in the future, negative interest rates will be lifted, although we have been told that next spring is promising for change.

However, I think it will be difficult to raise interest rates significantly like in the U.S., and I do not expect a further rise to that extent, and think that the increase will be limited to a certain extent. Although there will naturally be an impact on the real estate market, we believe that it will be limited to a certain extent.

However, I feel that we need to consider and take various measures to prevent this increase.

**Moderator [M]:** Thank you very much. Are there any questions? Thank you. We will bring a microphone. Please wait a moment.

**Participant [Q]:** Thank you for the presentation. Two things. Regarding the countermeasure for rising construction costs, I would like to know if there are any other measures besides the value engineering that helped secure gross profits.

**Kakizaki [A]:** This is Kakizaki, and I will answer your question. First of all, we believe that value engineering is still effective in the first place, even though there are other ways to secure gross profit besides value engineering.

One of the features of our value engineering is that, because we also have a cost estimating department, rather than leaving value engineering to the construction company, we have the capacity to pursue the solutions together with the construction company. This is a big difference between us and other companies, and we believe it contributes to securing gross profit.

**Participant [Q]:** The other question is about Work Style Reform in the construction industry, how much will the construction period increase from what it used to be? Could you share, if possible? I think that with the Work Style Reform in the construction industry, building construction companies are now required to offer weekend time off to their employees. I assume a construction of condominiums usually takes up to a year and a half or two years to be completed. I would like to know how much longer it will take to complete construction due to the Work Style Reform.

---

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasias.com



**Kakizaki [A]:** With regard to the question, you just asked about the Work Style Reform. Depending on the information we have at the moment, various construction companies are still making adjustments in various ways, and it has not yet been decided exactly how many months the construction period will be extended.

It is only natural for us to sustain the promised construction schedule, and I think we are now at the stage where we are cooperating where we can to shorten the overall construction period.

**Participant [M]:** Thank you very much.

**Moderator [M]:** Thank you very much. Does anyone have any further questions? Now, we welcome questions from those watching the live webcast. Well, it looks like we have one question came in.

**Participant [Q]:** I see that you are promoting English disclosure, but has it had any concrete effect?

**Shimazu [A]:** This is Shimazu, I would like to take this question. Since the last fiscal year, we have been promoting disclosure in English to boost our IR activities. Although it remains to be verified whether it was the precise reason, but I can share that the ratio of holdings by foreign corporations went up from above 2% range at the end of March 2023 to less than 10% at the end of September. We believe that the disclosure of information in English, which we have been working on since last year, is gradually showing better results. That is all.

**Moderator [M]:** Thank you very much. There is still some time before the end of the meeting. If there are no more questions, we would like to conclude the question-and-answer session. For further inquiries, please contact our IR department.

This concludes the Q2 financial results briefing for the fiscal year ending March 2023 for Strike Co., Ltd. Thank you very much for your participation.

[END]

---

### **Document Notes**

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

---

### **Support**

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support support@scriptsasia.com



## Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2023 SCRIPTS Asia Inc. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

---

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

North America 1.800.674.8375  
Email Support [support@scriptsasia.com](mailto:support@scriptsasia.com)

