



MEIWA ESTATE Co., Ltd.

Q2 Financial Results Briefing for the Fiscal Year Ending March 2025

November 26, 2024

Event Summary

[Company Name]	MEIWA ESTATE Co., Ltd.	
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[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending March 2025	
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[Venue]	Marunouchi Building Hall&Conference Square Room4 and Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	3	
	Hideaki Harada	President & CEO
	Koji Kakizaki	Executive Director, Executive Officer
	Hiroyuki Taro	Executive Officer

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Presentation

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

Today, I will explain our financial results in accordance with the explanatory materials released on November 11.

Summary

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- 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**

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First, this is the summary.

The consolidated results for H1 showed a YoY increase in both net sales and profits. For FY03/2025, both the full-year earnings forecast and the dividends forecast have no change.

With respect to the Strategy 2027, which covers the period from the current FY03/2025 to FY03/2027, all businesses are making steady progress toward achieving the targets.

The Residential Development Business has made about 90% of the net sales target for FY03/2025. In addition, we have already secured the target amount of sales materials in the Residential Development Business for the period of the plan while carrying out carefully selected purchases.

Purchase and Resale in the Real Estate Agency Business has currently secured sales materials that exceed the net sales target for FY03/2025.

Wealth Solutions is making good progress in securing sales materials for the period of the plan.

From here, I, Harada, will explain the consolidated financial results for H1, and Executive Director Kakizaki will explain the details by business segment. Then, I will explain the progress of the Strategy 2027.

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■ 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)

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Consolidated financial results for H1.

Net sales were JPY34.8 billion, up 15% YoY. Operating profit was JPY2.7 billion, up 56%. Ordinary profit was JPY2.1 billion, up 82%. Net income was JPY1.6 billion, up 48%. Net sales and profits increased.

For the full year FY03/2025, there is no change from the current forecast and also no change to the dividend forecast.

As of the end of H1, we secured 91% of the full-year net sales target of JPY50 billion in terms of the Residential Development Business.

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- 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

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Summary by business.

The Residential Development Business is making steady progress toward achieving the full-year plan. Purchases in the Residential Development Business decreased YoY due to carefully selected purchases in consideration of soaring construction costs.

In the Real Estate Agency Business, both the Purchase and Resale Business and the Brokerage Business were strong, and net sales increased YoY by approximately 40%.

In the Wealth Solutions Business, we completed the delivery of four investment properties, including rental condominiums.

The Condominium Management Business performed well, with the strong switchover of condominiums managed by other companies.

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Consolidated Financial Results 1H FY03/25

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- 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)

	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%)	—

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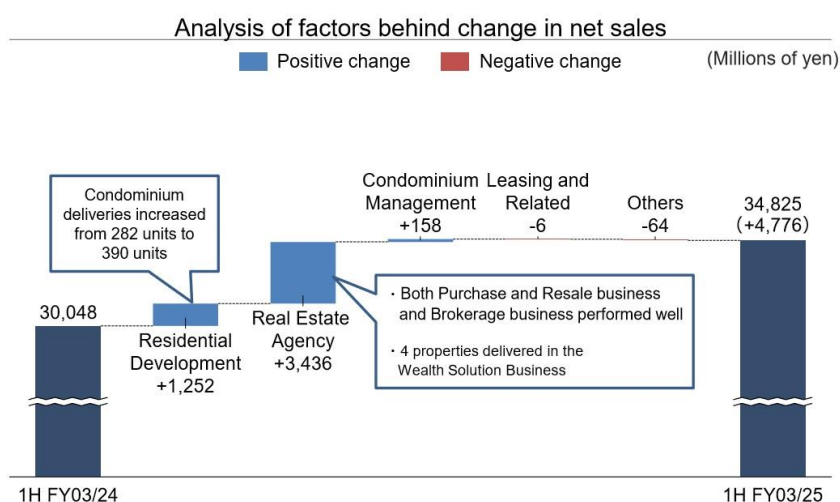
Summary of consolidated financial results for H1.

As I mentioned earlier, both net sales and profits increased.

Factors Behind Change in Net Sales by Segment

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- 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



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Looking at the factors behind the YoY change in net sales by segment, the Real Estate Agency Business, which has been strengthened, saw a significant increase of JPY3.4 billion.

In the Residential Development Business, net sales increased by JPY1.2 billion due to an increase in the number of condominium deliveries.

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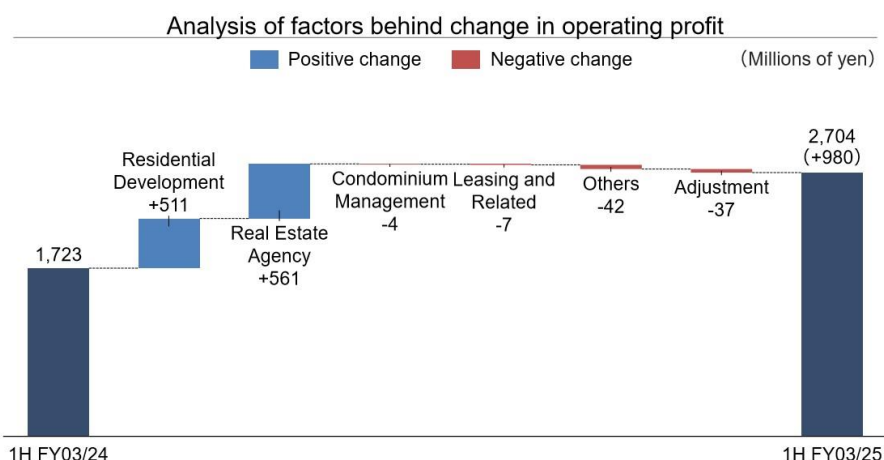
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Factors Behind Change in Operating Profit by Segment

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- 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



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Next, factors behind the change in operating profit.

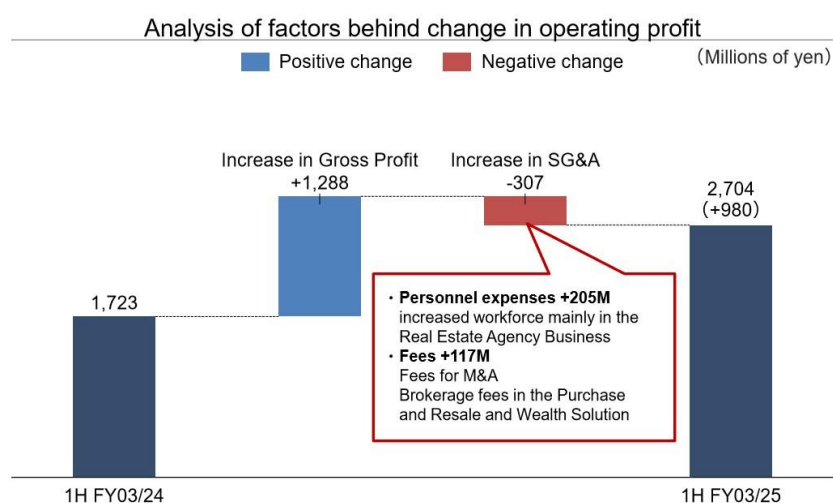
Due to the factors that I mentioned earlier for the increase in net sales, profit increased by JPY500 million in the Residential Development Business and by JPY500 million in the Real Estate Agency Business.



Factors Behind Change in Operating Profit by Accounting item

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



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Also, looking at the factors behind the change in operating profit by accounting item, an increase in gross profit due to the factors explained earlier offset an increase in SG&A expenses aimed at strengthening sales capabilities, resulting in an increase in operating profit of JPY900 million.

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As for the increase in SG&A expenses, personnel expenses increased due to an increase in personnel mainly in the Real Estate Agency Business, fees related to M&A were incurred, and brokerage fees in the Purchase and Resale and Wealth Solutions Businesses increased.

Shareholder Returns : Dividends

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

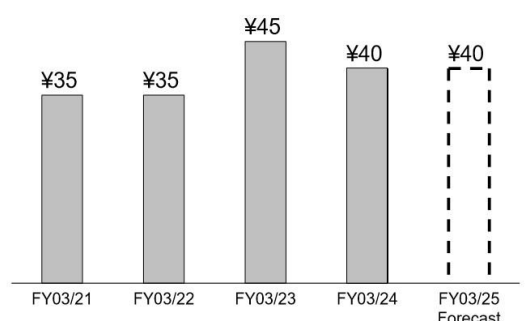
Basic policy of dividends

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

■ Dividends per share actual
□ Dividends per share plan



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The dividends for FY03/2025 are unchanged from the initial forecast and are planned to be JPY40 per share.

Shareholder Returns : Shareholder Benefits

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- 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



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We also plan to continue the shareholder benefit program.

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[Ref.] Our Business Segments and Contents

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- 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.

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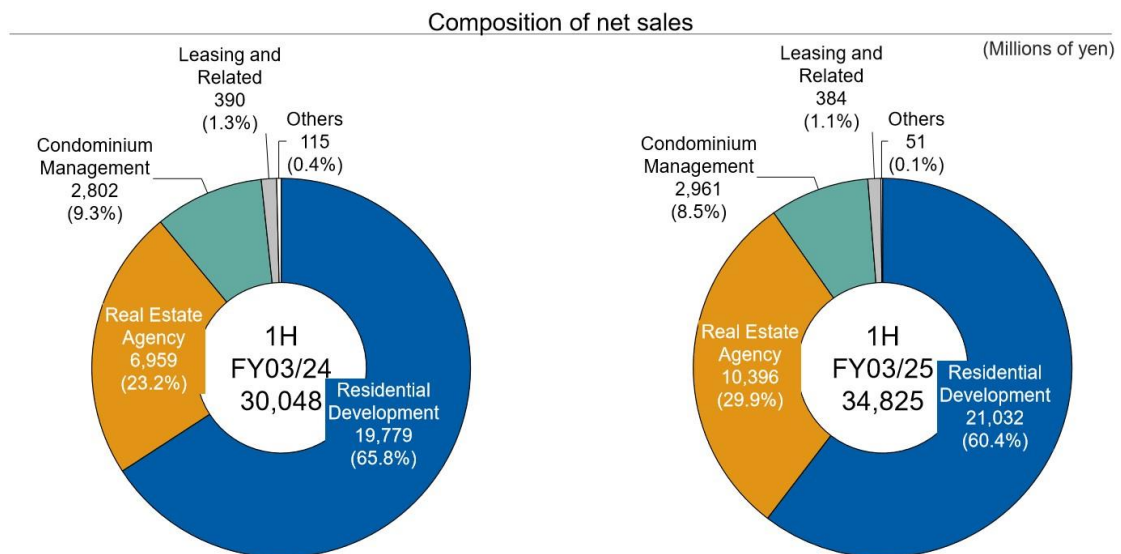
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Our business segments and contents are as described on this slide.



[Ref.] Composition of Net Sales

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The composition of net sales by segment for H1 FY03/2024 and H1 FY03/2025 are shown on this slide.

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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%

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The composition of segment profit for FY03/2024 and FY03/2025 are as shown on the slide.

The Real Estate Agency Business saw a significant YoY increase of 161%.

Now, Executive Director Kakizaki will explain each business in detail.

Kakizaki: I am Kakizaki, Executive Director. I would like to explain the details of each business.

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Residential Development Business

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- **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

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First, here is a summary of the Residential Development Business.

In the Residential Development Business, net sales were JPY21 billion, and segment profit was JPY1.8 billion, a YoY increase in both net sales and profit.

In H1, purchases were JPY10.1 billion, supply was JPY18.3 billion, and sales contracts were JPY26.7 billion. Although purchases and supply decreased YoY, sales contracts increased YoY due to the strong progress in sales of newly supplied condominiums.

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Residential Development Business Results 1H FY03/25

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■ 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%

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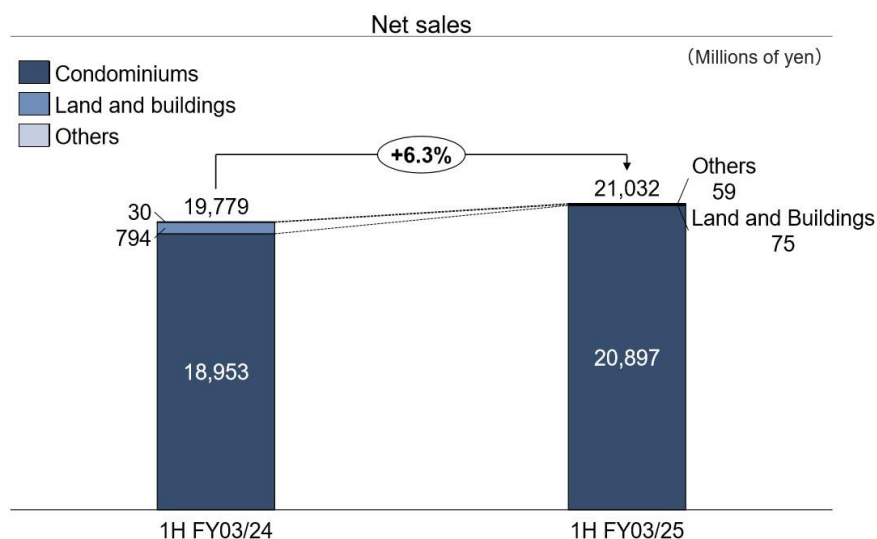
The next slide shows the results of the Residential Development Business.

As I mentioned earlier, both net sales and profit increased YoY.

Residential Development Business: Net Sales

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



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The next slide shows a breakdown of net sales.

The number of condominium deliveries increased YoY, resulting in a YoY increase in net sales.

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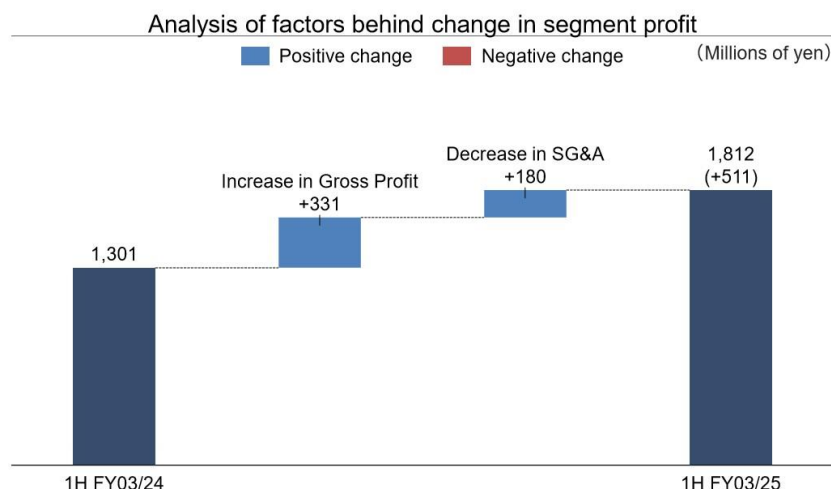
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Residential Development Business: Segment Profit

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



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The next slide shows the factors behind the change in segment profit.

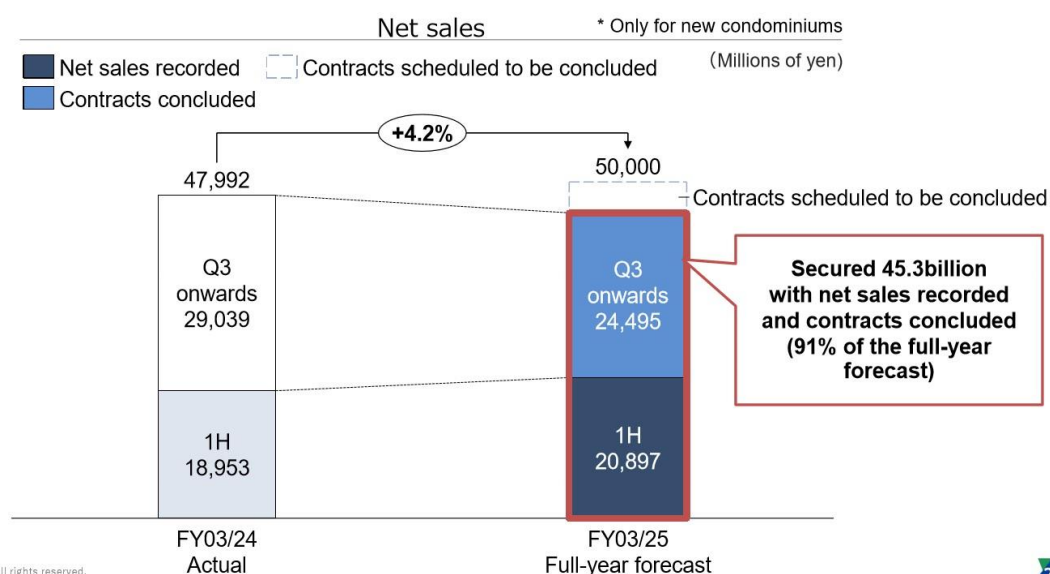
Segment profit increased YoY due to an increase in gross profit by an increase in condominium deliveries and a reduction in SG&A expenses, including advertising expenses.



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

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



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The next slide shows the progress of net sales.

Net sales were JPY20.8 billion. Including JPY24.4 billion of contracts concluded as of the end of H1, 91% of the full-year net sales plan of JPY50 billion announced at the beginning of FY03/2025 is achieved.

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- We developed high-value-added condominiums.

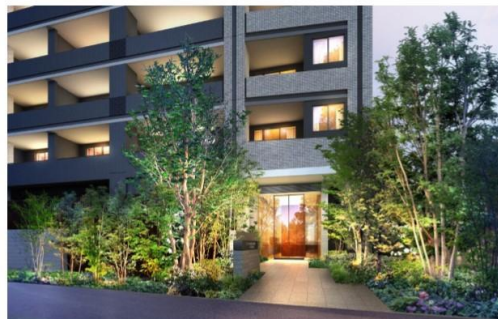
CLIO クリオ藤沢善行グランヒルコート
CLIO FUJISAWA ZENGYO GRAND HILL COURT



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

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The next slide shows topics.

We delivered these two condominiums in H1. One is here, “CLIO FUJISAWA ZENGYO GRAND HILL COURT”. The other property is in Fukuoka and is called “CLIO FUKUOKA HAKATA MID GRACE”.

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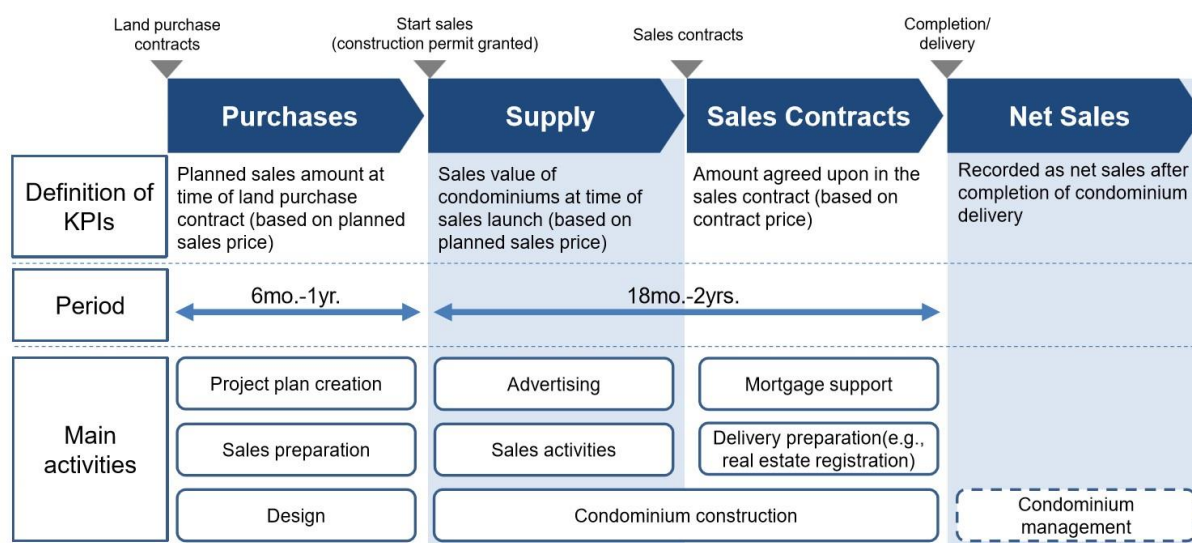
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[Ref.] Leading Sales Indicators (KPIs) for the Residential Development Business

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- KPIs are defined as follows.



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This slide shows a flowchart of the Residential Development Business and the definitions of KPIs for your reference.

For condominiums, our mainstay product, net sales are recorded at the time of delivery to the customer after construction is completed, so it takes about two years or more from the land purchase to the time net sales are recorded. Purchase land, design, and conduct sales activities. The condominium construction is then completed and delivered to the customers for net sales.

For this reason, we regard purchases, supply and sales contracts as indicators for net sales in the Residential Development Business and place importance on the progress of these indicators.

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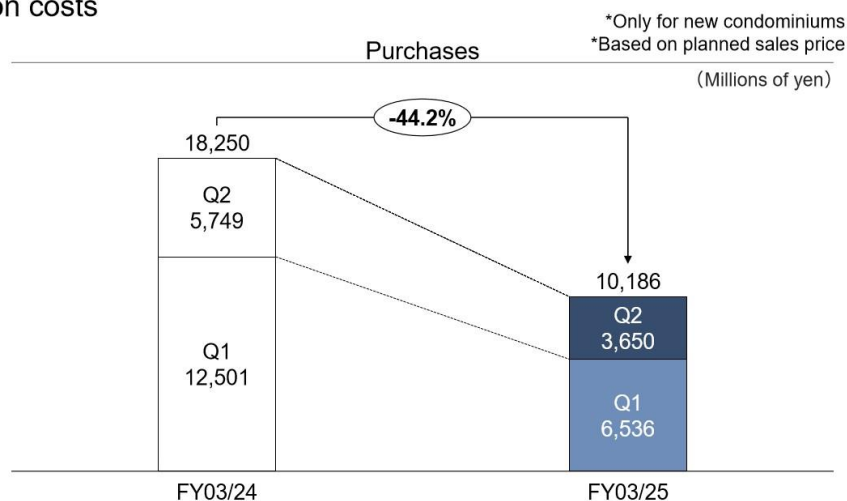
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Residential Development Business: Purchases

Purchases Supply Contracts Net Sales MEIWA 明和地所

- 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



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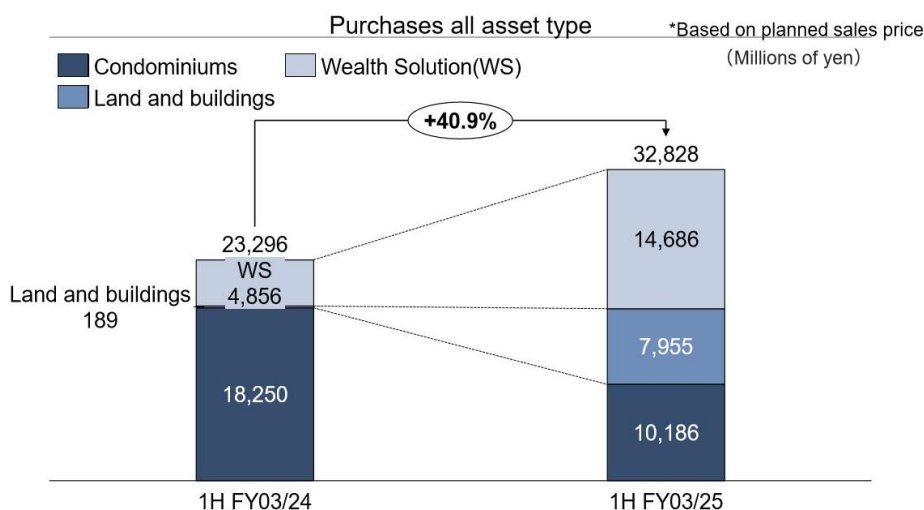
The next slide shows purchases.

Purchases decreased YoY by 44% to JPY10.1 billion due to carefully selected purchases in consideration of soaring construction costs.

[Ref.] Diversification of Asset Type

Purchases Supply Contracts Net Sales MEIWA 明和地所

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



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Next, although the severe environment surrounding land procurement continues, we are diversifying asset type by examining land site information from various perspectives. We actively considered not only condominiums, but also land and buildings, as well as the use of land for materials of the Wealth Solutions Business, and company-wide purchases increased by 40% to JPY32.8 billion.

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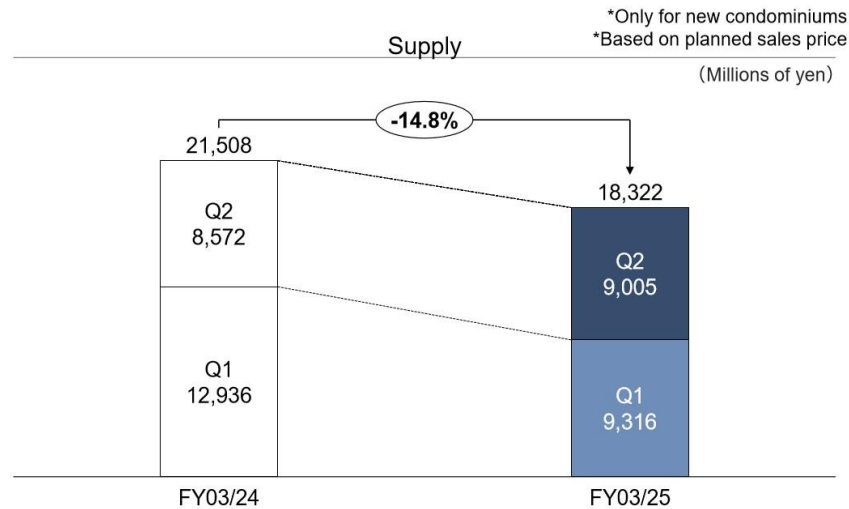
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Residential Development Business: Supply

Purchases Supply Contracts Net Sales MEIWA 明和地所

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



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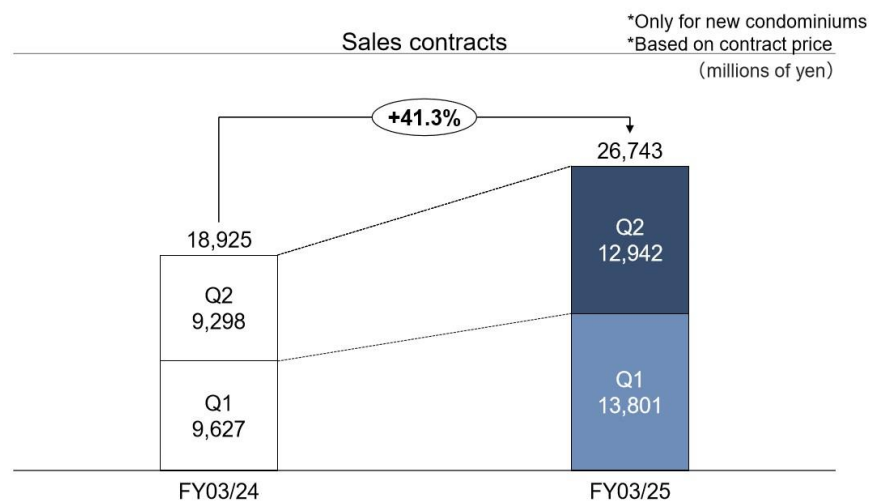
The slide shows supply.

Supply decreased by 14% to JPY18.3 billion due to delay for some condominiums to Q3 or later.

Residential Development Business: Sales Contracts

Purchases Supply Contracts Net Sales MEIWA 明和地所

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



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The next slide shows sales contracts.

Sales contracts increased by 41% to JPY26.7 billion. Sales of newly supplied condominiums were strong due to the development of condominiums that are well located and meet the needs of customers.

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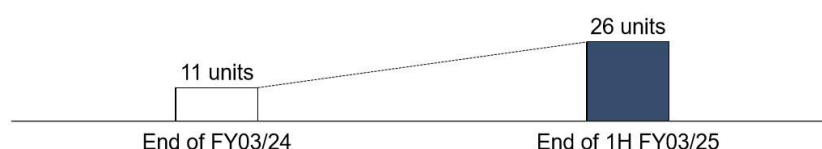
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Residential Development Business: Completed Inventory

- 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



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The next slide shows completed inventory as of the end of H1. It totaled 26 units.

We will continue our sales activities with the aim of selling out the completed inventory as soon as possible.

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)

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I would like to explain our Real Estate Agency Business. This is a summary of the Real Estate Agency Business.

In the Real Estate Agency Business, net sales were JPY10.3 billion, and segment profit was JPY0.9 billion, a YoY increase in both net sales and profit.

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Both the Purchase and Resale Business and the Brokerage Business have steadily expanded through the increased workforce, and net sales increased YoY by approximately 40%.

In the Wealth Solutions Business, the delivery of four properties were completed in H1, resulting in net sales of JPY4.4 billion, up 63% YoY. Purchases in H1 were JPY14.6 billion, a significant YoY increase.

Real Estate Agency Business Results 1H FY03/25

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■ 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%

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The next slide shows the results of the Real Estate Agency business.

As I mentioned earlier, both net sales and profit increased, and segment profit increased YoY by approximately 2.6 times.

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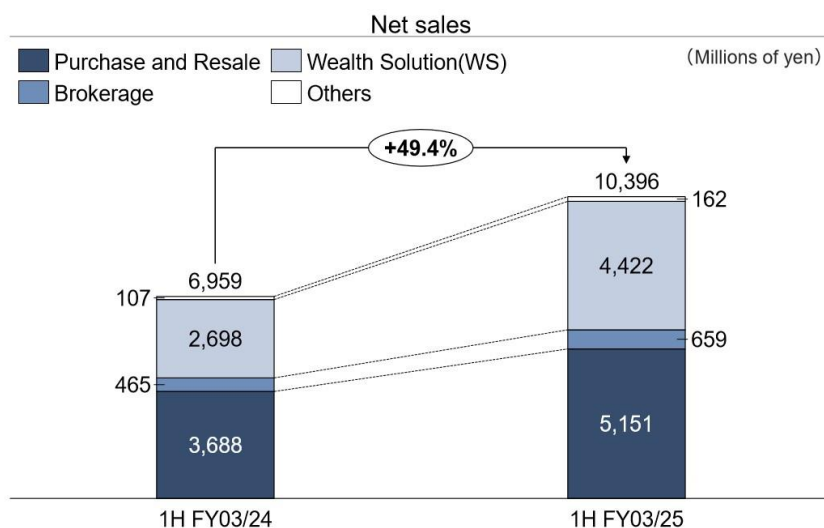
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Real Estate Agency Business : Net Sales

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



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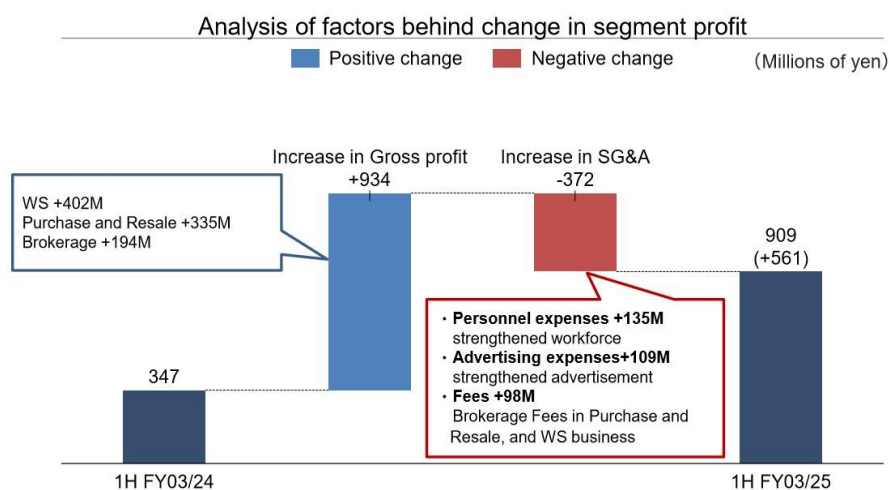
31

The next slide shows a breakdown of net sales.

Net sales increased YoY by about 50% because both the Purchase and Resale Business and the Brokerage Business went well, and the Wealth Solutions Business saw progress in deliveries

Real Estate Agency Business : Segment Profit

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



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This slide shows the factors behind the change in segment profit in the Real Estate Agency Business.

Due to the increase in net sales mentioned earlier, gross profit increased significantly. It increased by JPY0.4

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Billion in the Wealth Solutions Business, by JPY0.3 billion in the Purchase and Resale Business, and by JPY0.1 billion in the Brokerage Business.

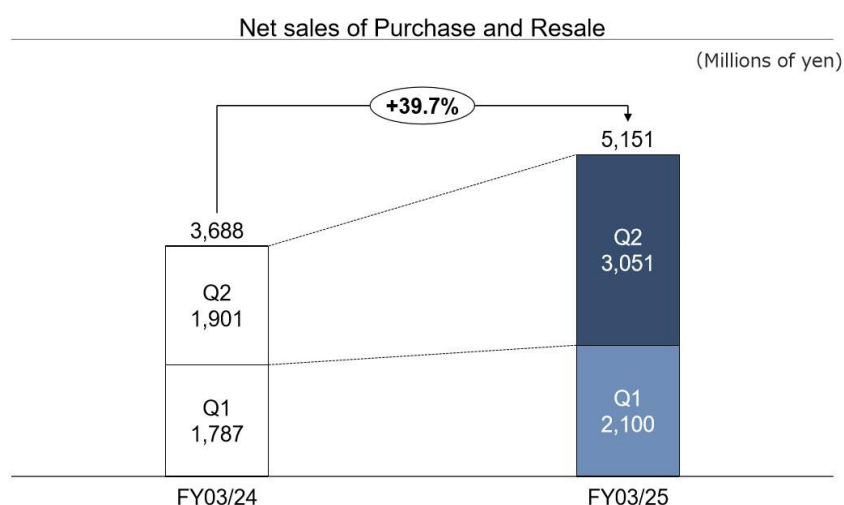
The increase in gross profit offset an increase in SG&A expenses, resulting in a YoY increase in profit.

The increase in SG&A expenses was due to an increase in personnel expenses as a result of the strengthened workforce, an increase in advertising expenses as a result of strengthened advertisement, and an increase in brokerage fees as a result of the expansion of the Purchase and Resale and Wealth Solutions businesses.

Real Estate Agency Business: Purchase and Resale

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



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Net sales in Purchase and Resale increased YoY by 39% to JPY5.1 billion. The recent increase in the number of purchase personnel has been successful, resulting in a significant increase in net sales.

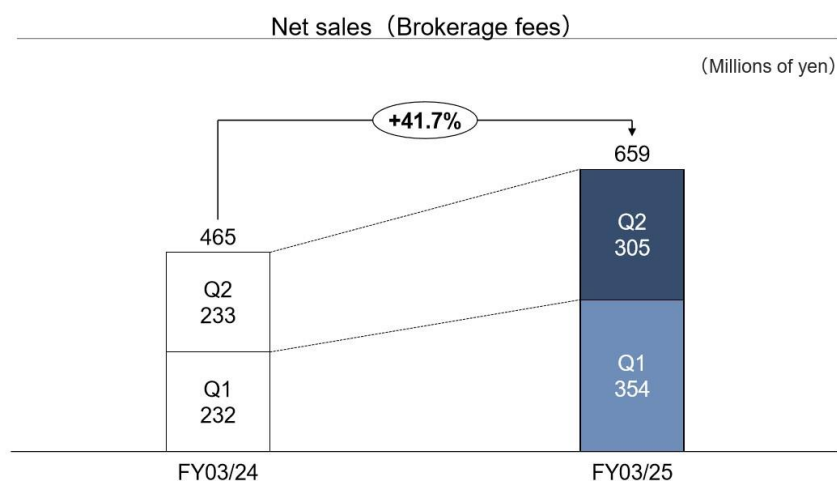
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- Net sales in 1H FY03/25 were ¥0.6 billion(up 41.7% YoY)



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Net sales in Brokerage increased by 41% to JPY0.6 billion. Because we increased the number of personnel per store, the efficiency of the store format has been improved, which in turn has led to an increase in net sales.

- Completed settlement and delivery of four properties in 1H



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In the Wealth Solutions Business, we completed the settlement and delivery of four investment properties, including rental condominiums in H1.

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- **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**

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I would like to explain the Condominium Management Business. First, this is a summary of the Condominium Management Business.

In the Condominium Management Business, net sales were JPY2.9 billion, and segment profit was JPY0.1 billion, a YoY increase in net sales and a slight decrease in segment profit.

The switchover from other condominium management companies, on which we are focusing our efforts, is making steady progress backed by a high level of customer satisfaction, contributing to an increase in the number of units under management. As of the end of H1, the number of units under management exceeded 50,000.

To achieve both volume expansion and further quality improvement of our management services, we are promoting operational efficiency through the use of IT, centered on "kanri.online". We are promoting paperless operations through the functional enhancements offered by "kanri.online". We promote quality improvement by speeding up operations while reducing costs.

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Condominium Management Business Results 1H FY03/25

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- 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%

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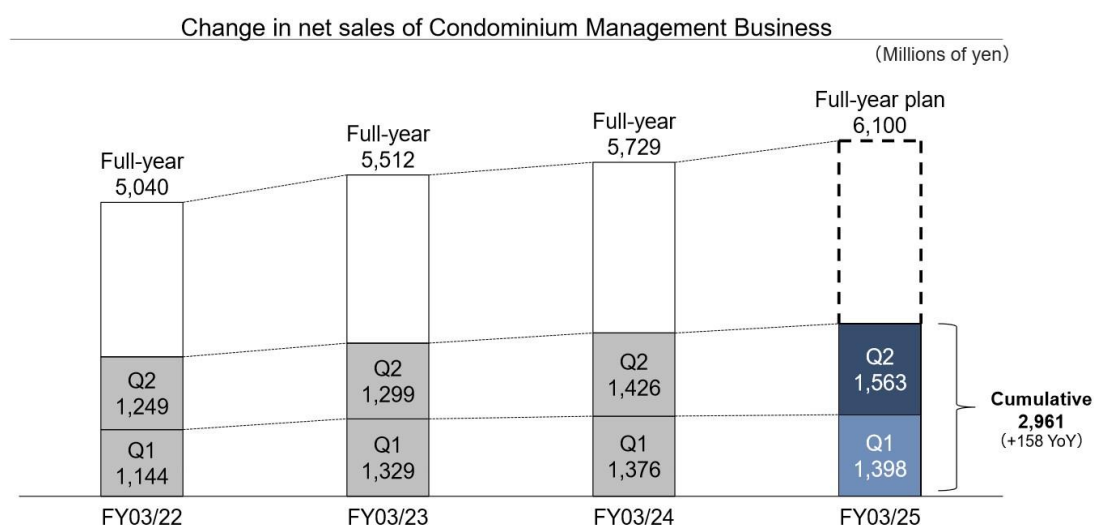
This is the results of the Condominium Management Business.

Although net sales increased YoY due to steady progress in the switchover from other condominium management companies, profit declined slightly due to higher cost of sales and SG&A expenses.

Condominium Management Business: Net Sales

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



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Net sales increased YoY by 0.1 billion to JPY2.9 billion. It is on track to achieve its full-year plan of JPY6.1 billion.

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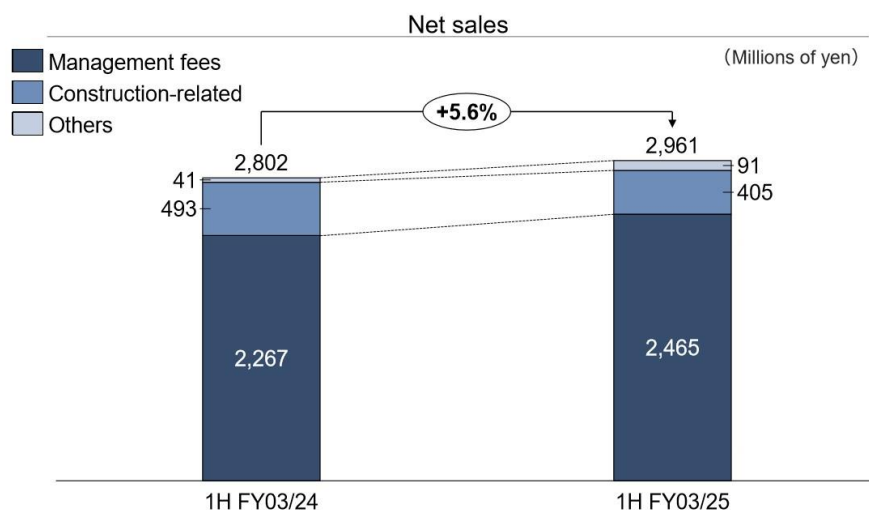
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Condominium Management Business: Net Sales

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



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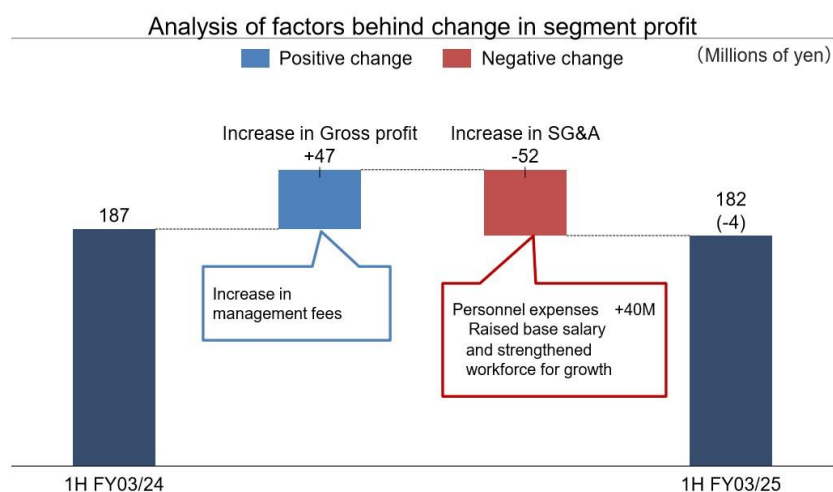
This is a breakdown of net sales in the Condominium Management Business.

Management fees increased due to the promotion of the switchover from other condominium management companies, resulting in a YoY increase in net sales.

Condominium Management Business: Segment Profit

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



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The next slide shows the factors behind the change in segment profit.

Although gross profit increased due to an increase in management fees, an increase in SG&A expenses, especially personnel expenses, resulted in a slight YoY decrease.

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The increase in personnel expenses is due to the raised base salary from the current fiscal year and strengthened workforce.

Topics: Condominium management business won high evaluation

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- [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

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Meiwa Jisyo Community, which manages condominiums, has received high marks in third-party customer satisfaction surveys for its efforts to provide services that meet the needs of customers.

In the SUUMO AWARD 2024, we won the grand prize in the repair category of Tokyo metropolitan area management companies for units less than 100.

In the 2024 Oricon Customer Satisfaction Survey, we were ranked number one in the management company representative category for condominium management companies in the Tokyo metropolitan area.

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Topics: Highly Rated in Customer Satisfaction Survey

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- 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



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Our rank in the management company representative category of the Oricon Customer Satisfaction Survey was sixth in 2022, second in 2023, and first in 2024, and has improved every year.

In the Condominium Management Business, we recognize the importance of the so-called front desk, which is the sales representative who serves as the point of contact with customers, and we have strategically increased their satisfaction.

We will continue to strive to improve the quality of our management services so that we can continue to be appreciated.

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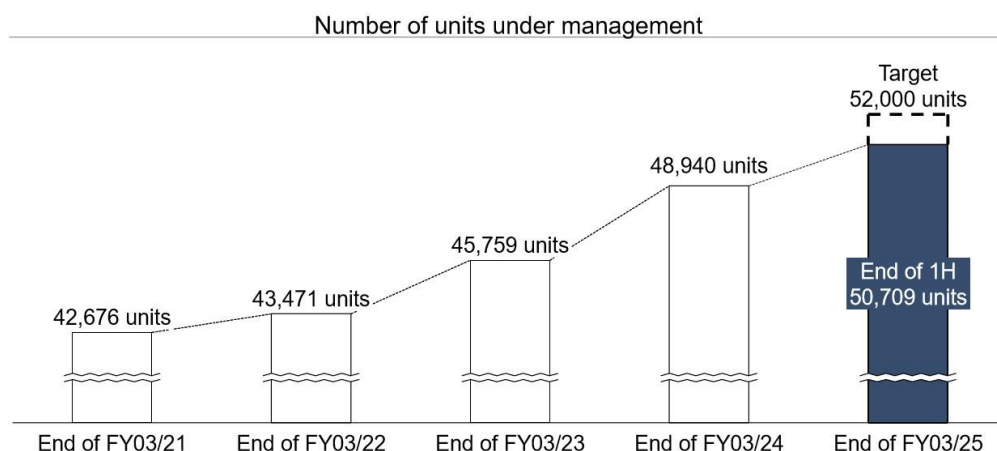
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- No. of units under management increased to 50,709 units as of the end of 1H FY03/25



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The next slide shows the number of units under management.

As a result of the high evaluation in the external survey, we have been receiving an increasing number of inquiries from management associations of condominiums managed by other management companies about a switchover, and the number of units under management has been steadily increasing.

As of the end of H1, the number of units under management exceeded 50,000, reaching 50,709 units.

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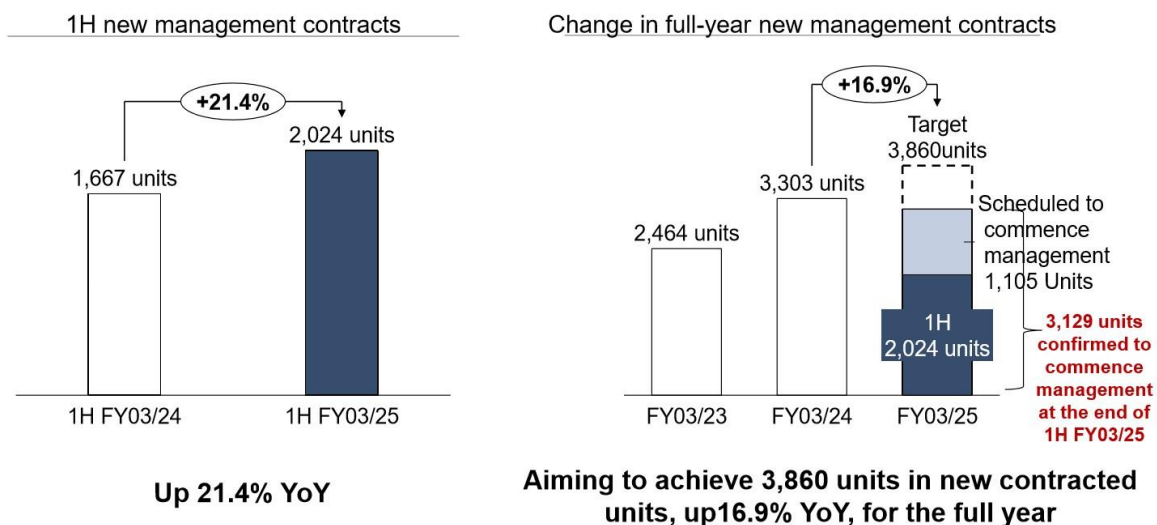
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Condominium Management Business: New Management Contracts

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- The number of new management contracts is increasing



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The next slide shows the status of new management contracts.

The number of new management contracts increased YoY by 21% to 2,024 units in H1.

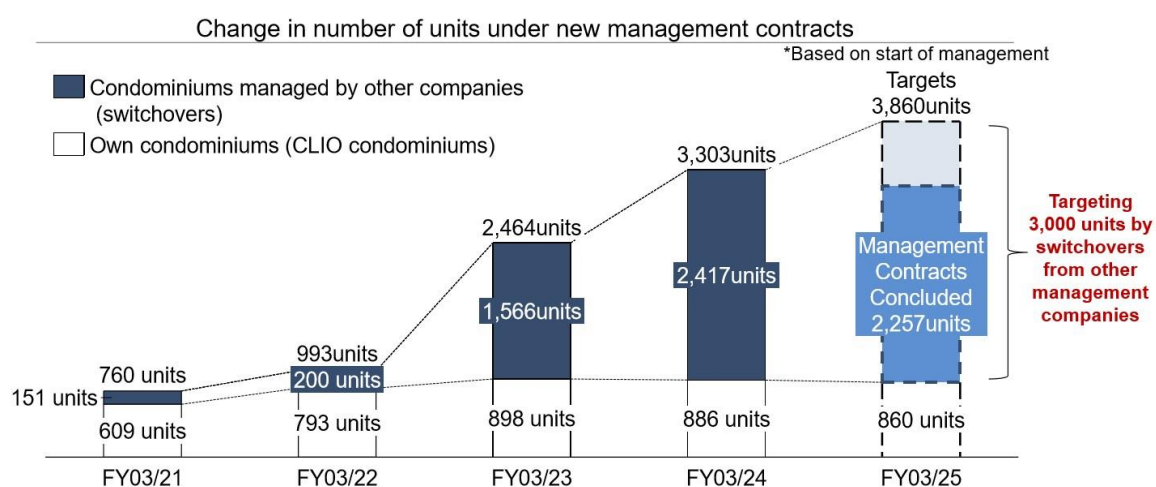
For the full year, we are targeting 3,860 units for new management contracts, and as of the end of H1, 3,129 units were confirmed to commence management.



Condominium Management Business: New Management Contracts

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



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The new management contracts consisted of our own CLIO condominiums and condominiums switched from other management companies.

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For the full year, we plan to achieve 3,000 units out of our target of 3,860 units through a switchover. Management contracts concluded through a switchover in H1 were 2,257 units.

Now, President Harada will explain the progress of the Strategy 2027, which was announced in May 2024.



Progress of the Strategy 2027*

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- **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**

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Harada: I would like to explain the progress of the Strategy 2027.

As of the end of September 2024, all businesses are making steady progress toward achieving the targets.

The Residential Development Business has secured sales contracts amounting to 91% of the net sales target for FY03/2025. In addition, the Residential Development Business has already secured the target amount of sales materials for the period of the plan while carrying out carefully selected purchases.

Purchase and Resale in the Real Estate Agency Business has currently secured sales materials that exceed the net sales target for FY03/2025.

In the Wealth Solutions Business, we are making good progress in securing sales materials for the period of the plan.

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■ 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

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The targets for the next three years are as shown.

In the final fiscal year, FY03/2027, we aim for net sales of JPY88 billion, an operating profit of JPY5.5 billion, and an ordinary profit of JPY4.1 billion.

We plan to grow mainly in the Real Estate Agency Business to capture the growing secondary market.

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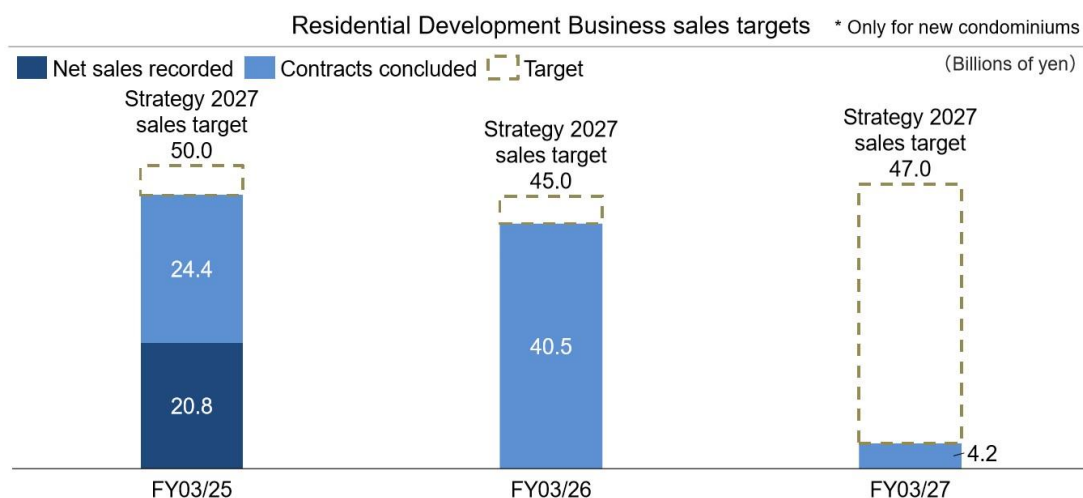
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Residential Development Business: Progress Against Sales Targets① 明和地所

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



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From here, I will explain the progress by business.

In the Residential Development Business, sales contracts amounted to 91% of the net sales target for FY03/2025 set in the Strategy 2027.

Sales have been strong, and sales contracts for FY03/2026 also achieved about 90% of the target.

For FY03/2027, we will proceed with supply and strive to conduct sales activities to achieve the target.

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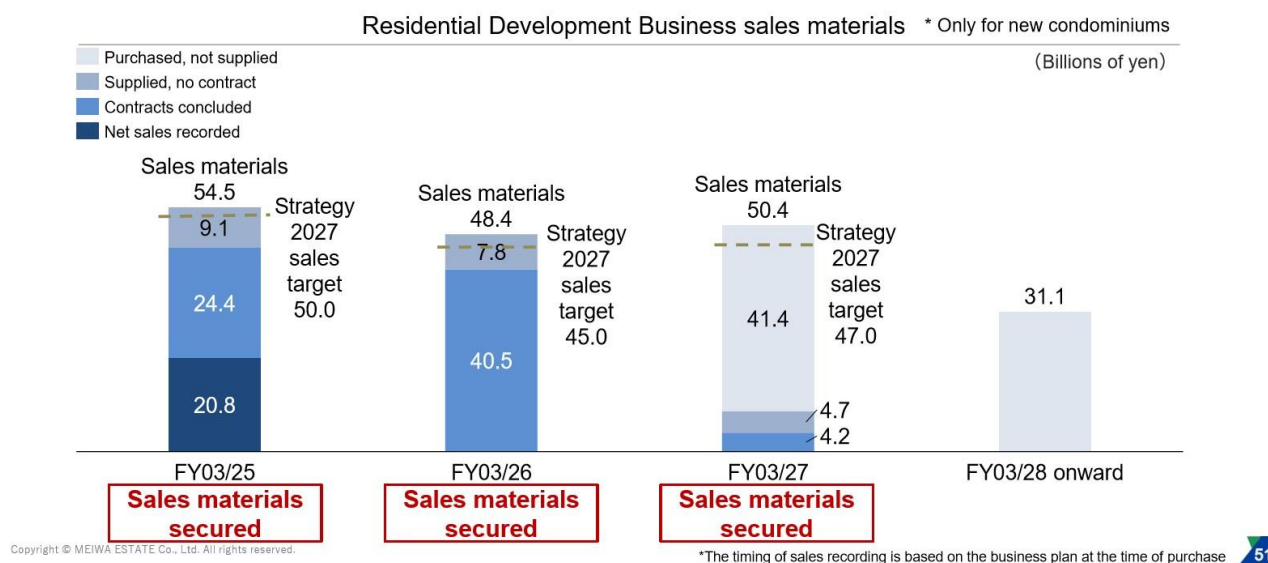
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Residential Development Business: Progress Against Sales Targets② 明和地所

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



Next, I will explain the progress of purchases in the Residential Development Business.

For the period of the Strategy 2027, we have already secured sales materials that exceeded the net sales target.

For FY03/2025, we secured sales materials of JPY54.5 billion against the sales target of JPY50 billion; for FY03/2026, JPY48.4 billion against the sales target of JPY45 billion; and for FY03/2027, JPY50.4 billion against the sales target of JPY47 billion.

We will steadily supply and sell the condominiums we have already purchased and strive to secure sales materials for FY03/2028 and beyond.

As topics in the Residential Development Business, we would like to introduce two condominiums that we started supply in H1.

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CLIO クリオ ラベルヴィ不動産前グランクラス
CLIO la belle vie FUDO-MAE GRAND CLASS



ZEH-M Oriented

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

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This is “CLIO la belle vie FUDO-MAE GRAND CLASS”, which we commenced supply in September.

This condominium is within walking distance of Meguro and Gotanda Stations and a two-minute walk from nearby Fudo-mae Station and is conveniently located near a large supermarket and shopping district.

The condominium is also close to places where people can enjoy nature, such as Kamurozaka, known for its cherry blossoms, the rows of cherry trees along the Meguro River, and Rinshinomori Park.

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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

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This is “CLIO ASAKUSABASHI THE GRAND”. Its supply was commenced also in September.

This condominium has a rare river view along the Sumida River, and the nearest station is Asakusabashi. It is a four-minute walk from the station. It is accessible to six stations on four lines.

The condominiums themselves are outframed with no pillars inside, and the living room windows facing the Sumida River are designed with glass from the foot level to the ceiling.

This one has been very well received.

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Topics: Carefully Selected Purchases in Favorable Locations

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- 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

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Although the environment surrounding land purchases remains severe, we will continue to carefully select and purchase sites in favorable locations in order to supply condominiums that meet the needs of our customers even under these circumstances.

“CLIO la belle vie FUDO-MAE GRAND CLASS” and “CLIO ASAKUSABASHI THE GRAND”, introduced earlier, are conveniently located near stations. In Asakusabashi, in particular, the rare river view location has been very well received by customers, and sales are progressing well.

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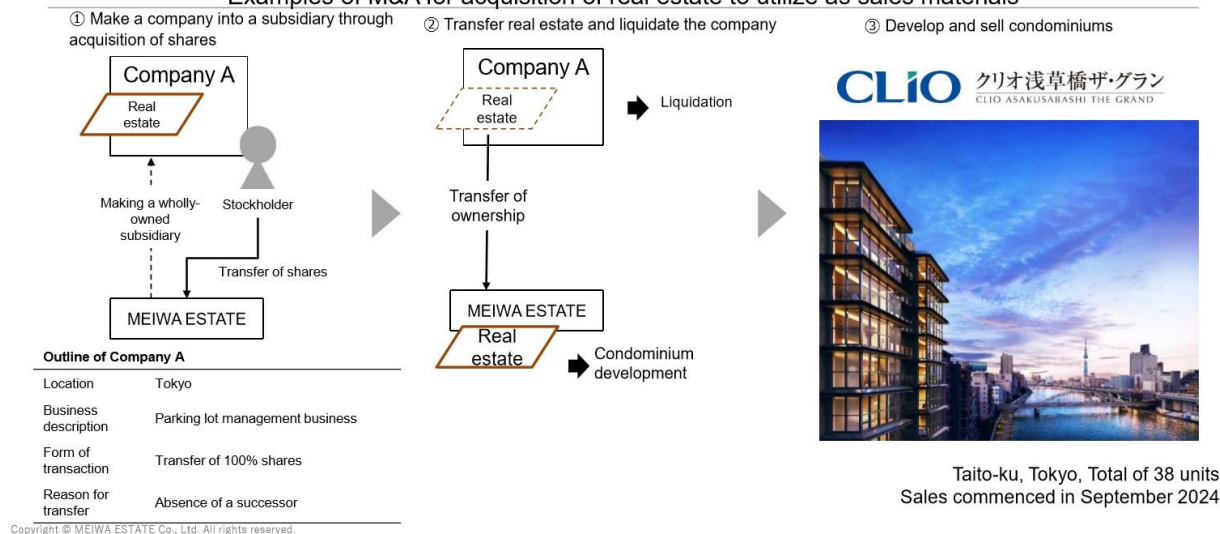
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■ Amid intensifying competition, we are promoting the acquisition of land through M&A

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



In order to diversify purchase methods amid intensifying competition in purchasing land for sites, we are actively utilizing real estate acquisitions through M&A, or the so-called real estate M&A.

“CLIO ASAKUSABASHI THE GRAND”, which we introduced earlier, is an example of a site acquired through real estate M&A. In this case, the owner of a company that operated a parking lot had a business succession challenge as the existing building and facilities were deteriorating and there was no successor.

By taking over the company, we were able to utilize its assets and develop a condominium that blends in with the local community. The condominium is being sold with a rare river view and has been very well received by our customers.

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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

Examples of companies acquired through M&A

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

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

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Since 2021, we have acquired a total of 54 properties through M&A.

After acquisition, the land is used to build a new condominium, or in the case of unit ownership condominiums, we renovate and resell as sales materials for Purchase and Resale, resulting from diversification of purchase methods.

We would like to create business opportunities for our company by proposing the exit through real estate M&A to companies that are facing the challenge of business succession due to the absence of successors. Unlike purchasing properties through regular real estate trades, we consider this to be a beneficial opportunity to acquire properties that are rare and not available on the market.

We intend to continue to actively utilize real estate M&A as one of our purchasing methods.

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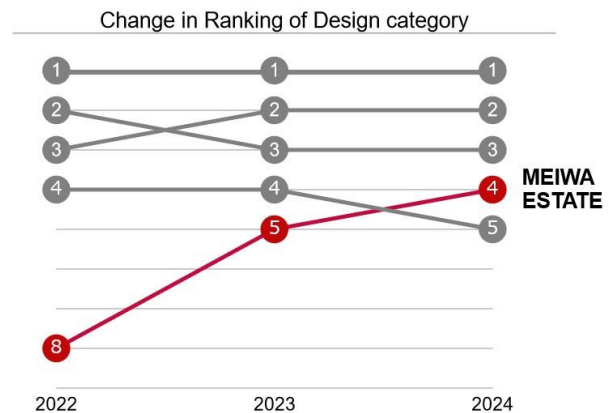


Topics : Evaluation From Customers

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- 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.



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Our design capabilities have been gaining in reputation in recent years and are highly regarded.

In terms of design, we were ranked fourth among 62 companies in the design category of the 2024 Oricon Customer Satisfaction Ranking for newly built condominiums in the Tokyo metropolitan area. This is a ranking of the satisfaction of people who actually live in CLIO condominiums.

We will continue to develop value-added condominiums with excellent design and strive to create residences that customers will appreciate and choose.

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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

GOOD DESIGN AWARD 2024

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

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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

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Two condominiums, "CLIO KUGENUMAKAIGAN GRAND ROI" and "CLIO SETAGAYA MATSUBARA THE CLASSIC", received the Good Design Award 2024, which was announced in October. This is the first time for us to receive the award for two condominiums at the same time.

"CLIO KUGENUMAKAIGAN GRAND ROI" is located within a five-minute walk from Kugenumakaigan. As you may know, there used to be a French restaurant "Mikasa Kaikan".

A beach entrance is provided toward the beach on this site, with surfboard storage and shower space. And many units have a balcony that can be used as outdoor living space, up to 3 meters wide. Its premier plan offers a unit of over 100 square meters with a rooftop terrace on the top floor. , and.

This one was sold out, although the unit price was quite high.

Also, "CLIO SETAGAYA MATSUBARA THE CLASSIC", this one has received a very high evaluation, mainly for the roadside area along the north side of the building, with planting arranged so that the entire building is surrounded by greenery, benches to provide a resting area for local residents, and shared cycle port facilities with a view to resident interaction.

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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

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In addition, we won the excellence award of SUUMO AWARD 2024 in the energy saving category of condominium developers and sales companies.

For some time, we have been promoting the development of high value-added, environmentally conscious condominiums, such as ZEH and passive design.

The high thermal insulation and other environmental performance of ZEH is directly linked to reduced utility costs and a comfortable living environment and is especially appreciated by our target customers, power families and the affluent class.

We will continue to promote the creation of sustainable housing.

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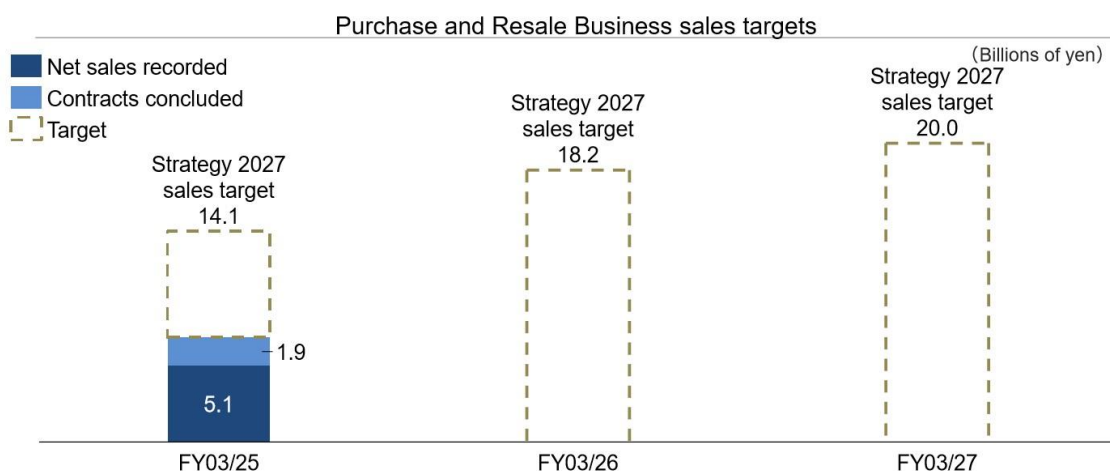
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Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets①

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



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Next, we will discuss Purchase and Resale in the Real Estate Agency Business.

For FY03/2025, JPY5.1 billion in net sales have been recorded and JPY1.9 billion worth of contracts have been concluded. Compared to the Strategy 2027 sales target of JPY14.1 billion, we are on track and achieved 51% of the target.

The Purchase and Resale business has a business structure that the period between sales contract and delivery is short, and therefore the figures of contracts concluded are small.

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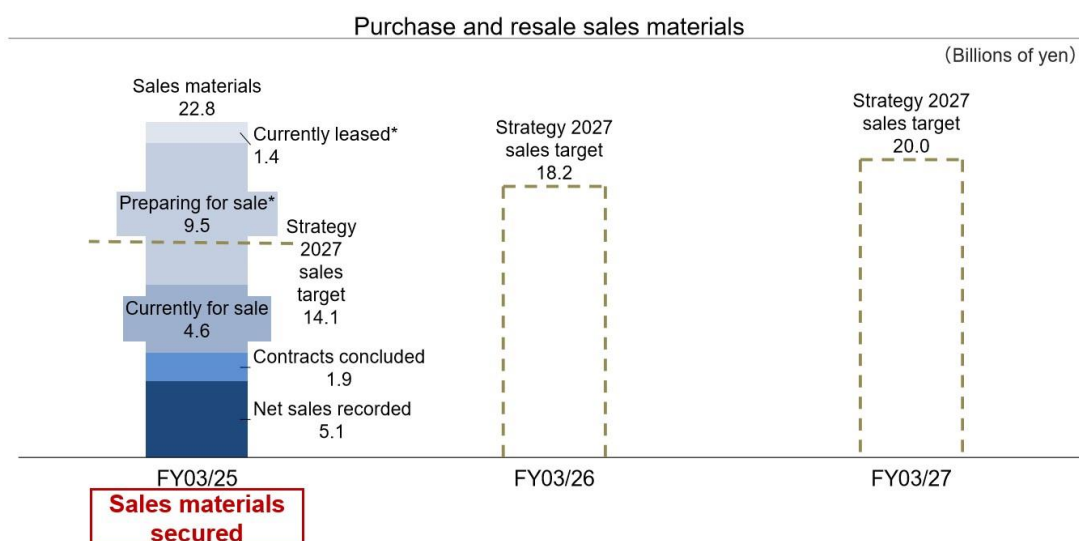
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Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets②

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



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

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Regarding sales materials for Purchase and Resale, we have secured JPY22.8 billion worth of sales materials, exceeding the net sales target of JPY14.1 billion for FY03/2025. We will aim to achieve the target by aggressively promoting sales in coming months.

We will also continue to secure sales materials to achieve our targets for the next fiscal year and beyond. Some of the sales materials in preparation for sale or under lease in FY03/2025 will be supplied in the next fiscal year or later.

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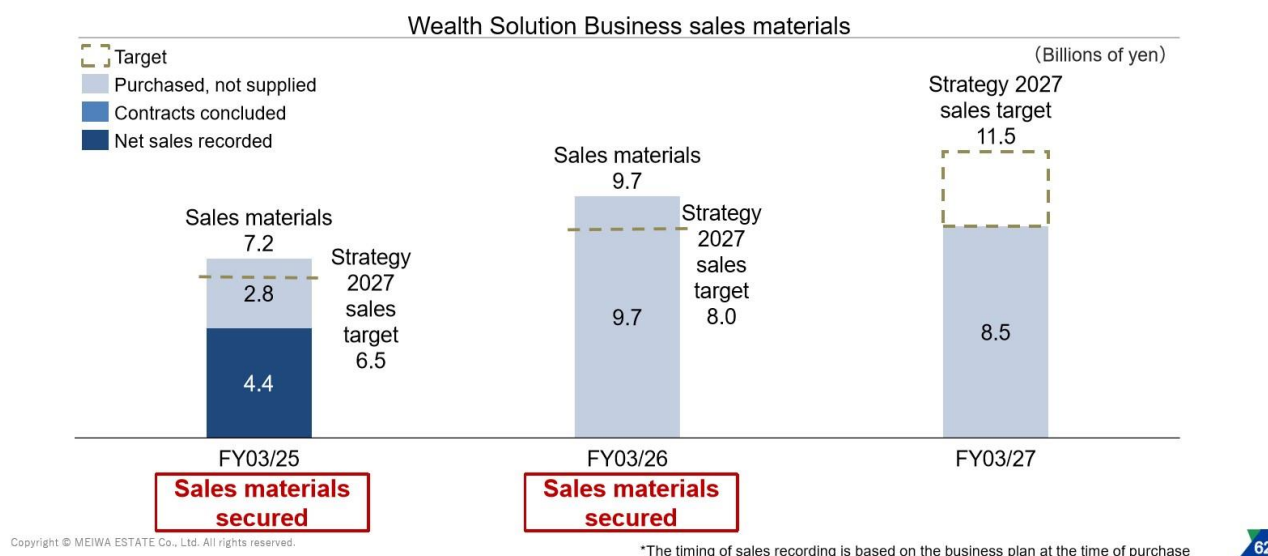
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Real Estate Agency Business, Wealth Solution: Progress Against Sales Targets

- Good progress in securing sales materials for the Strategy 2027



Next, I would like to discuss sales materials for the Wealth Solutions in the Real Estate Agency Business.

For FY03/2025, sales materials of JPY7.2 billion have been secured against the Strategy 2027 sales target of JPY6.5 billion, and for FY03/2026, sales materials of JPY9.7 billion have been secured against the sales target of JPY8 billion. Both exceeds the target.

In FY03/2025, we will proceed with sales in order to achieve our sales target and secure sales materials for FY03/2027 and beyond.

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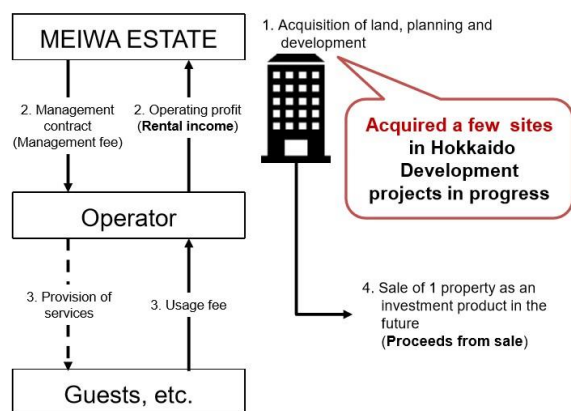
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Topics: Hotel Development Business

- 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



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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.

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Finally, I would like to introduce the Hotel Development Business, which will be a measure for growth beyond the Strategy 2027.

In February, we established a new Hotel Development Department and are cultivating it as a new business for our company. As shown here, our business scheme is to acquire land, develop the site, hold it for a certain period of time, and then sell it.

With the increase in inbound tourism, we expect there will be a reasonable demand for hotels, and we have already acquired several development sites in Hokkaido and are promoting the project with the aim of making it profitable from FY03/2028 onward.

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- 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/>



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For details of the Strategy 2027, please refer to our IR web page.

The following slides are reference materials and fact sheets, and I will not explain. We hope you will refer to them later.

To summarize once again, the consolidated results for H1 showed a YoY increase in both net sales and profits. For FY03/2025, there is no change to the forecast for both full-year earnings and dividends.

As for the Strategy 2027, all businesses are making steady progress toward achieving the targets. Sales materials for the Residential Development Business have already been secured for the target amount for the period of the plan while carrying out carefully selected purchases. The same applies to the Real Estate Agency Business.

The entire group will continue to work together to achieve further corporate growth.

This concludes our explanation of the financial results for H1 of FY03/2025. Thank you for your attention.

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Question & Answer

Participant [Q]: I understand very well the steady progress of the Strategy 2027. Thank you. On the other hand, as you have explained repeatedly, the environment for purchases is becoming very difficult in the Residential Development Business. We would appreciate your views on sales materials after the Strategy 2027 for FY03/2028 and beyond.

I thought from your explanation that your policy is to diversify your purchase methods through real estate M&A and other means, but even so, I think the environment for purchases is becoming more difficult, and I think there is a possibility that the sales volume itself will decline even further. I would be very grateful if you could give me your opinion on this matter.

Harada [M]: Regarding your question about the purchase environment for FY03/2028 and beyond, Kakizaki will explain.

Kakizaki [A]: Let me explain it. The purchase environment continues to be severe. However, we are diversifying our purchase methods and asset type. We aim to utilize all the useful information we acquire for business materials to produce revenue.

In addition, the increase in construction costs has been a hot topic in recent years, and we have been working to address construction costs by using alternative materials of equivalent value, called “Value Engineering”, as we have done in the past.

In addition, we have been working together with general contractors from the beginning, and by moving as quickly as possible, we have been able to deal with these issues.

Participant [Q]: I would be grateful if you could give me more details on the Hotel Development Business. I understand that you have already established the development department and have already acquired land, but it will not be actually monetized until FY03/2028.

As for the current situation, I would like to know how big this department is.

As for development sites, you have already acquired several in Hokkaido. Is this a business in Hokkaido? Or are you considering other areas and area strategies?

I also would like to know the grade of hotels to be developed.

There are my three points. Thank you.

Harada [M]: I would like Kakizaki to explain the Hotel Development Business as well.

Kakizaki [A]: Let me explain it. The members dedicated to the Hotel Development Business are currently four. Of course, the hotel business is related directly to the properties such as buildings, so our construction department and purchase department are all involved in the business.

Regarding your question about its area strategy, our head office is located in Shibuya and covers the Tokyo metropolitan area. We also have branches in Sapporo in Hokkaido, Nagoya in the Tokai region, and Fukuoka in Kyushu. So, our head office and branches study the purchase information, and we will promote the developments if there is a possibility for hotel sites.

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This is our base, but of course, with the recent increase in inbound tourism, we will consider hotels on an individual basis as information becomes available in each area and will promote those that have potential.

Regarding the type of hotels, those in the Tokyo metropolitan area or so-called urban areas are basically for inbound customers, with offering relaxing private space that has been cultivated through Condominium Development Business. On the other hand, we are considering resort-type hotels or ryokan (Japanese style hotel) that are appropriate for rural or resort area.. We are currently considering that city hotels in urban areas and resort-type hotels in other areas are suitable.

Participant [Q]: Do you ever use common brand name?

Kakizaki [A]: We will naturally have to think about a brand name for common use once a certain number of hotels are in operation. We have not yet put the brand name to the first hotel and second one, but we believe it will become necessary in the future.

Harada [A]: I think the earlier question on purchase and this question on the hotel business are probably related to materials for FY03/2028 and beyond.

To be honest, I think it is a well-known fact that the environment for purchase of condominiums is extremely severe, although I think it is the same for all other companies. In this regard, the volume of land available for business is decreasing, and of course, construction costs are also rising, so the number of projects that can be commercialized is decreasing.

Our company has been focusing on condominiums and specializing in this area for a long time. This background is meaningful. Once there was a time when we could only sell condominiums to primary acquirers. From that period, I believe we have been cultivating the know-how and experience, significantly useful to sell condominiums such as the “CLIO KUGENUMAKAIGAN GRAND ROI”, which I mentioned earlier, for JPY200 million or JPY300 million.

However, I believe that we need to expand our business portfolio beyond residential development and build up our business in other areas. The hotel business, as you asked about earlier, is one of them. There is land that is not suit for condominiums, but if it is utilized for a hotel, it can generate enough revenue. We intend to expand our business portfolio with such consideration and execution.

However, our core business is still the Residential Development Business, so we do not intend to downsize this business to expand into other areas. We are now thinking about building the next new business while maintaining the Residential Development Business.

Moderator [M]: That is an answer to the questions.

Does anyone have any other questions? Does the audience look okay?

Now, we answer questions from those attending on Zoom.

Participant [Q]: What is the ratio of your own CLIO condominiums and other companies' condominiums in the Purchase and Resale Business?

Also, what is the degree of renovation at the time of resale?

What is the percentage of occupied rental properties, like Star Mica, to which you sold a property in Kunitachi?

Kakizaki[A]: I will answer these questions.

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First, the ratio of our own condominiums and other companies' condominiums in the Purchase and Resale Business. Initially, most of the sales were of our mainstay CLIO condominiums, but now, roughly speaking, 30% from our own condominiums and 70% from other companies. The ratio is about 3:7.

The next question is about the degree of renovation at the time of resale. In terms of types of renovation, there is surface renovation, simple renovation before selling. This type of renovation is usually for the newer condominiums. On the other hand, we also have fully renovated condominiums, mainly those that are about 15 years old, which we sell after completely renovating the inside including equipment.

Regarding the ratio of occupied rental properties, we have been focusing on this area in recent years, and currently about 30% of the condominiums we purchased are currently leased.

This is our answer.

Participant [Q]: You mention that you have secured sales materials for the period of the Strategy 2027, but will there be a decrease in the gross profit margin due to the rising construction costs? And in the case of current orders, have construction costs increased further?

Kakizaki [A]: I will answer this one as well.

Regarding a decrease in the gross profit margin for the period of the Strategy 2027 due to the impact of soaring construction costs, we are not currently planning a decline in the gross profit margin.

In addition, as an example of the current orders, construction costs are still rising. In recent years, there has been an increase of about 10% in about one year. I think this is completely a matter of supply-demand balance. So, there may be some suppression in the future due to changes in the supply-demand balance, but as of today, the rise in prices is continuing.

I have answered this question. That is all.

Participant [Q]: While supply declined, sales contracts increased significantly by 41.3%. What is the background to this?

Kakizaki [A]: Well, I will answer this question as well.

Although supply has been decreasing since the beginning of this fiscal year, there were supplies of several large condominiums, such as Hachioji in October last year, Ofuna and Nishi-Yokohama in March, the last month of the previous fiscal year. The awareness of these supplies has increased, which means that the sales contracts for this term have progressed.

In addition, the projects we commenced supply in this fiscal year include Kawagoe, Asakusabashi, and Fudomae, which were introduced earlier. We also supply Nishijin in Fukuoka by our Fukuoka branch. Sales of these condominiums are contributors to the results.

That is all.

Moderator [M]: That is an answer to the question.

We received many questions. Thank you. Since there are no other questions, I will close the question-and-answer session.

For any further inquiries, please use the contact information listed in the material. We also offer one-on-one meetings, so please contact us if you would like to schedule one.

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Finally, we would appreciate your cooperation in completing the survey. We will use this as a reference for future IR activities. All participants in the audience, please leave your completed questionnaires at your seat. If you would like to exchange business cards, please come to the front of the room after the event.

This concludes the H1 FY03/2025 financial results briefing of MEIWA ESTATE. Thank you very much for joining us today.

[END]

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