



FY2025 Third Quarter Financial Results

Sep. 30, 2025



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For further detail, please see our Mid-Term Plan “Find the Value 2026” and newly published “Fact Book”.

Financial Result Summary

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FY2025 Forecast

(Upward Revision of the Annual Forecast & Dividend Increase)

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Topics of the Mid-Term Plan

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Our Perception of Stock Price

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Both revenue & profit reached a record high in Q3 YTD. Largely achieved our initial full-year forecast.

- Sales: JPY **48.5**bn, Operating profit: JPY **5.8**bn, Net profit: JPY **3.4**bn

Revised up our forecast and expect to reach record-high sales & profit. Expect to achieve our FY2026 operating profit & net profit goals one year ahead of schedule.

- Sales: JPY **67.8**bn, Operating profit: JPY **7.2**bn, Net profit: JPY **4.1**bn, EPS growth rate: **+33.0%**

Following the dividend increase in May, resolved a second dividend increase for FY2025.

- DPS: FY24 JPY 23.0 -> FY25 (Forecast) JPY 33.0 (The increase from the previous year is the largest)

Business strategy: Securing high-quality inventory for future sales.

Financial strategy: Formed our first securitization fund in collaboration with DBJ in September.

IR strategy: Actively enhancing initiatives for new investors.

Our stock price rose by **+86%** since the Mid-term plan period.

- We understand the positive response to our mid-term plan's upward revision and favorable financial results.

We see rooms for further valuation improvement on a NAV basis.

- Aim to further enhance valuation by improving PER and eliminating undervaluation on a NAV basis.
- P/NAV 1.0x expected to rise through profit accumulation & unrealized gains.

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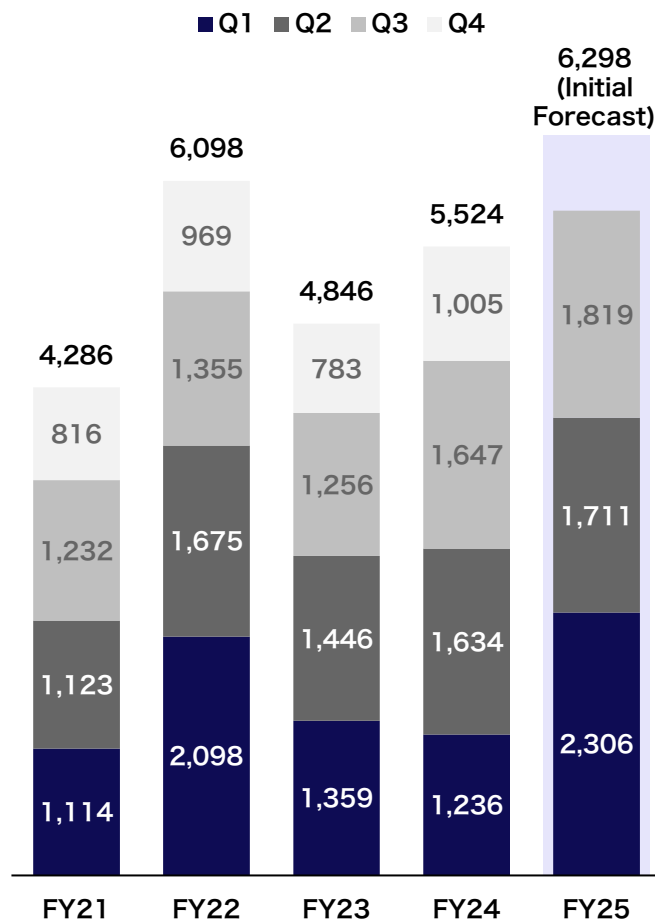
FY2025 Third Quarter Financial Result Summary

- Both revenue & profit reached a record high in Q3 YTD.
- Largely achieved our initial full-year forecast and revised up our earnings outlook (Details to be provided later).

Consolidated P/L (summary)

(JPY mn)	FY24 Q3 YTD	FY25 Q3 YTD	FY25 Initial Forecast	YoY Change	Progress
Revenue	40,626	48,536	64,061	+19.5%	75.8%
Gross profit	7,643	9,130	10,800	+19.5%	84.5%
SG&A	3,124	3,294	4,502	+5.4%	73.2%
Operating profit	4,518	5,836	6,298	+29.2%	92.7%
Recurring profit	3,806	4,995	4,981	+31.3%	100.3%
Net profit	2,635	3,429	3,442	+30.1%	99.6%

Operating profit (by quarter, JPY mn)

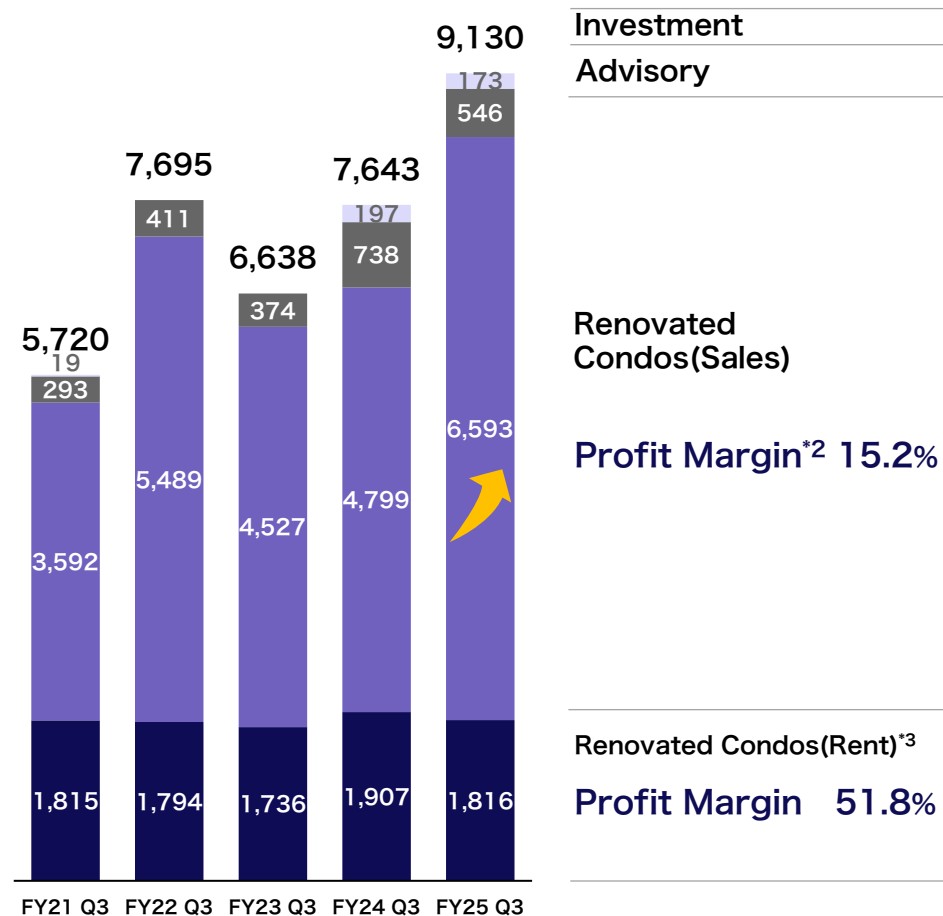


- Significant profit increase in Renovated condominium segment (Sales) drove record-high earnings.

Revenue and gross profit (by segment)

	(JPY mn)	FY24 Q3 YTD	FY25 Q3 YTD	YoY Change
Revenue		40,626	48,536	+19.5%
Renovated condominium business		38,839	47,052	+21.1%
Rent		3,470	3,505	+1.0%
Sales		35,368	43,547	+23.1%
Investment business		888	776	-12.6%
Advisory business		899	707	-21.3%
Gross profit		7,643	9,130	+19.5%
Renovated condominium business		6,707	8,410	+25.4%
Rent		1,907	1,816	-4.8%
Sales ^{*1}		4,799	6,593	+37.4%
Investment business		197	173	-12.0%
Advisory business		738	546	-25.9%

Gross profit (by segment, JPY mn)



^{*1} Including mark-to-market (MTM) loss
(FY2024 Q3 YTD: JPY 95.1mn / FY2025 Q3 YTD: JPY 38.5mn)

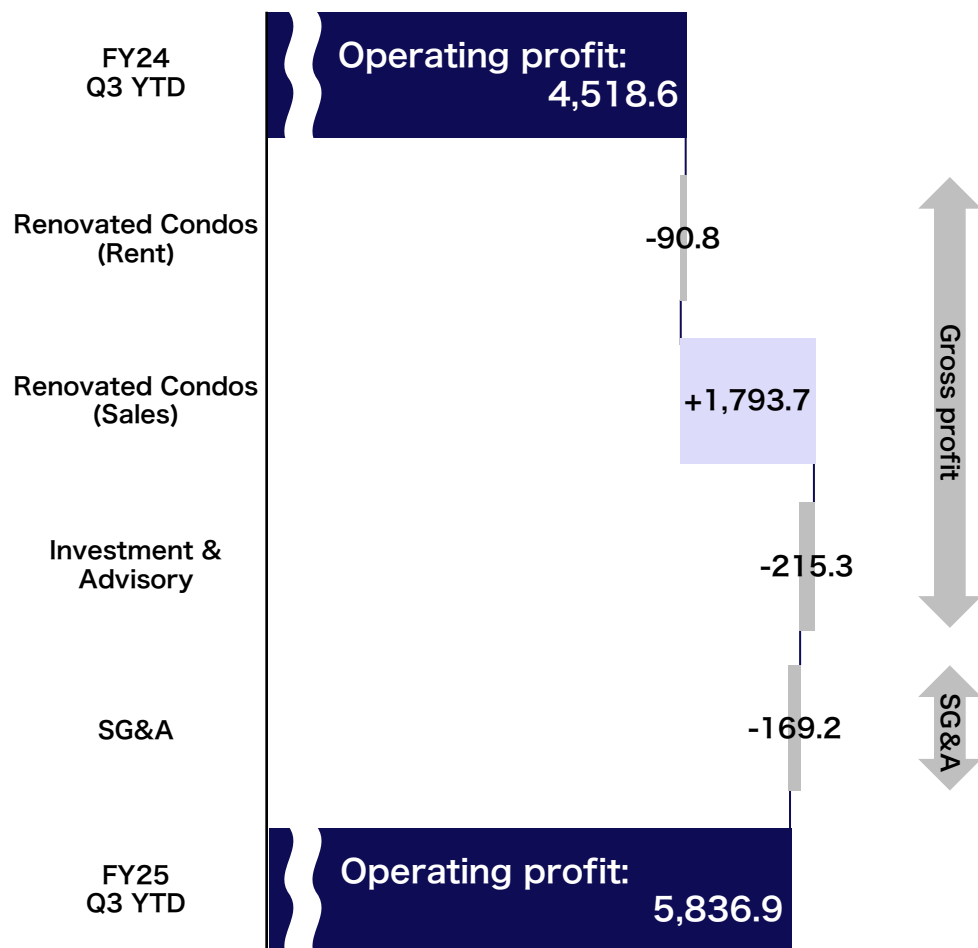
^{*2} Profit margin excluding MTM loss (JPY 38.5mn)

^{*3} Depreciation for properties have been recorded as costs since FY23.

- Success of back to owner-change condos and sales of high-priced renovated vacant condos drove profit growth.

Delta b/w FY24 Q3 YTD and FY25 Q3 YTD (JPY mn)

Main reasons



Renovated Condos (Rent)

- Increase in depreciation costs
(FY24 Q3 YTD: JPY -156.3mn → FY25 Q3YTD: JPY -220.2mn, JPY -63.8mn)

Renovated Condos (Sales)

- Renovated OC condos¹: Increasing sales volume through active sales efforts
(FY24 Q3 YTD : 277 units → FY25 Q3 YTD : 336 units, JPY +834.6mn)
- Other OC condos²: Increase in # of condos sold thanks to diversifying exit strategies
(FY24 Q3 YTD : 104 units → FY25 Q3 YTD : 324 units, JPY +435.8mn)
- Renovated vacant condos³: Increase in profit margin thanks to the sales of high-priced condos
(FY24 Q3 YTD : 8.6% → FY25 Q3 YTD : 10.5%, JPY +459.9mn)

Other Gross Profit

- Investment: Decrease in gains from whole building sale etc.
(FY24 Q3 YTD: JPY 197.5mn → FY25 Q3 YTD: JPY 173.7mn, JPY -23.8mn)
- Advisory: Decrease of one-time consulting fees etc.
(JPY -191.5mn)

SG&A

- Personnel expenses
(FY24 Q3 YTD: JPY -1,421.4mn → FY25 Q3 YTD: JPY -1,643.0mn, JPY -221.6mn)
- Consumption tax
(FY24 Q3 YTD: JPY -859.1mn → FY25 Q3 YTD: JPY -627.7mn, JPY +231.3mn)
- Other expenses
(FY24 Q3 YTD: JPY -844.1mn → FY25 Q3 YTD: JPY -1,023.1mn, JPY -178.9mn)

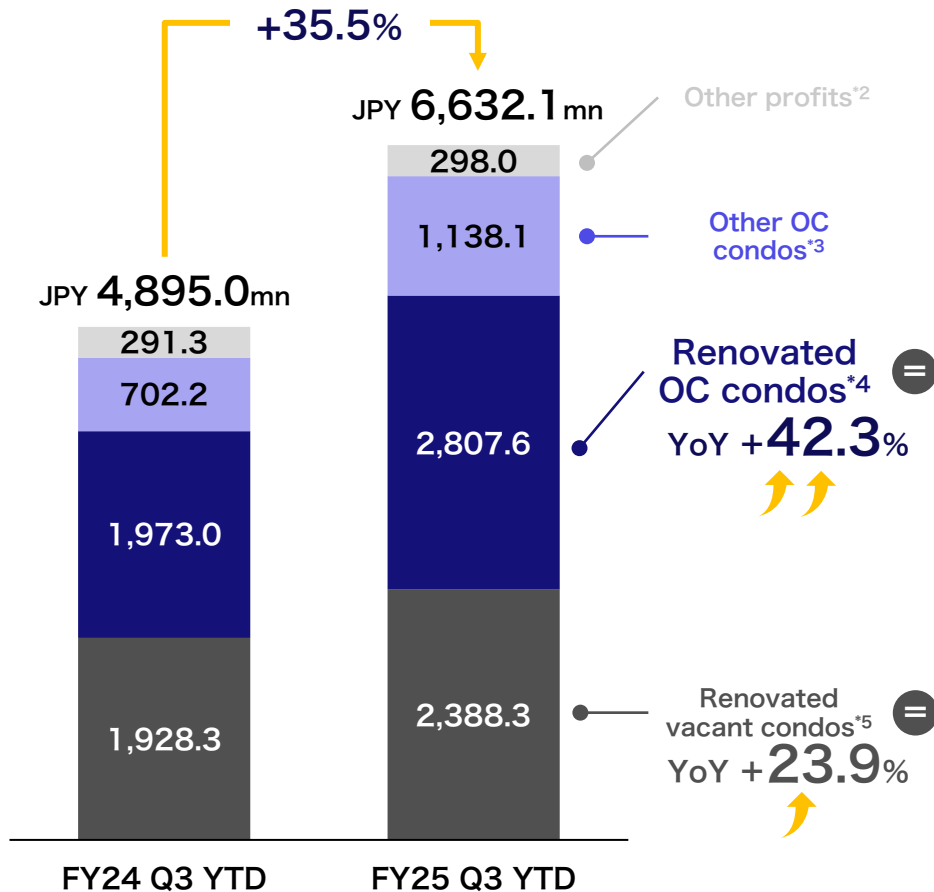
¹ Purchase as an owner-change condo, renovate it after the tenant's leave, and then sell it

² Purchase as an owner-change condo and sell it while it is still with tenants

³ Purchase as a vacant condo, renovate and sell it

- Expand profits by increasing the number of units sold of owner-change condos which have relatively high profit margin.

Breakdown of gross profit in renovated condos (Sales)*1



Detailed assumptions (YoY change)

# of unit sales	Unit price	GP margin
336units (+21.3%) ↑↑	JPY 36.6mn (+3.8%) ↑	22.8% (+2.6pt) ↑
Significantly increased the # of units sold while maintaining an appropriate level of GP margin (approx. 20%).		
# of unit sales	Unit price	GP margin
554units (▲11.6%) ↓	JPY 41.0mn (+14.8%) ↑↑	10.5% (+1.9pt) ↑
Robust sales of high-priced condos in urban areas led to unit price & GP margin improvement.		

*1 Excluding mark-to-market (MTM) loss
(FY2024 Q3 YTD: JPY 95.1mn / FY2025 Q3 YTD: JPY 38.5mn)
*2 Dividend income from funds etc.

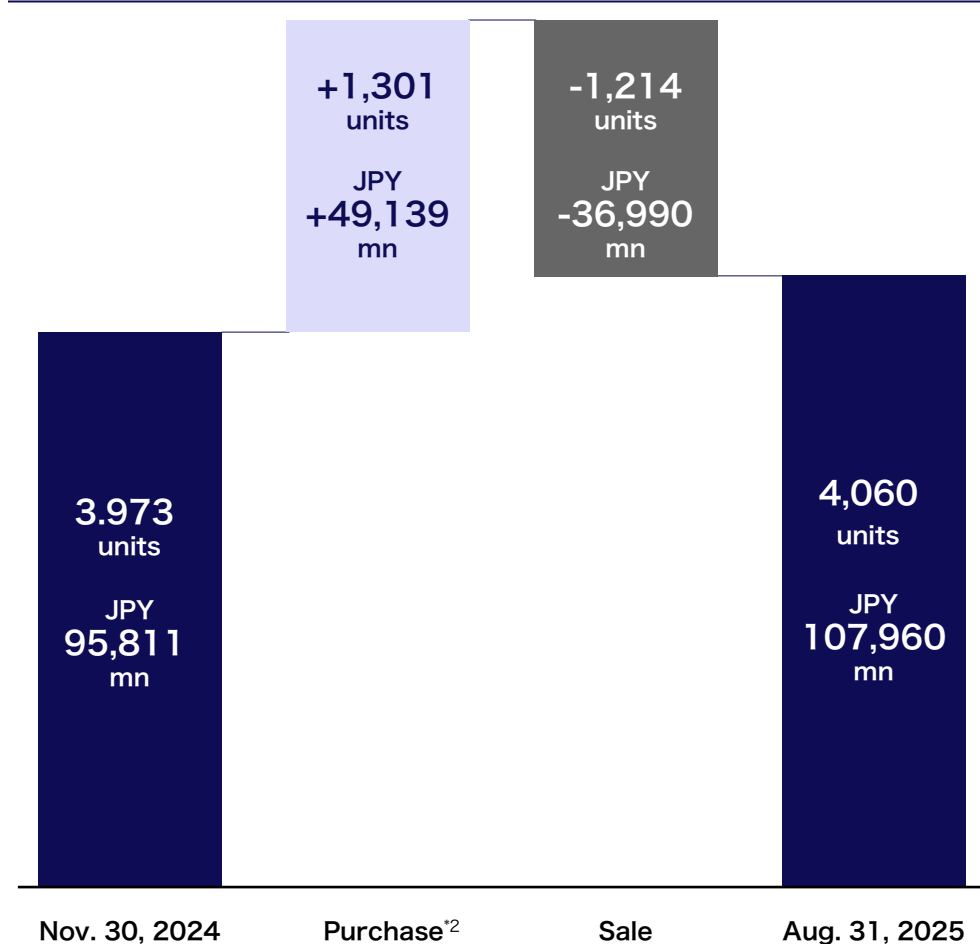
*3 Purchase as an owner-change condo and sell it while it is still with tenants
*4 Purchase as an owner-change condo, renovate it after the tenant's leave, and then sell it
*5 Purchase as a vacant condo, renovate and sell it

- Strong progress in property purchase led to the MTP goal of JPY 100bn in inventory ahead of plan.
- Expanding our balance sheet by leveraging the approx. JPY 0.7bn capital increase in May.

Consolidated BS (Summary)

	(JPY mn)	Nov. 30, 2024	Aug. 31, 2025	Change
Current assets		99,532	112,645	+13.2%
Cash and deposits		1,904	2,611	+37.1%
Inventories*1		95,811	107,960	+12.7%
Fixed assets		3,227	4,075	+26.3%
Total assets		102,760	116,720	+13.6%
Short-term liabilities		16,065	13,947	-13.2%
Long-term liabilities		61,195	73,866	+20.7%
Shareholder's equity		25,441	28,825	+13.3%
Equity Ratio		24.8%	24.7%	-0.1%

Change in Inventories*3



*1 All owned condominiums (with or without tenants) and income-generated whole building

*2 Including increase in book value through renovation

*3 Units consist of # of pre-owned condos purchased & sold within the renovated condo business

2

FY2025 Forecast

(Upward Revision of the Annual Forecast & Dividend Increase)

- Revised up our forecast and expect to achieve record-high sales & profit.
- Expect an EPS growth rate of +33.0%.

Consolidated P/L (summary)

(JPY bn)	FY25 Initial Forecast	FY25 Revised Forecast	Change	Change (%)	Reference: FY24	YoY Change
Revenue	64.0	67.8	+3.8	+6.0%	55.8	+21.6%
Gross profit	10.8	12.1	+1.3	+12.1%	9.8	+23.3%
SG&A	4.5	4.8	+0.3	+8.2%	4.2	+13.5%
Operating profit	6.2	7.2	+0.9	+14.8%	5.5	+30.9%
Recurring profit	4.9	6.0	+1.0	+20.5%	4.6	+30.3%
Net profit	3.4	4.1	+0.7	+20.8%	3.1	+33.9%
EPS (JPY)	102.05*	123.65	+21.60	+21.2%	92.98	+33.0%

* Recalculated based on the foreseeable average number of shares outstanding during the period as of May 31, 2025.

- Initiatives focusing on urban share expansion & shortening OC turnover period drove profits above our initial expectations.
- The upward trend against the initial forecast is expected to continue in Q4 (Sep-Nov.).

Consolidated P/L
(summary)

Progress against initial
FY2025 Q3 YTD forecast

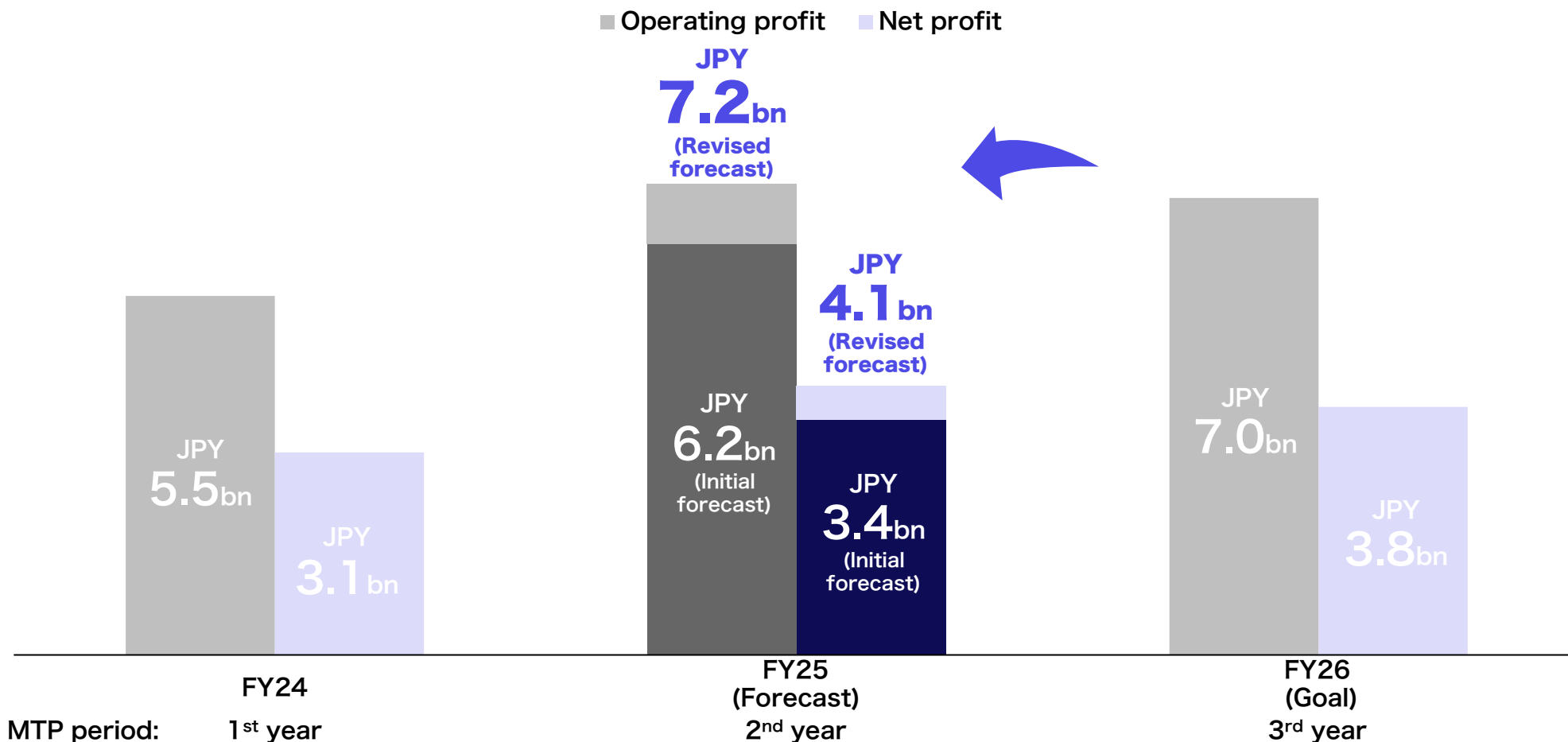
Background of the upward revision

Gross profit	Renovated condo business (Sale)	Renovated vacant condos	 # of unit sales → Unit price ↑↑ OP margin →	■ Higher sales prices mainly from strong high-priced condos sales boosted gross profit. ■ The upward trend against the initial forecast is expected to continue in Q4 (Sep-Nov.).
		Renovated OC condos	 # of unit sales → Unit price → GP margin ↑↑	■ Overall GP margin was increased thanks to tenant move-outs especially in our pre-owned condos in Tokyo with high GP margin. ■ Renovated OC condos is expected to remain strong in Q4 (Sep-Nov.).
		Other OC condos	  # of unit sales ↑↑ Unit price → GP margin ↑↑	■ Stronger-than-expected demand from tenants and investors drove smooth sales progress. ■ The securitization fund project formed in September has been incorporated into the revised forecast.
Operating profit		 		■ While SG&A expenses were in line with the initial forecast, a strong beat on gross profit resulted in an outperformance in operating profit.
Recurring profit		 		■ Recurring profit also exceeded our initial forecasts mainly thanks to gains from interest rate swaps (non-operating income not included in the initial forecast as it is subject to financial market conditions).

* Including MTM loss

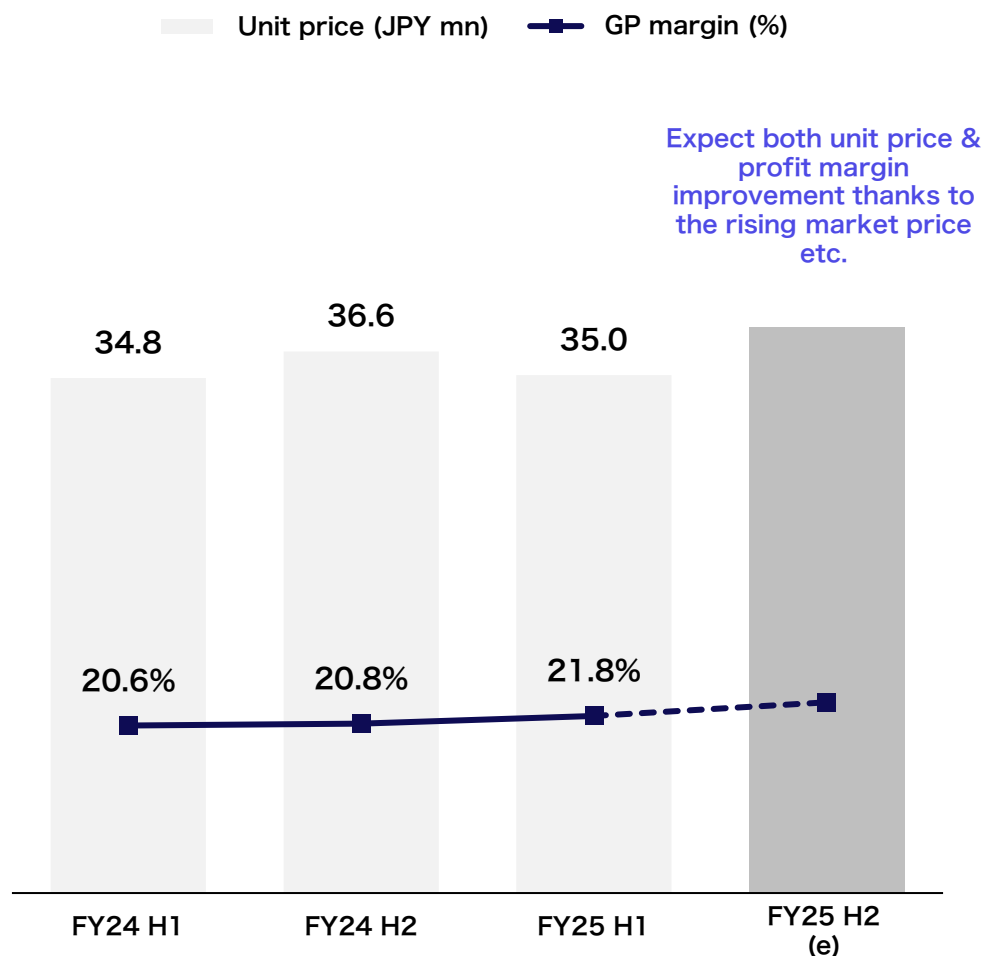
- Expect to achieve our FY2026 operating profit & net profit goals one year ahead of schedule.

Trends of operating profit and net profit during the mid-term plan period (FY2024-FY2026)

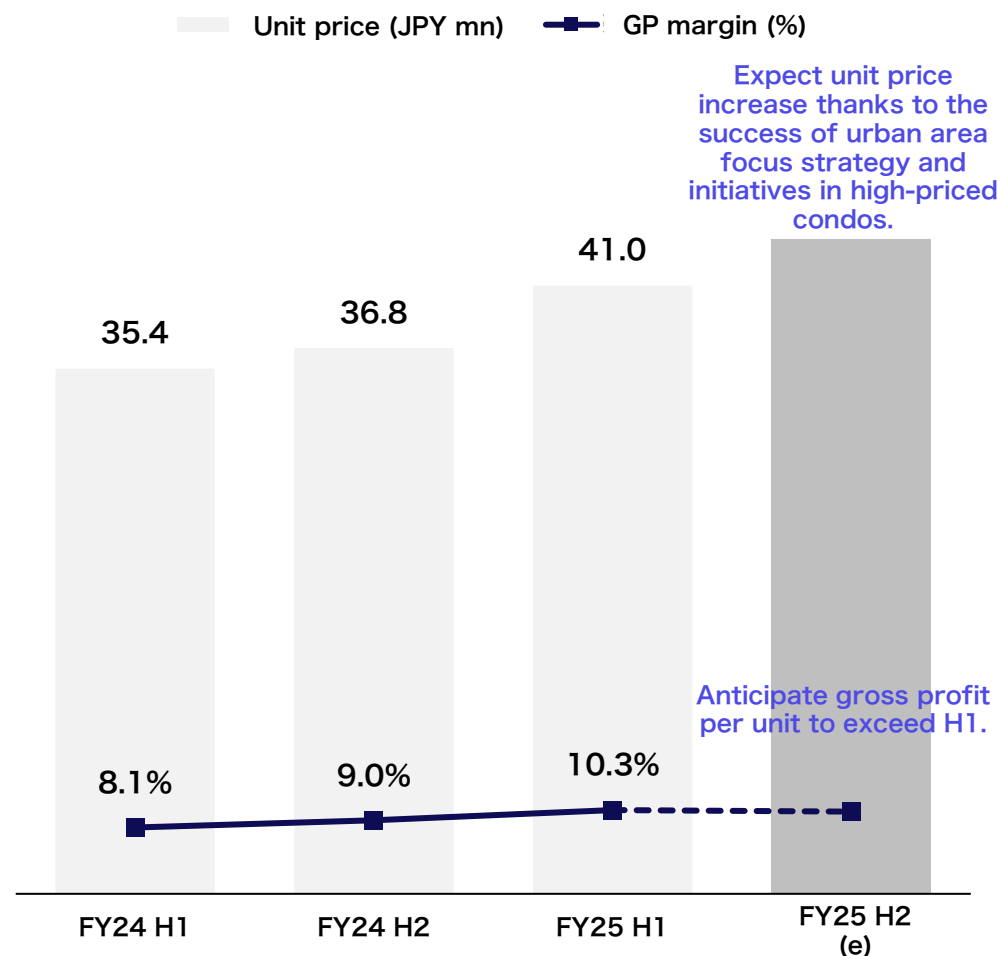


- Renovated OC: Assuming current sales progress as planned, unit price and GP margin are expected to increase.
- Renovated vacant: GP per unit is expected to exceed H1 thanks to the increase in unit price.

Renovated OC condos*1



Renovated vacant condos*2

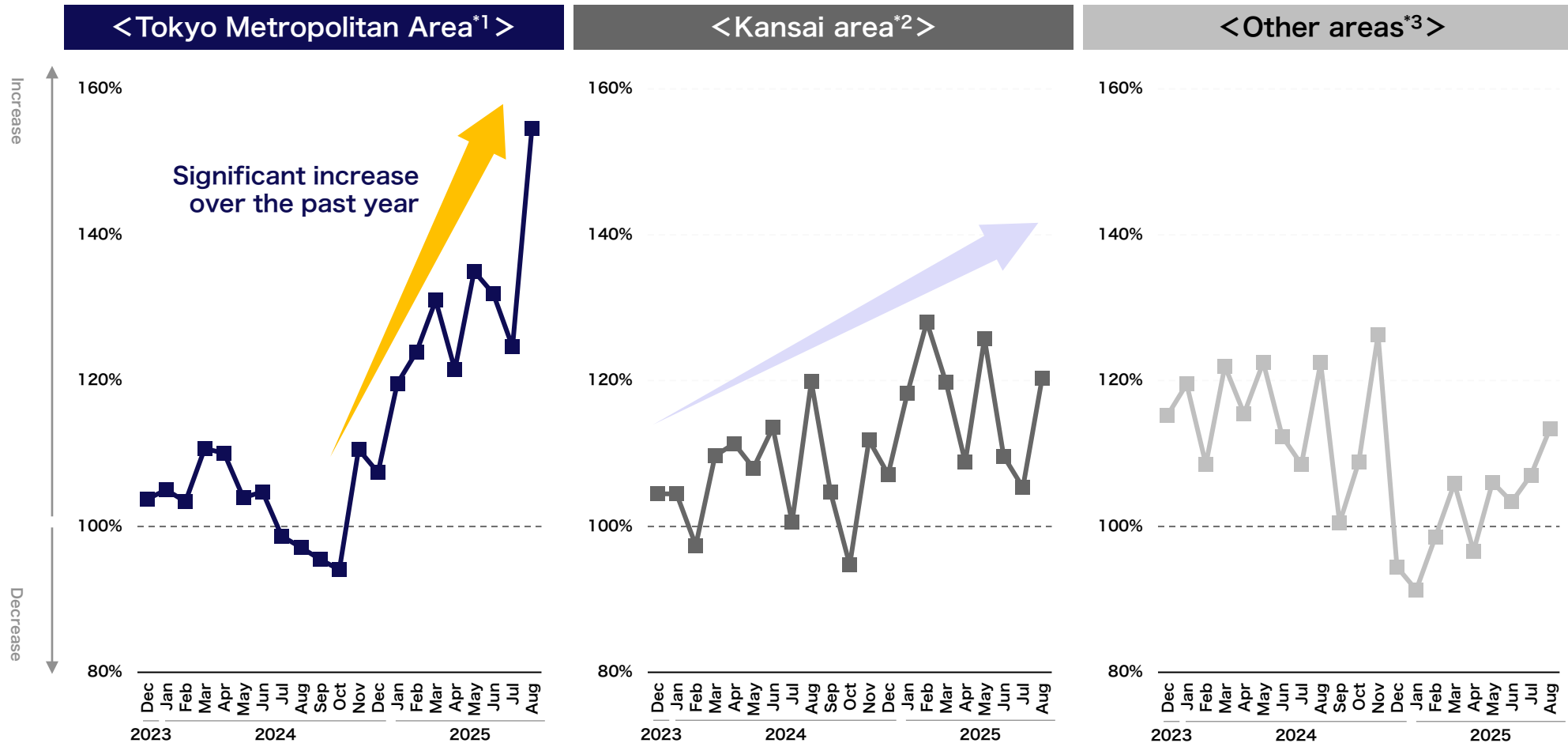


*1 Purchase as an owner-change condo, renovate it after the tenant's leave, and then sell it

*2 Purchase as a vacant condo, renovate and sell it

- The pre-owned condo market is robust through increasing # of transactions.
- Expect this market trend would continue given no signs of stagnation in the short-term.

YoY change in the # of pre-owned condominium transactions in our major operating areas



(Source) REINS "Market Watch"

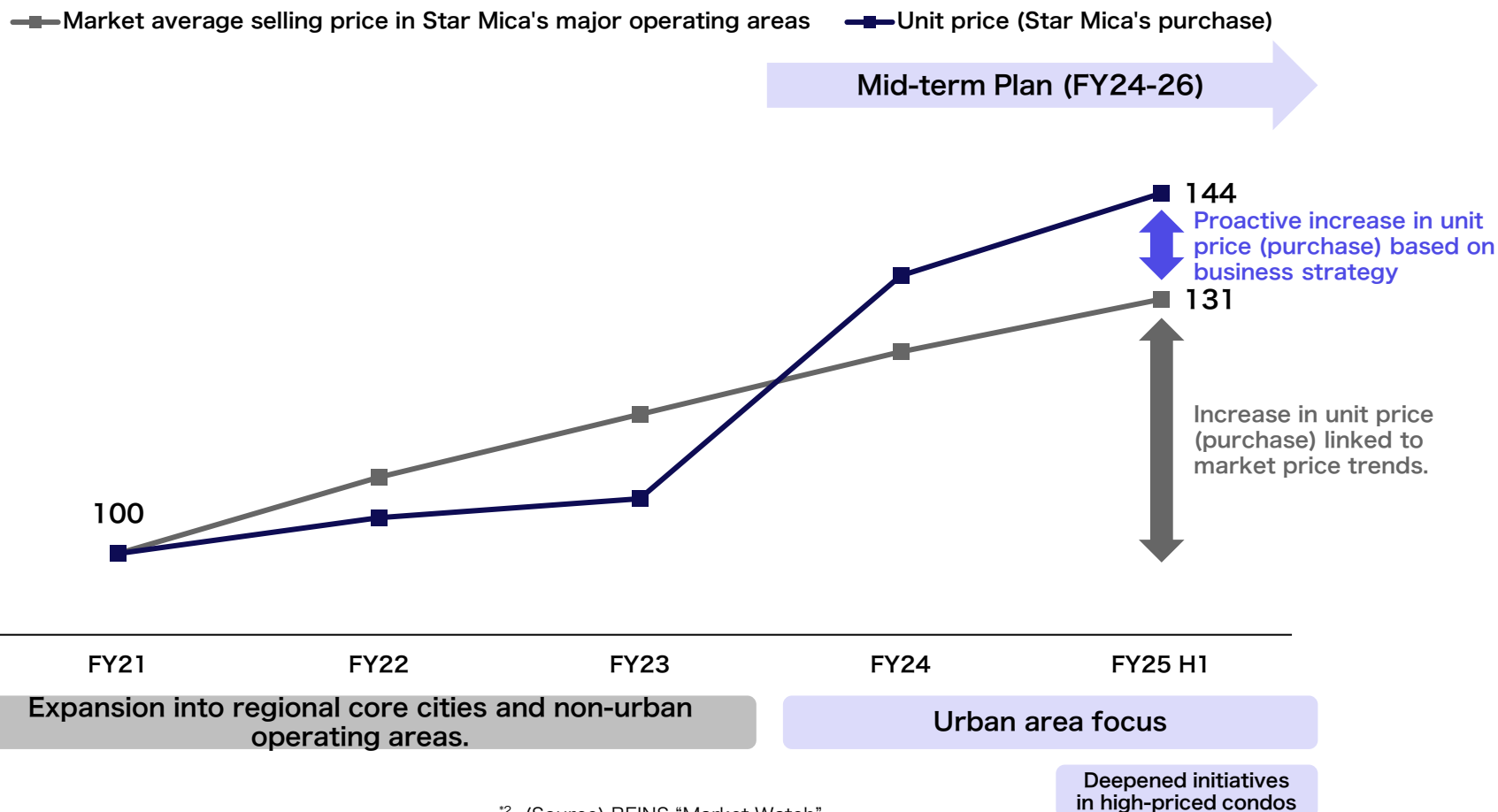
*¹ Tokyo, Chiba, Kanagawa and Saitama pref.

*² Kyoto, Osaka and Hyogo pref.

*³ Hokkaido, Miyagi, Fukuoka pref.

- Since FY2024, we have actively increased unit prices (purchase) by focusing on urban area and driving initiatives in high-priced condos.

Our unit price (purchase)^{*1} and market average selling price in major operating areas.^{*2} (Index, FY2021=100)



^{*2} (Source) REINS "Market Watch"

The average selling price was calculated by Star Mica (weighted average of Hokkaido, Miyagi, Saitama, Chiba, Tokyo, Kanagawa, Kyoto, Osaka, Hyogo, and Fukuoka prefectures).

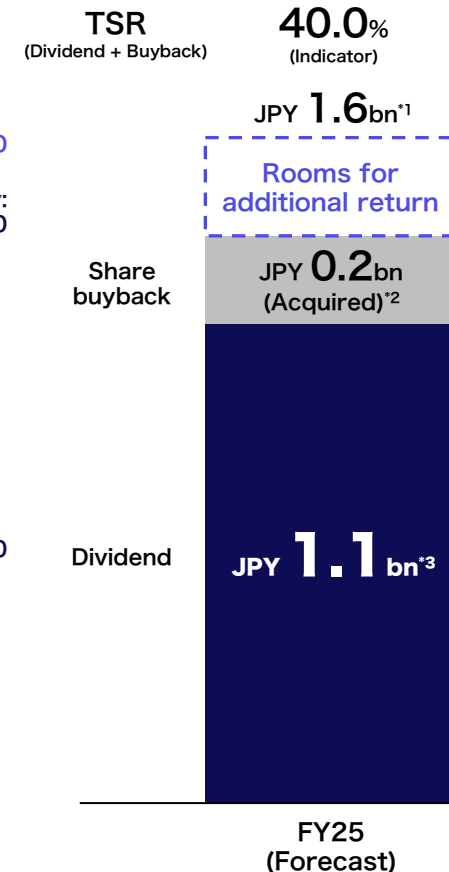
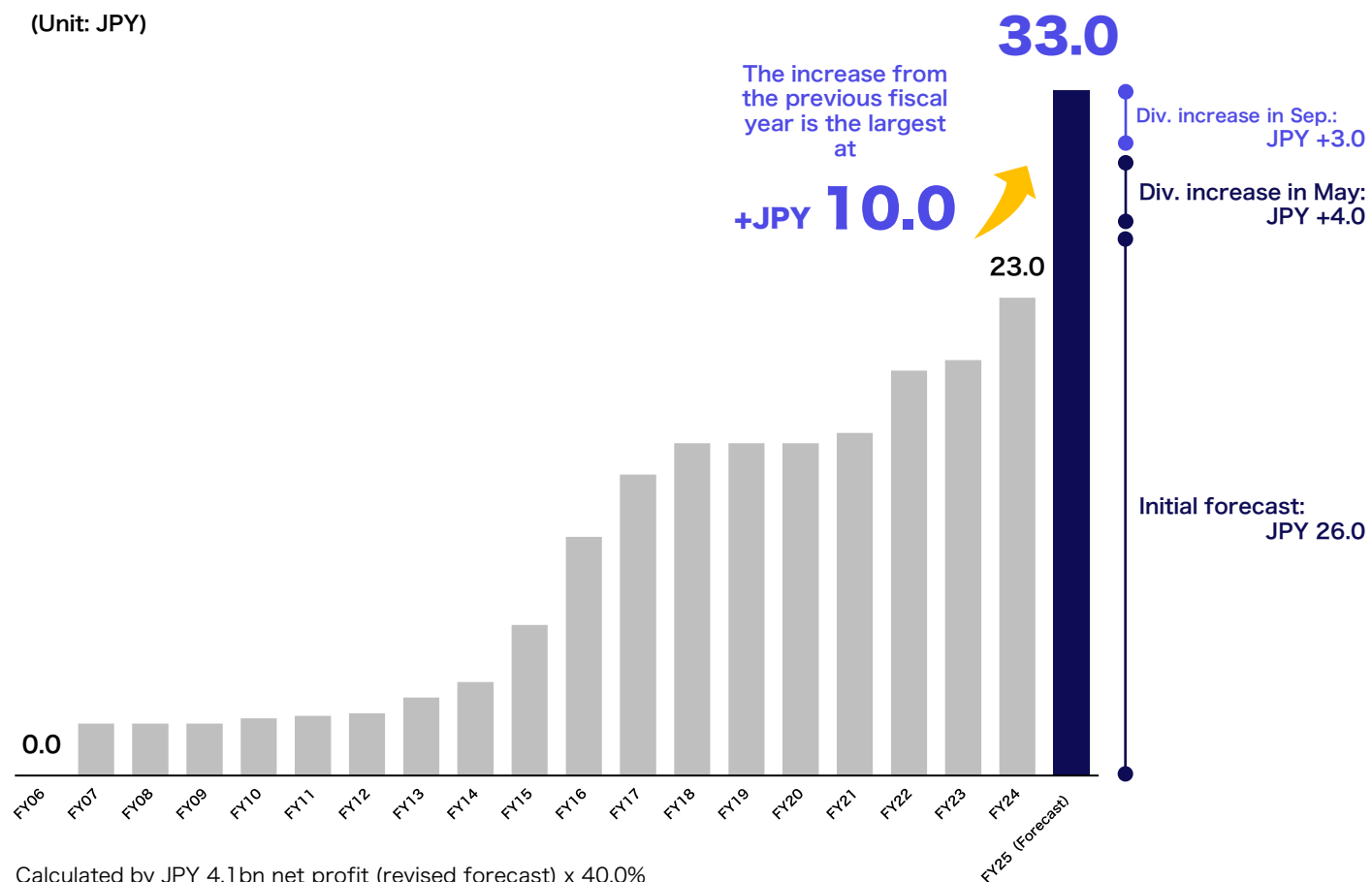
^{*1} Average of pre-owned condos purchased for renovated condo business

- Following the dividend increase in May, resolved a second dividend increase for FY2025 (Forecasted DPS: JPY 30.0 -> JPY 33.0).
- The forecasted DPS increase from the previous year (+JPY 10.0) marks the largest in our history.

Dividend records

FY2025 forecast

(Unit: JPY)



^{*1} Calculated by JPY 4.1bn net profit (revised forecast) x 40.0%

^{*2} Total amount of shares acquired (Total planned share repurchase amount: JPY 0.3bn (maximum))

^{*3} Calculated by JPY 0.5bn (interim) + JPY18.0 DPS (FY-end, revised forecast) x 33,934,359 shares (excluding treasury shares, as of Aug. 31, 2025)

3

Topics of the Mid-Term Plan

- Diversifying exit strategies of OC condos significantly increase the # of OC units sold.
- Increased revenue is significantly shortening the OC turnover period.

Sales progress of owner-change condominiums

KPI		FY2024 Q3 YTD	FY2025 Q3 YTD	YoY change
OC turnover period	OC inventories (As of Aug. 31, 2025, JPY mn)	80,333	83,892	+3,558
	OC revenue* (Renovated condos business (Sales), JPY mn)	12,739	20,539	+7,799
	Unit price* (JPY mn)	33.4	31.1	▲2.3
	# of units sold* (units)	381	660	+279

* Total of pre-owned condos purchase as owner-change condo and sell it while it is still with tenants, and pre-owned condos purchase as owner-change condo, renovate it after the tenant's leave, and then sell it.

- Completed the largest-ever bulk purchase (137 units) in March 2024.
- Have sold 62 units by the end of FY2025 Q3.

Property Overview

a. Harumi Island Triton Square View Tower

Location: Chuo-ku, Tokyo
of purchase: **71** units
(Total # of units: 624units)

b. Hills Kugahara Ichi-ban Kan

Location: Ota-ku, Tokyo
of purchase: **26** units
(Total # of units: 216units)

c. Park Heights Azusawa

Location: Itabashi-ku, Tokyo
of purchase: **24** units
(Total # of units: 271units)

d. Sanno Garden Heights

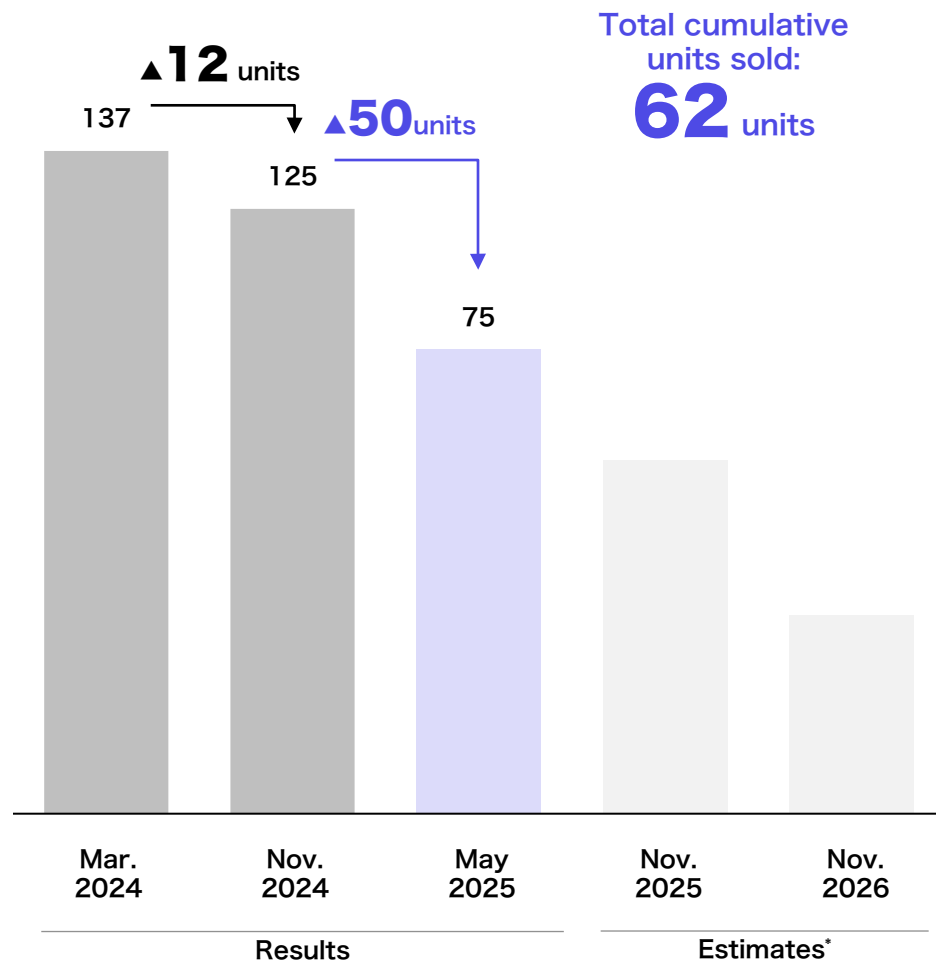
Location: Ota-ku, Tokyo
of purchase: **10** units
(Total # of units: 132units)

e. Sakuragaoka Flat

Location: Setagaya-ku, Tokyo
of purchase: **6** units
(Total # of units: 226units)

Total:
137
units

of units hold (results and estimates)



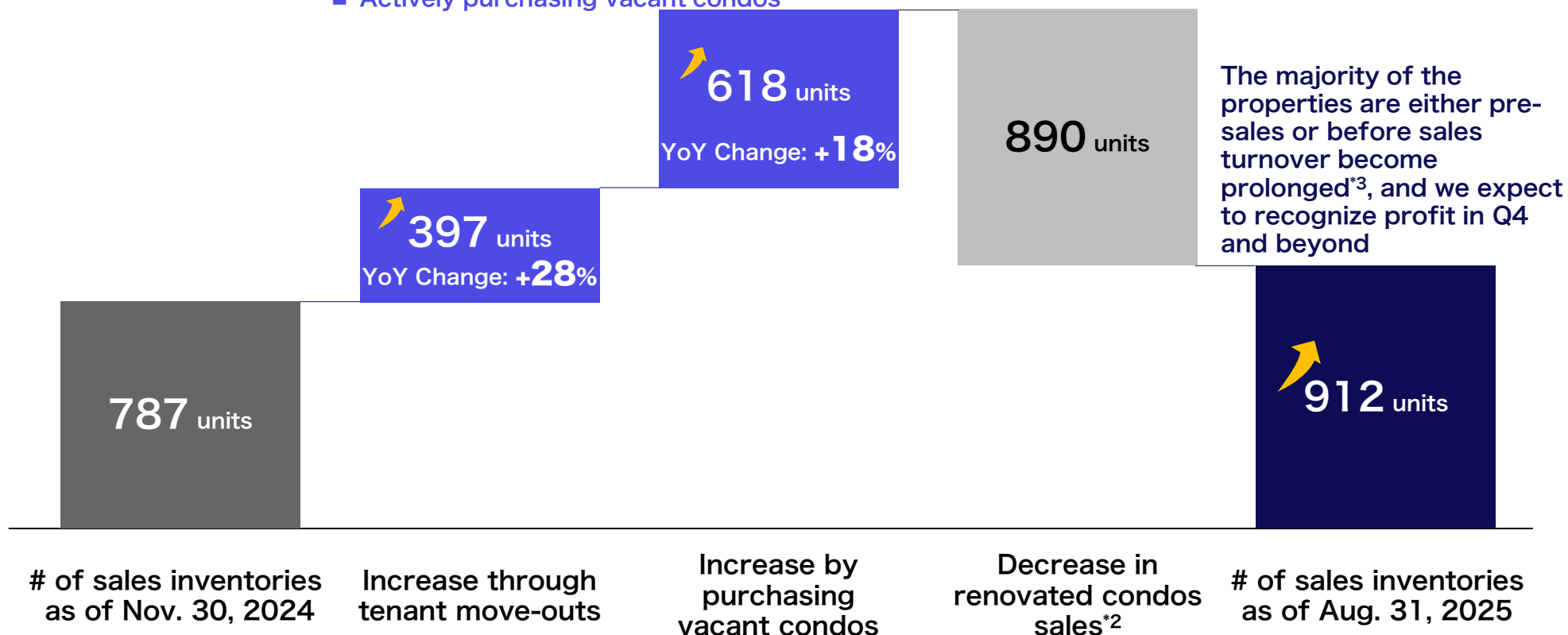
* Estimates based on the total cumulative units sold and the remaining lease term of the properties as of August 31, 2025

- Achieved strong progress in tenant move-outs and purchase of vacant properties.
- While boosting profits through renovated condo sales, securing high-quality inventory for future sales.

Change in sales inventory^{*1} in FY2025

Securing high-quality sales inventory for our future profit growth

- The number of tenant move-outs increased thanks to initiatives for shortening OC turnover period
- Actively purchasing vacant condos



^{*1} The total number of vacant properties with pre-sales, on sale, or under contract.

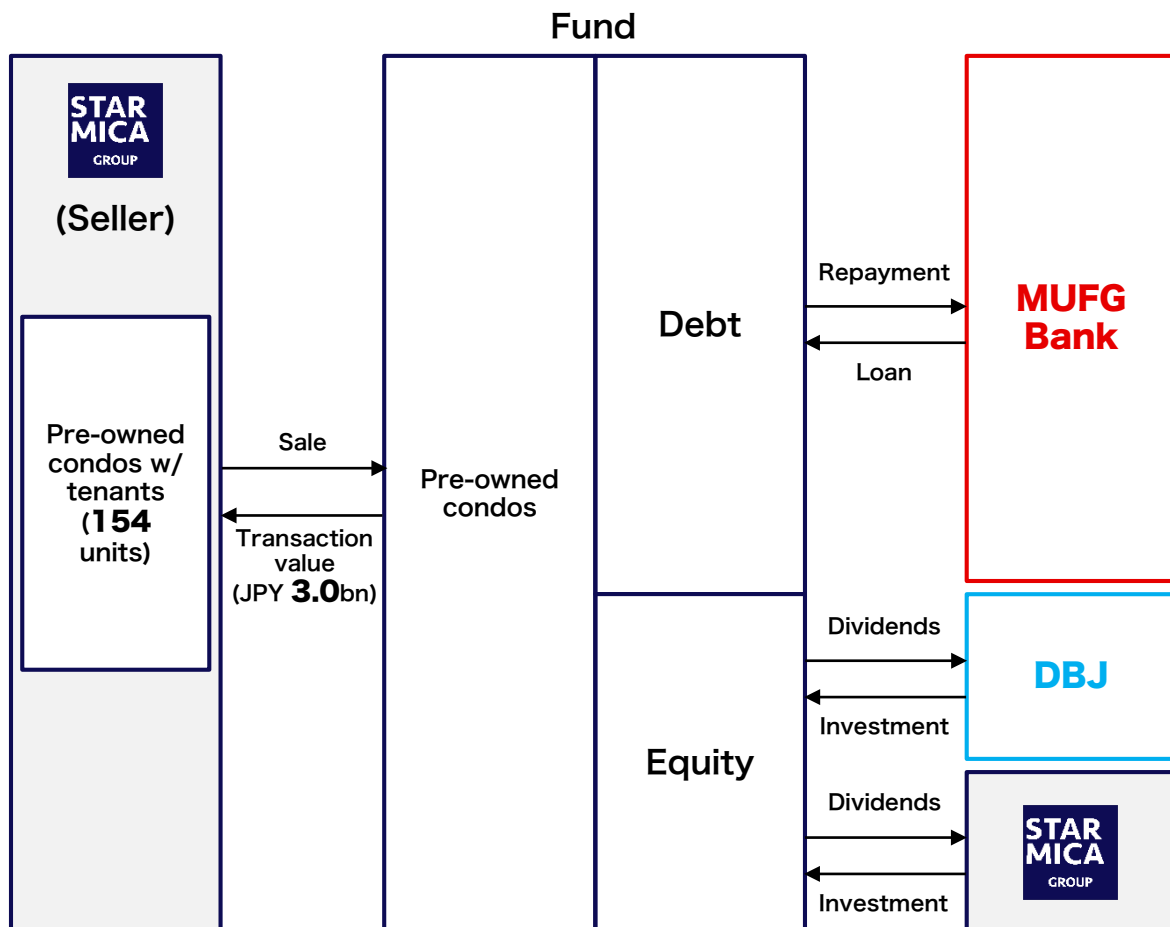
^{*2} The total number of renovated OC and vacant condos sold.

^{*3} Within 180 days on the market.

- Formed our first securitization fund in collaboration with Development Bank of Japan Inc. (DBJ) in September*¹.
- Adopted a scheme balancing current challenges in existing projects and future scalability.

Fund structure

Key points of the case

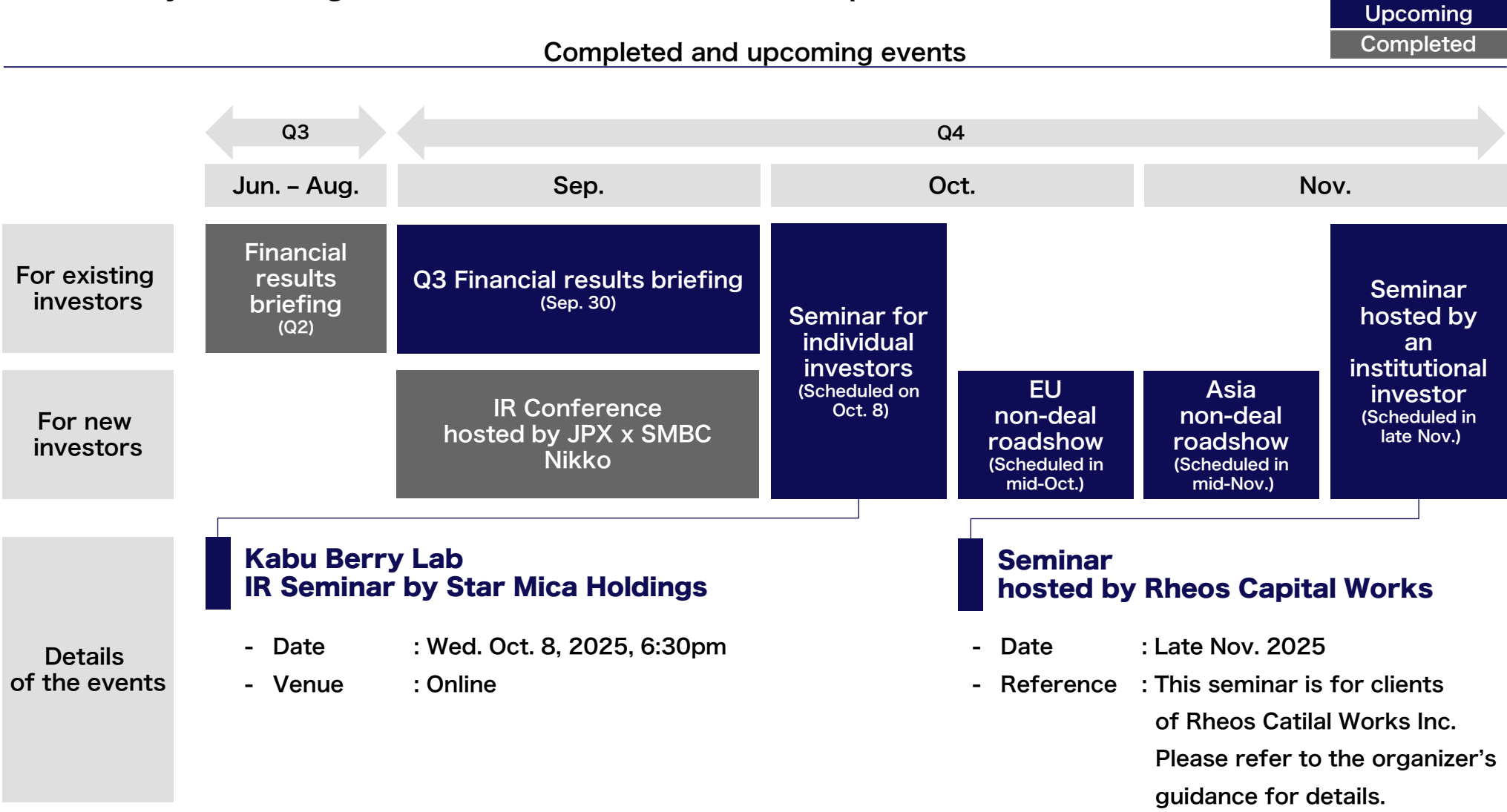


- Borrowing from our main bank, MUFG Bank
- Expecting broader lender base going forward
- Supply of risk capital by Development Bank of Japan Inc. (DBJ), our capital and business alliance partner
- Expecting continued fund formation and diversified investor base
- Made an equity investment and expect dividends*² as a stable source of income

*¹ The transaction value to be recorded as revenue in renovated condominium business in Q4.

*² Dividend will be recorded as revenue in renovated condominium business. The private placement handling services related to the fund have been outsourced to a third party, not handled by our group or DBJ.

- Will conducted the Q3 financial results briefing & seminar for individual investors to communicate our strategy.
- Actively enhancing initiatives for new investors to expand our investor base.



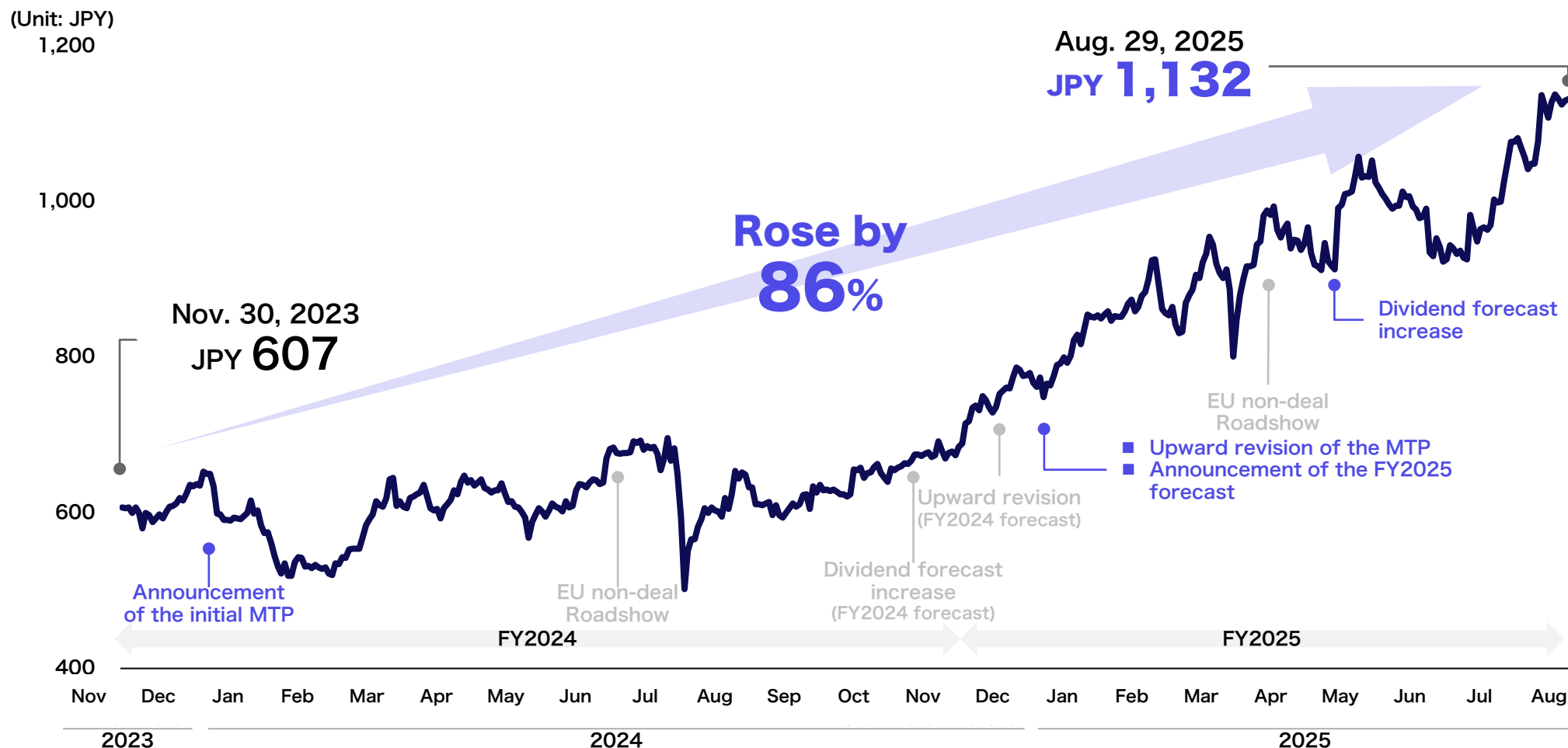
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Summary of Discussion with Shareholders etc. (Q&A)

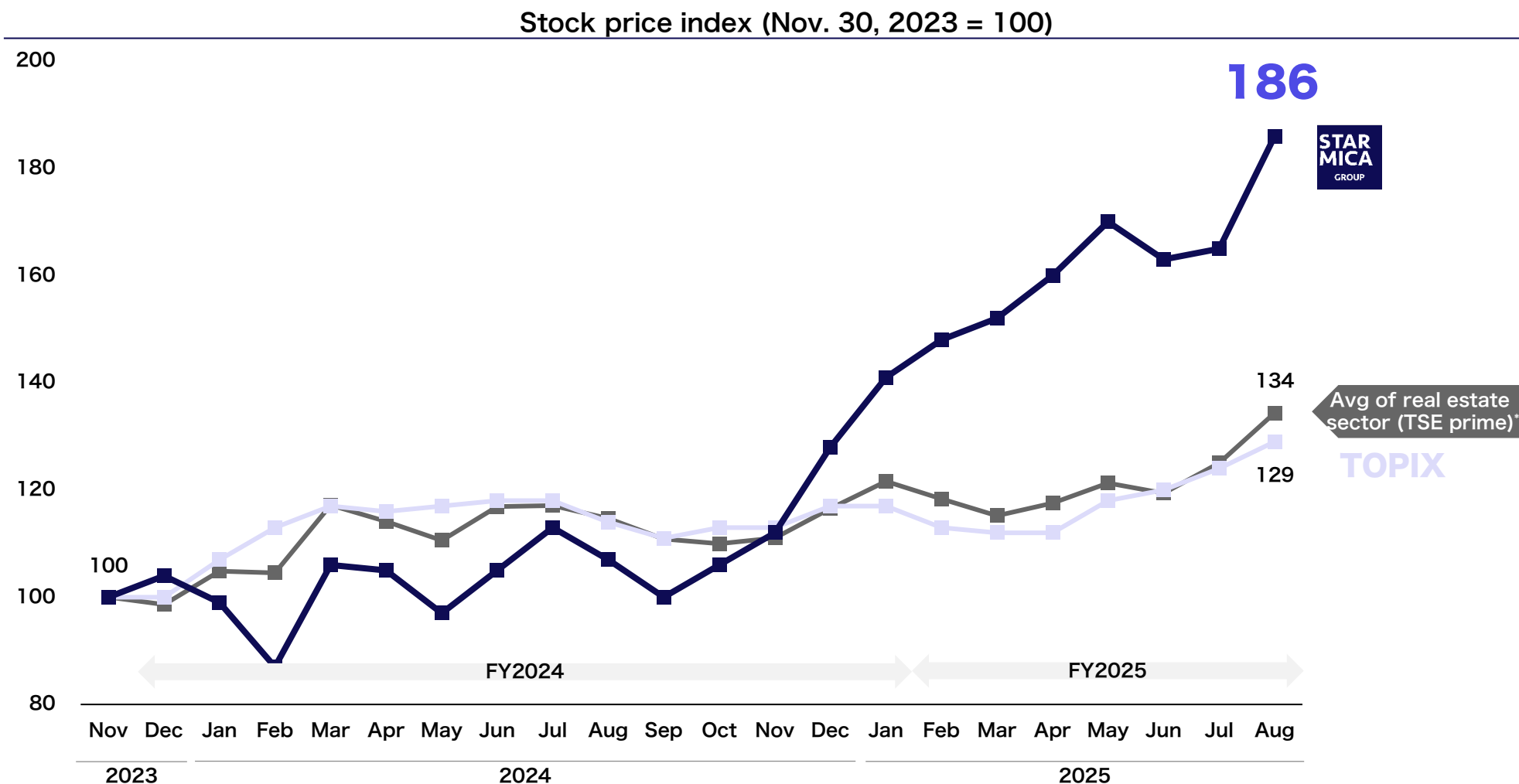
a. Our Perception of Stock Price

- Stock price rose by 86% compared to the end of FY2023, just prior to our MTP period.

Stock price trends since end of FY2023 (Nov. 30, 2023 – Aug. 31, 2025)



- Significantly outperforming TOPIX & the sector average from FY2025.



* Calculated based on the share prices of 49 real estate companies listed on the TSE Prime as of August 31, 2025; comparison of closing prices on Nov. 30, 2023

- PBR currently above 1.0x and ROE continues to over 12.0%.
- PER remains low and we see significant rooms for PER improvement.

PBR decomposition

PBR

=

ROE

×

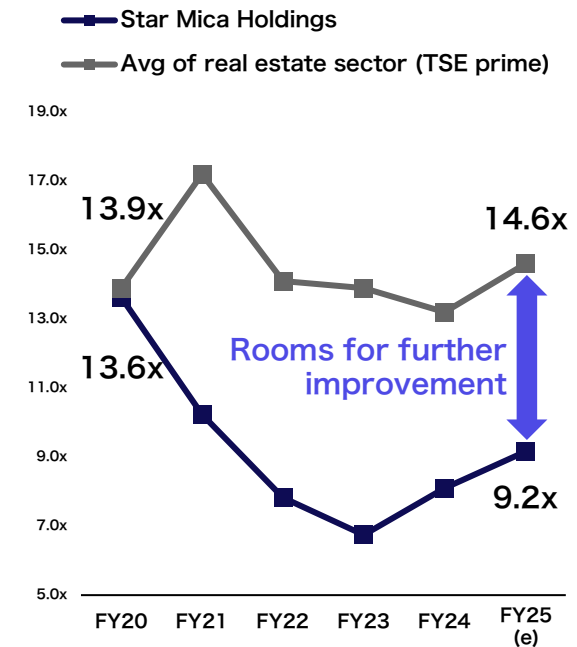
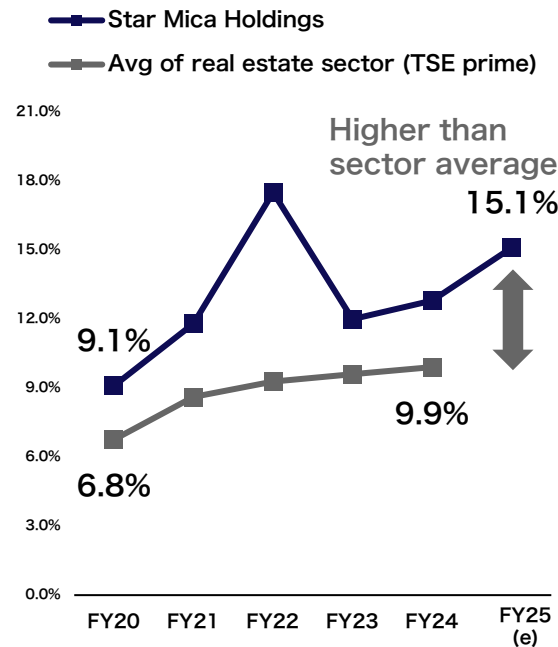
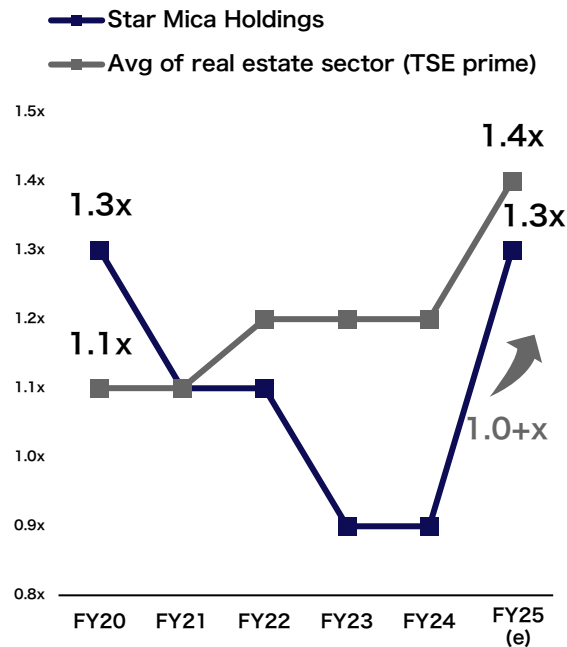
PER

1.3x

15.1%

9.2x

Trends over the past 5 Yrs

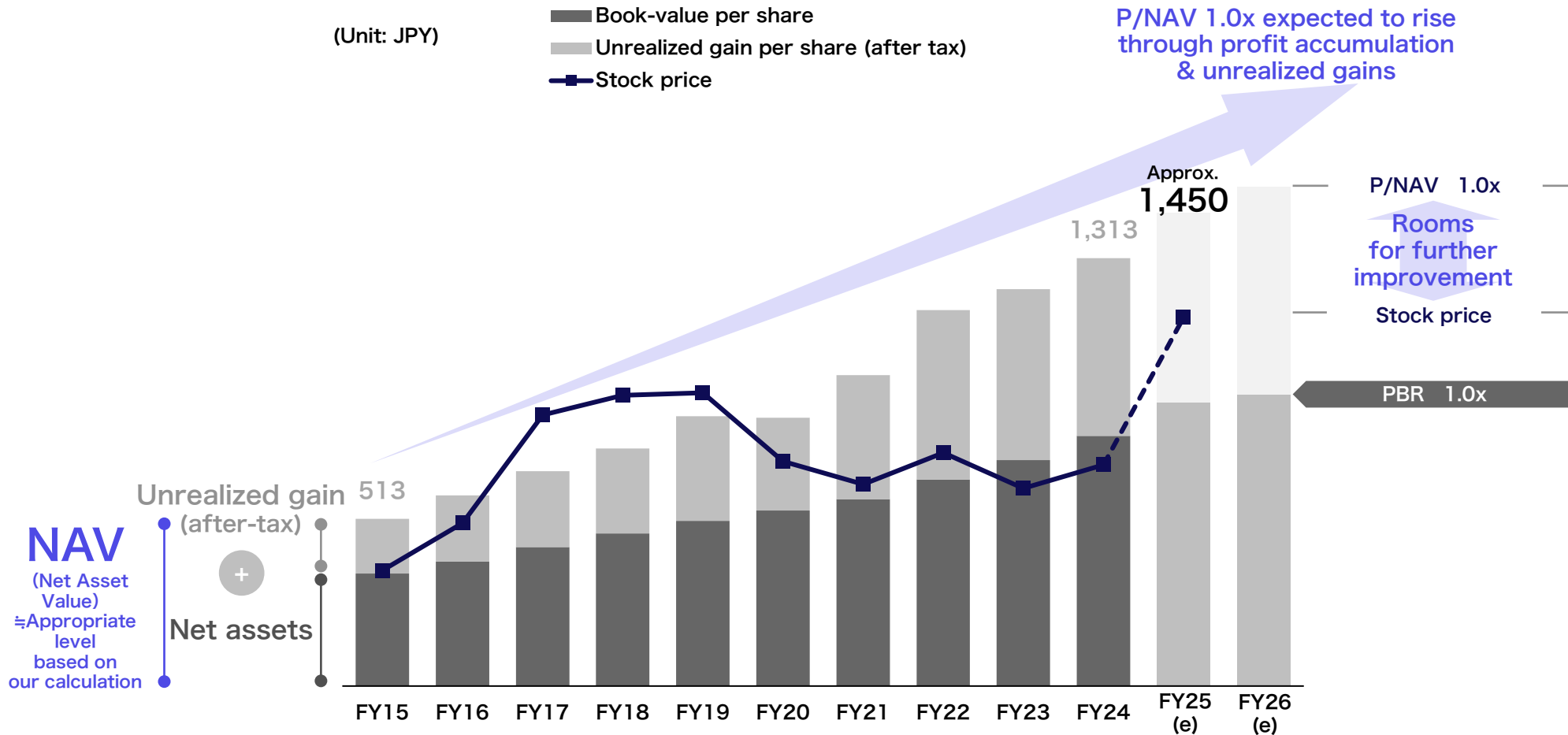


(Note) ROE data for FY2025 is not available.

Our forecasted PBR, ROE, and PER for FY2025 are calculated based on the actual stock price at the end of FY2025 Q3, as well as the forecast EPS, BPS, and other figures as of September 30, 2025.

- We see rooms for further valuation improvement on a NAV basis.
- P/NAV 1.0x expected to rise through profit accumulation & unrealized gains.

NAV*¹ (Market value of net assets with unrealized gain (after-tax)) and stock price*²

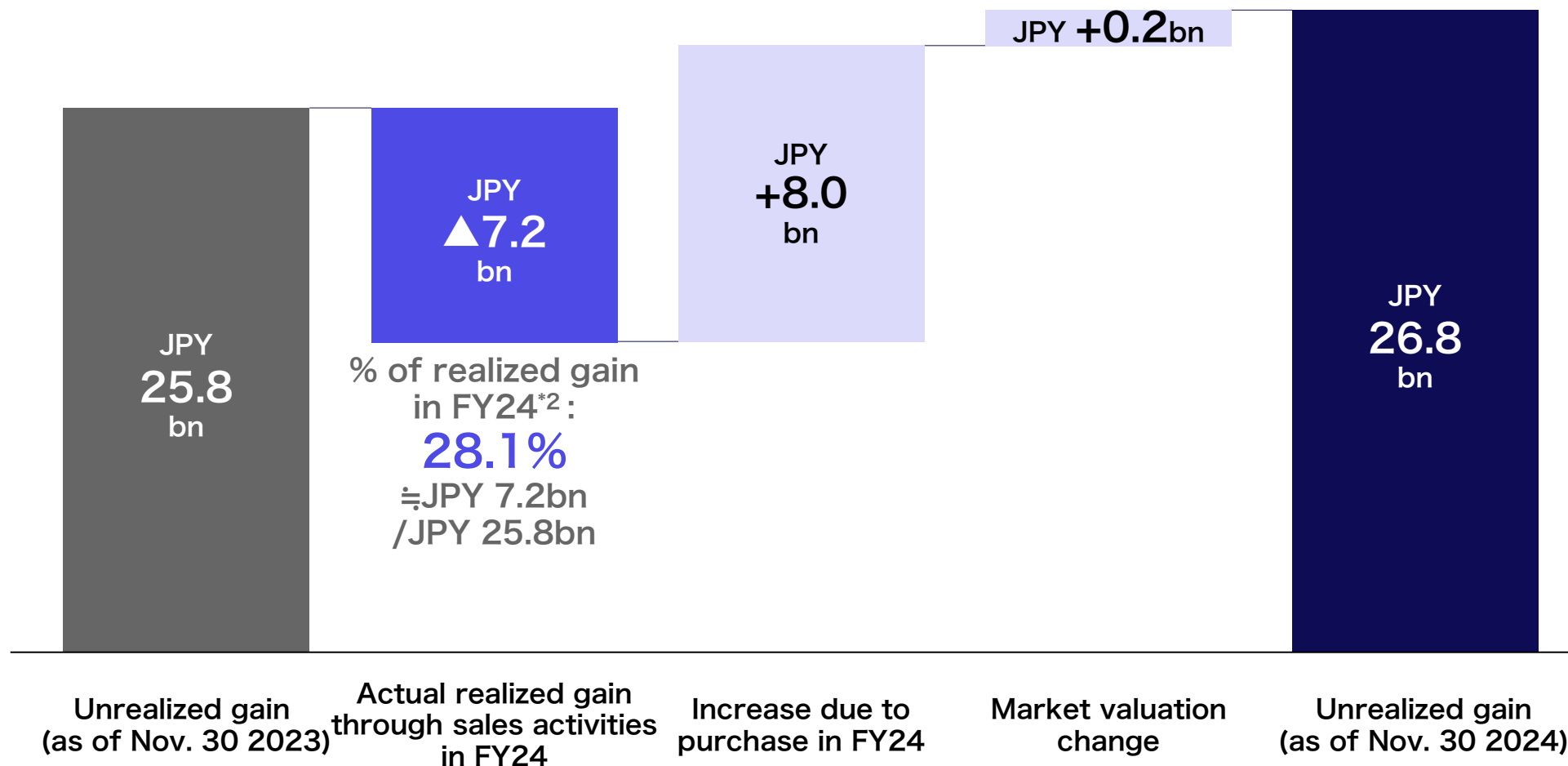


*¹ NAV per share = (Unrealized profit after tax (as of the end of each fiscal period x (1 - effective tax rate)) + book value of net assets as of the end of each quarter) / Number of shares at the end of each quarter (excluding treasury stock)

FY2025 estimates are calculated by the predictable unrealized gain & net assets as of Aug. 31, 2025.

*² Closing prices for each quarter

- Achieved 30% of unrealized profit through sales activities.
- Unrealized gains increased by JPY 1.0bn thanks to property purchases & valuation increases of our owned properties.

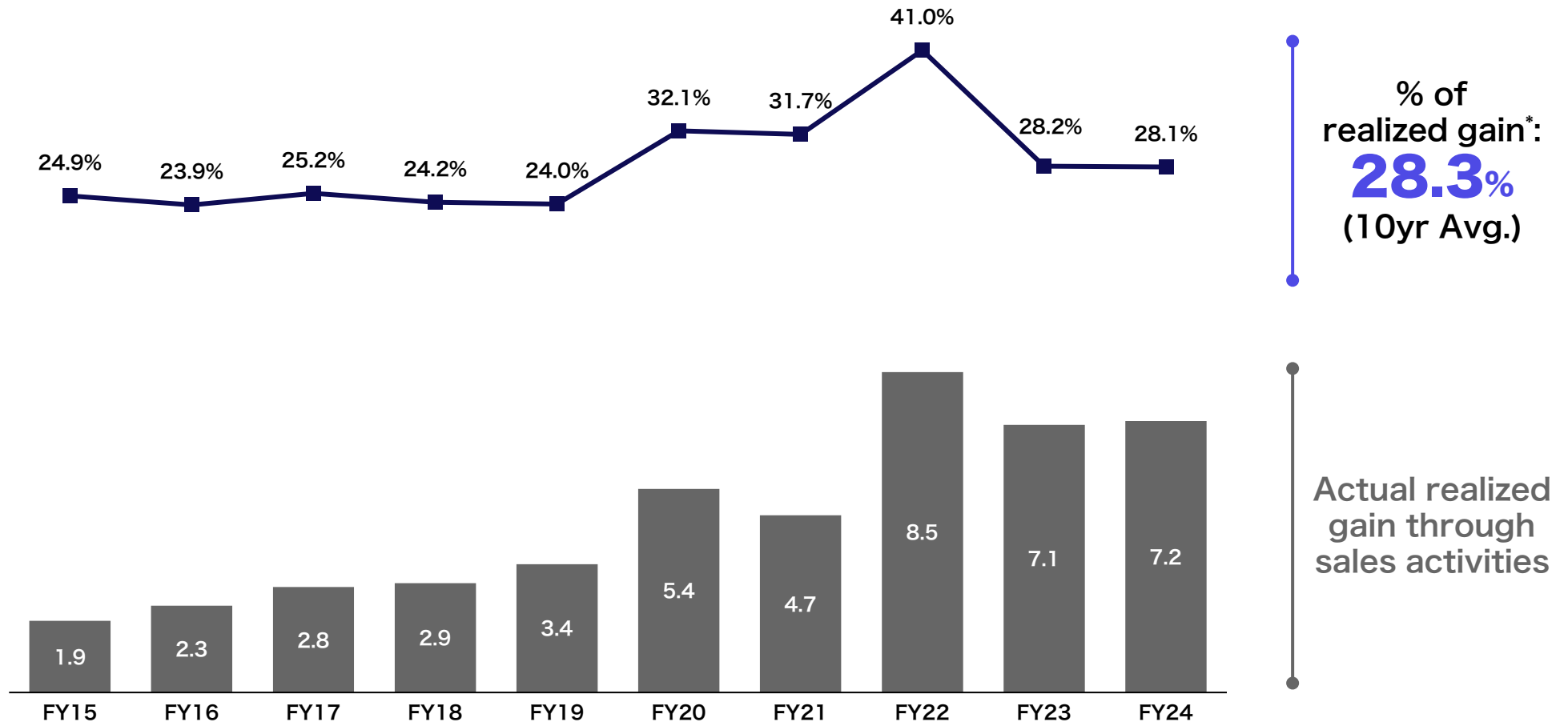


*¹ Estimated sales – Book value – Estimated cost (Property agent cost etc.)

*² % of realized gain in each fiscal year = Actual realized gain through sales activities in each fiscal year / Unrealized gain as of the end of previous fiscal year.

- The ratio of realized gain is stable at 30% per year.

Realized gain amount & % of realized gain in the past 10 years (JPY bn)



* % of realized gain in each fiscal year = Actual realized gain through sales activities in each fiscal year / Unrealized gain as of the end of previous fiscal year.

4

Summary of Discussion with Shareholders etc. (Q&A)

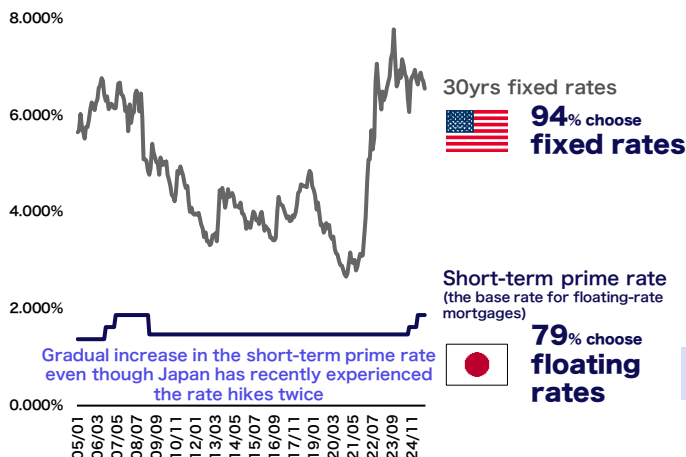
b. Q&A

Updated

Could rising mortgage
interest rates and real
estate prices lead to
weaker consumer demand?

A sudden surge in mortgage
interest rates is considered unlikely
in Japan

< Gradual increase in the short-term prime rate
(the base rate for variable-rate mortgages in
Japan)>



We expect strong demand to continue.

■ The increase in the short-term prime rate (the base rate for floating-rate mortgages) is moderate, and financial institutions continue to provide lending proactively.

- Approximately 80% of Japanese mortgage borrowers choose floating rates linked to short-term rates (the majority of their applicable interest rates are 1.0% or less), but the level of the short-term prime rate remains around 1-2%
- Although Japan has recently experienced the rate hikes twice, we see a gradual increase in the short-term prime rate. Also, a sharp rise in interest rates is unlikely in Japan
- Financial institutions continue to proactively lend for mortgages with low risk of loan defaults, backed by an increase in their outstanding loan balance. Over the past 20 years, the mortgage balance has increased steadily at approximately 1% per year

■ Homebuyers are purchasing homes by utilizing couple's loans or joint income with a repayment period of 35+ yrs

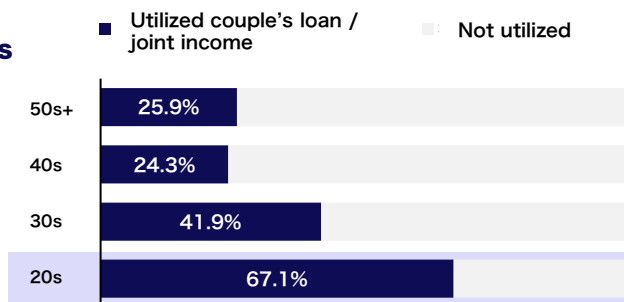
- As real estate prices have risen, approx. 40% of new mortgage users (around 70% among younger people) utilize couple's loans or joint income to have more their borrowing amount
- Even when taking out a mortgage in the current financial environment, which has experienced rising mortgage interest rates and real estate prices, the actual interest burden is reduced thanks to tax credits of up to 0.7%. In addition, by utilizing loans with repayment periods of 35+ yrs, mortgage users can reduce their monthly repayments
- The prices of our main sales condos are higher than those of our competitors and local home resale operators, targeting customers with more flexible financial plans, such as dual-income households and senior second-time homebuyers

Mortgage users utilize couple's
loans or joint income

< Approx. 40% of mortgage users utilize couple's
loans or joint income. Utilization among younger
generations reaches approx. 70%>

% of mortgage users utilized
couple's loan / joint income:

Approx.
40%



Approx. 70% of people in their 20s utilize it

Leveraging mortgages w/
repayment terms of 35+yrs to
reduce monthly repayment burden

< By choosing a mortgage with a repayment period of
35+ yrs, monthly repayments remain flat even with
rising interest rates or increased borrowing >

% of mortgage users utilized
mortgages with a repayment
period of 35+ yrs:

Approx.
26%

Simulation of monthly mortgage repayments:

Repayment period:
35yrs
Applicable rate:
0.4%
Amount:
JPY 40mn

Monthly repayments:

JPY 102k

Repayment period:
50yrs (+15yrs)
Applicable rate:
0.8% (+0.4%)
Amount:
JPY 50mn
(+JPY 10mn)

Monthly repayments:

JPY 101k

* Key points from Q&A sessions with institutional investors, individual investors, analysts, and media personnel since January 2024, focusing on particularly noteworthy topics

(Source) Japan Housing Finance Agency "Survey on the actual conditions of Mortgage Borrowers" (Apr. 2025 survey) and "Trends in New Mortgage Loans and Outstanding Loans by Business Category," The Federal Housing Finance Agency "New Residential Mortgage Statistics," Federal Home Loan Mortgage Corporation "Primary Mortgage Market Survey," Bank of Japan, "Trends in Long- and Short-Term Prime Rates (Major Banks)" and Organization for Housing Warranty Ltd. "Repayment Amount Estimates" (The simulation is based on an equal principal and interest repayment method with a floating interest rate.)

Can you pass on the
increase in unit prices
(purchase) to sales prices?

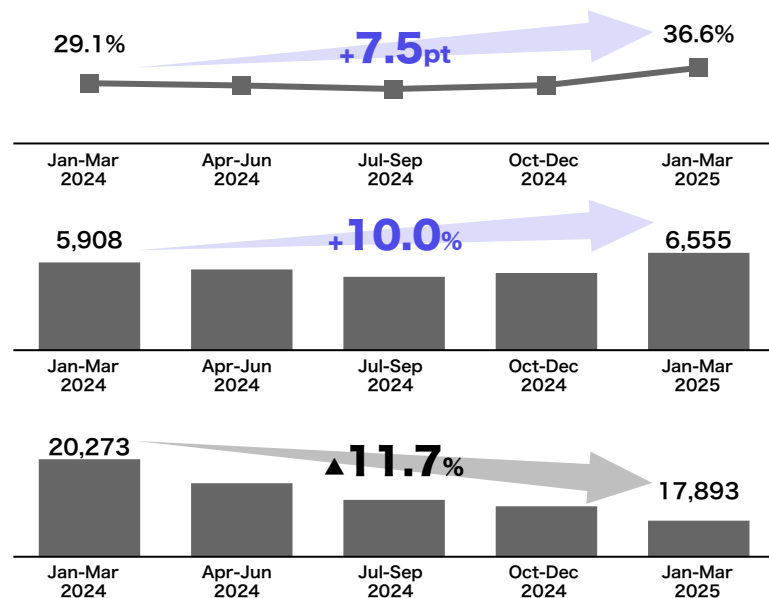
■ **Market environment: The current market environment is robust driven by strong demand for pre-owned condominiums**

- We see the market demand is still strong with the fact that the inventory of mid-price range (unit price over JPY 30mn, up to JPY 100mn) including our main renovated condos for sale is decreasing in the pre-owned condominium market in the Tokyo metropolitan area
- We recognize the market environment is robust as both the transactions-to-inventory ratio and # of transactions are increasing

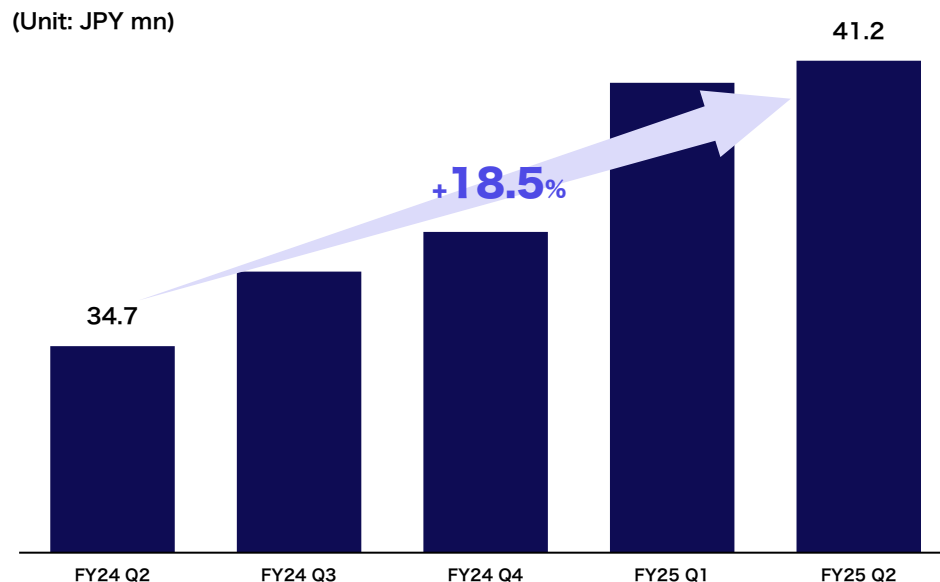
■ **Star Mica's sales: Secured total gross profit through increasing unit prices (sales)**

- Among the renovated condos sold, vacant condos largely consist of those purchased after an increase in purchase unit prices due to enhanced urban area focus and deepened initiatives in high-priced condos
- Over the past year, unit prices (sales) rose, and gross profit also increased year-on-year
- The increase in unit prices (sales) is progressing as planned thanks to changes in the composition of condos sold (price range, area, year built, etc.)
- In the short term, we anticipate a further rise in unit prices (sales) and the gross profit per unit is expected to increase

Market environment: Mid-price range (unit price over JPY 30mn, up to JPY 100mn) of the pre-owned condominium market in the Tokyo metropolitan area*²



Star Mica's sales: Unit prices (sales) of the renovated vacant condominiums



*¹ Key points from Q&A sessions with institutional investors, individual investors, analysts, and media personnel since January 2024, focusing on particularly noteworthy topics

*² (Source) REINS "Market Watch" The average balance of inventory is calculated by averaging the # of inventory units at the end of each period

Why can you continuously
purchase attractive
properties?

■ **Information Network: Advanced information gathering capabilities as an industry pioneer**

- Since our business initiation, we have established a strong information network with real estate agencies as a pioneer in the family-type owner-change condo market which has limited buyers.
- We collect approx. 50k potential pre-owned condo offers for sale annually, and assess our information gathering as sufficient to achieve our purchase targets for each year

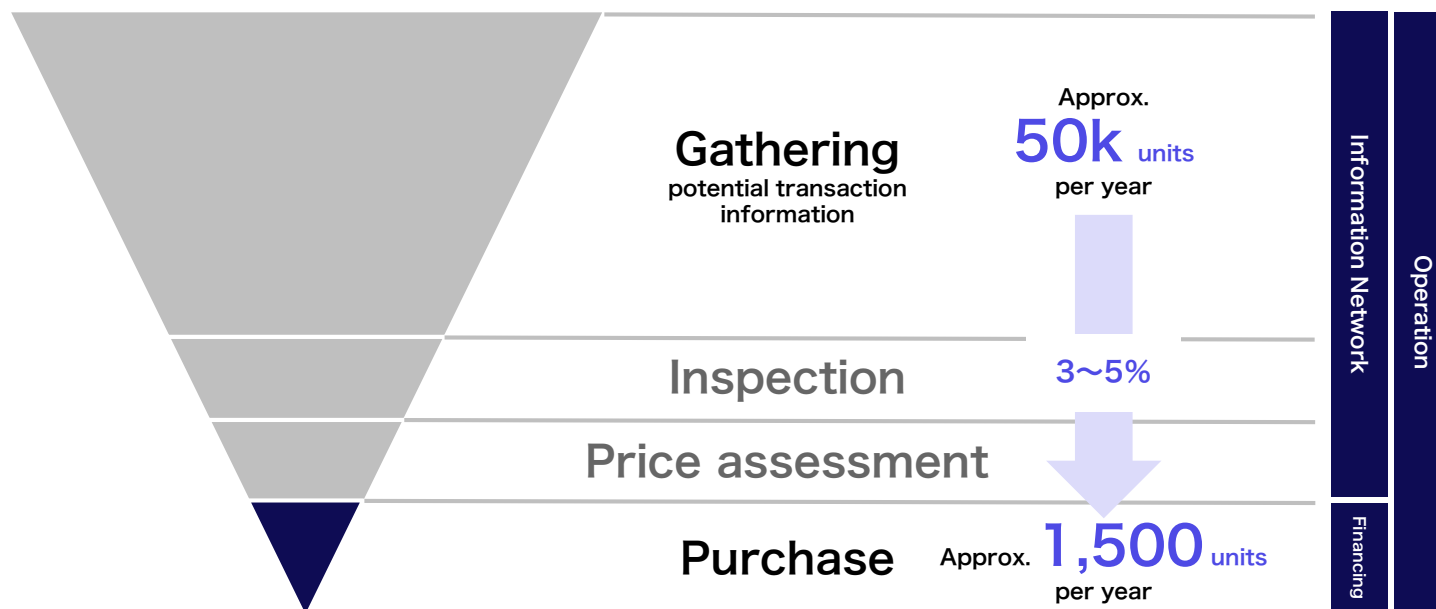
■ **Operation: Systematization for rapid business execution**

- We have internalized and systematized labor-intensive operations in each process from price assessment and on-site surveys to contract and settlement
- While the # of full-time employees in our purchasing and related departments is small at approx. 100, we stably execute around 1,500 purchase contracts and settlements annually

■ **Financing: Realization of long-term borrowing based on past track records**

- Have considered various financing methods supported by 13,000+ transaction track records and secured long-term borrowings.
- Currently, we have raised over JPY approx. 80bn from approx. 50 financial institutions, which enabling fast and stable fund settlement.

Operational flow of purchase (image)



* Key points from Q&A sessions with institutional investors, individual investors, analysts, and media personnel since January 2024, focusing on particularly noteworthy topics

Are there any reasons for
the negative trend in
operating cash flow?



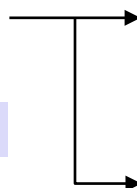
- **Property purchases as growth investments negatively impact operating cash flow**
 - The properties held are classified as current assets (inventories) on the balance sheet, regardless of the type of properties
 - We strategically purchase properties at a pace exceeding sales, which has resulted in a negative trend in operating cash flow
- **Possible to consider a proforma cash flow that regards owner-change condo purchases as investment activities**
 - Our purchased properties can be broadly categorized into two types: vacant condos that are quickly turned around from purchase to sale, and owner-change condos that are held until tenant leave, generating rent revenue, resulting in longer business cycles
 - Considering the nature of upfront investment in purchasing owner-change condos, if we were to categorize it as an investment activity, we could segregate the changes in owner-change condos from "the increase or decrease in inventories" in consolidated cash flow statement as investment cash flow
- **As FY25 is a transition period for strategic shifts, its proforma cash flow would be negative, however, we expect it would turn to be positive from FY26 onwards**
 - In FY25, the balance of vacant condos increased due to the rise in unit prices (purchase), leading to a temporary negative proforma operating cash flow
 - Unit prices (sales) for vacant condos are increasing, and a positive balance is expected from FY26 onwards as the gap between purchase and sales prices would be shrinking

Consolidated cash flow statement

(JPY mn)	FY25 Q2 YTD
CF from operating activities	-5,067.4
Net profit before income taxes	3,549.4
Increase in inventories* ²	-7,191.7
Others	-1,425.0
CF from investing activities	-140.4
-	-
-	-
CF from financing activities	6,765.3
Borrowing from banks & proceeds from issuance of shares	7,179.4
Dividends paid	-414.0
Share buyback	-

(Reference) Proforma cash flow statement

(JPY mn)	FY25 Q2 YTD
CF from operating activities (proforma)	-2,036.0
Net profit before income taxes	3,549.4
Decrease in vacant condos* ²	-4,160.4
Others	-1,425.0
CF from investing activities (proforma)	-3,171.7
Increase in owner-change condos etc.* ^{2,3}	-3,031.3
Others	-140.4
CF from financing activities	6,765.3
Borrowing from banks & proceeds from issuance of shares	7,179.4
Dividends paid	-414.0
Share buyback	-



*¹ Key points from Q&A sessions with institutional investors, individual investors, analysts, and media personnel since January 2024, focusing on particularly noteworthy topics

*² The negative cash flow indicates that the purchase amount exceeded the sales amount, resulting in an increase in real estate balance

*³ Including the changes of whole buildings

5

APPENDIX

a. Summary of our Mid-Term Plan (Excerpt from FY2024 Financial Results)

For further detail, please see [FY2024 Financial Results](#) and [Mid-Term Plan “Find the Value 2026” \(FY2024-2026\)](#).

- Added / Revised our quantitative goals to clarify growth & efficiency improvement.

FY26 Numerical goals

Revenue
JPY **70.0**bn

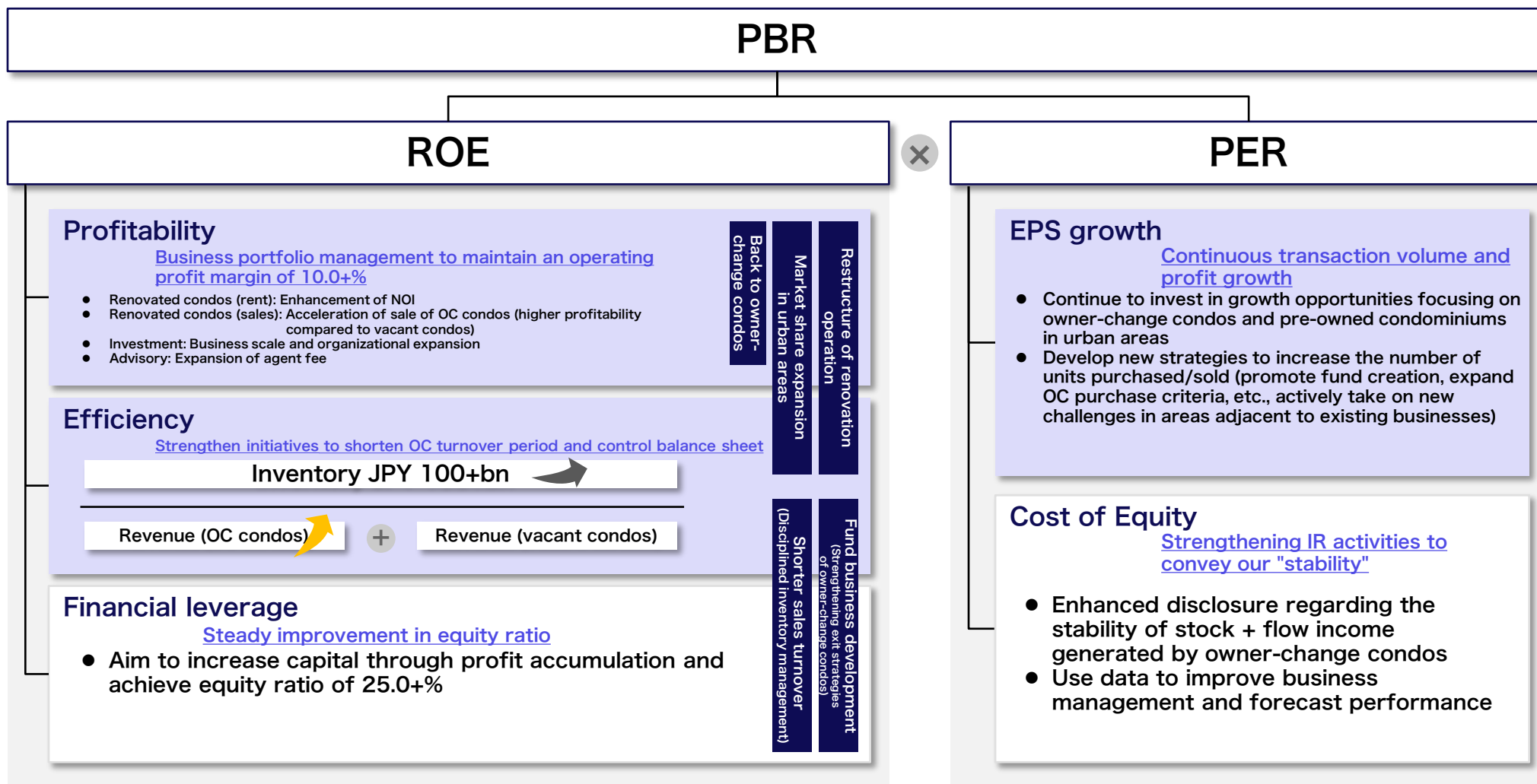
Operating profit
JPY **7.0**bn

Net profit
JPY **3.8**bn

Business strategy	ROE	12.0+%	=	No change
	OP margin	10.0+%	=	No change
	EPS growth	5.0+%	🚀	14.0+%
	Sales turnover	▲1.5 months	+	OC turnover period* ▲18months
Financial strategy	Inventory	JPY 100+bn	=	No change
	Equity ratio	25.0+%	=	No change
	WACC	2.0%	—	Withdrawn (alternatively monitoring cost of equity)
	Total shareholder return (Dividend + Buyback)	40%	=	No change
IR strategy	PBR	1.0x	=	No change
Quantitative goals		Initial goals	Additional/revised goals	

* Inventory turnover period for owner-change condos (= end-of-period balance of real estate for sale / sales)

- To maximize corporate value, pursue profitability, efficiency and business growth with monitoring our cost of equity.



- Significantly shortened the inventory turnover in FY2024 by actively selling vacant condos with long-term holding.
- Aim to significantly improve the turnover of owner change condos by diversifying exit strategies based on holding period, etc.

Forecast of inventory turnover period (=inventory/revenue)

Overall turnover

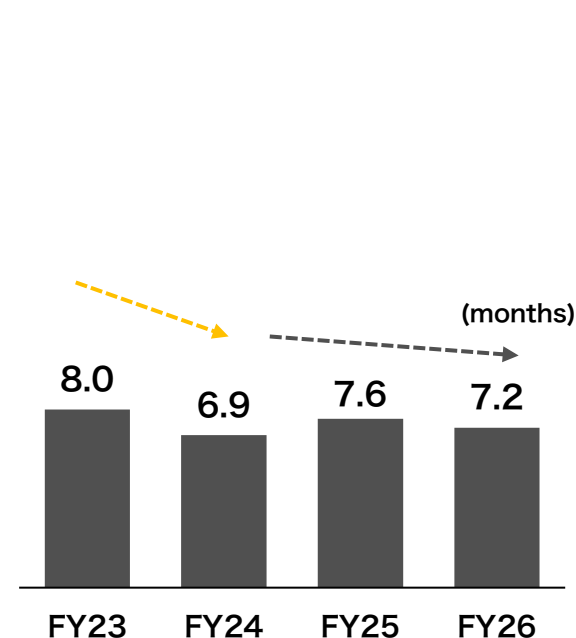
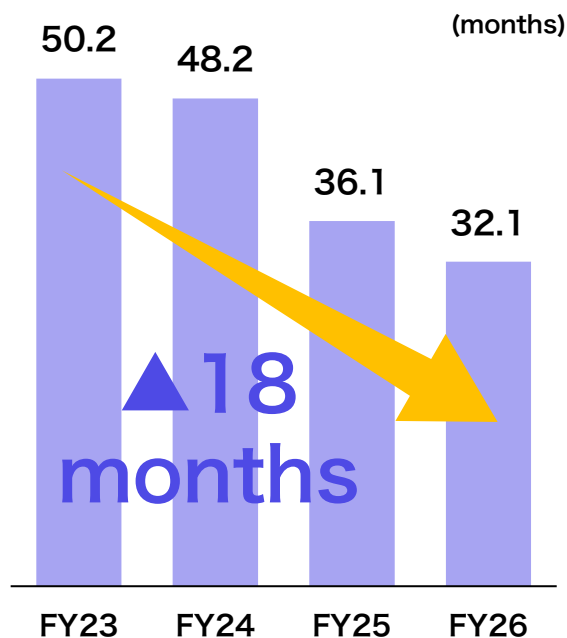
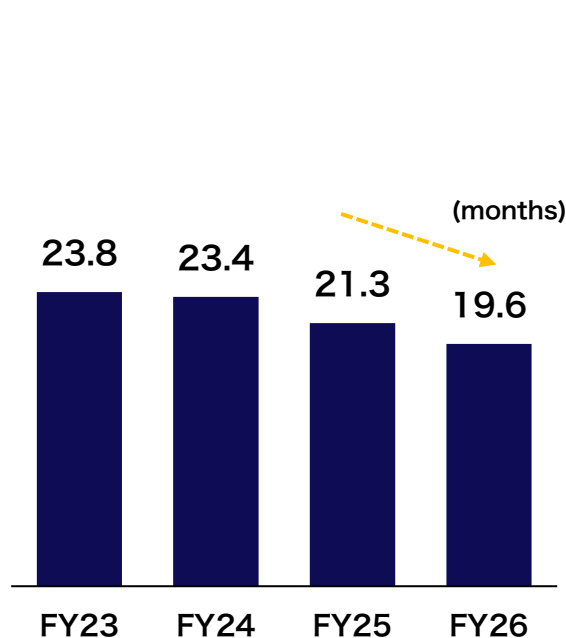
Improve efficiency of overall trading with shortening OC turnover period as a key driver

OC condo turnover

- In FY24, improved efficiency by actively selling long-term inventories (i.e. condos with low probability of tenant vacancy) while they were still with tenants
- From FY25 onwards, continue to improve turnover period including fund development

Vacant condos turnover

- In FY24, greatly shortened the turnover thanks to long-term inventory sales
- Going forward, we will maintain the current level balancing with profitability



- Actively allocate our capital to the growth investment considering the situation where our ROE & growth rates far exceed cost of capital.

Assumption

ROE



Cost of equity



Expected growth rate

Maximize corporate value

Prioritize growth investment

Cash flow in three years

Five basic policies

Cash-in

Cash-out

Debt finance

Growth investment

Net profit

Dividend

Share buyback

1 Maximize corporate value and equity spread* by improving ROE & maintaining an appropriate level of Cost of Equity

2 Low-cost debt finance by keeping a close eye on adequate Equity Ratio

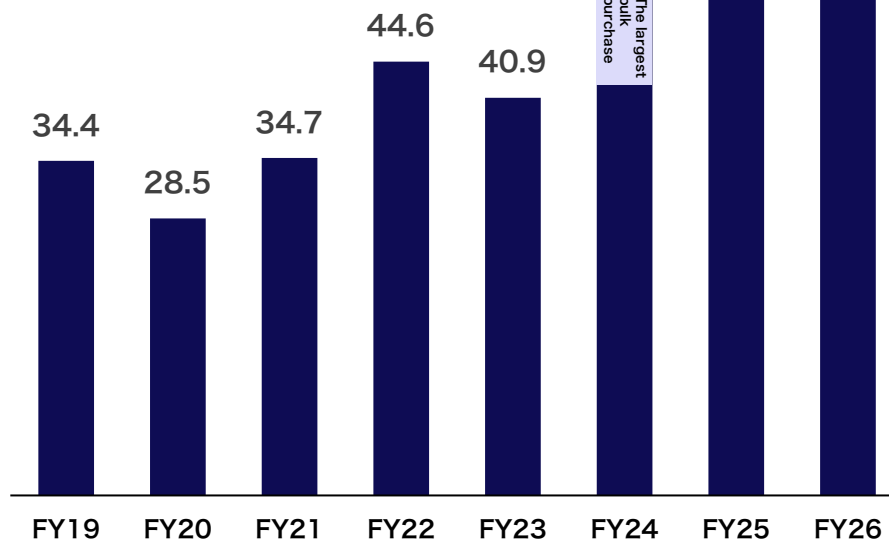
3 Prioritize growth investment to create new value

4 Continue to pay stable & increased dividends from surplus funds after growth investment

5 When our stock is undervalued (e.g. PBR < 1.0x), flexibly conduct Buyback to achieve Total Shareholder Return 40% / EPS growth 14%

■ Investment in property (JPY bn)

JPY
50~55bn
per year



Revise the underlined part from FY25

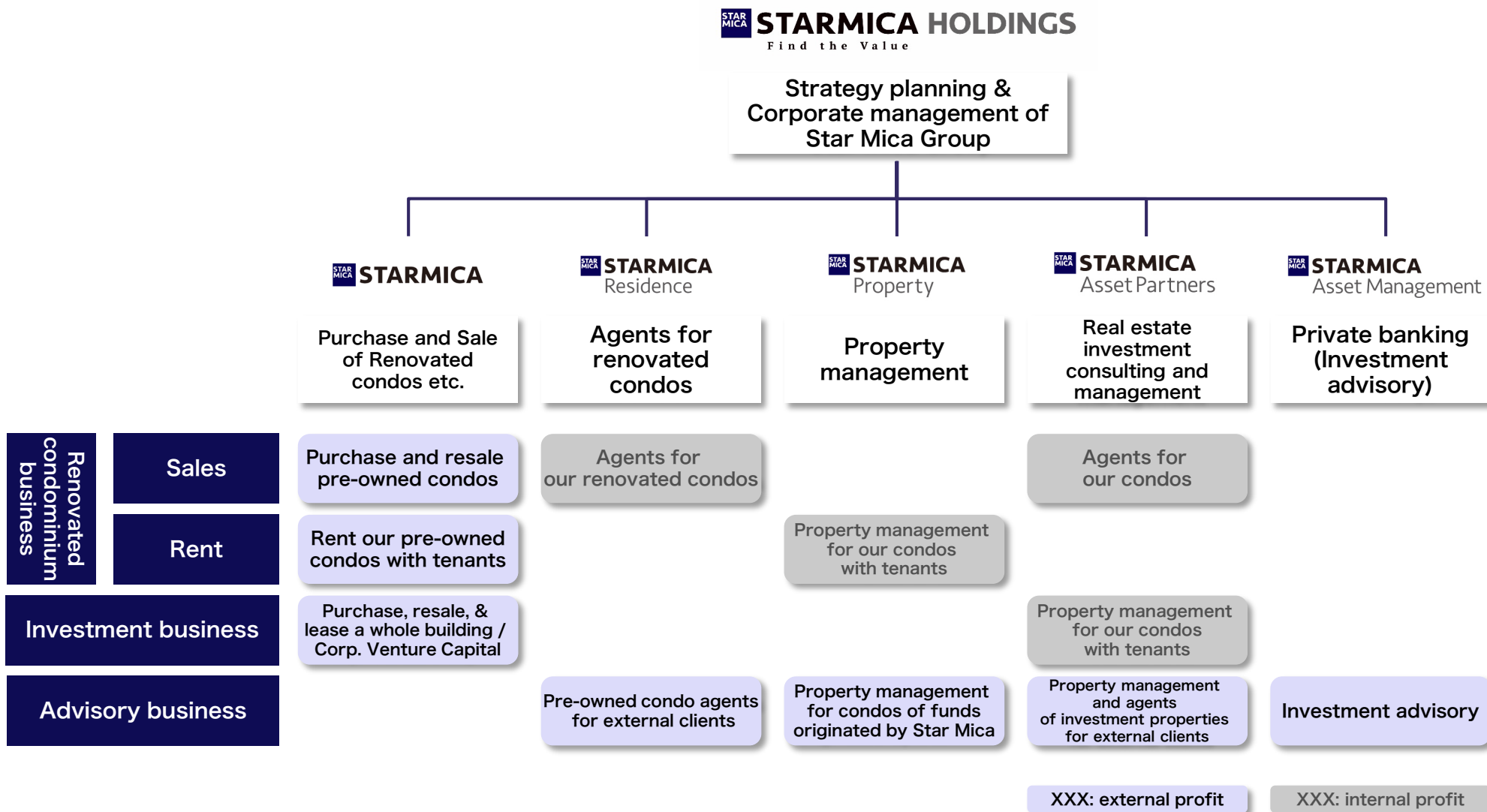
* Equity spread = ROE - Cost of equity

5

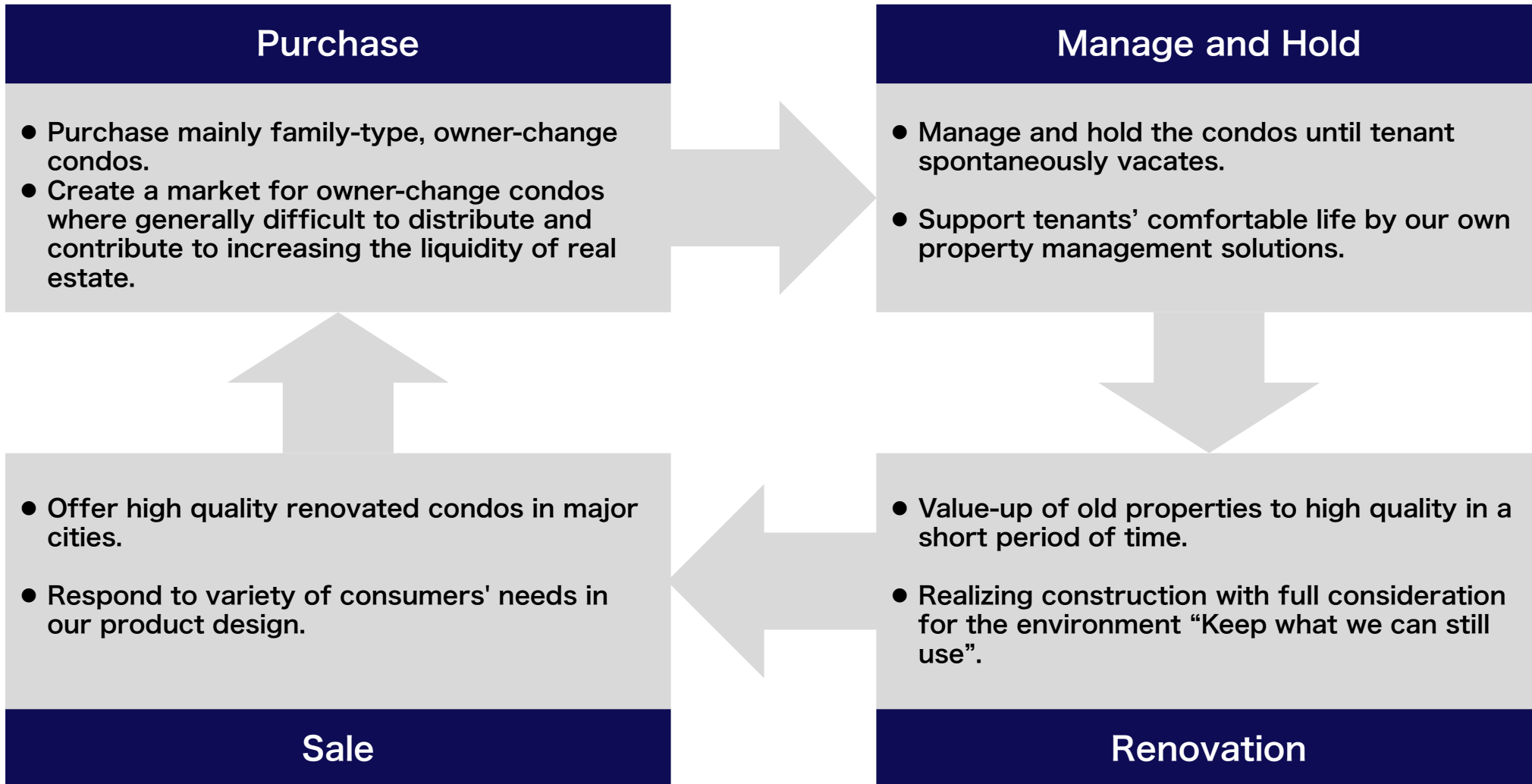
APPENDIX

b. Our Business

- Regard the condominium business as our core and aim to maximize profits across the entire group.



- Value chain creating value for society.



- Steadily gain profit by investing in properties with high liquidity & solid demand.

1



Unit by Unit

Purchase and sale of
pre-owned condominiums

2



Owner-change* Focus

3



Family Type

4



Metro Area Focus

5



Renovated Condos

Neither new nor existing

Diversified Portfolio

Located in major metropolitan areas in Japan

Price Arbitrage b/w Owner-
change
& Vacant

Recurring Revenue from
rent

Solid demand for residential use

* Pre-owned condos with tenants

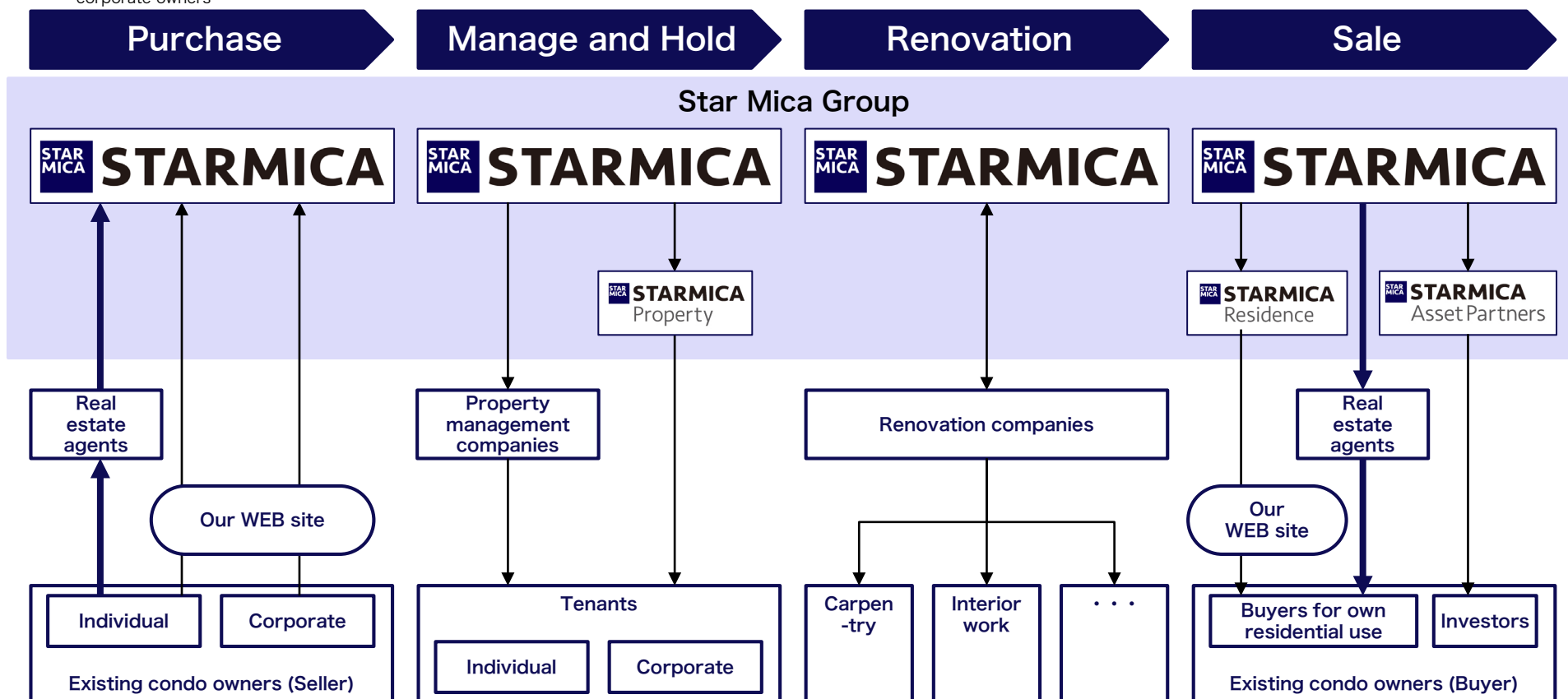
- Purchase and sales transactions are mainly direct with consumers.
- Efficiently operating by balancing between in-house production and outsourcing.

- Receive 30+k potential inquiries per year for purchase
- Over half of the purchase are from individual owners through real estate agents
- Some part of our purchase are from corporate owners

- Over half of our condos in Tokyo metropolitan area are managed by property management subs
- Condos in regional areas are outsourced to external property management companies

- Internally handling quality related business such as renovation planning, specifications, and inspections
- Actual constructions of renovation are outsourced to external business partners

- Our sales main channel is through property agents to individual home buyers
- 20% of transactions are directly through our internal real estate agent



- Successfully leading the expansion of the existing condo market by increasing purchase/sale transactions and inventories in our main renovated condo business.

<History of Renovated Condo Business (units)>

< Early stage >

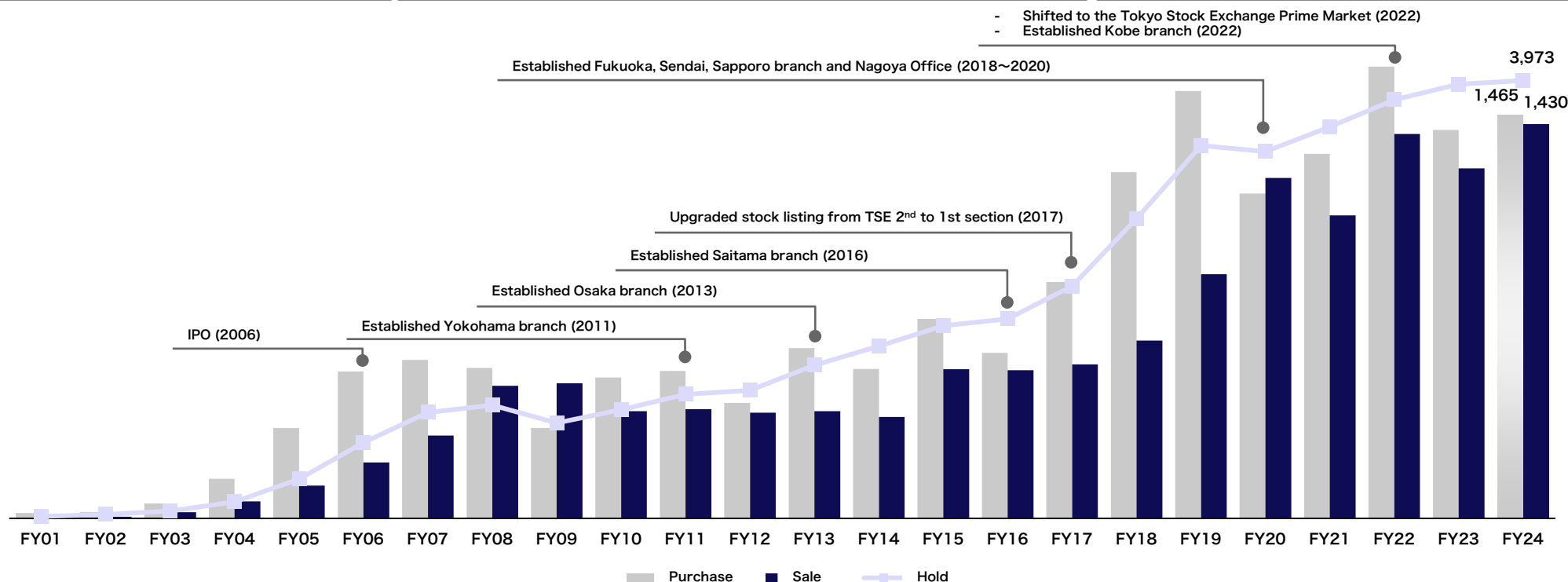
Our unique business led IPO in 6 years

< Establishment stage >

Strengthened our business model by building up inventories

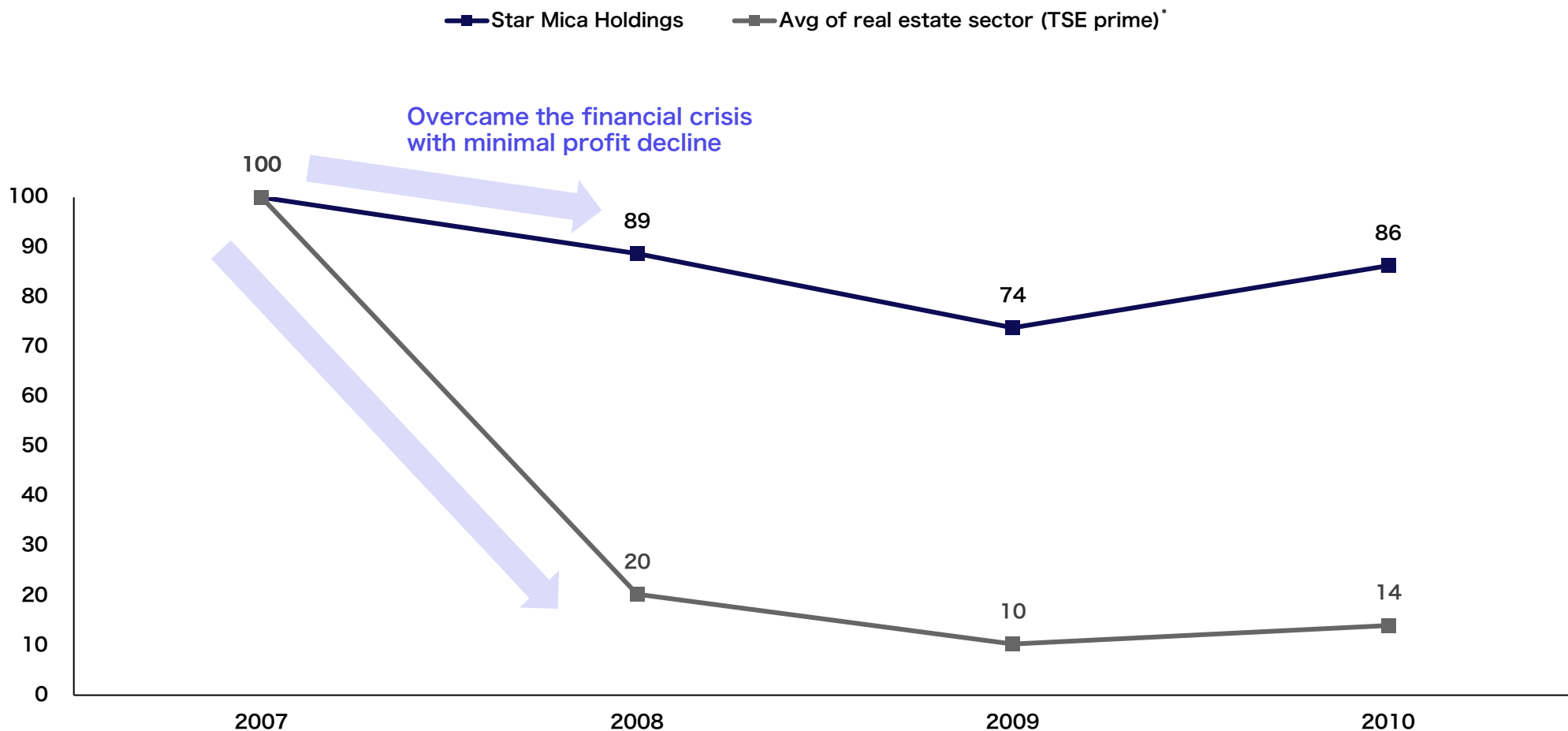
< Expansion stage
~ Stable growth >

Sharply expanded # of transactions by entering new areas & vacant units



- Our business model is very stable even during recessions as we survived the financial crisis with minimal profit declines.

Operating profit Index during the global financial crisis (2007 = 100)



* Calculated by 32 TSE Prime companies in the real estate sector which financial data as of 2007 is available.

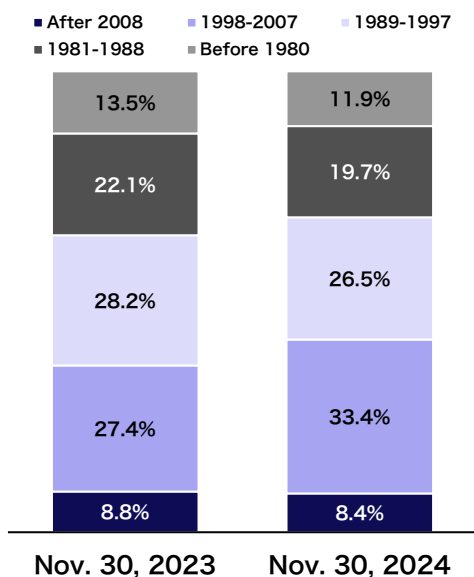
- Well-diversified portfolio by accumulating on a unit-by-unit basis.

Composition^{*1}

Average

Strategy

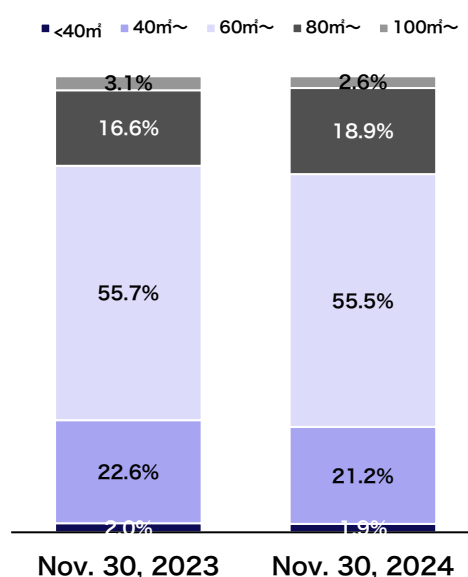
By year built^{*2}



32.0yrs → 32.4yrs

- Purchase mainly in the age range where value can be increased through renovation
- The purchase ratio of condos in pre-anti earthquake standard is controlled carefully by monitoring their management status, seismic performance, and mortgage loan trends

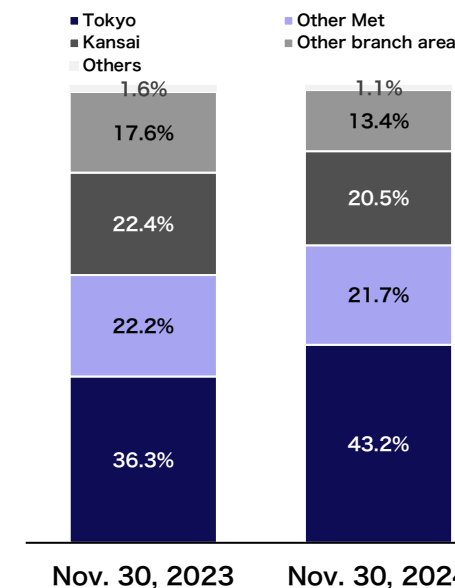
By size^{*2}



67.4m² → 67.5m²

- Purchase mainly family-type condos
- Diversify and expand product lineup to meet the homebuyers' needs in each area

By region^{*2}



-

- Expand by allocating sales resources in metropolitan areas
- Focus on gaining market share in highly liquid central areas

^{*1} Based on purchase price as of Nov. 30, 2024

^{*2} Average year as of each year-ending

Company name	Star Mica Holdings Co., Ltd.
Representative	President and CEO Masashi Mizunaga
Date of incorporation	July 24, 1998
Listing date	June 1, 2019
Listed market	Tokyo Stock Exchange Prime Section (stock code: 2975)
Shareholders' equity	JPY 28,825mn
Group	Star Mica Co., Ltd., Star Mica Residence Co., Ltd., Star Mica Asset Management Co., Ltd., Star Mica Property Co., Ltd., Star Mica Asset Partners Co., Ltd.
Offices	Tokyo head office (Minato-ku) Branches in Sapporo, Sendai, Yokohama, Osaka, Fukuoka
Main Bank	MUFG Bank, Aozora Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation, Resona Bank, Sumitomo Mitsui Trust Bank
Auditor	Grant Thornton Taiyo LLC
Number of employees	223
Businesses	Renovated Condominium Business, Investment Business, Advisory Business

*¹ Consolidated basis unless otherwise noted

 STARMICA HOLDINGS

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