



MEIWA ESTATE Co., Ltd. (8869)

Financial Results for 1H FY03/25



November 11, 2024

- In 1H FY03/25, **net sales and profits increased YoY**
 - Net sales: up 15.9% YoY Operating profit: up 56.9% YoY Ordinary profit: up 82.0% YoY
Net profit: up 48.0% YoY
- No change in full-year forecast of financial results and dividends for FY03/25
 - **Dividends of ¥40 per share are planned**
- **All businesses are making steady progress** toward the achievement of the Strategy 2027
 - In the Residential Development Business, sales contracts amounted to 91% of the full-year net sales target as of the end of 1H
 - The Residential Development Business has **secured the target amount of sales materials for the period of the Strategy 2027 (until FY03/27)** while carrying out carefully selected purchases
 - Purchase and Resale in the Real Estate Agency Business has **secured sales materials that exceed net sales target for FY03/25**
- Wealth Solutions in the Real Estate Agency Business is **making good progress in securing sales materials for the period of the Strategy 2027**

- Consolidated Financial Statements 1H FY03/25
- Residential Development Business
- Real Estate Agency Business
- Condominium Management Business
- Progress of the Strategy 2027
- Fact Sheet



Consolidated Financial Statements

1H FY03/25



■ Consolidated Financial Results for 1H FY03/25

- **Net sales and profits increased YoY** due to good performance in the Real Estate Agency Business and an increase in condominium deliveries in the Residential Development Business
 - **Net sales: ¥34.8 billion** (up 15.9% YoY), **Operating profit: ¥2.7 billion** (up 56.9% YoY), **Ordinary profit: ¥2.1 billion** (up 82.0% YoY), **Net income: ¥1.6 billion** (up 48.0% YoY)

■ Forecast of Consolidated Financial Results for Full-Year FY03/25

- No change from the previous forecast
 - **Net sales: ¥79.0 billion, Operating profit: ¥4.7 billion, Ordinary profit: ¥3.6 billion, Net profit: ¥2.5 billion**
 - In the Residential Development Business, we **secured 91% contracts** of the full-year net sales target as of the end of 1H
- Plan to pay dividends of **¥40** per share for FY03/25 (no change from the previous forecast)

- In the Residential Development Business, **steady progress towards full-year plan** due to solid demand
 - The Residential Development Business has **secured sales contracts amounting to 91% of net sales target for FY03/25 as of the end of 1H**
 - Purchases decreased YoY due to careful selection
- In the Real Estate Agency Business, **both Purchase and Resale and Brokerage business progressed better YoY** (approx. up 40%)
 - In the Wealth Solution Business for high-net-worth individuals, completed delivery of four properties
- High customer satisfaction in the Condominium Management Business led to **strong switchover from other property management companies** and performance was steady

Consolidated Financial Results 1H FY03/25

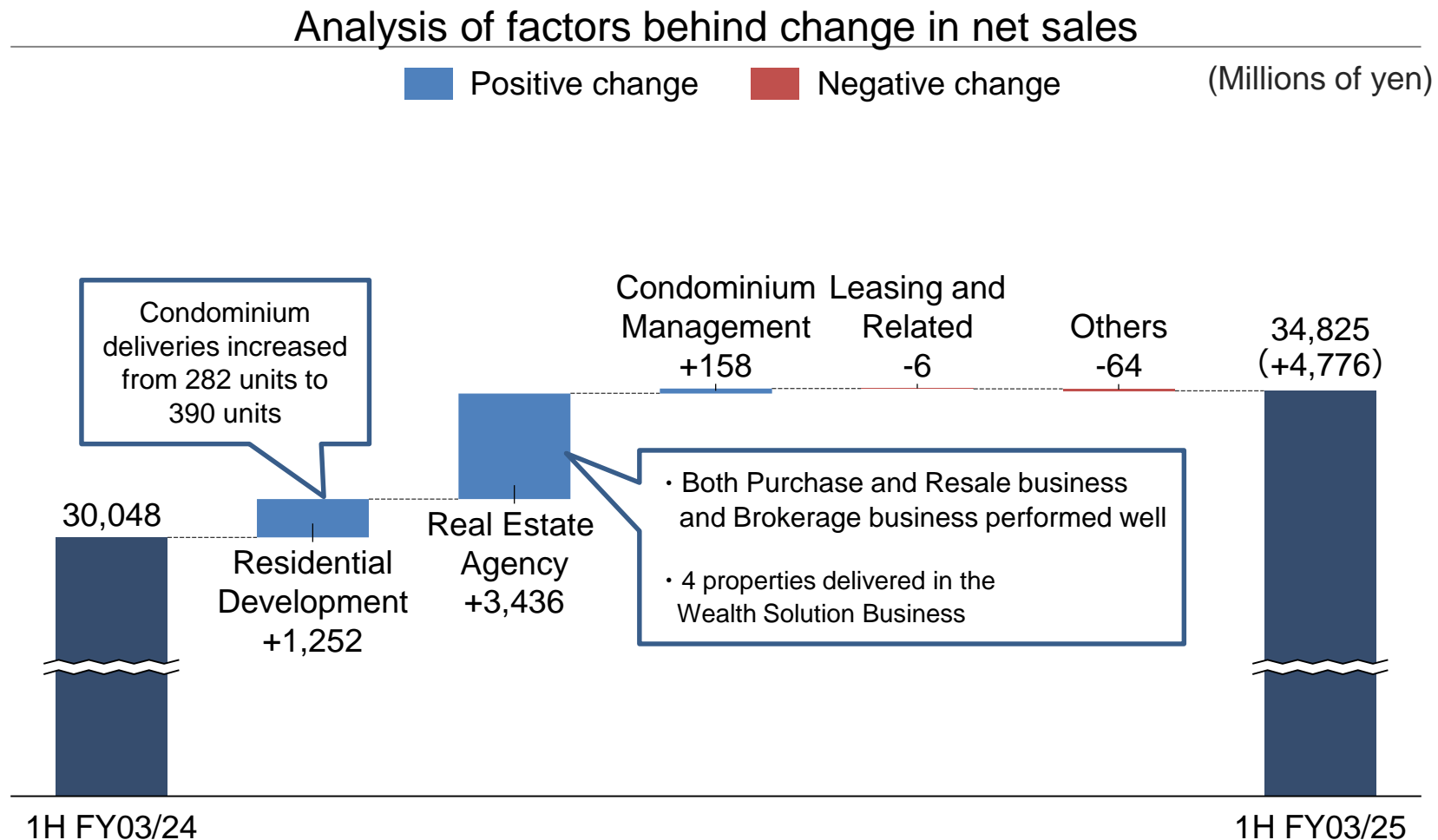
- Net sales: ¥34.8 billion (up ¥4.7 billion YoY), Operating profit: ¥2.7 billion (up ¥0.9 billion YoY), Ordinary profit: ¥2.1 billion (up ¥0.9 billion YoY)

(Millions of yen)

| | 1H FY03/24 Actual | 1H FY03/25 Actual | Change | Change (%) | FY03/25 Full-year forecast (Announced in May 13 2024) | Progress (%) |
|---|----------------------|----------------------|---------|---------------|---|-----------------|
| Net sales | 30,048 | 34,825 | 4,776 | 15.9% | 79,000 | 44.1% |
| Gross profit | 6,847 | 8,135 | 1,288 | 18.8% | 16,400 | 49.6% |
| (Gross profit margin) | (22.8%) | (23.4%) | (0.6pp) | — | (20.8%) | — |
| SG&A expenses | 5,123 | 5,431 | 307 | 6.0% | 11,700 | 46.4% |
| Operating profit | 1,723 | 2,704 | 980 | 56.9% | 4,700 | 57.5% |
| (Operating profit margin) | (5.7%) | (7.8%) | (2.0pp) | — | (5.9%) | — |
| Non-operating income | 71 | 99 | 28 | 39.5% | — | — |
| Non-operating expenses | 606 | 640 | 34 | 5.6% | — | — |
| Ordinary profit | 1,188 | 2,162 | 974 | 82.0% | 3,600 | 60.1% |
| (Ordinary profit margin) | (4.0%) | (6.2%) | (2.3pp) | — | (4.6%) | — |
| Extraordinary income | 144 | 162 | 18 | 12.8% | — | — |
| Extraordinary loss | 71 | 0 | -71 | -100.0% | — | — |
| Profit before income taxes | 1,261 | 2,325 | 1,064 | 84.4% | — | — |
| Profit attributable to owners of Parent | 1,110 | 1,644 | 533 | 48.0% | 2,500 | 65.8% |
| (Profit margin) | (3.7%) | (4.7%) | (1.0pp) | — | (3.2%) | — |

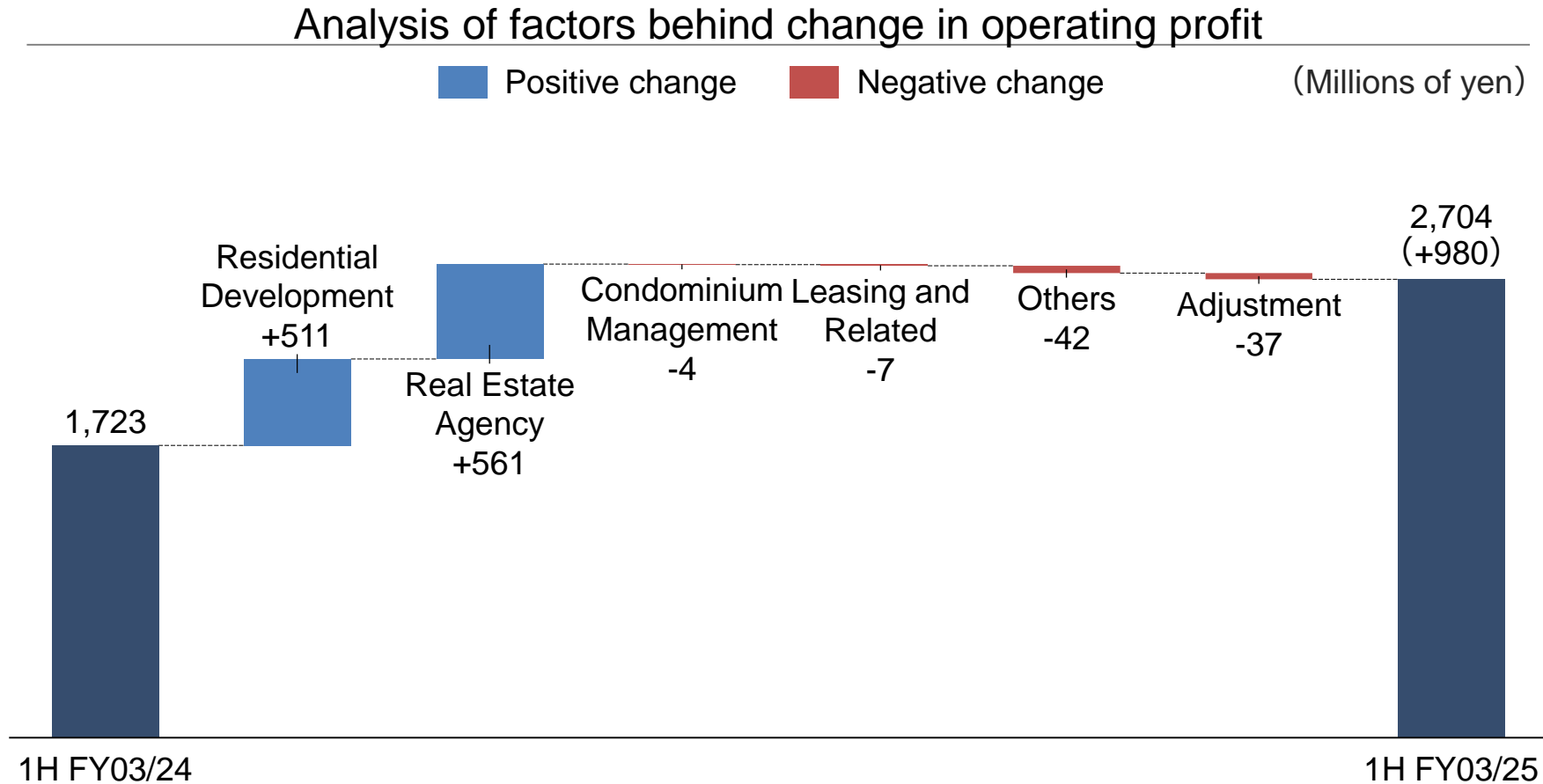
Factors Behind Change in Net Sales by Segment

- Net sales increased significantly YoY in the Real Estate Agency Business aimed at strengthening its growth
- Net sales increased YoY due to an increase in the number of condominium deliveries



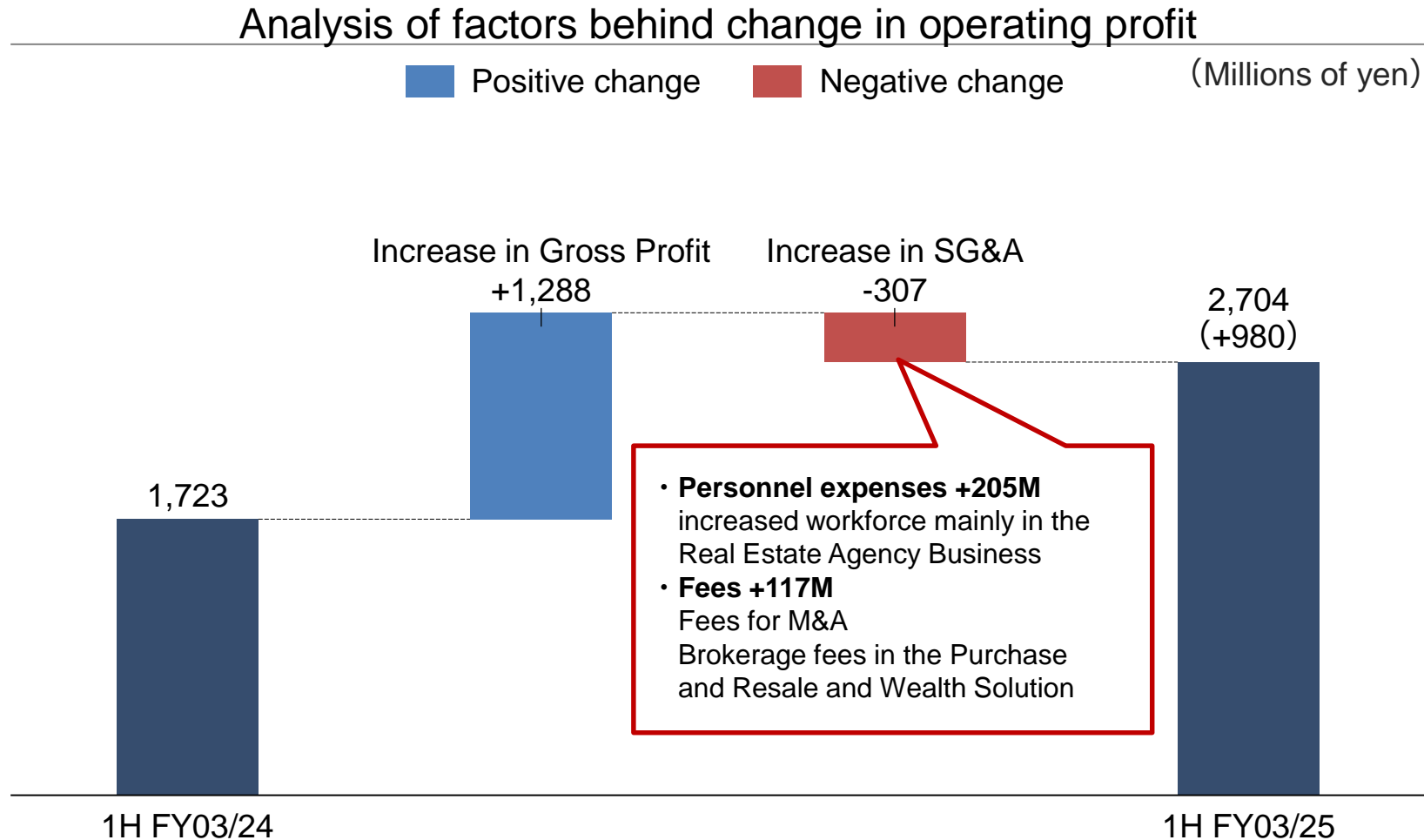
Factors Behind Change in Operating Profit by Segment

- Profit increased YoY in the Real Estate Agency Business aimed to strengthen its growth
- Profit increased YoY due to an increase in the number of condominium deliveries



Factors Behind Change in Operating Profit by Accounting item

- Gross profit rose absorbing an increase in SG&A expenses aimed at strengthening sales capabilities, and operating profit rose YoY



- Dividends of ¥40 per share is planned for FY03/25 (no change from the previous forecast)

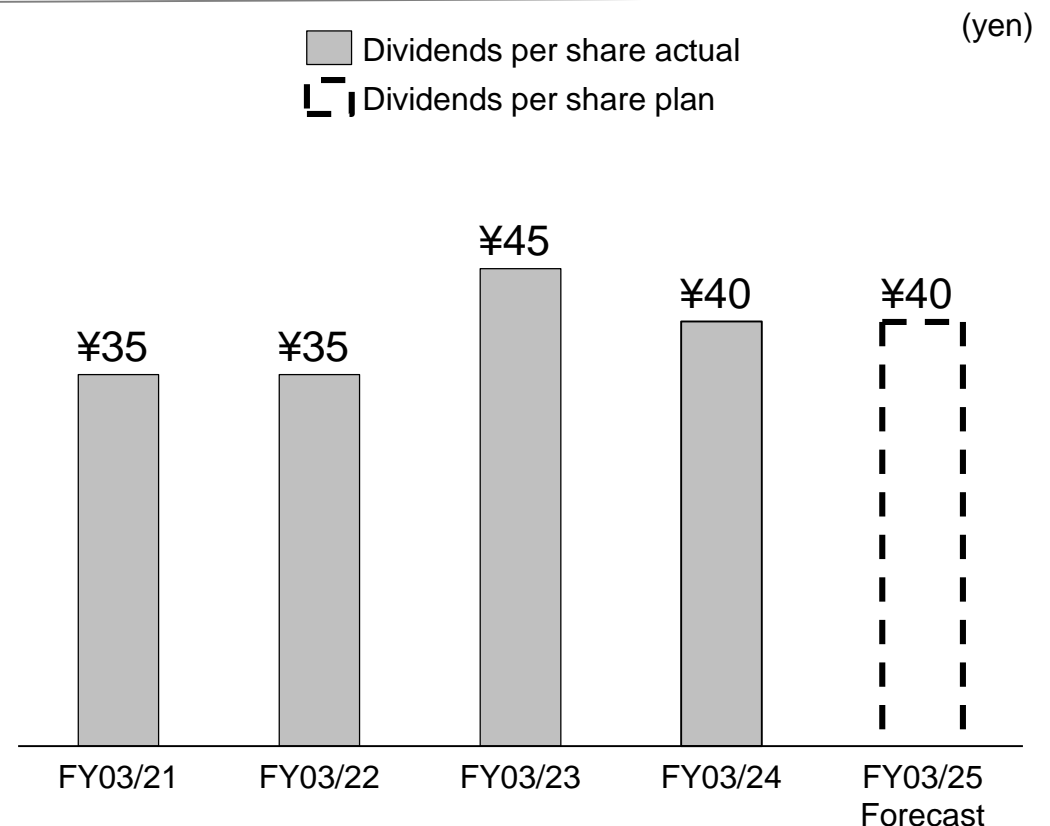
Basic policy of dividends

The Company will continue to strive to increase shareholder value and enhance internal reserves to strengthen its financial position, while continuing to pay stable dividends.

During the period projected in the Strategy 2027, we aim for shareholder returns with a payout ratio of around 30%.



Dividends



- Continue to offer the shareholder benefit program, which was introduced to ensure liquidity of shares.

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 Meiwa Estate Premium Club

<https://meiwajisyo.premium-yutaiclub.jp/>



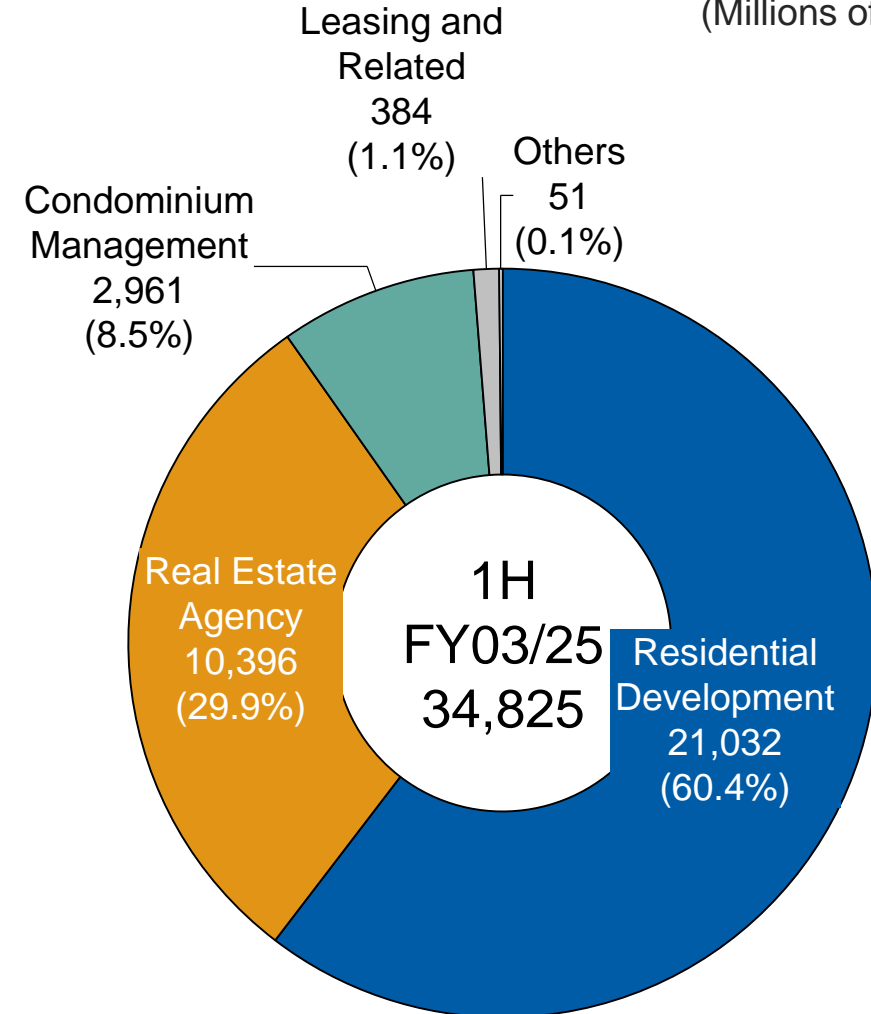
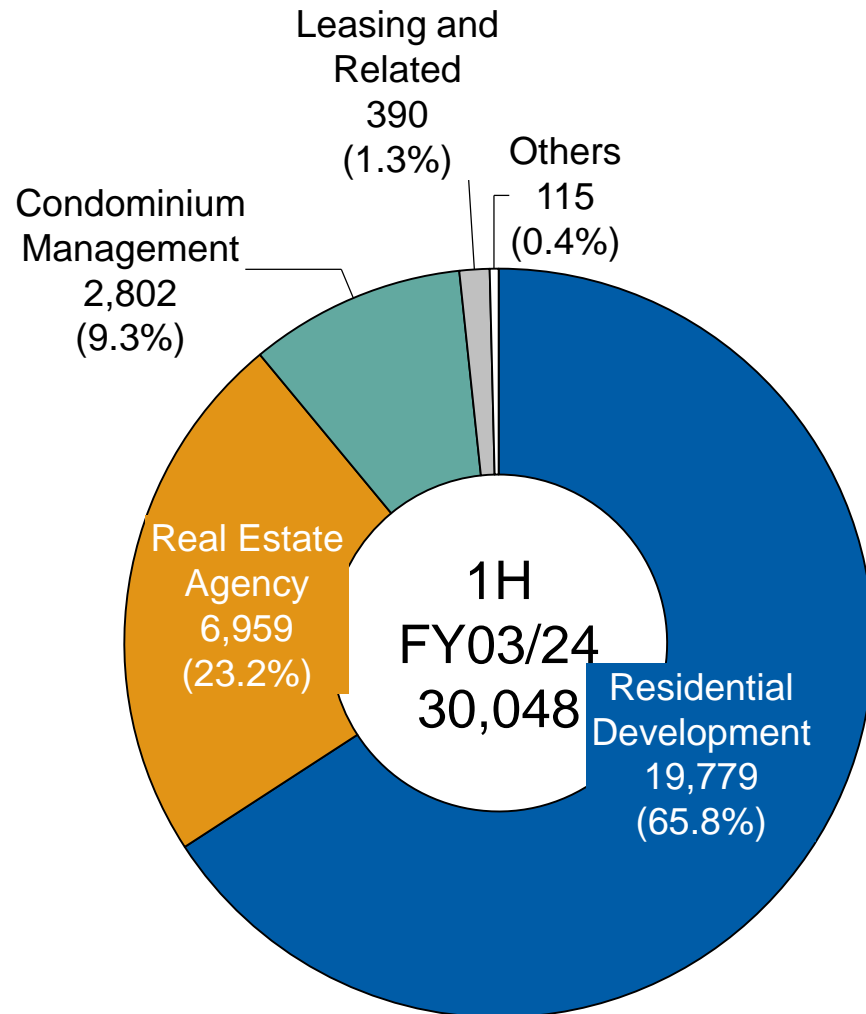
[Ref.] Our Business Segments and Contents

■ 5 Business Segments as follows

| Business Segments | Business Contents |
|---|--|
| Residential Development Business | Develop new condominiums |
| Real Estate Agency Business | Brokerage, Purchase and Resale, Renovation, Wealth Solution |
| Condominium Management Business | Management of condominiums, Repair, etc. |
| Leasing and Related Business | Property management, Leasing, etc. |
| Others | Housing equipment sales, Home mortgage loans, Advertising agency, etc. |

Composition of net sales

(Millions of yen)



Composition of segment profit

(Millions of yen)

| Segment | 1H FY03/24 Actual | 1H FY03/25 Actual | Change | Change (%) |
|----------------------------|----------------------|----------------------|--------|---------------|
| Residential Development | 1,301 | 1,812 | 511 | 39.3% |
| Real Estate Agency | 347 | 909 | 561 | 161.5% |
| Condominium Management | 187 | 182 | -4 | -2.4% |
| Leasing and Related | 151 | 143 | -7 | -5.1% |
| Others | 48 | 5 | -42 | -87.9% |
| Adjustment | -312 | -350 | -37 | — |
| Operating Profit | 1,723 | 2,704 | 980 | 56.9% |

Residential Development Business

- **Results: Net sales ¥21.0 billion (up 6.3% YoY), Segment profit ¥1.8 billion (up 39.3% YoY)**
 - **No. of condominium deliveries increased YoY (282 → 390 units)**
- **Purchases: ¥10.1 billion (down 44.2% YoY)**
 - **Carefully selected purchases in favorable locations**
 - **Additional purchases of ¥22.6 billion have been executed for the Wealth Solution Business, etc.**
- **Supply: ¥18.3 billion (down 14.8% YoY)**
 - **Started to supply condominiums scheduled to be recorded as net sales from FY03/26 onward**
 - **The supply of some condominiums was delayed and has been moved to Q3 or later**
- **Sales contracts: ¥26.7 billion (up 41.3% YoY)**
 - **Newly supplied condominiums performed well due to solid demand**

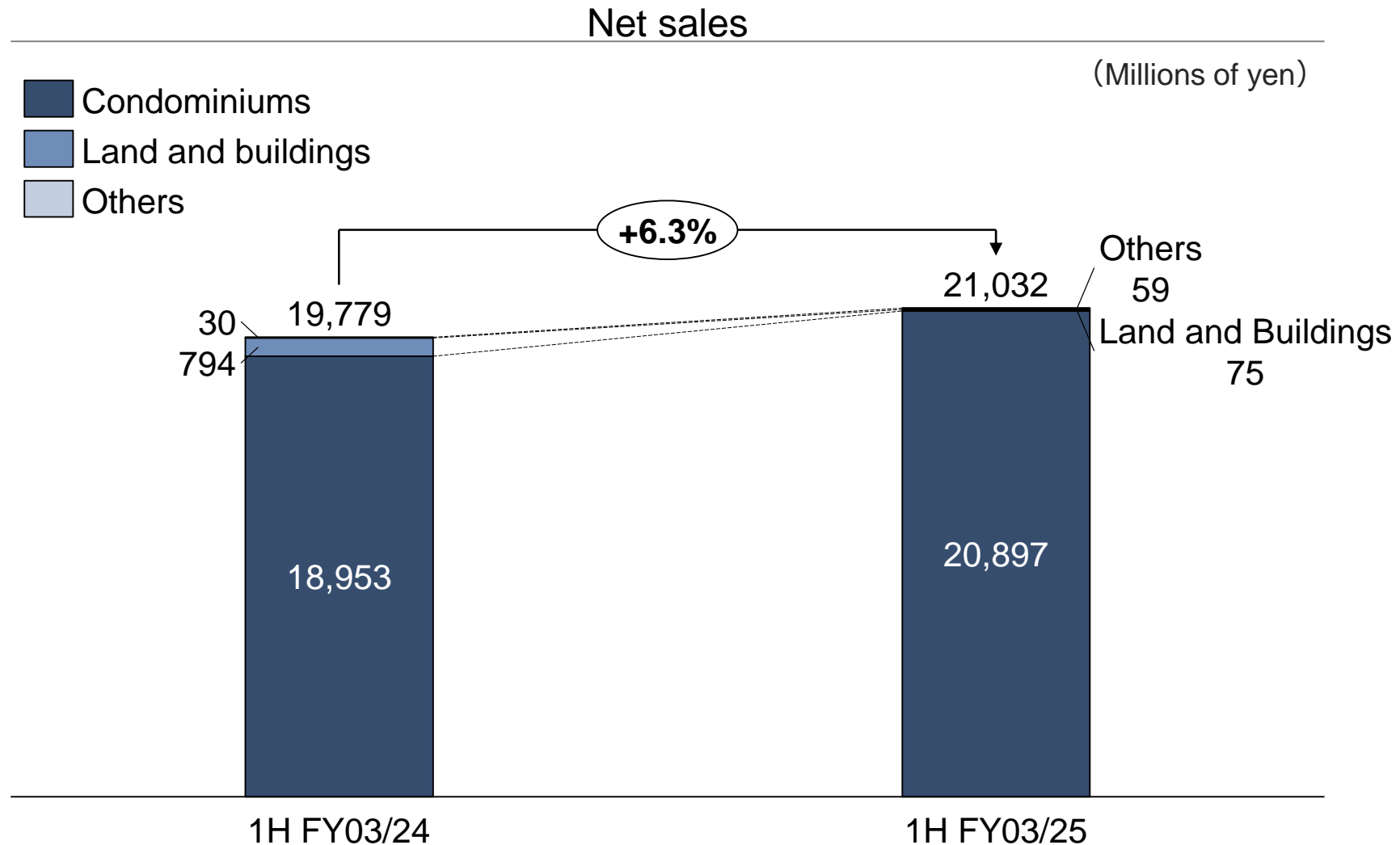
■ Net sales and profit increased YoY

(Millions of yen)

| | 1H FY03/24 Actual | 1H FY03/25 Actual | Change | Change (%) |
|---------------------------------|----------------------|----------------------|--------|---------------|
| Net sales | | | | |
| Sales to external customers | 19,779 | 21,032 | 1,252 | 6.3% |
| Intersegment sales and transfer | — | — | — | — |
| Total | 19,779 | 21,032 | 1,252 | 6.3% |
| Segment profit | 1,301 | 1,812 | 511 | 39.3% |

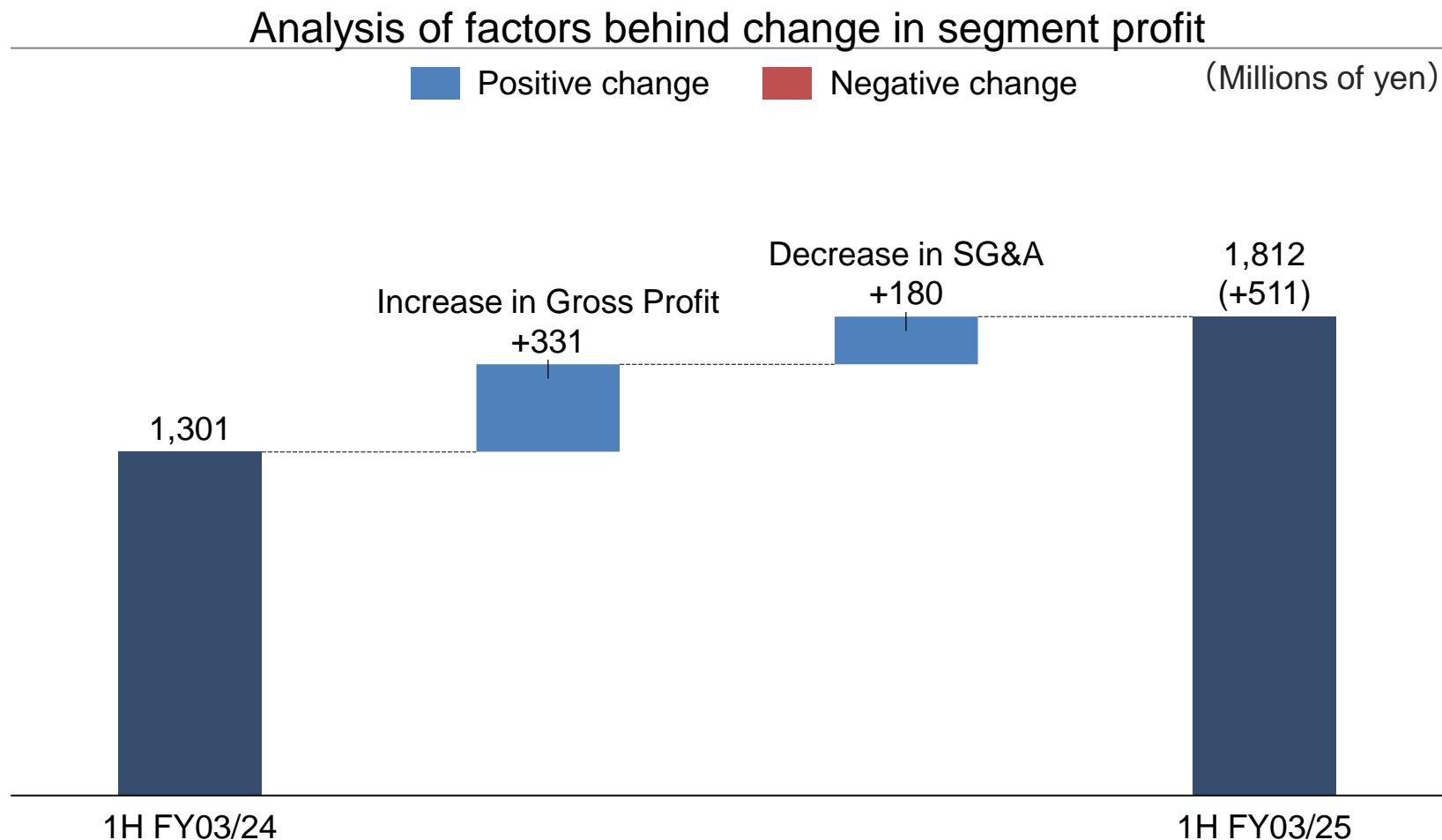
Residential Development Business: Net Sales

- Net sales in 1H FY03/25 were ¥21.0 billion (up 6.3% YoY)



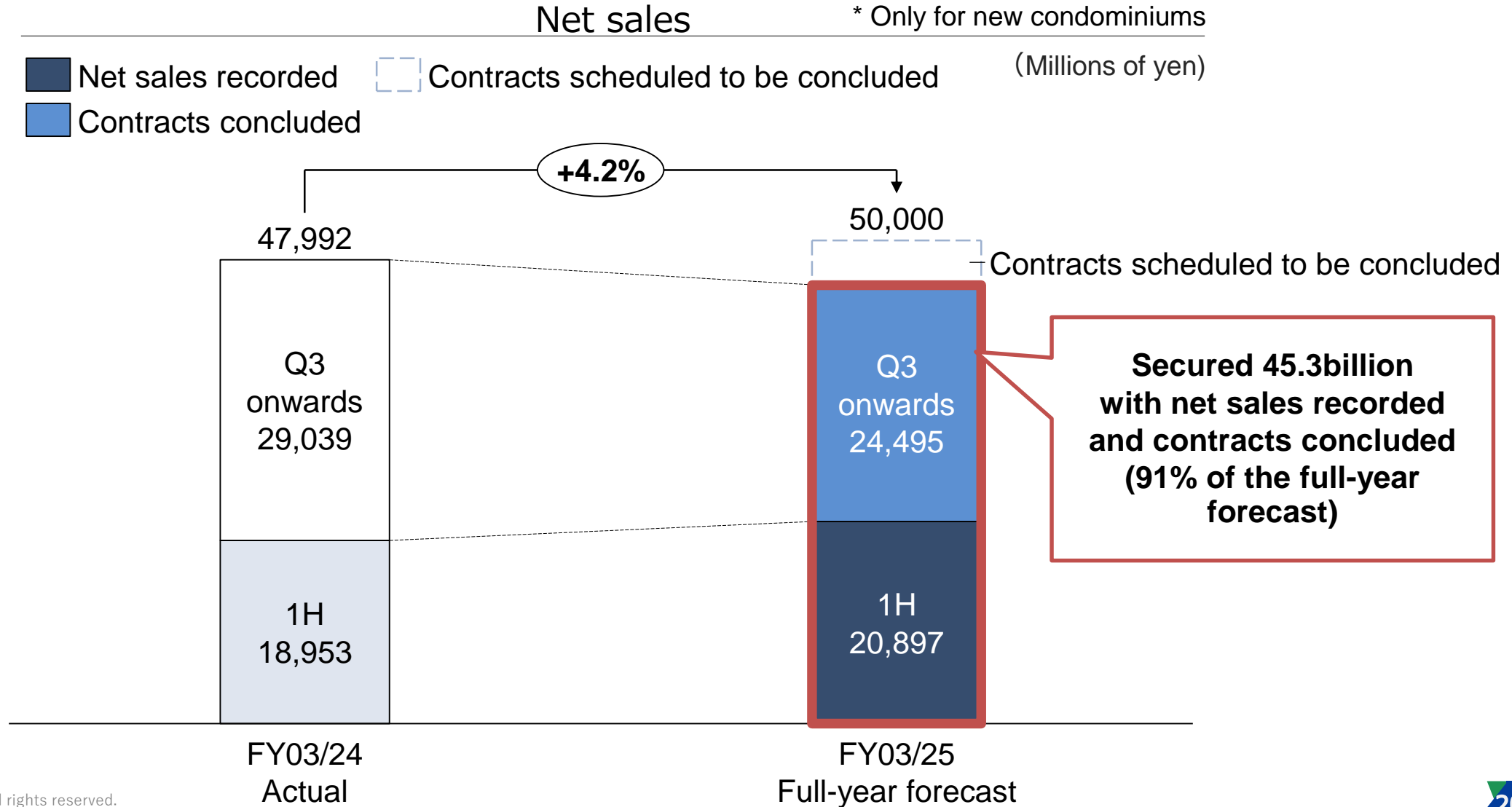
Residential Development Business: Segment Profit

- Segment profit increased due to an increase in Gross Profit by increase in condominium units delivered and decrease in SG&A



Residential Development Business: Progress Against Full-year Net Sales Plan

- Full-year net sales are projected at ¥50 billion (up 4.2% YoY)



- We developed high-value-added condominiums.

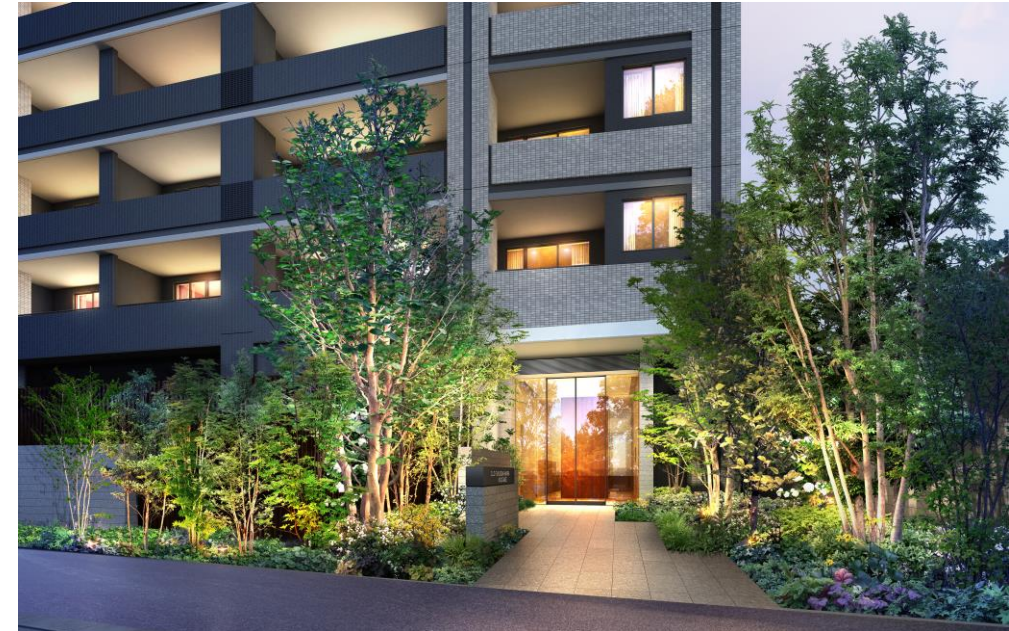
CLiO クリオ藤沢善行グランヒルコート
CLIO FUJISAWA ZENGYO GRAND HILL COURT



Low-carbon
building

Fujisawa, Kanagawa
Total number of units: 58
Completed and delivered in
September 2024

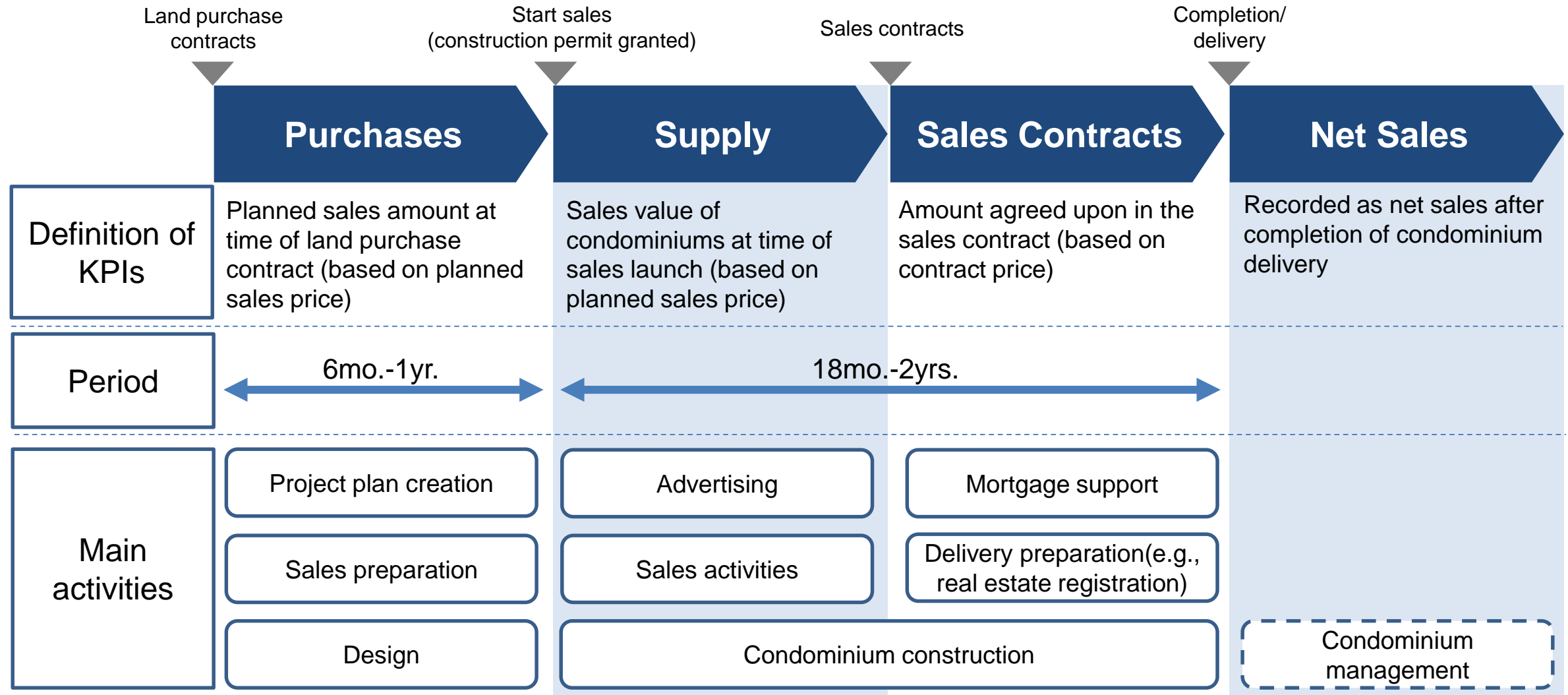
CLiO クリオ福岡博多ミッドグレイス
CLIO FUKUOKA HAKATA MID GRACE



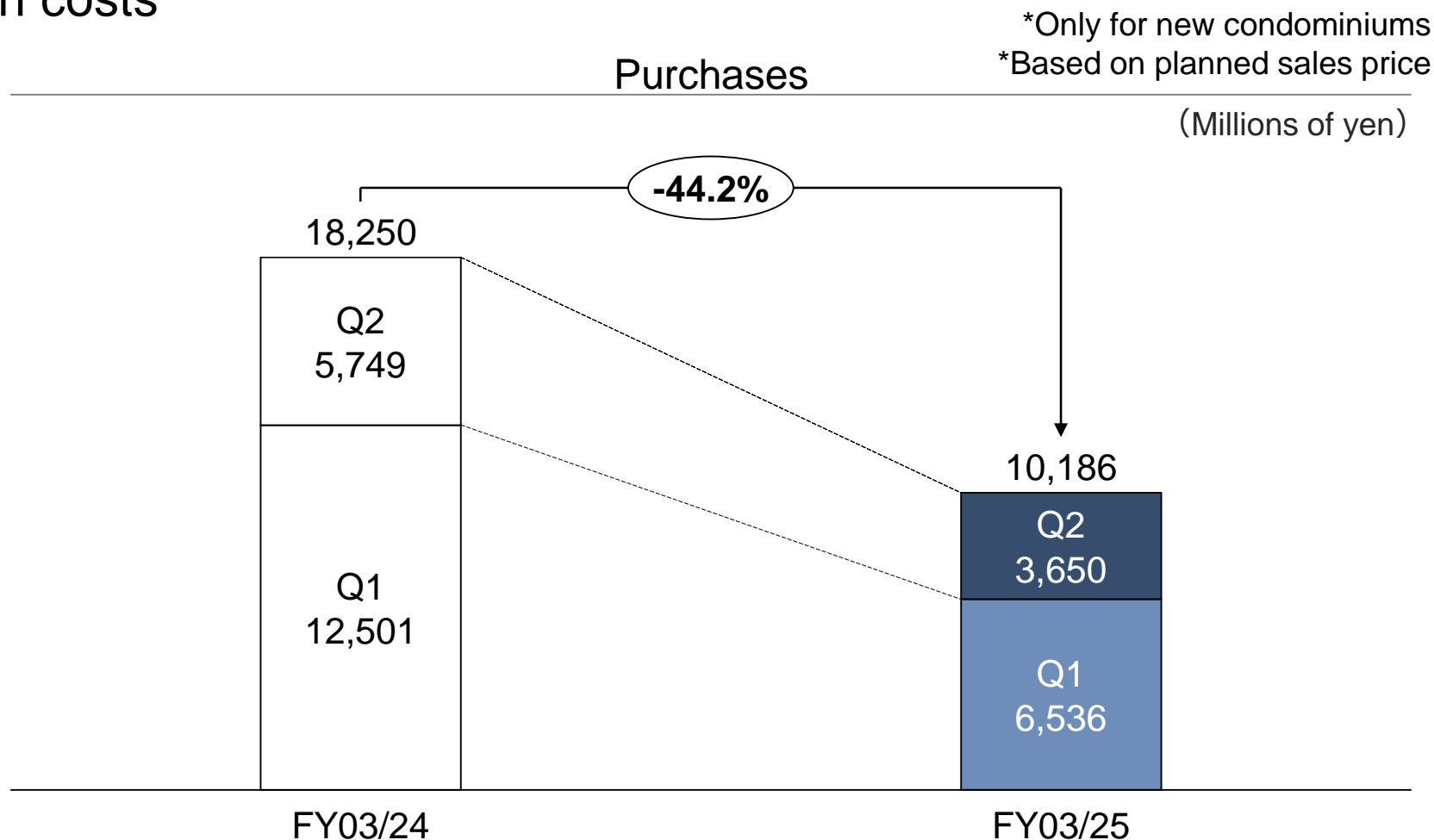
Fukuoka, Fukuoka
Total number of units: 66
Completed and delivered in
August 2024

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

■ KPIs are defined as follows.

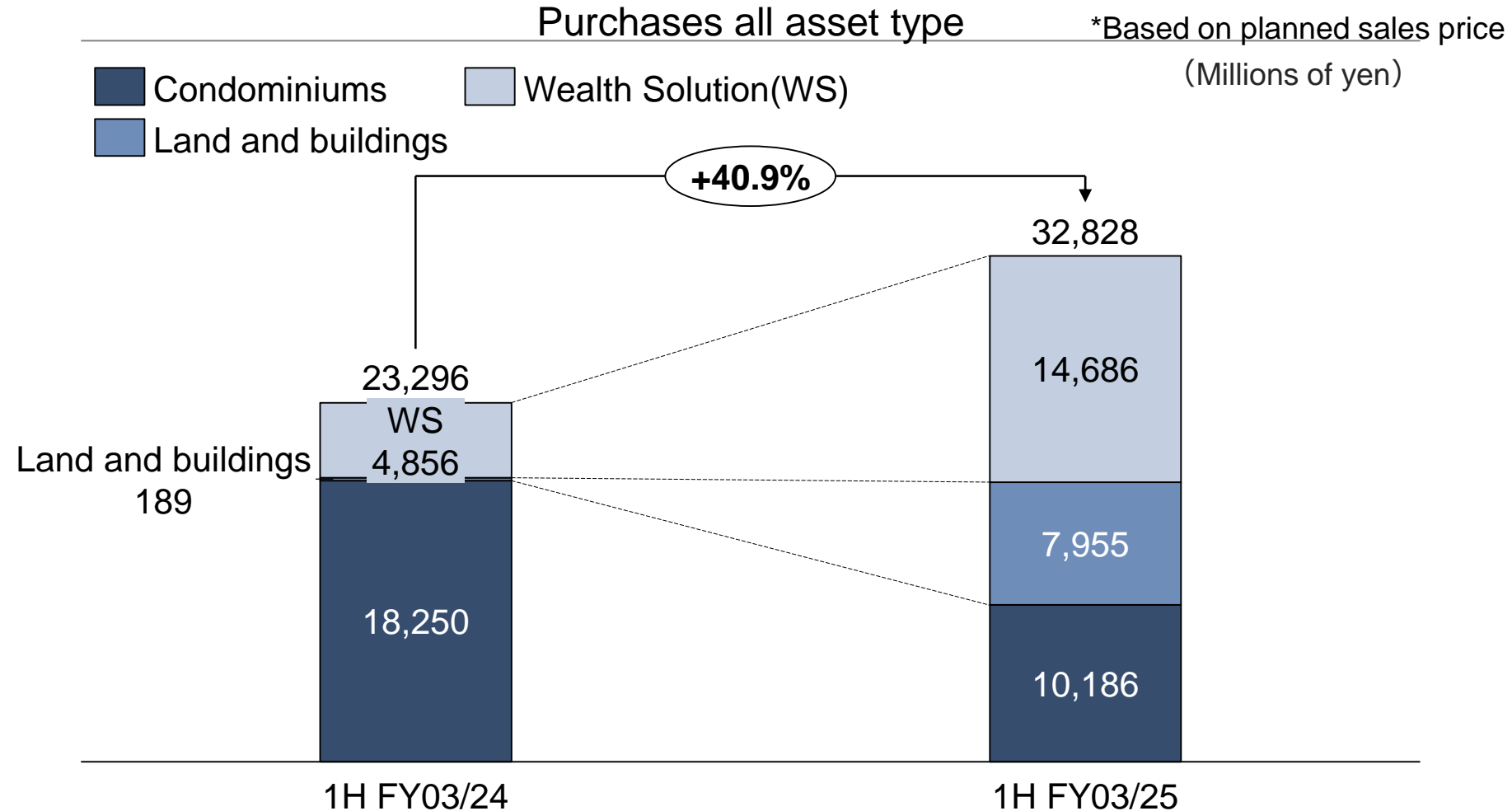


- Purchases in 1H FY03/25 amounted to ¥10.1 billion (down 44.2% YoY)
- Conducted carefully selected purchases in consideration of the recent rise in construction costs

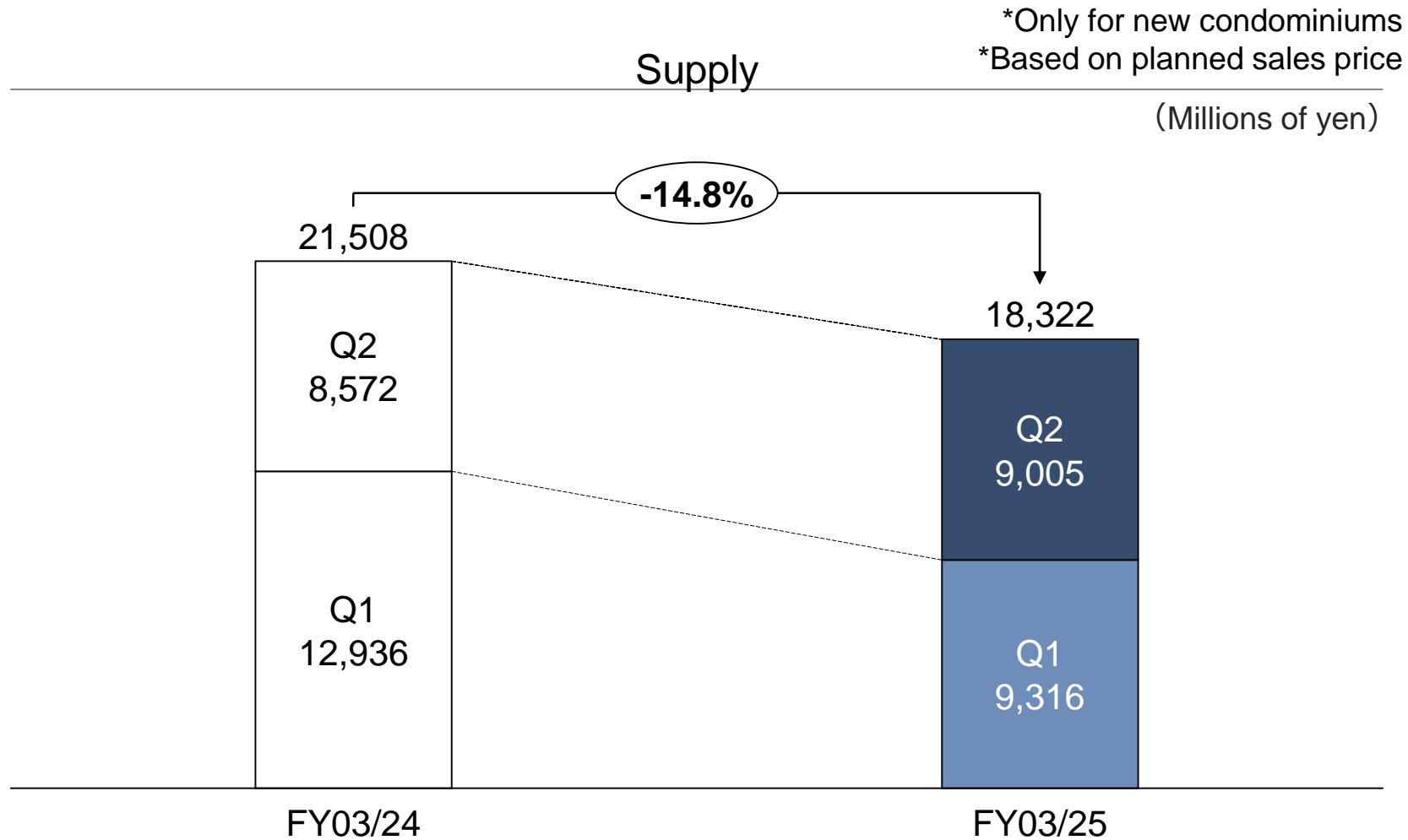


[Ref.] Diversification of Asset Type

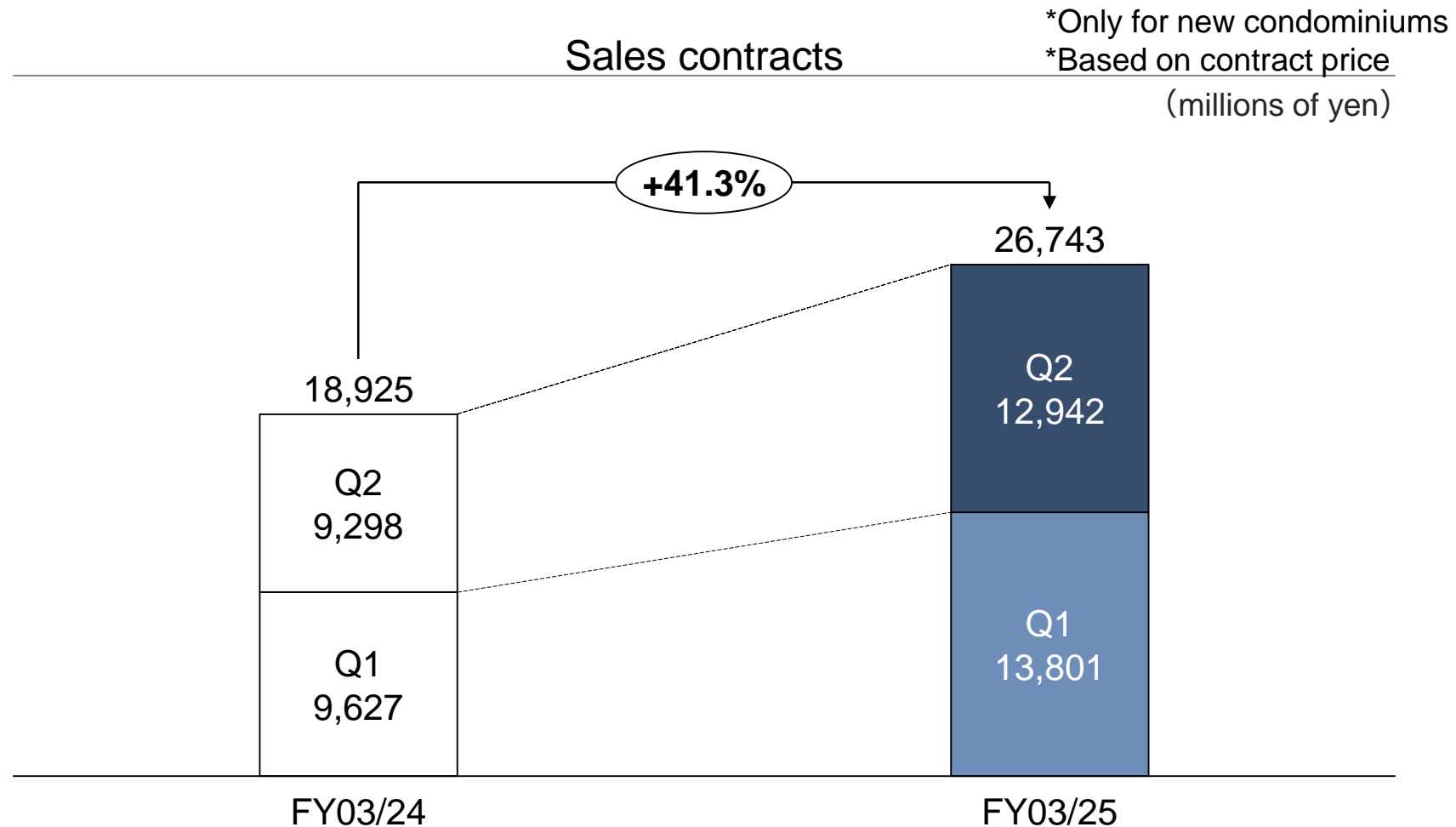
- Purchases amounted to ¥32.8 billion (up 40.9% YoY) in total for multiple business segments
- Aiming to diversify asset type in our capability



- Supply in 1H FY03/25 amounted to ¥18.3 billion (down 14.8% YoY)



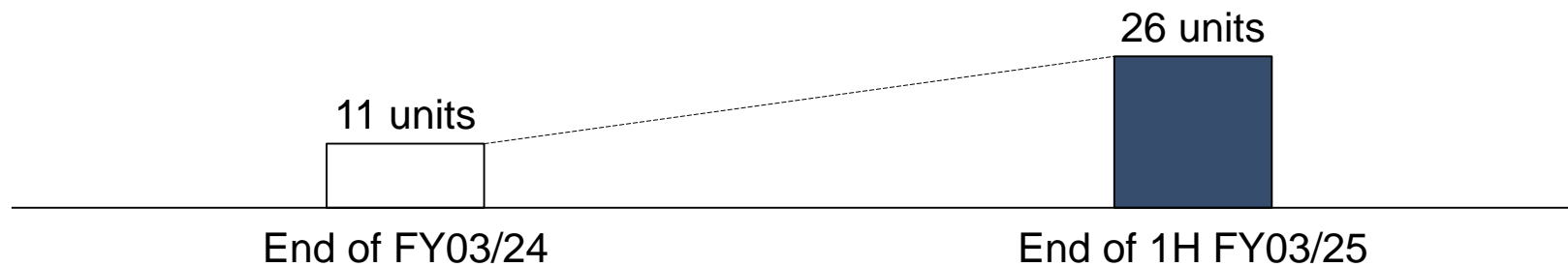
- Sales contracts in 1H FY03/25 amounted to ¥26.7 billion (up 41.3% YoY)



Residential Development Business: Completed Inventory

- Completed inventory at the end of 1H FY03/25 was 26 units
- Aiming to sell out completed inventory as soon as possible

Completed inventory (completed uncontracted units) *Only for new condominiums



Real Estate Agency Business

- **Results: Net sales ¥10.3 billion (up 49.4% YoY), Segment profit ¥0.9 billion (up 161.5% YoY)**
- **The Purchase and Resale Business is expanding strong through increasing its workforce**
 - **Net sales: ¥5.1 billion (up 39.7% YoY)**
- **In the Brokerage Business, net sales increased YoY by strengthening the workforce per store**
 - **Net sales: ¥0.6 billion (up 41.7% YoY)**
- **In the Wealth Solution Business for high-net-worth individuals, completed delivery of four properties in 1H**
 - **Net sales: ¥4.4 billion (up 63.9% YoY)**
 - **Purchases: ¥14.6 billion (up 202.4% YoY)**

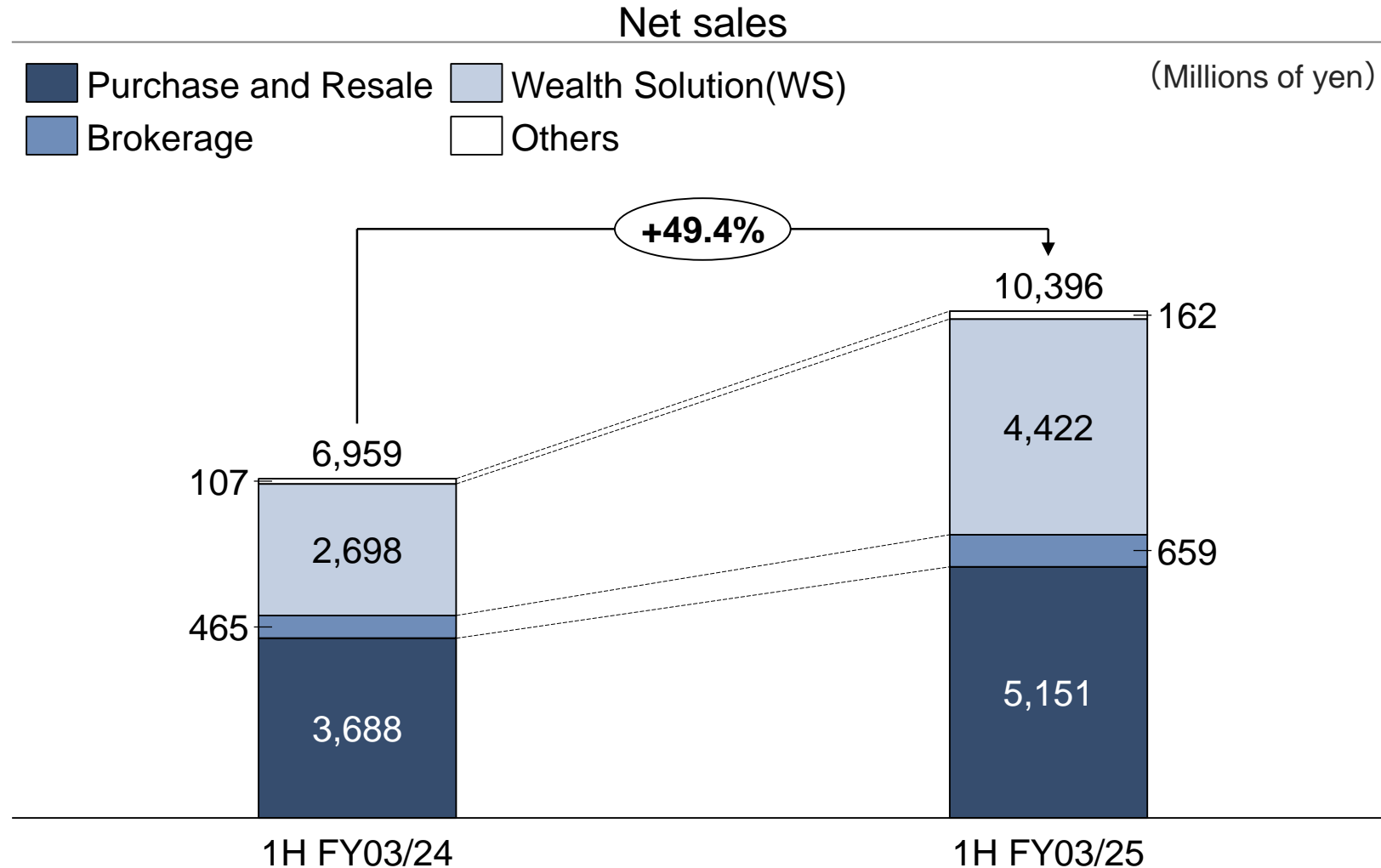
Real Estate Agency Business Results 1H FY03/25

■ Net sales and profit increased YoY

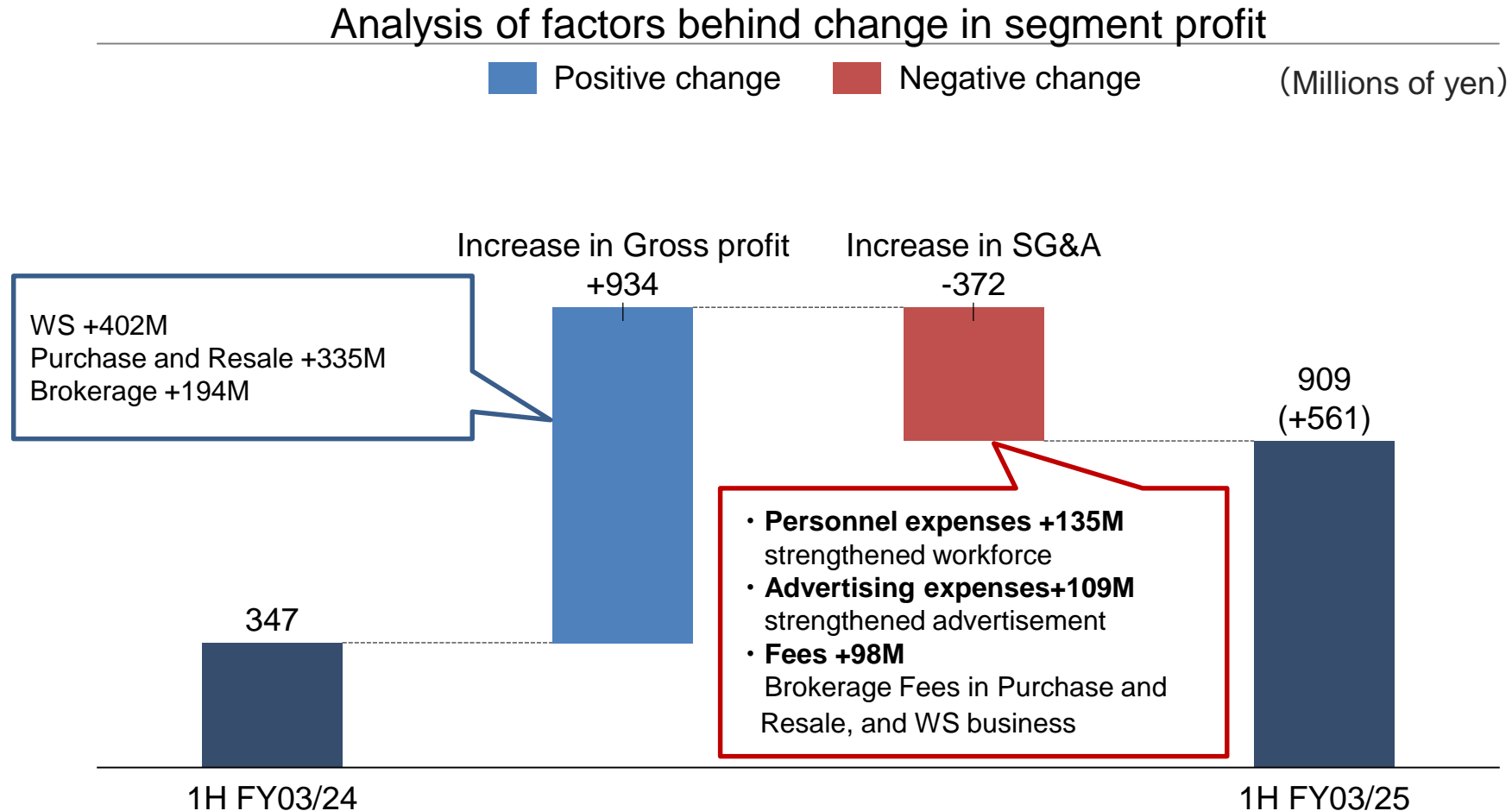
(Millions of yen)

| | 1H FY03/24 Actual | 1H FY03/25 Actual | Change | Change (%) |
|----------------------------------|----------------------|----------------------|--------|---------------|
| Net sales | | | | |
| Sales to external customers | 6,959 | 10,396 | 3,436 | 49.4% |
| Intersegment sales and transfers | — | 0 | 0 | — |
| Total | 6,959 | 10,396 | 3,436 | 49.4% |
| Segment profit | 347 | 909 | 561 | 161.5% |

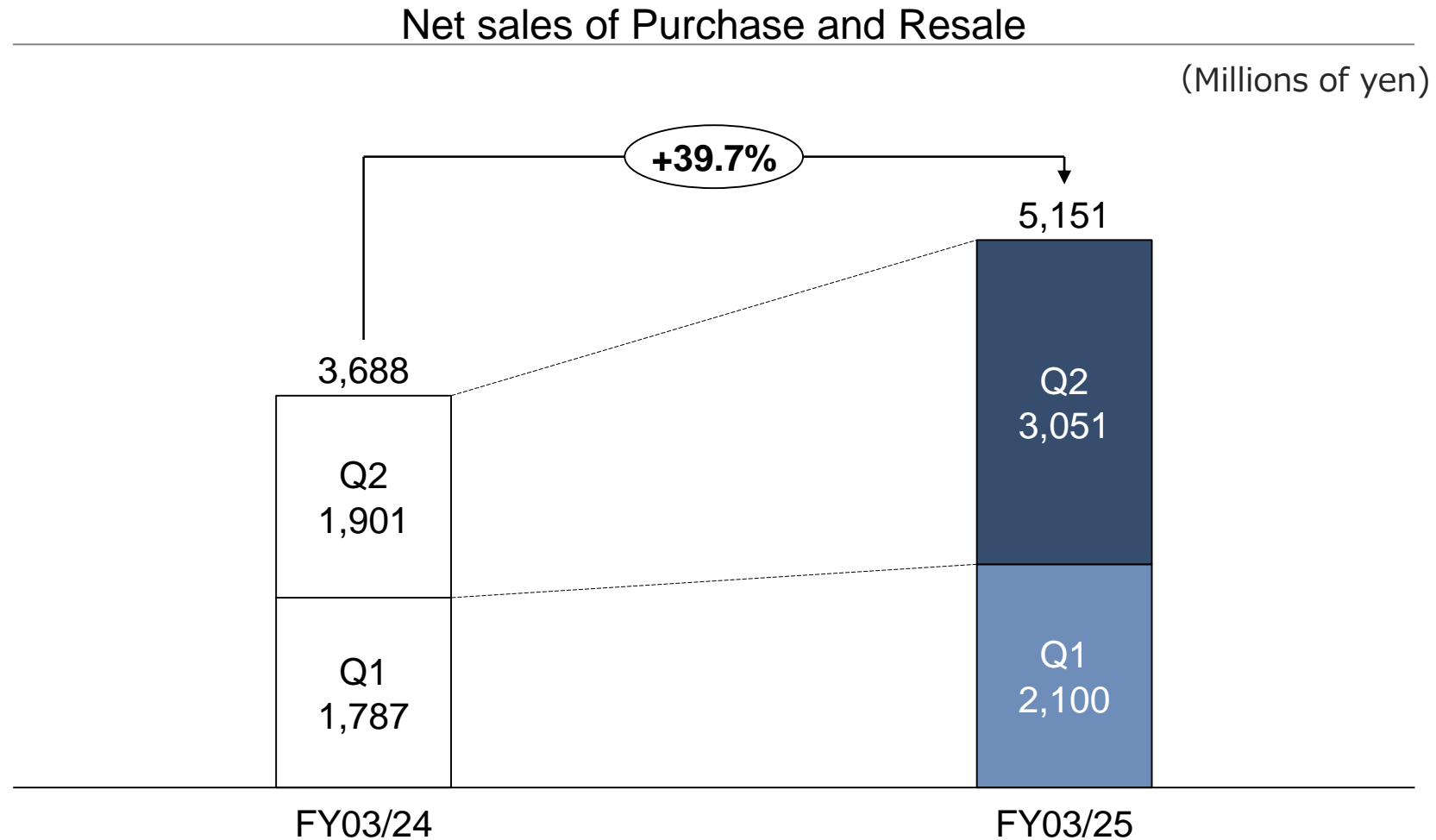
- Net sales in 1H FY03/25 were ¥10.3 billion (up 49.4% YoY)



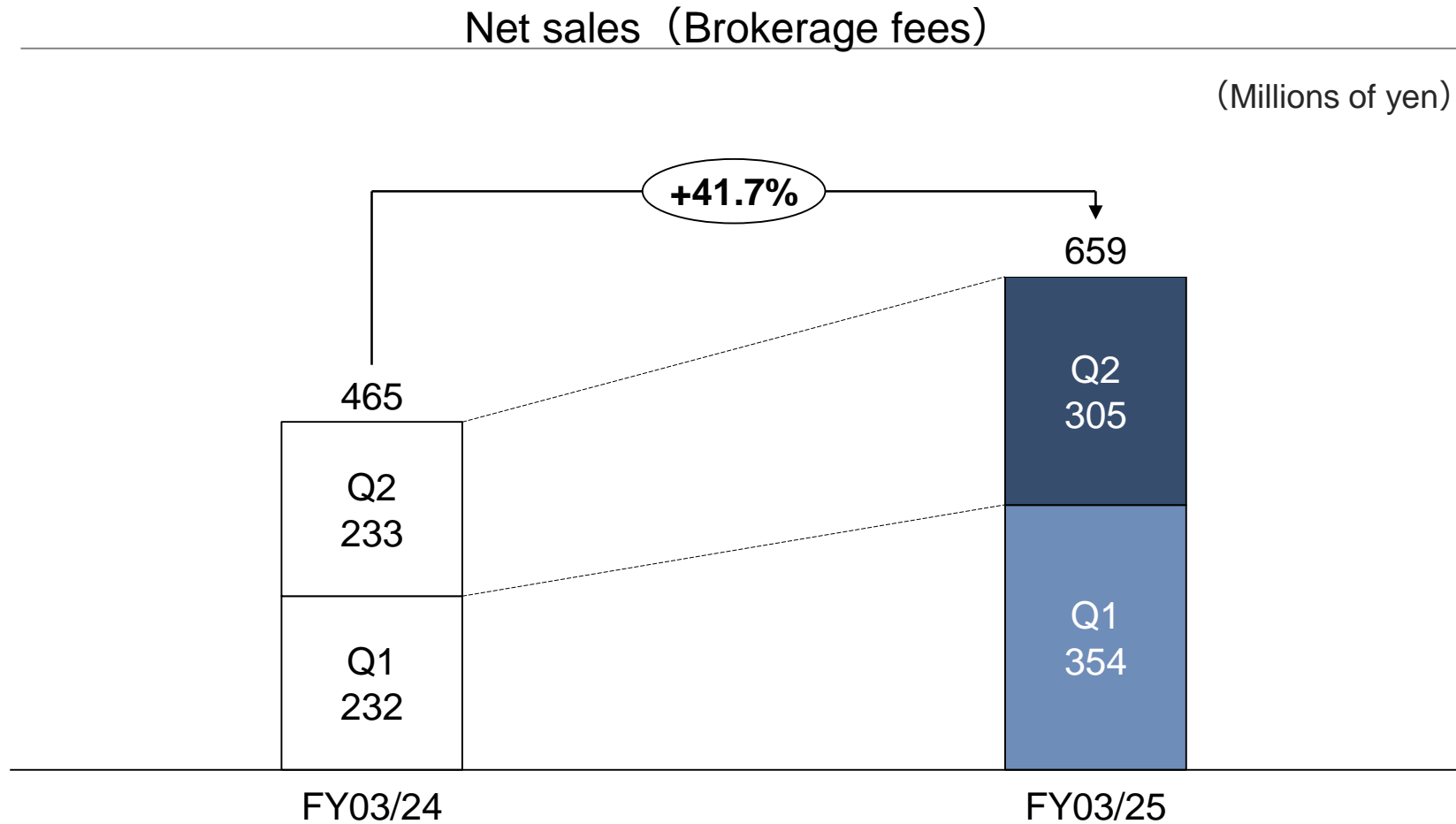
- Significant increase in Gross profit absorbing an increase in SG&A expenses led to increased segment profit YoY



- Net sales in 1H FY03/25 were ¥5.1 billion (up 39.7% YoY)



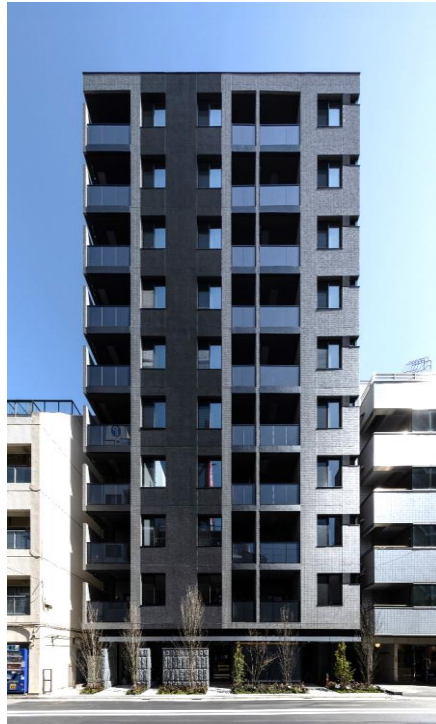
- Net sales in 1H FY03/25 were ¥0.6 billion(up 41.7% YoY)



- Completed settlement and delivery of four properties in 1H

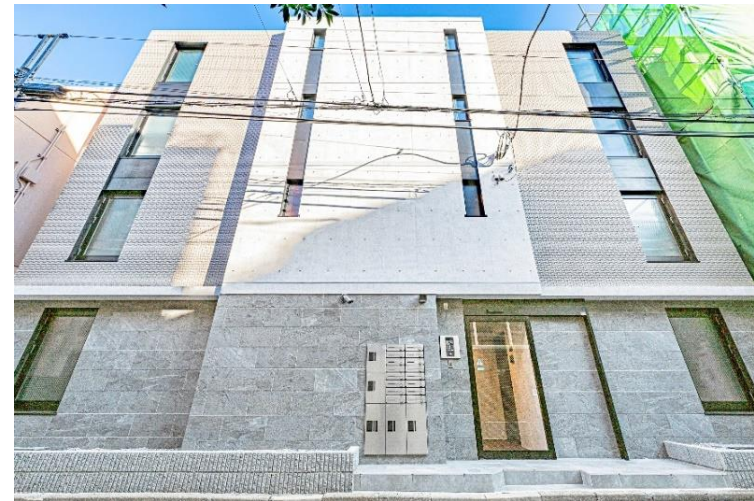
Main properties delivered in 1H FY03/25

CLIO la belle vie Shintomicho



Total number of units 29
Chuo, Tokyo
Delivered in May 2024

Okubo Residence



Total number of units: 16
Shinjuku, Tokyo
Delivered in June 2024

Condominium Management Business

- **Results: Net sales ¥2.9 billion (up 5.6% YoY), Segment profit ¥0.1 billion (down 2.4% YoY)**
- **Steady progress in switchover from other property management companies backed by high customer satisfaction**
 - **Number of new contracted units in 1H: 2,024 units (of which 1,602 units were switchovers)**
- **Number of units under management at the end of 1H: 50,709 units**
- **Promotion of operational efficiency**
 - **Promoting various paperless operations through functional enhancements offered by "kanri.online", etc., and working to improve the quality of operations and reduce costs through speeding up**

Condominium Management Business Results 1H FY03/25

- Net sales increased YoY due to steady progress in switchover
- Profit slight decreased YoY due to increase in cost of sales and SG&A

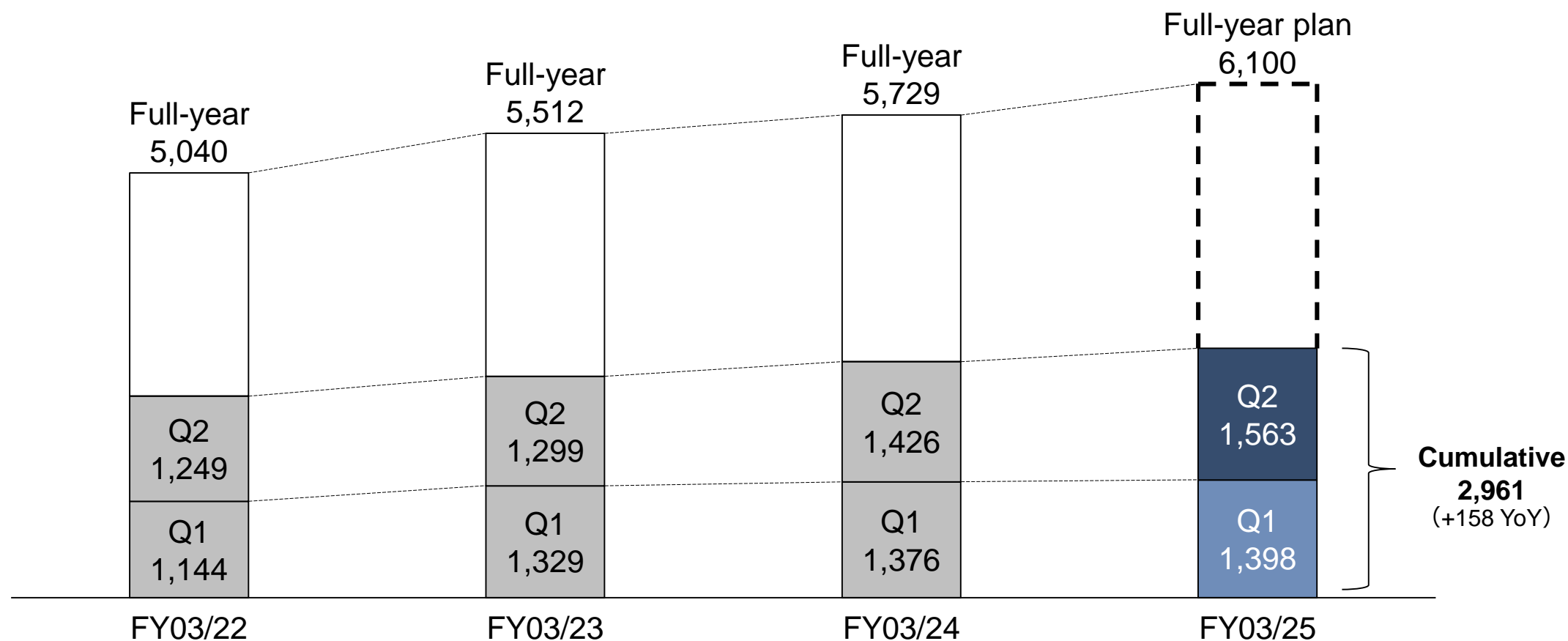
(Millions of yen)

| | 1H FY03/24 Actual | 1H FY03/25 Actual | Change | Change (%) |
|----------------------------------|----------------------|----------------------|--------|---------------|
| Net sales | | | | |
| Sales to external customers | 2,802 | 2,961 | 158 | 5.6% |
| Intersegment sales and transfers | 18 | 16 | -2 | -15.2% |
| Total | 2,821 | 2,977 | 155 | 5.5% |
| Segment profit | 187 | 182 | -4 | -2.4% |

- Net sales in 1H were ¥2.9 billion (up 5.6% YoY)

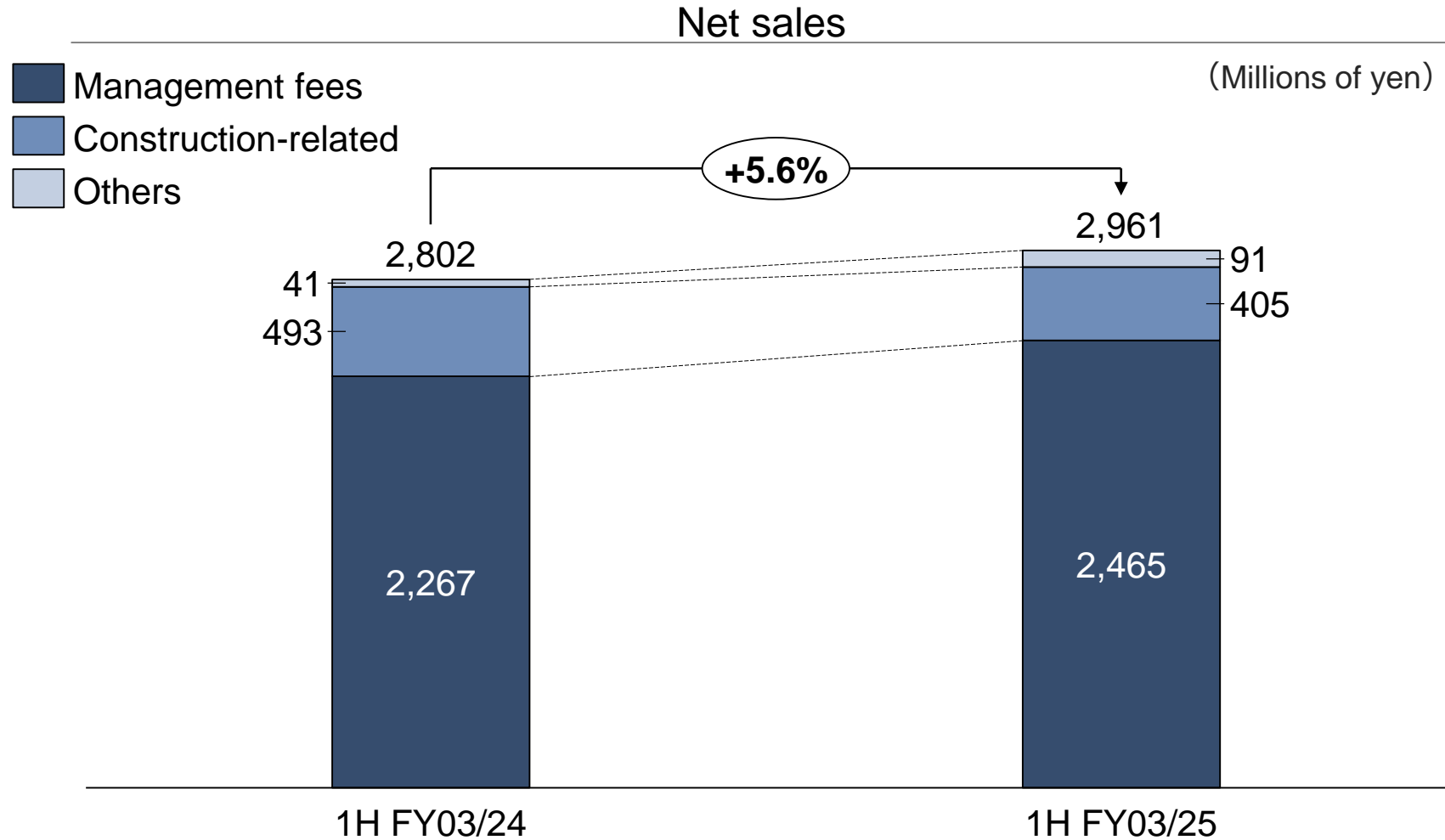
Change in net sales of Condominium Management Business

(Millions of yen)



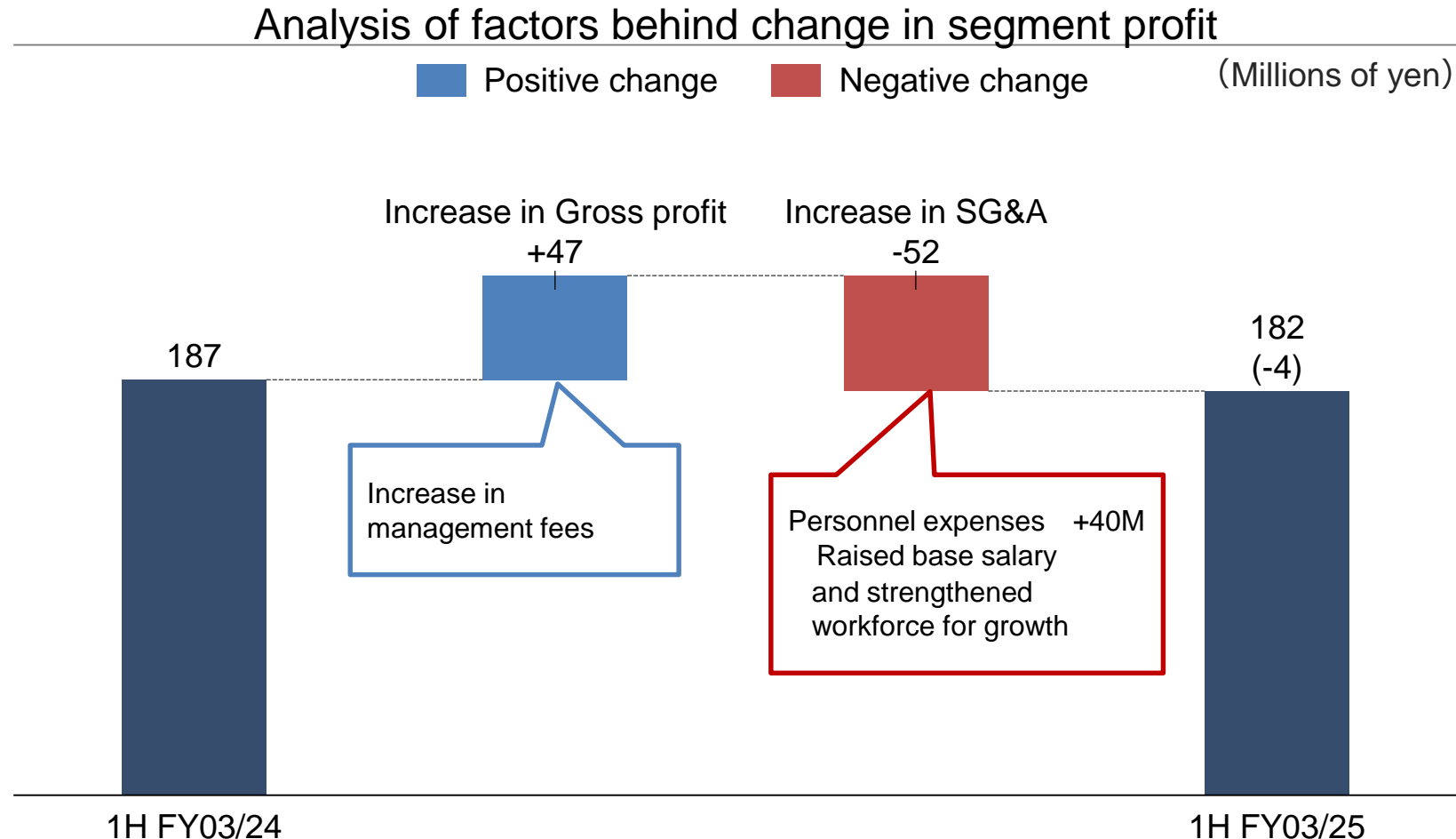
Condominium Management Business: Net Sales

- Increase in Management fees due to an increase in switchovers from other management companies



Condominium Management Business: Segment Profit

- While gross profit increased due to increase in management fees, increase in SG&A, mainly personnel expenses, led to slight decrease in profit YoY



Topics: Condominium management business won high evaluation

- [Left-hand side] In the SUUMO AWARD 2024 Tokyo Metropolitan Area, we won the grand prize in the Repair Category (for units of less than 100) of Management Company
- [Right-hand side] In the Oricon Customer Satisfaction Survey, we won 1st Prize in “Management company representative” category



修繕対応部門
最優秀賞

管理会社100戸未満の部



第1位

管理会社担当者

Topics: Highly Rated in Customer Satisfaction Survey

- Our evaluation in the “Management company representative” category of the Oricon Customer Satisfaction Ranking is rising

2024年 オリコン顧客満足度ランキング
「分譲マンション管理会社 首都圏」において

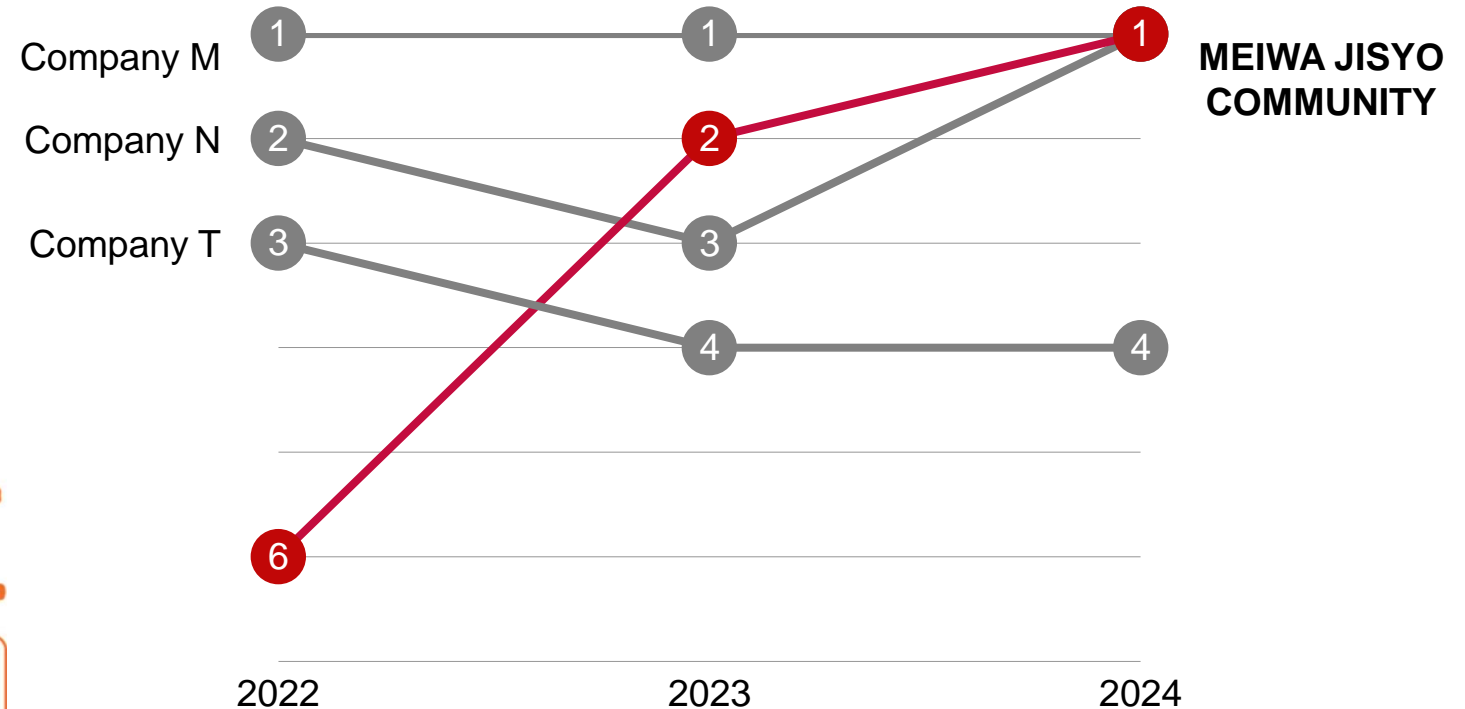


第1位

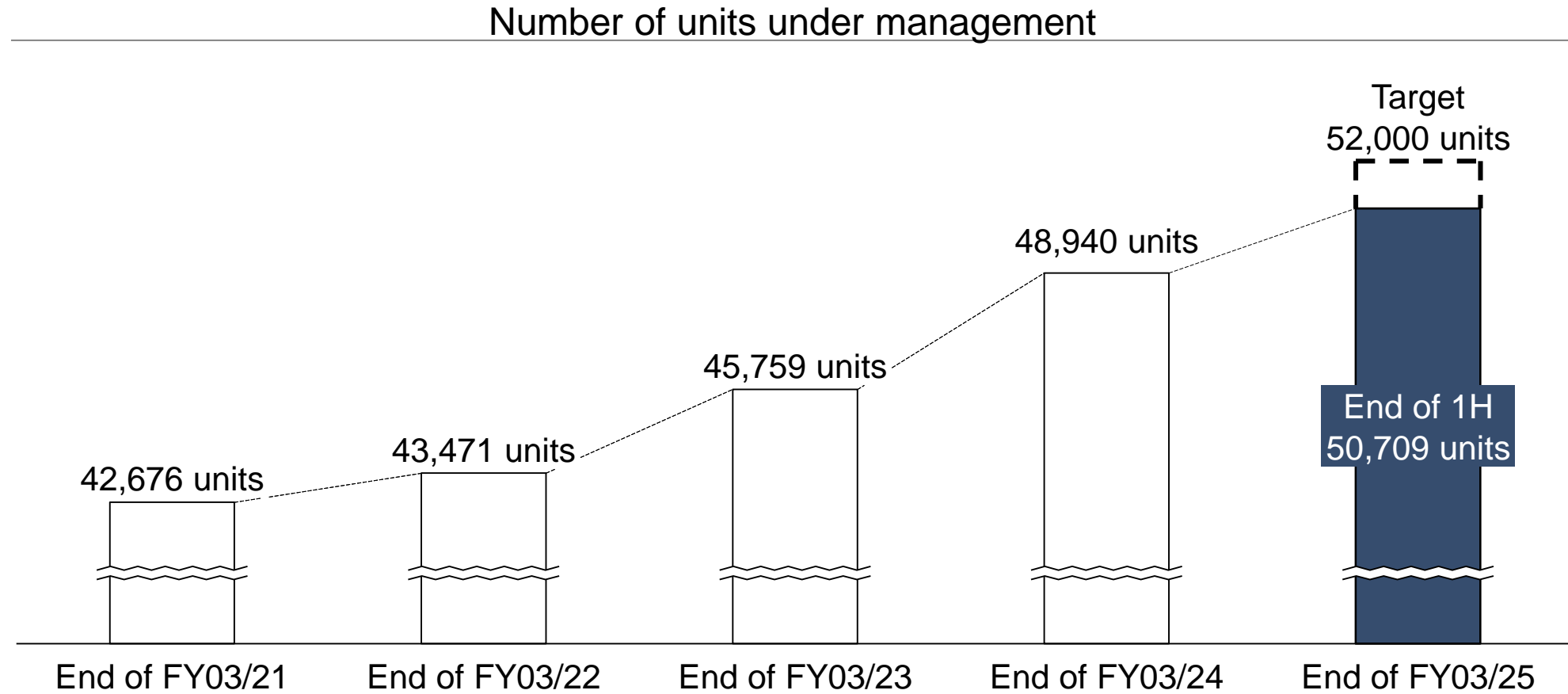
管理会社担当者

Change in ranking of
Management company representative category

(Unit: rank)

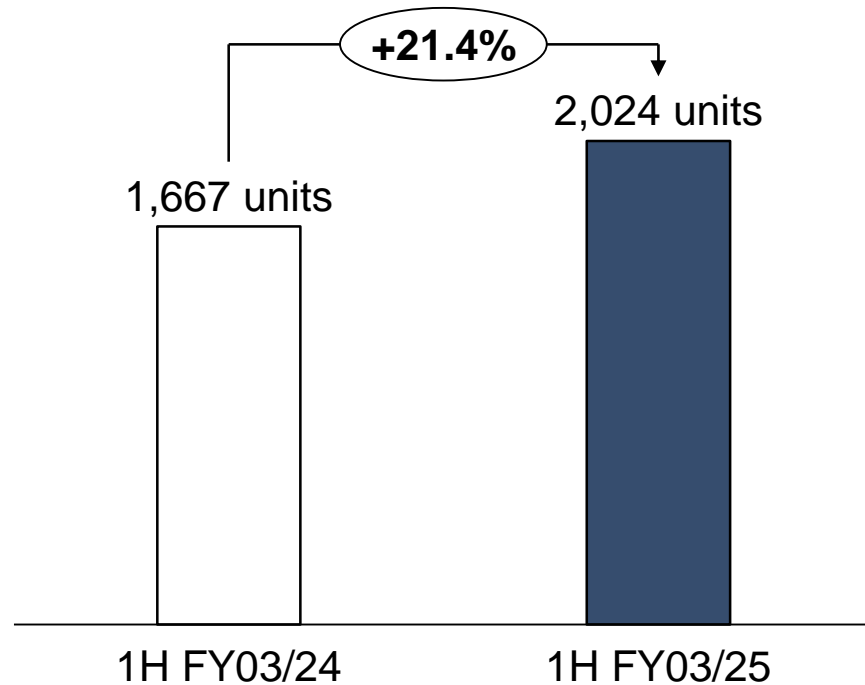


- No. of units under management increased to 50,709 units as of the end of 1H FY03/25



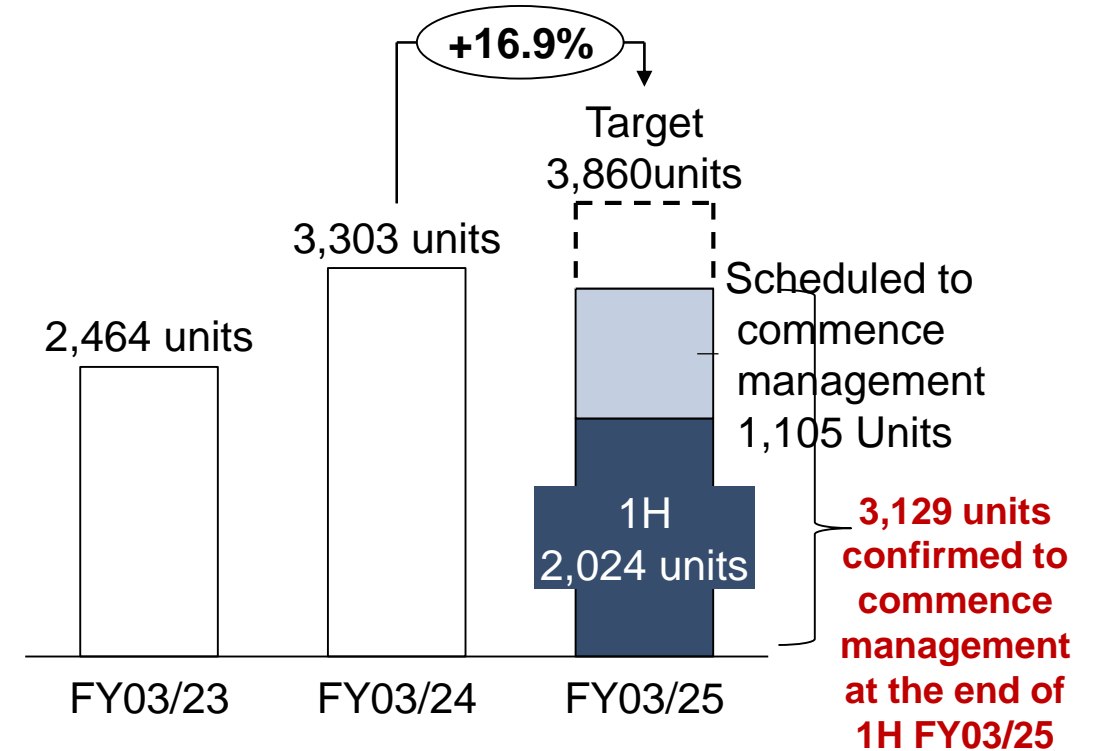
- The number of new management contracts is increasing

1H new management contracts



Up 21.4% YoY

Change in full-year new management contracts



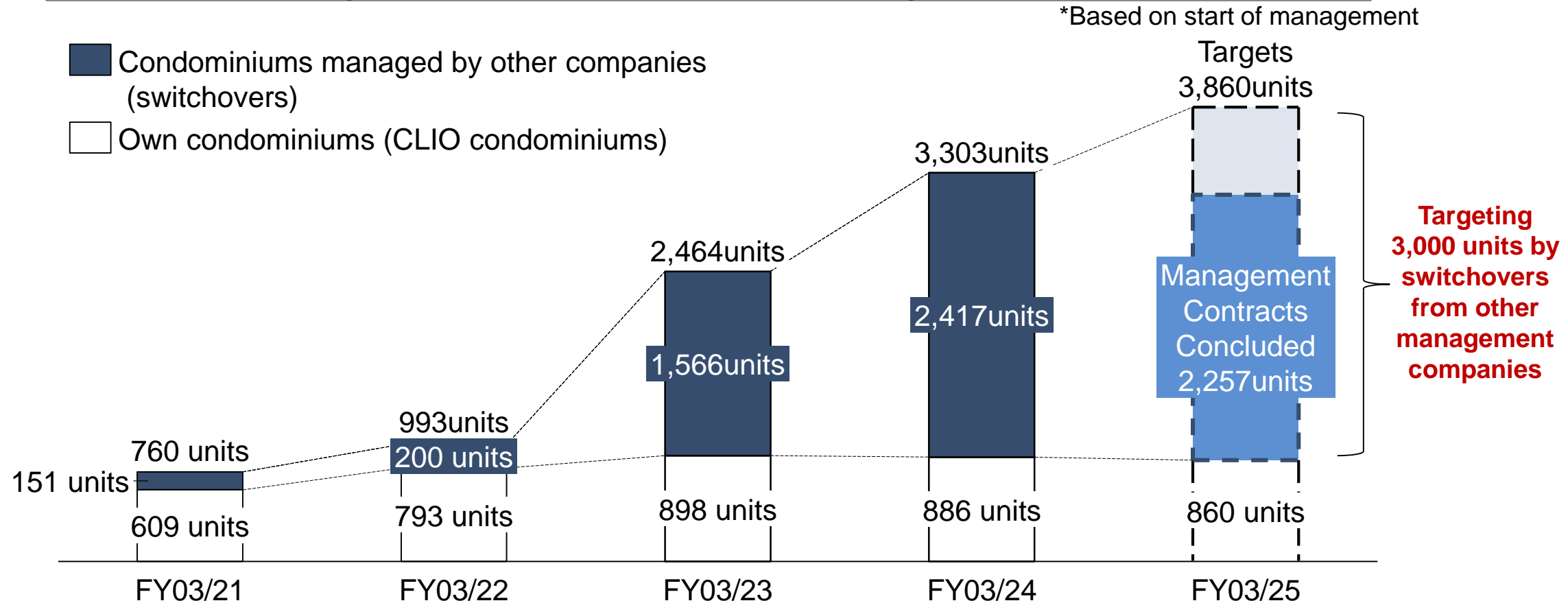
Aiming to achieve 3,860 units in new contracted units, up 16.9% YoY, for the full year

*Based on start of management

Condominium Management Business: New Management Contracts

- Switchovers from other management companies progress steady
- Continue strengthening switchovers from other management companies

Change in number of units under new management contracts



Progress of the Strategy 2027

- **All businesses are making steady progress** toward achieving the targets
- The Residential Development Business has **secured sales contracts amounting to 91% of the sales target for FY03/25**
- The Residential Development Business has **secured the target amount of sales materials for the period of the Strategy 2027 (until FY03/27)** while carrying out carefully selected purchases
- Purchase and Resale in the Real Estate Agency Business has **secured sales materials that exceed net sales target for FY03/25**
- Wealth Solutions in the Real Estate Agency Business is **making good progress in securing sales materials for the period of the Strategy 2027**

***Figures for the progress of the Strategy 2027 are as of the end of September 2024**

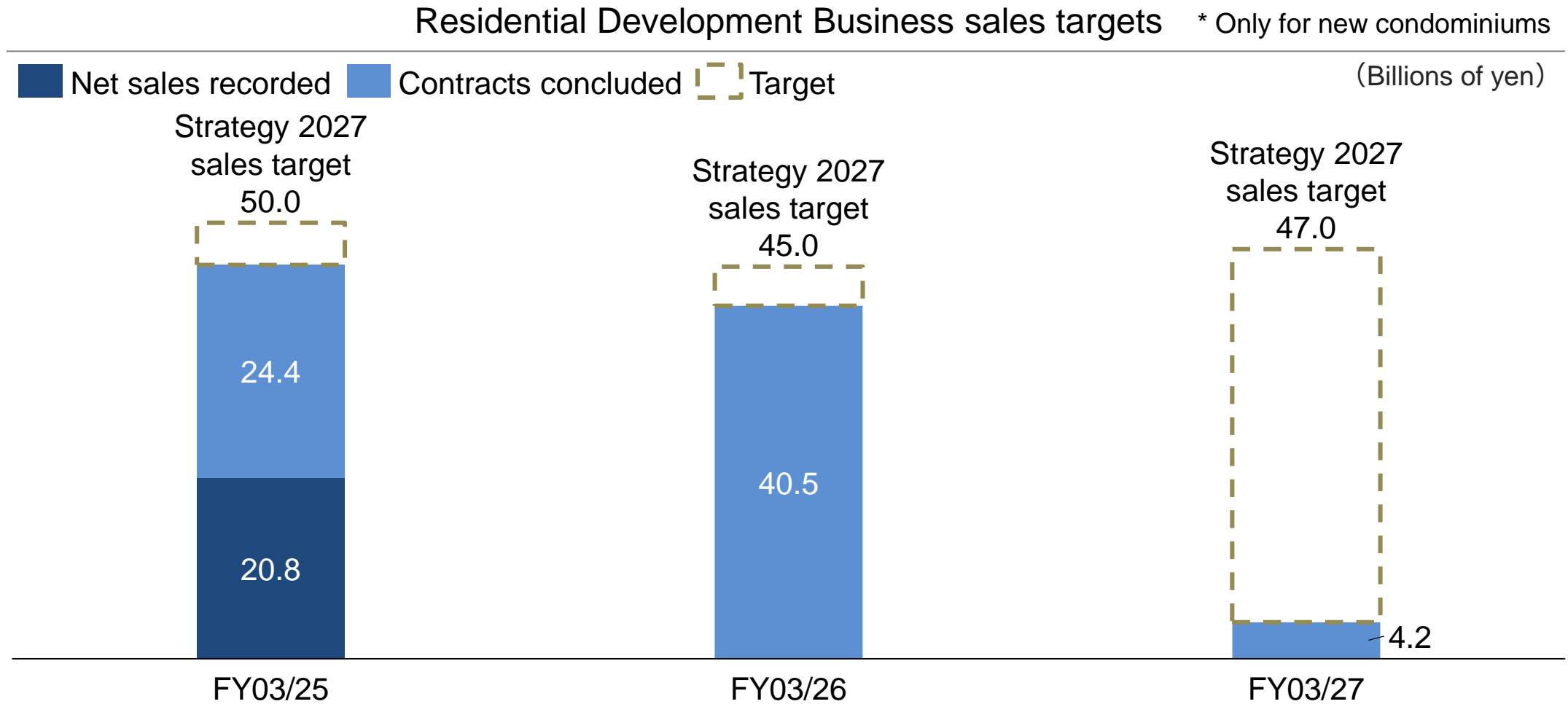
■ The Strategy 2027 Targets are as below

(Billions of yen)

| | FY03/25 | FY03/26 | FY03/27 |
|--|-------------|-------------|-------------|
| Net sales | 79.0 | 80.0 | 88.0 |
| Residential Development Business | 50.0 | 45.0 | 47.0 |
| Real Estate Agency Business | 22.1 | 28.0 | 33.7 |
| Condominium Management Business | 6.1 | 6.1 | 6.2 |
| Leasing and Related Business | 0.8 | 0.8 | 1.0 |
| Operating profit | 4.7 | 5.1 | 5.5 |
| Ordinary profit | 3.6 | 3.8 | 4.1 |
| Profit attributable to owners of parent | 2.5 | 2.6 | 2.9 |

Residential Development Business: Progress Against Sales Targets① 明和地所

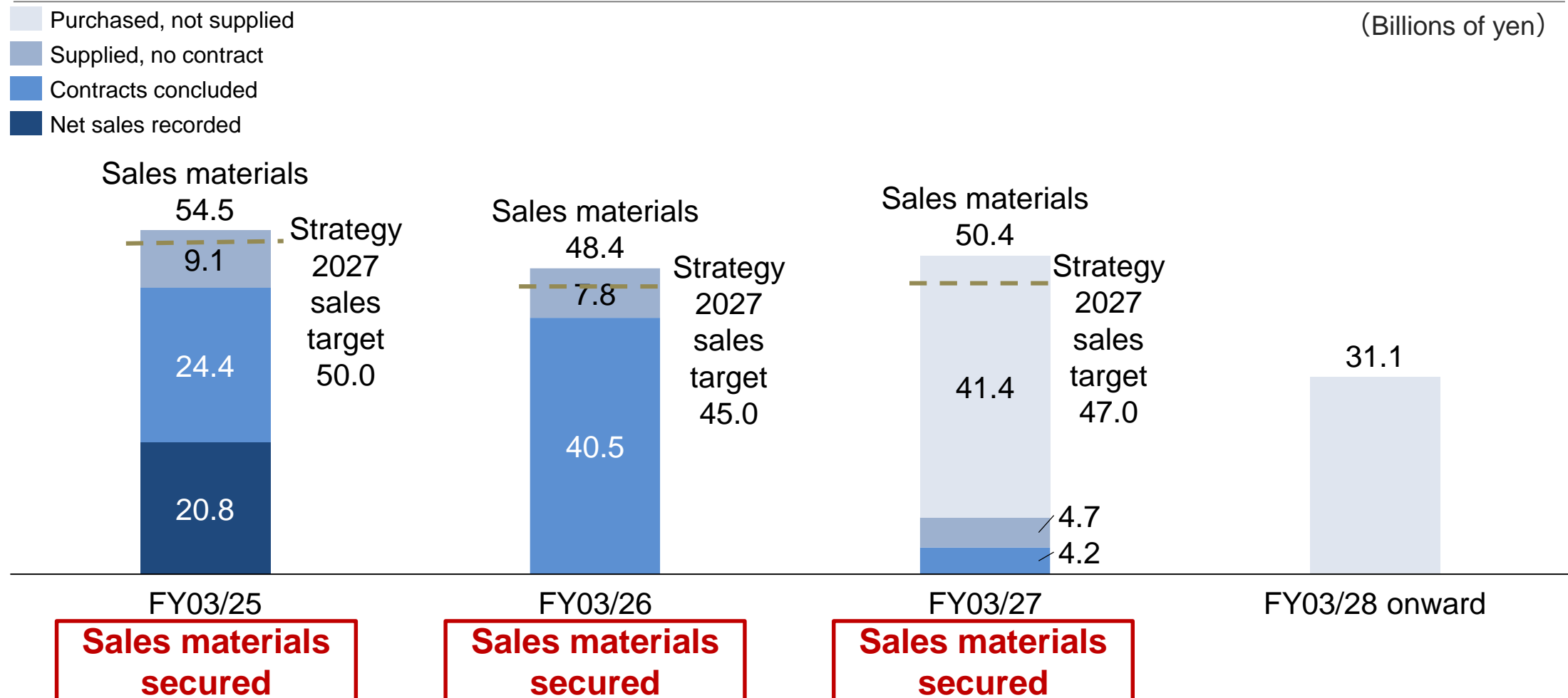
- Sales contracts amounting to 91% of net sales target for FY03/25
- Sales contracts for FY03/26 also achieve 90% of the target



Residential Development Business: Progress Against Sales Targets② 明和地所

- Secured the target amount of sales materials for the Strategy 2027

Residential Development Business sales materials * Only for new condominiums



CLIO クリオ ラベルヴィ不動産前グランクラス

CLIO la belle vie FUDŌ-MAE GRAND CLASS



ZEH-M Oriented

Shinagawa, Tokyo
Total number of units : 45
Sales commenced in September 2024
To be Completed in March 2026

CLIO クリオ浅草橋ザ・グラン CLIO ASAKUSABASHI THE GRAND



ZEH-M Oriented



Taito, Tokyo
Total number of units : 38
Sales commenced in September 2024
To be Completed in July 2026

Topics: Carefully Selected Purchases in Favorable Locations

- Sales are progressing well with carefully selected purchases in favorable locations



- A exclusive river view along the Sumida River
- 4-minute walk from Asakusabashi, the nearest station
- Accessible from 6 stations on 4 train lines

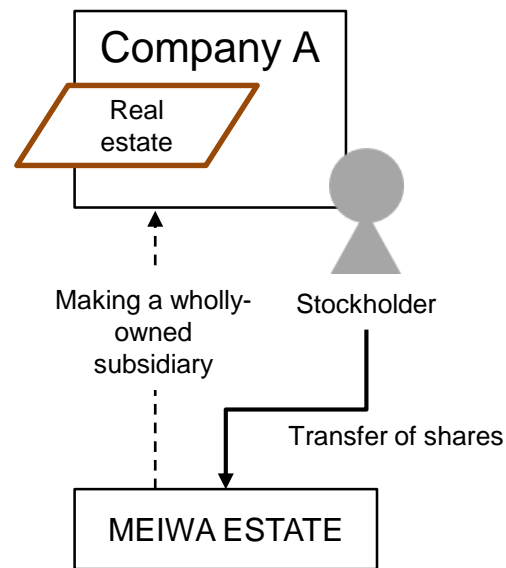


- Within walking distance of Meguro Station and Gotanda station
- 2-minute walk from Fudo-mae, the nearest station
- Conveniently located close to a large supermarket and shopping district

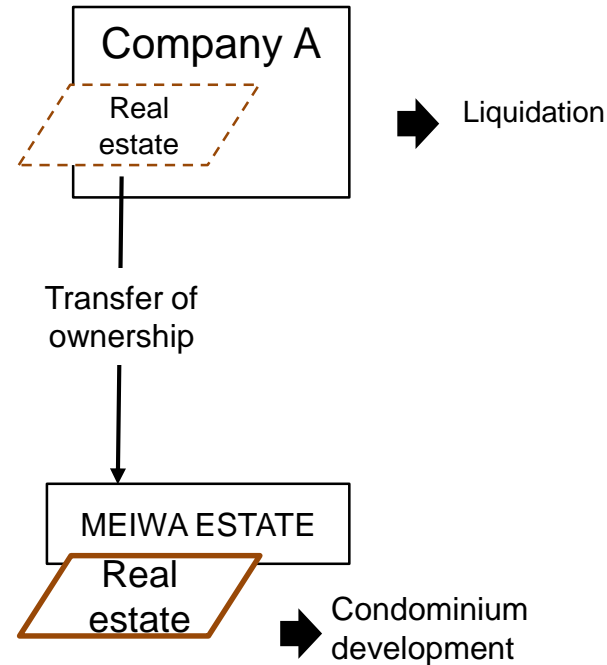
■ Amid intensifying competition, we are promoting the acquisition of land through M&A

Examples of M&A for acquisition of real estate to utilize as sales materials

① Make a company into a subsidiary through acquisition of shares



② Transfer real estate and liquidate the company



③ Develop and sell condominiums

CLIO クリオ浅草橋ザ・グラン
CLIO ASAKUSABASHI THE GRAND



Taito-ku, Tokyo, Total of 38 units
Sales commenced in September 2024

Outline of Company A

| | |
|----------------------|---------------------------------|
| Location | Tokyo |
| Business description | Parking lot management business |
| Form of transaction | Transfer of 100% shares |
| Reason for transfer | Absence of a successor |

Topics: Purchases through M&A

- Since 2021, 54 properties have been purchased through M&A
- We will continue to actively utilize M&A as one of our purchase methods

Acquisition of real estate through M&A

| Assets | No. |
|--|-----------------|
| Sites for newly developed condominiums | 3 cases |
| Unit ownership condominium | 39 units |
| Others (residential land, revenue-generating property, etc.) | 12 cases |
| Total | 54 cases |

Examples of companies acquired through M&A

| Outline of Company A | | Outline of Company B | |
|---------------------------------|---------------------------------|---------------------------------|---|
| Area | Taito-ku, Tokyo | Area | Tachikawa, Tokyo |
| Business description | Parking lot management business | Business description | Timber trade, real estate rental business |
| Form of transaction | Transfer of 100% shares | Form of transaction | Transfer of 100% shares |
| Reason for transfer | Absence of a successor | Reason for transfer | Absence of a successor |
| Net sales | Approx. ¥50 million | Net sales | Approx. ¥50 million |
| Total assets | Approx. ¥200 million | Total assets | Approx. ¥300 million |
| Valuation of real estate | Approx. ¥1.4 billion | Valuation of real estate | Approx. ¥2.8 billion |
| Overview of Company T | | Outline of Company S | |
| Area | Ota-ku, Tokyo | Area | Katsushika-ku, Tokyo |
| Business description | Real estate business | Business description | Real estate rental business |
| Form of transaction | Transfer of 100% shares | Form of transaction | Transfer of 100% shares |
| Reason for transfer | Absence of a successor | Reason for transfer | Liquidating dividend |
| Net sales | Approx. ¥400 million | Net sales | Approx. ¥74 million |
| Total assets | Approx. ¥3 billion | Total assets | Approx. ¥800 million |
| Valuation of real estate | Approx. ¥2.2 billion | Valuation of real estate | Approx. ¥5.5 billion |

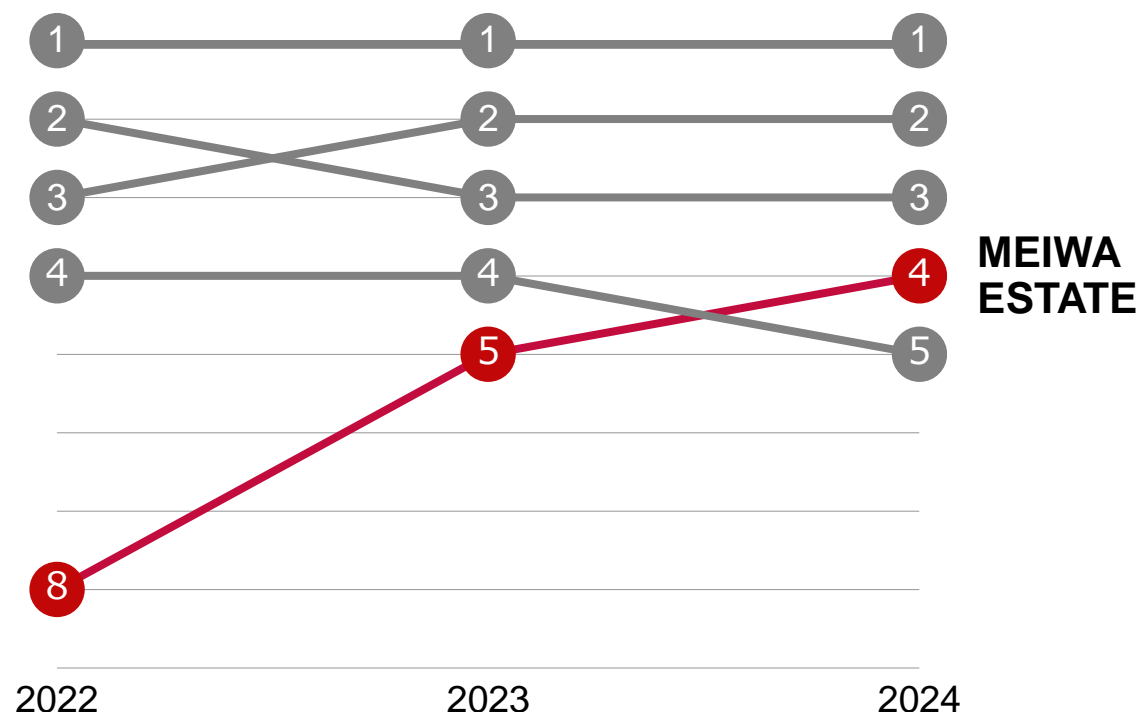
Topics : Evaluation From Customers

- Our evaluation in the Oricon Customer Satisfaction Ranking is rising. In particular, we ranked highly in “Design”.
- Continue to produce condominiums with high-quality design to be selected

2024: Oricon Customer Satisfaction Ranking
Tokyo Metropolitan Area newly built condominiums
Ranking of Design category

| | |
|-------------|---|
| First place | Sumitomo Realty & Development Co., Ltd. |
| 2nd | Mitsui Fudosan Residential Co., Ltd. |
| 3rd | Nomura Real Estate Development Co., Ltd |
| 4th | MEIWA ESTATE Co., Ltd. |
| 5th | Tokyo Tatemono Co., Ltd. |

Change in Ranking of Design category



Topics: Good Design Award 2024

- "CLIO Kugenumakaigan Grand Roi" and "CLIO Setagaya Matsubara The Classic" received the Good Design Award 2024 from the Japan Institute of Design Promotion
- This is the first time we have received the award for two properties at the same time



CLIO クリオ鵜沼海岸グランロワ
CLIO KUGENUMAKAIGAN GRAND ROI



Low-carbon
building

Property overview:
Fujisawa, Kanagawa
Total number of units: 28
Completed in June 2023

CLIO クリオ世田谷松原ザ・クラシック
CLIO SETAGAYA MATSUBARA THE CLASSIC



Low-carbon
building

Property overview:
Setagaya, Tokyo
Total number of units: 46
Completed in March 2024

Topics: SUUMO Award 2024

- In the SUUMO AWARD 2024 Tokyo Metropolitan Area, we won the Excellence Award in the Energy Saving Category of Condominium Developer and Sales Company
- We will continue to pursue the development of high-quality condominiums

MEIWA ESTATE Co., Ltd.

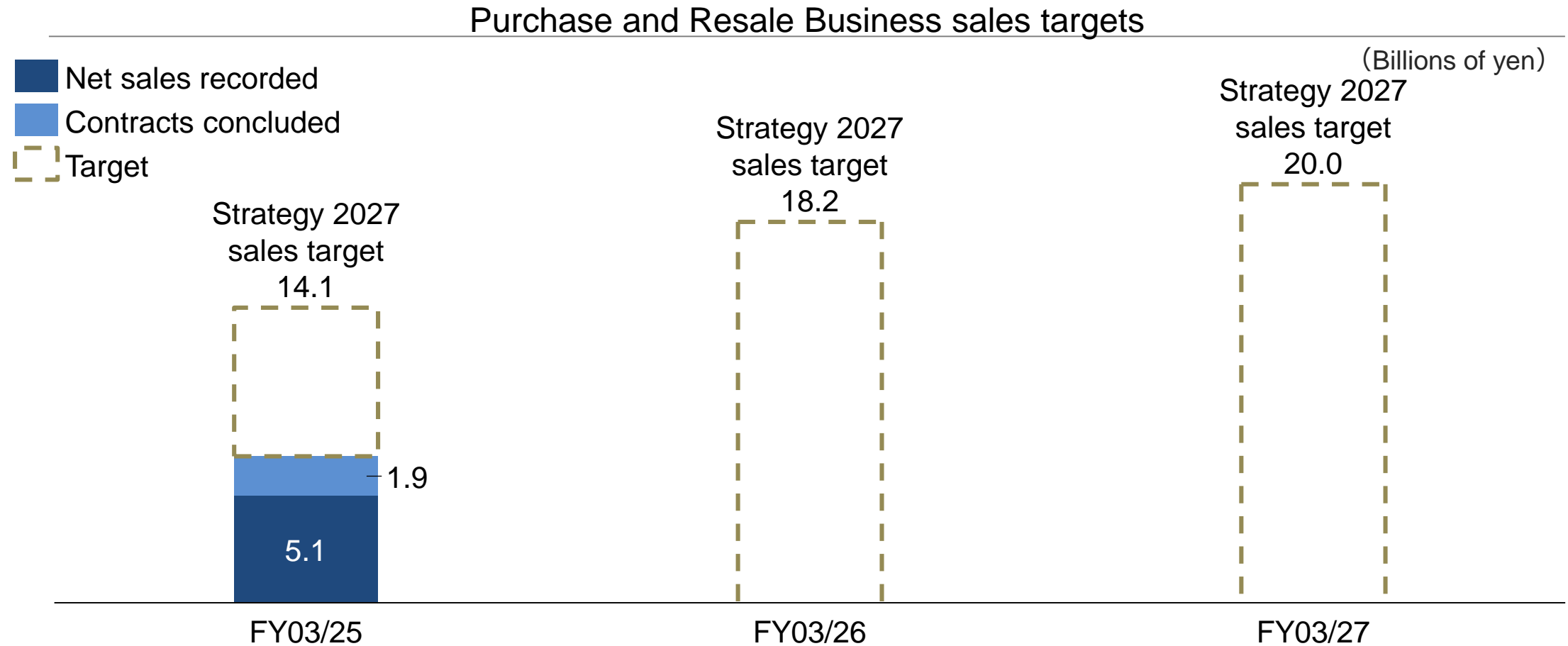


SUUMO AWARD 2024
首都圏 分譲会社デベロッパー・販売会社の部

省エネ部門 優秀賞

Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets①

- Steady progress in Purchase and resale contracts for net sales target in FY03/25

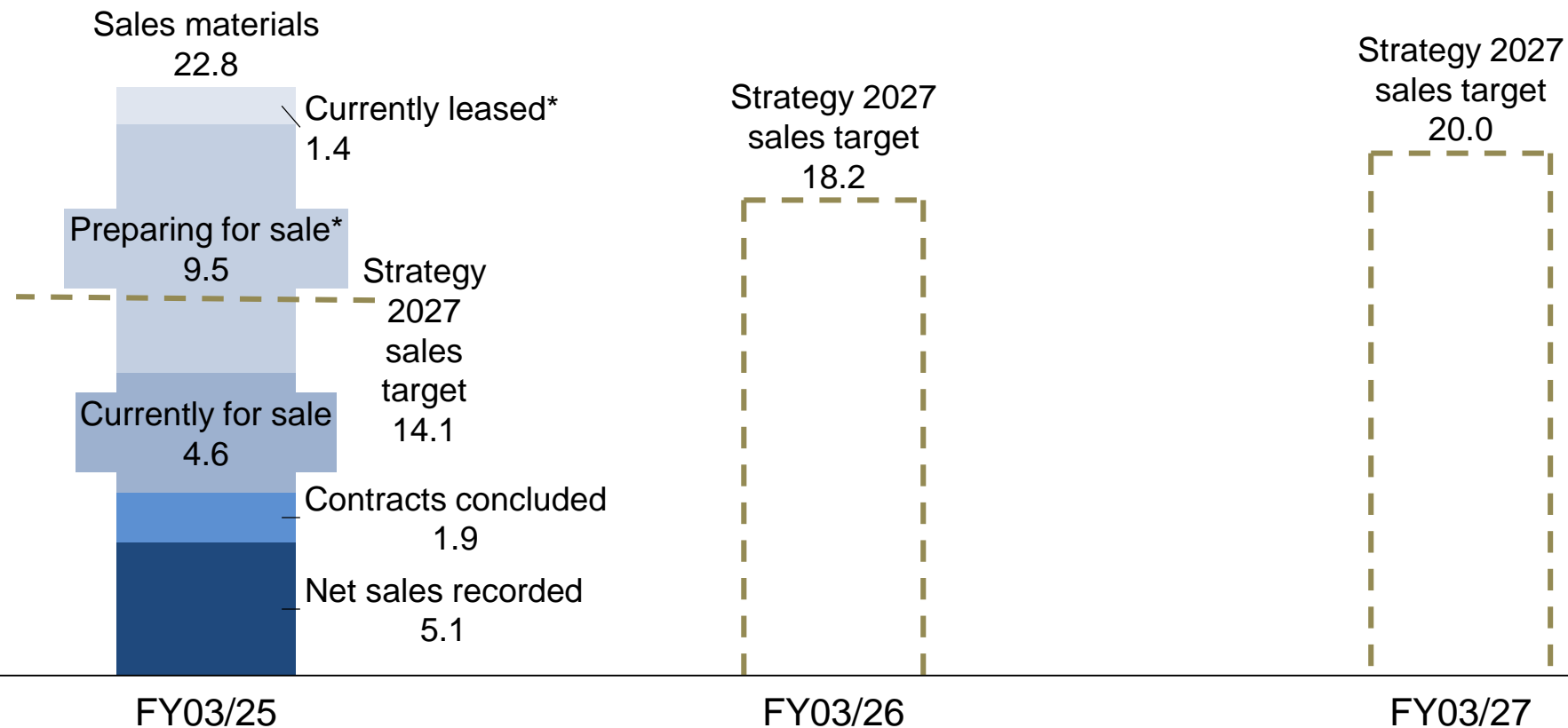


Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets②

- Secured the target amount of sales materials for FY03/25

Purchase and resale sales materials

(Billions of yen)



**Sales materials
secured**

Real Estate Agency Business, Wealth Solution: Progress Against Sales Targets

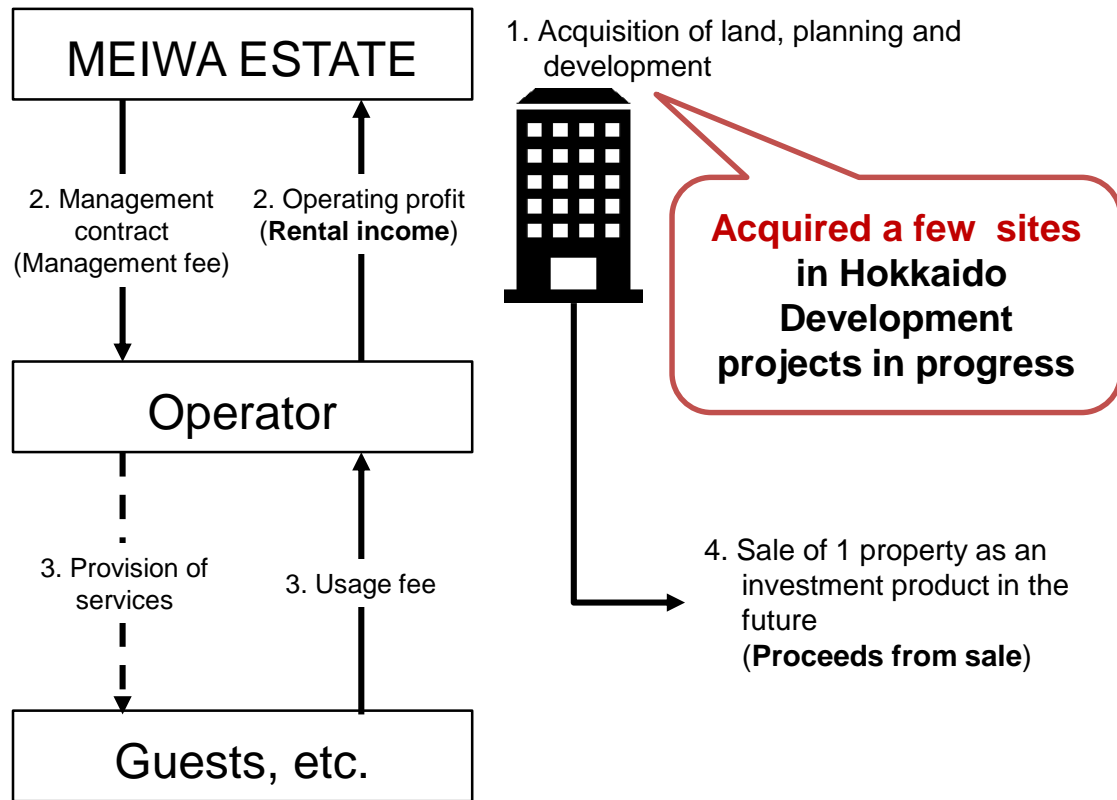
- Good progress in securing sales materials for the Strategy 2027



Topics: Hotel Development Business

- Established the Hotel Development Department in February 2024 with a view to medium- to long-term growth
- A few sites for hotel have already been acquired, and projects are under way to start up profitable business from FY03/28 onward

Assumed business scheme



Our strengths

- Diverse site information through our own purchases network
- Know-how in creating residential spaces cultivated through condominium business

Completion image of hotel project in Sapporo*



*This is a current example image. Specifications may change.

- For details of the Strategy 2027, please refer to the explanatory materials.



► IR site: the Strategy 2027
<https://www.meiwajisyo.co.jp/corp/ir/plan/>



[Ref.] Residential Development Business: Progress Against Sales Targets(1)

- For FY03/25, 91% of the Strategy 2027 sales target has been contracted

| (Billions of yen) | | | | |
|-------------------|--|---------|---------|---------|
| | | FY03/25 | FY03/26 | FY03/27 |
| Plan | Net Sales (Residential Development) | 50.0 | 45.0 | 47.0 |
| Progress | Net sales recorded (①) | 20.8 | — | — |
| | Contracts concluded (②) | 24.4 | 40.5 | 4.2 |
| | Expected net sales (① + ②) | 45.3 | 40.5 | 4.2 |
| | Progress against full-year target | 91% | 90% | 9% |

[Ref.] Residential Development Business: Progress Against Sales Targets(2)

- Sales materials have been secured for the period of the Strategy 2027

(Billions of yen)

| | | FY03/25 | FY03/26 | FY03/27 |
|----------|--|---------|---------|---------|
| Plan | Net Sales (Residential Development) | 50.0 | 45.0 | 47.0 |
| | | | | |
| Progress | Net sales recorded (①) | 20.8 | — | — |
| | Contracts concluded (②) | 24.4 | 40.5 | 4.2 |
| | Supplied, no contract (③) | 9.1 | 7.8 | 4.7 |
| | Purchased, not supplied (④) | — | — | 41.4 |
| | Sales & Sales materials (①+②+③+④) | 54.5 | 48.4 | 50.4 |
| | Progress against full-year target | 109% | 108% | 107% |

**Sales materials
secured**

**Sales materials
secured**

**Sales materials
secured**

[Ref.] Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

- Proceeding with sales contracts of the properties to be recorded as net sales in FY03/25

(Billions of yen)

| | | FY03/25 | FY03/26 | FY03/27 |
|----------|--------------------------------------|---------|---------|---------|
| Plan | Net sales (Real Estate Agency) | 22.1 | 28.0 | 33.7 |
| | Purchase and Resale | 14.1 | 18.2 | 20.0 |
| Progress | Net sales (①) | 5.1 | — | — |
| | Contracts concluded (②) | 1.9 | — | — |
| | Expected net sales (① + ②) | 7.1 | — | — |
| | Progress against full-year target | 51% | — | — |

[Ref.] Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

■ Secured sales materials for FY03/25

(Billions of yen)

| | | FY03/25 | FY03/26 | FY03/27 |
|----------|---|---------|---------|---------|
| Plan | Net sales (Real Estate Agency) | 22.1 | 28.0 | 33.7 |
| | Purchase and Resale | 14.1 | 18.2 | 20.0 |
| Progress | Net sales recorded (①) | 5.1 | — | — |
| | Contracts concluded (②) | 1.9 | — | — |
| | Currently for sale (③) | 4.6 | — | — |
| | Preparing for sale (④) | 9.5 | — | — |
| | Currently leased (⑤) | 1.4 | — | — |
| | Sales & sales materials (sum of ① to ⑤) | 22.8 | — | — |
| | Progress against full-year target | 162% | — | — |

**Sales materials
secured**

*Properties preparing for sale or currently leased may be sold in FY03/26 or beyond

Fact Sheet

Consolidated Balance Sheet as of End of 1H FY03/25

(Millions of yen)

| | End of FY03/24 | End of 1H FY03/25 | Change | Change (%) |
|---------------------------------|----------------|-------------------|---------|------------|
| Total assets | 124,151 | 119,391 | -4,760 | -3.8% |
| Current assets | 115,071 | 107,467 | -7,604 | -6.6% |
| Cash and deposits | 34,902 | 20,617 | -14,284 | -40.9% |
| Real estate for sale | 16,433 | 8,195 | -8,238 | -50.1% |
| Real estate for sale in process | 62,257 | 77,133 | 14,875 | 23.9% |
| Non-current assets | 9,079 | 11,923 | 2,843 | 31.3% |
| Property, plant and equipment | 6,724 | 9,596 | 2,871 | 42.7% |
| Intangible assets | 239 | 232 | -7 | -3.1% |
| Investments and other assets | 2,115 | 2,095 | -20 | -1.0% |
| Total liabilities | 92,178 | 86,708 | -5,470 | -5.9% |
| Interest-bearing liabilities | 59,289 | 69,132 | 9,843 | 16.6% |
| Other liabilities | 32,888 | 17,575 | -15,313 | -46.6% |
| Net assets | 31,973 | 32,682 | 709 | 2.2% |
| Equity ratio | 25.8% | 27.4% | 1.6pp | — |

Residential Development Business: Sales Breakdown and Leading Sales Indicators

(Millions of yen)

| | 1H 03/24 Actual | 1H 03/25 Actual | Change | Change(%) | FY03/25 Full-year forecast | Progress(%) |
|------------------------|--------------------|--------------------|---------------|--------------|----------------------------------|--------------|
| Net sales | 19,779 | 21,032 | 1,252 | 6.3% | 50,000 | 42.1% |
| Condominiums | 18,953 | 20,897 | 1,944 | 10.3% | — | — |
| Units delivered | 282 units | 390 units | 108 units | 38.3% | — | — |
| Gross profit margin | 19.5% | 19.5% | -0.0pp | — | — | — |
| Land and buildings | 794 | 75 | -719 | -90.6% | — | — |
| Others | 30 | 59 | 28 | 91.3% | — | — |
| Purchases | 18,440 | 18,141 | -298 | -1.6% | — | — |
| Condominiums | 18,250 | 10,186 | -8,064 | -44.2% | — | — |
| Land and buildings | 189 | 7,955 | 7,765 | 4,094.9% | — | — |
| Supply | 21,543 | 26,391 | 4,847 | 22.5% | — | — |
| Condominiums | 21,508 | 18,322 | -3,186 | -14.8% | — | — |
| No. of units | 346 units | 225 units | -121 units | -35.0% | — | — |
| Land and buildings | 34 | 8,069 | 8,034 | 23,023.0% | — | — |
| Sales Contracts | 18,960 | 34,812 | 15,852 | 83.6% | — | — |
| Condominiums | 18,925 | 26,743 | 7,818 | 41.3% | — | — |
| No. of units | 324 units | 421 units | 97 units | 29.9% | — | — |
| Land and buildings | 34 | 8,069 | 8,034 | 23,023.0% | — | — |

Real Estate Agency Business: Sales Breakdown and Leading Sales Indicators

(Millions of yen)

| | | 1H FY03/24 Actual | 1H 03/25 Actual | Change | Change(%) | FY03/25 Forecast | Progress (%) |
|------------------------|---------------------|----------------------|--------------------|--------------|--------------|---------------------|--------------|
| Net sales | | 6,959 | 10,396 | 3,436 | 49.4% | 22,100 | 47.0% |
| Purchase and Resale | | 3,688 | 5,151 | 1,463 | 39.7% | 14,100 | 36.5% |
| Units delivered | | 64 units | 69 units | 5 units | 7.8% | — | — |
| Gross profit margin | | 11.0% | 14.4% | 3.4pp | — | — | — |
| Brokerage fees | | 465 | 659 | 194 | 41.7% | 1,200 | 55.0% |
| No. of transactions | | 321 | 387 | 66 | 20.6% | — | — |
| Wealth solution | | 2,698 | 4,422 | 1,723 | 63.9% | 6,500 | 68.0% |
| Others | | 107 | 162 | 55 | 51.5% | — | — |
| Purchase and Resale | Units purchased | 71 units | 109 units | 38 units | 53.5% | — | — |
| | Sales contracts | 3,722 | 6,181 | 2,458 | 66.0% | — | — |
| | No. of units | 64 units | 77 units | 13 units | 20.3% | — | — |
| Brokerage | Brokerage fees | 465 | 659 | 194 | 41.7% | — | — |
| | No. of transactions | 321 | 387 | 66 | 20.6% | — | — |
| WS | Purchases | 4,856 | 14,686 | 9,830 | 202.4% | — | — |
| | Sales contracts | 698 | 2,319 | 1,621 | 232.2% | — | — |

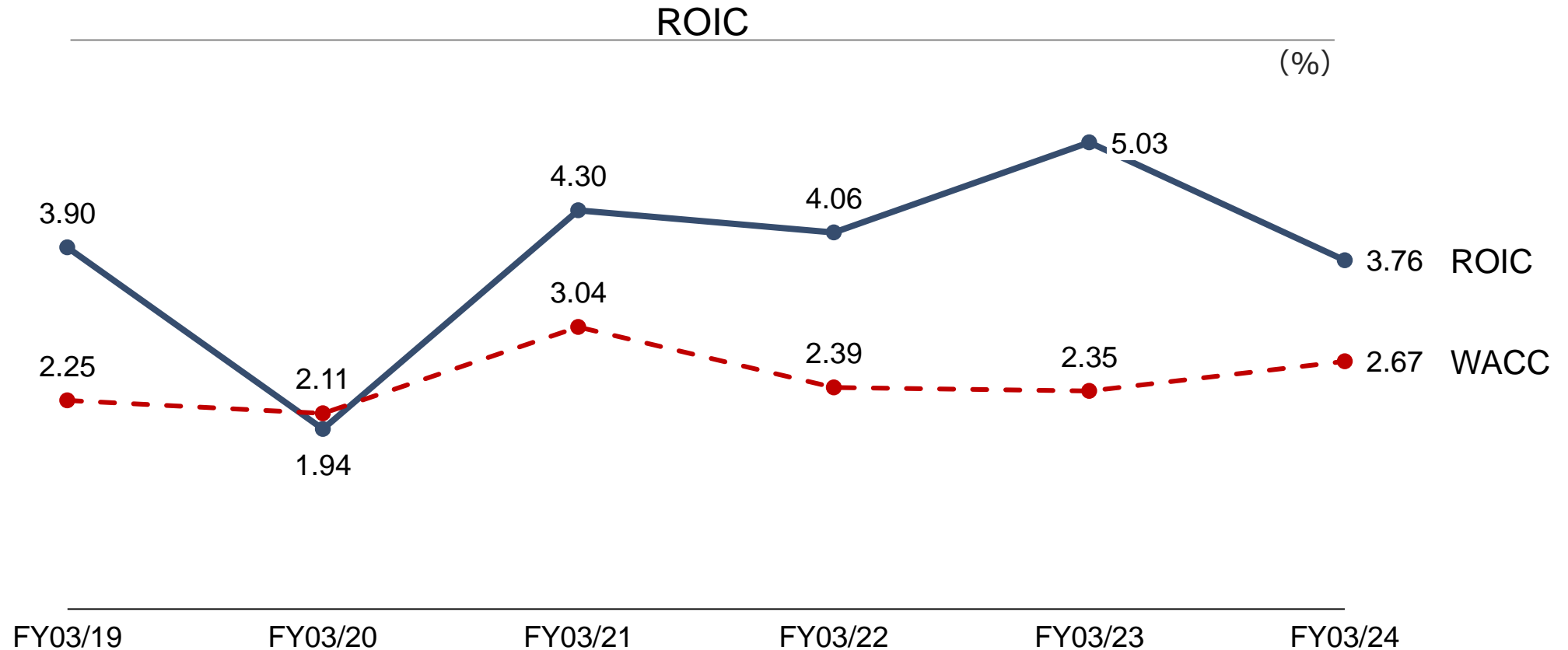
Condominium Management Business: Sales Breakdown and Leading Sales Indicators

(Millions of yen)

| | 1H FY03/24 Actual | 1H FY03/25 Actual | Change | Change(%) | FY03/25 Forecast | Progress (%) |
|---------------------------------|----------------------|----------------------|-------------|-----------|---------------------|--------------|
| Net sales | 2,802 | 2,961 | 158 | 5.6% | 6,100 | 48.5% |
| Management fees | 2,267 | 2,465 | 197 | 8.7% | — | — |
| Construction-related | 493 | 405 | -88 | -17.9% | — | — |
| Others | 41 | 91 | 49 | 118.0% | — | — |
| No. of new management contracts | 1,667 units | 2,024 units | 357 units | 21.4% | — | — |
| No. of units under management | 47,426 units | 50,709 units | 3,283 units | 6.9% | — | — |

[Ref.] ROIC and WACC

- In FY03/24, ROIC was 3.76%, WACC was 2.67%, and is recognized as generating shareholder value



■ Calculation formula of ROIC as below

$$\text{ROIC} = \frac{\text{Consolidated operating profit} \times (1 - \text{effective tax rate})}{\text{Invested Capital}^*}$$

* Invested Capital is calculated as interest-bearing liabilities + equity.
Calculated using the average value during the period.

(Image) Consolidated Balance Sheets

| Assets | Liabilities |
|--------------------|------------------------------|
| Current assets | Current liabilities |
| | |
| Non-current assets | Long-term liabilities |
| | |
| | Equity |
| Total assets | Total liabilities and equity |

Invested Capital

The diagram illustrates the calculation of Invested Capital by highlighting the 'Long-term liabilities' and 'Equity' rows in the Liabilities section of the Consolidated Balance Sheet. A red bracket on the right side of the table groups these two rows, with a line pointing to the text 'Invested Capital'.

■ Calculation formula of WACC as below

$$\text{WACC} = (\text{Cost of Debt} \times \text{Debt ratio}) + (\text{Cost of Equity} \times \text{Equity ratio})$$

| | |
|----------------|--|
| Cost of Debt | Interest-bearing liabilities interest rate x (1 - effective tax rate) |
| Debt ratio | Value of interest-bearing liabilities / (market cap + value of interest-bearing liabilities) |
| Cost of Equity | Calculated by us using CAPM* |
| Equity ratio | Market cap / (market cap + value of interest-bearing liabilities) |

* Risk-free rate is based on 10-year JGB yield, beta value is based on 5-year weekly, and risk premium is based on TOPIX change

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Contact

**Corporate Planning Dept.,
MEIWA ESTATE Co., Ltd.**

TEL

03-5489-2620

E-mail

IR8869@meiwajisyo.co.jp

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