



Third Quarter of FY3/25 Financial Results

KI-STAR REAL ESTATE CO., LTD.



Tokyo Stock Exchange,
Prime Market/ 3465

Our Purpose and Vision

Our Purpose

We are a “YU TA KA” creation company that delivers “enriching, enjoyable and pleasant” lifestyles in the world.

Our Vision

House ownership for everyone

1Q-3Q FY3/25 Financial Summary

- Sales are on target for achieving the fiscal year forecast as double-digit growth continues.
- As real estate industry inventories of finished houses for sale decline nationwide, KEIAI is rapidly selling houses to replace inventory properties with others. One result is a steady recovery of the gross profit margin.
- KEIAI is buying carefully selected properties in areas with significant growth potential with the goal of even higher profitability in the following fiscal year and afterward.

		<u>1Q-3Q FY3/25 Results</u>	<u>YoY change</u>
1Q-3Q FY3/25 Results	Net sales	¥232.8 billion	17.8%
	Operating profit	¥11.4 billion	44.9%
	Ordinary profit	¥10.0 billion	43.2%
	Profit attributable to owners of parent	¥5.8 billion	23.9%

Revision to FY3/25 Consolidated Forecast

Based on the strong performance, we have revised the consolidated forecast for the fiscal year ending March 31, 2025. We forecast net sales of 325.0 billion JPY (up 1.6% from the initial forecast), ordinary profit of 14.0 billion JPY (up 16.7% from the initial forecast), and profit attributable to owners of parent of 8.5 billion JPY (up 16.4% from the initial forecast). In addition, we are planning to increase dividends.

(JPY mil.)

	FY3/24 (Reference)	FY3/25	FY3/25		
	Results	Initial forecast	Revised forecast	Vs. initial forecast	Vs. initial forecast (%)
Net sales	283,084	320,000	325,000	5,000	1.6%
Operating profit	11,362	14,500	16,500	2,000	13.8%
Ordinary profit	10,130	12,000	14,000	2,000	16.7%
Profit attributable to owners of parent	6,743	7,300	8,500	1,200	16.4%
Dividend per share (yen)	180.00	130.00	148.0	-	-

* Some figures for the previous fiscal year have been revised due to the retroactive application of the change in accounting policy.

1Q-3Q FY3/25 Financial Results

Consolidated Statement of Income (First Nine Months)

The gross profit margin continued to increase due to the improvement in the balance between the supply and demand for houses. Net sales were 232.83 billion JPY (up 17.8% YoY), steady progress for achieving the fiscal year goal. Ordinary profit increased 43.2% to 10.05 billion JPY and profit attributable to owners of parent increased 23.9% to 5.85 billion JPY.

(JPY mil.)

	1Q-3Q (Apr-Dec) of FY3/24		1Q-3Q (Apr-Dec) of FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
Net sales	197,622	100.0%	232,834	100.0%	17.8%
Gross profit	23,519	11.9%	29,521	12.7%	25.5%
SG&A expenses	15,634	7.9%	18,097	7.8%	15.8%
Operating profit	7,885	4.0%	11,423	4.9%	44.9%
Ordinary profit	7,023	3.6%	10,054	4.3%	43.2%
Profit attributable to owners of parent	4,731	2.4%	5,859	2.5%	23.9%

* Some figures for the first nine months of the previous fiscal year have been revised due to the retroactive application of the change in accounting policy.

Consolidated Statement of Income (3Q)

Net sales increased 13.5% YoY to 81.89 billion JPY, continuing steady growth. Ordinary profit increased 30.7% to 4.00 billion JPY and profit attributable to owners of parent increased 29.1% to 2.21 billion JPY.

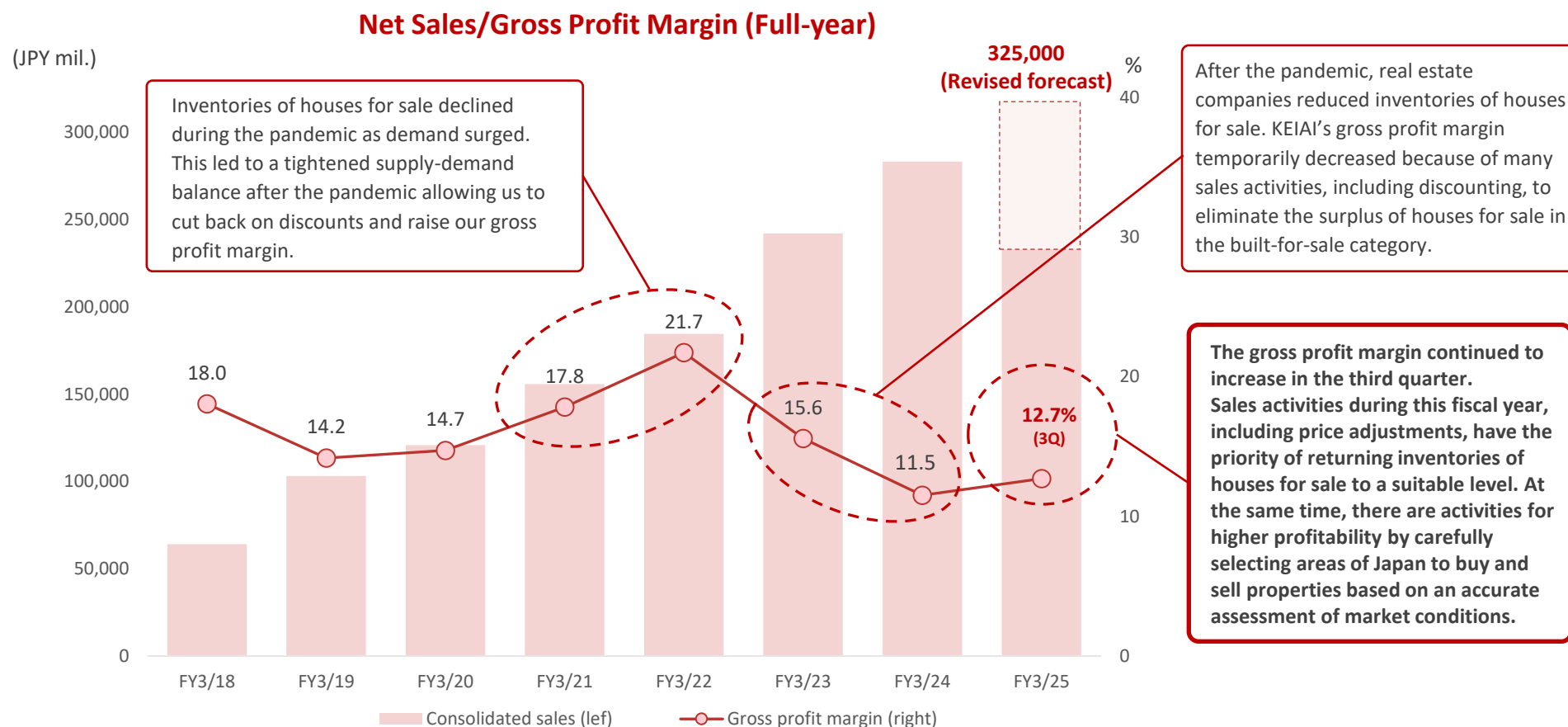
(JPY mil.)

	3Q (Oct-Dec) of FY3/24		3Q (Oct-Dec) of FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
Net sales	72,138	100.0%	81,899	100.0%	13.5%
Gross profit	8,495	11.8%	10,513	12.8%	23.7%
SG&A expenses	5,252	7.3%	6,081	7.4%	15.8%
Operating profit	3,243	4.5%	4,431	5.4%	36.7%
Ordinary profit	3,065	4.3%	4,007	4.9%	30.7%
Profit attributable to owners of parent	1,714	2.4%	2,214	2.7%	29.1%

* Some figures for the third quarter of the previous fiscal year have been revised due to the retroactive application of the change in accounting policy.

Results of Operations: Sales/Gross Profit Margin

Double-digit sales growth is continuing even after the end of the surge in demand during the pandemic. The gross profit margin is expected to slowly recover to the pre-pandemic level.



Performance of Main Reportable Segments

Sales and the number of houses sold steadily increased in the homebuilding and sales business as inventories of finished houses in Japanese real estate market slowly declines. Sales in the custom-built housing business increased as a result of the consolidation of Shinyamagata Hometech and TAKASUGI. However, this business recorded an operating loss due to an increase in cost of sales resulting from the business combination of these two companies and seasonal factors in the first nine months of FY3/25.

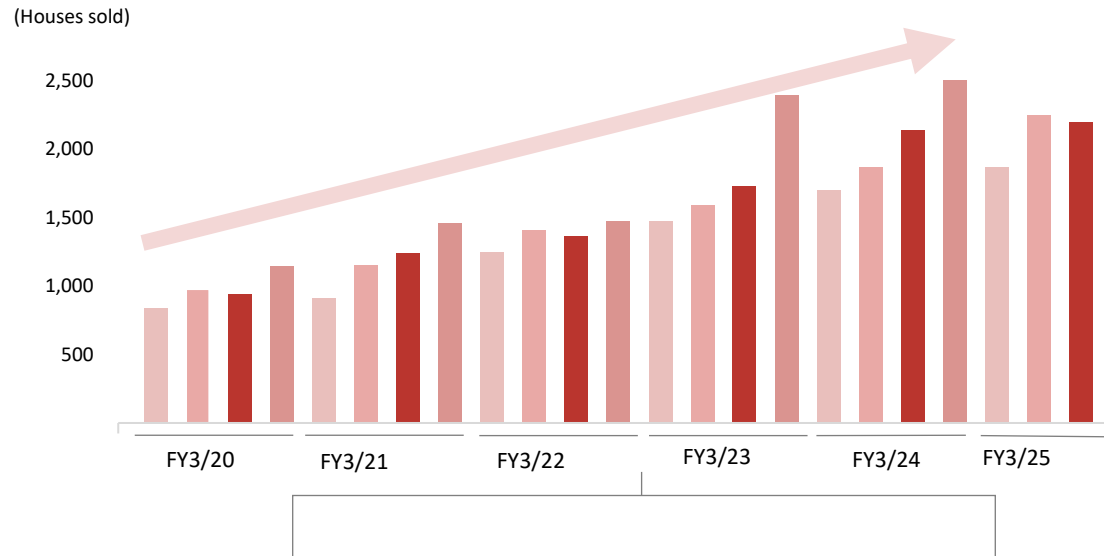
(Unit of sales and profit: JPY mil.)

		1Q-3Q FY3/24	1Q-3Q FY3/25	YoY change
Homebuilding and sales (including land)	Houses sold	5,436	6,044	11.2%
	Sales	189,965	220,190	15.9%
	Operating profit	10,294	13,299	29.2%
Custom-built housing	Houses sold	249	261	4.8%
	Sales	3,995	5,072	27.0%
	Operating profit	450	-105	-

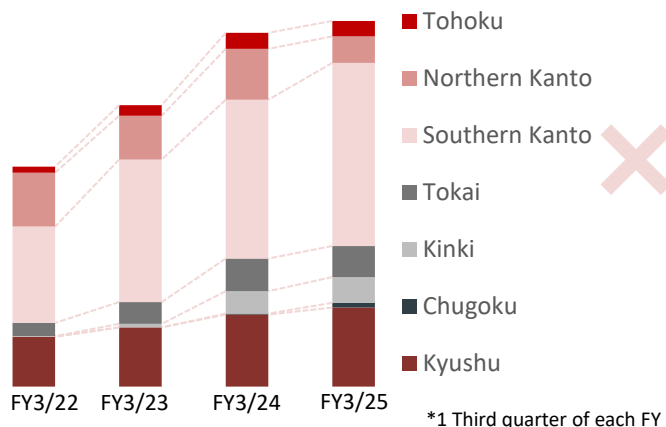
* Some figures for the first nine months of the previous fiscal year have been revised due to the retroactive application of the revised reportable segments.

Houses Sold by Area

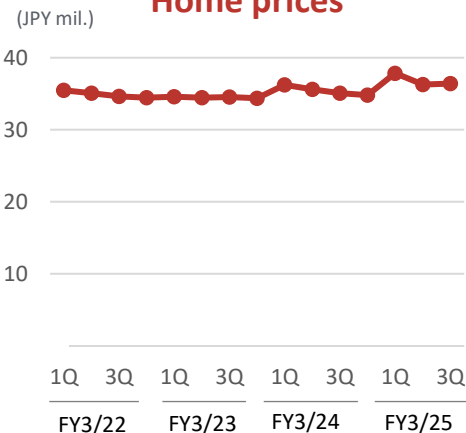
Number of Houses Sold



Houses Sold by Area*1



Home prices



- KEIAI has a balanced and diverse portfolio covering many areas of Japan with no excessive reliance on a single region. This is the result of sales office expansion nationwide and acquisitions of companies.

- The number of houses sold is increasing in the southern Kanto region, where demand is strong, as well as in the Kyushu and Kinki areas.
- Selling prices of houses are increasing as the areas where KEIAI is selling houses change.



- KEIAI is continuing to analyze the markets of different areas of Japan nationwide with the objective of executing the most effective sales office opening and sales strategies for increasing market share and sales.

SG&A Expenses

The SG&A to sales ratio was almost unchanged compared to the previous year at 7.8%.

Continue to control SG&A expenses properly and achieve further reductions toward the end of the fiscal year.

(JPY mil.)

	1Q-3Q FY3/24		1Q-3Q FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
SG&A expenses	15,634	7.9%	18,097	7.8%	15.8%
Sales commission	4,431	2.2%	5,381	2.3%	21.4%
Advertising expenses	623	0.3%	515	0.2%	-17.4%
Salaries and allowances	3,824	1.9%	4,218	1.8%	10.3%
Provision for bonuses	132	0.1%	254	0.1%	91.2%
Other	6,621	3.4%	7,728	3.4%	16.7%

Consolidated Balance Sheet

Total assets were 287.21 billion JPY and net assets were 65.30 billion JPY.

(JPY mil.)

	March 31, 2024*	December 31, 2024	Increase/decrease
Current assets	235,041	270,604	35,563
Non-current assets	10,896	16,613	5,716
Total assets	245,938	287,217	41,279
Current liabilities	139,801	151,492	11,690
Non-current liabilities	45,111	70,416	25,304
Total liabilities	184,913	221,908	36,994
Net assets	61,024	65,309	4,285
Total liabilities and net assets	245,938	287,217	41,279

* Some figures for the previous fiscal year have been revised due to the retroactive application of the change in accounting policy.

Inventories

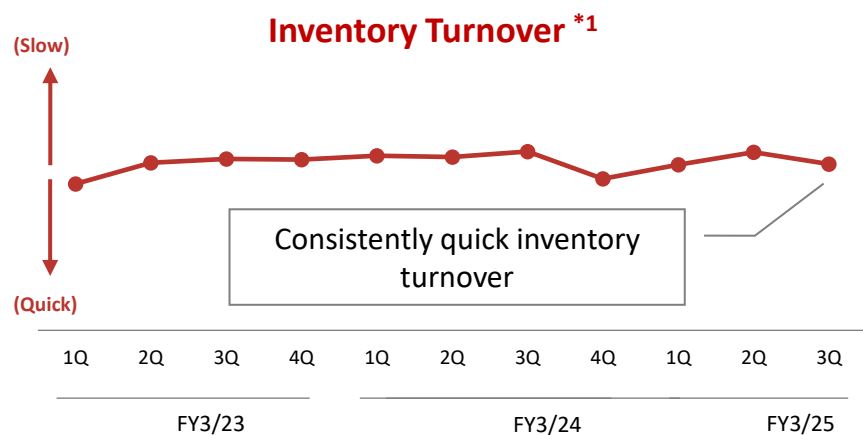
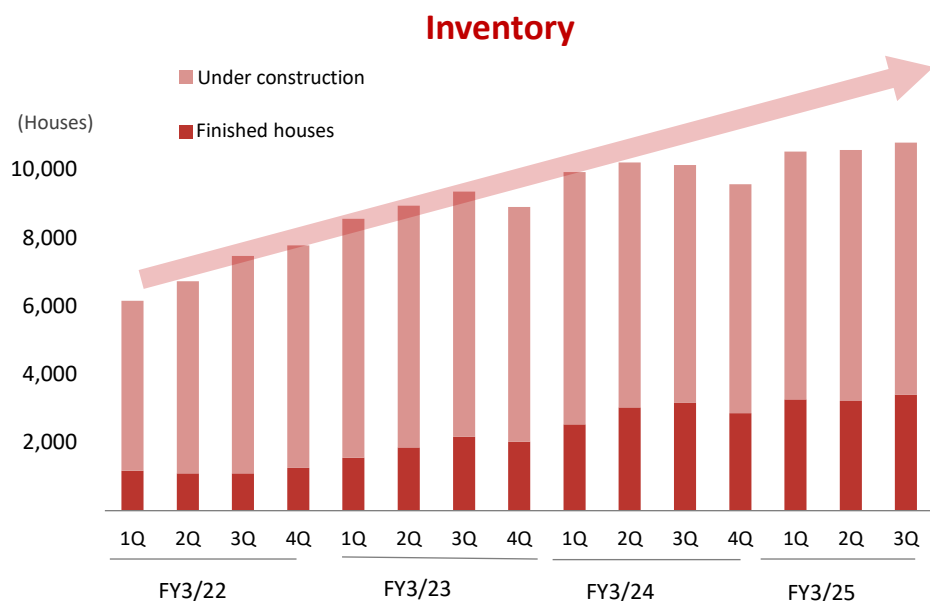
Inventories increased by 52.02 billion JPY from the end of March 2024.

Inventories of finished houses for sale increased by more than 10,000. This increase gives KEIAI a sound base for stable growth.

(JPY mil.)

	March 31, 2024	December 31, 2024	YoY change
Inventories	170,533	222,558	52,025
Real estate for sale	89,317	111,862	22,544
Real estate for sale in process	76,792	107,959	31,167
Costs on uncompleted construction contracts	4,423	2,737	-1,686

Inventory and Inventory Turnover



*1 Average turnover from purchase of land to closing of home sale (Group average excluding L Housing, Shinyamagata Hometech and TAKASUGI)

- Inventory houses are increasing steadily and now surpass 10,000 as steady progress continues for stable growth in FY3/26 onward. Closely monitoring changes in inventories each individual areas and moving quickly to purchase more properties each areas where market conditions are favorable.
- Constant replacements of inventory properties due to the consistently quick turnover. Efficient inventory management by rapidly responding to changes in market conditions and consumers' needs.
- Continue to manage inventory with a suitable balance between sales growth and securing profits by utilizing the KEIAI platform that keep inventory turnover quick.

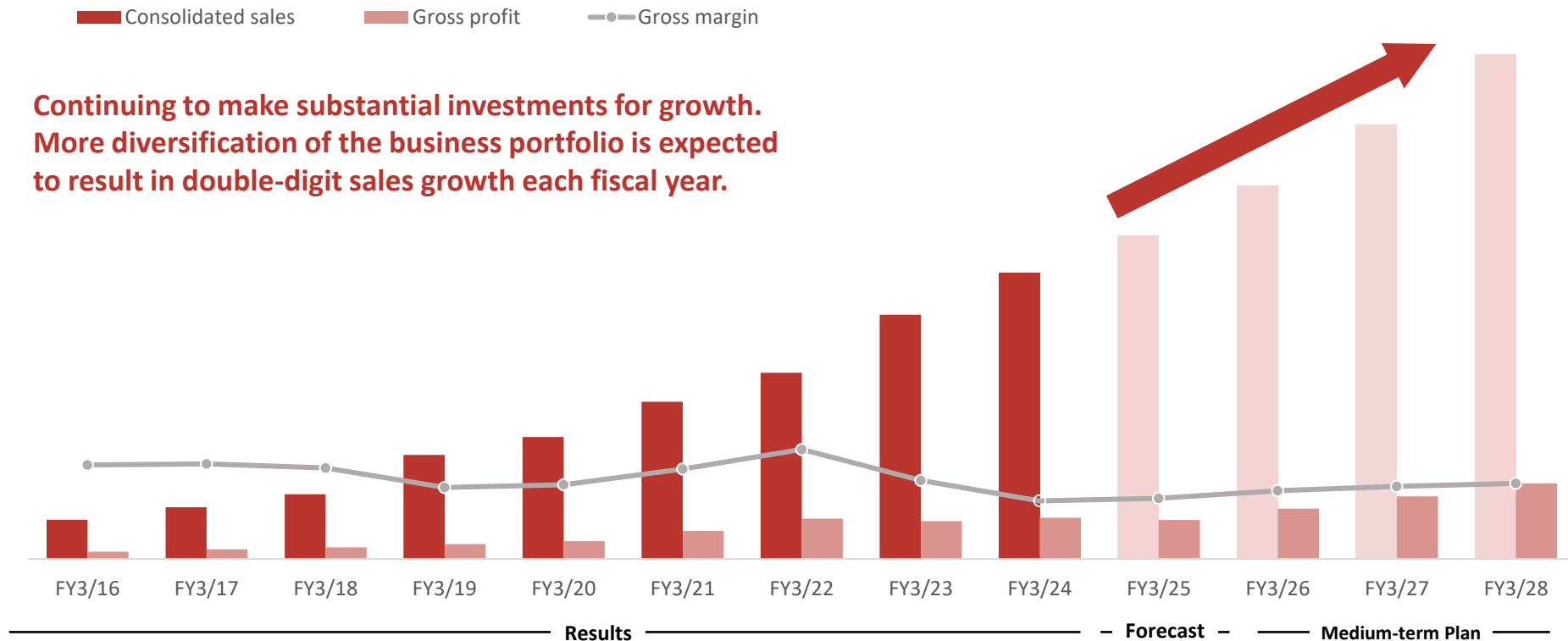
Business Policy/Forecast

Projected Business Growth

Steady growth of the homebuilding and sales business supported by the strategic addition of sales offices and purchases of land and measures to increase homebuilding capacity.

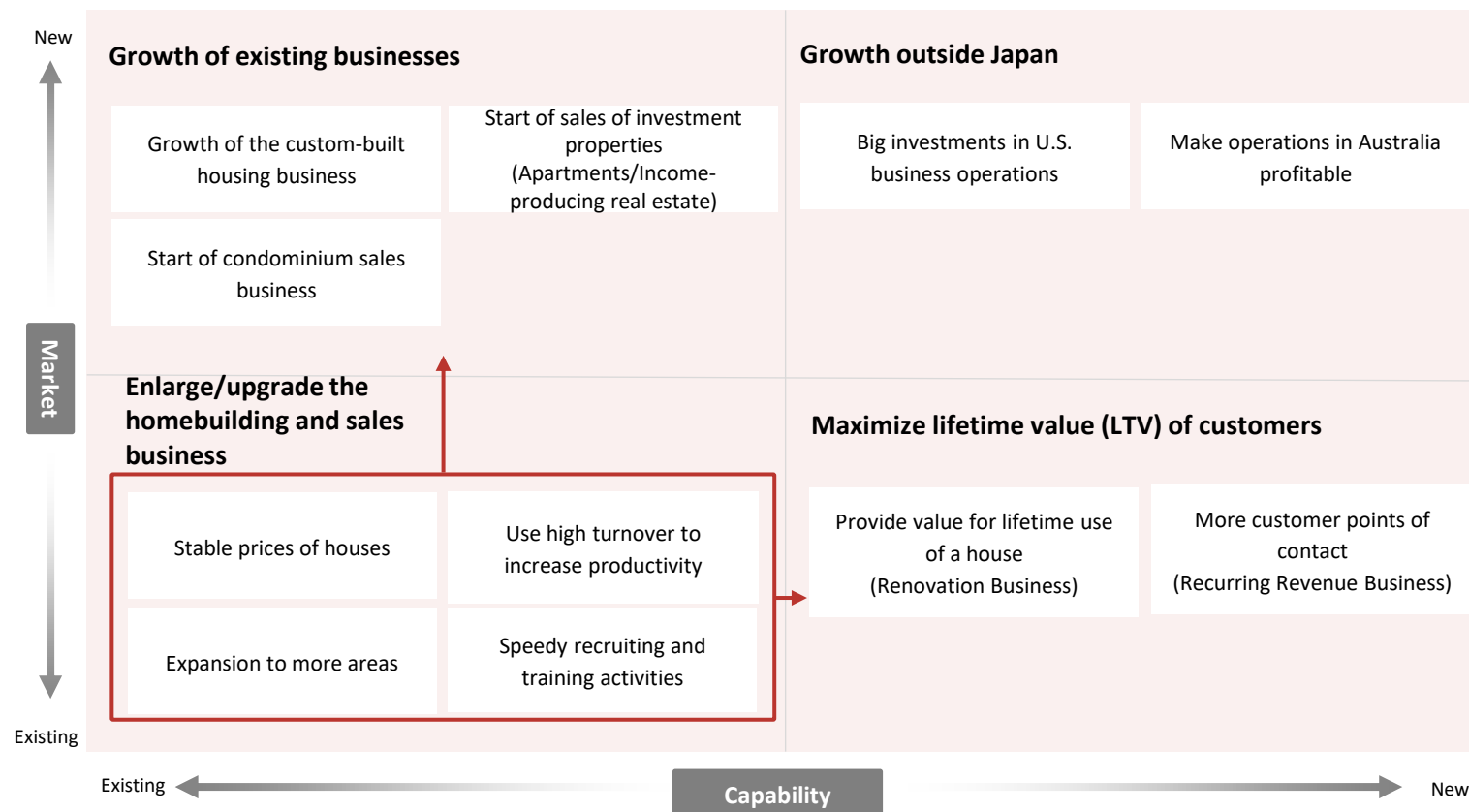
A large volume of investments for growth, including expenditures in the custom-built house, overseas and other businesses and for M&A, for accomplishing the medium-term plan goals.

Projected growth of consolidated sales and gross margin



Business Portfolio Optimization

Expand operations to new categories of the housing business by utilizing the strengths of the KEIAI Group, including synergies created by KEIAI Group management and the DX backed by the KEIAI Platform in the core homebuilding and sales business. KEIAI is aiming for double-digit growth every fiscal year.



Revision to FY3/25 Consolidated Forecast

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(JPY mil.)

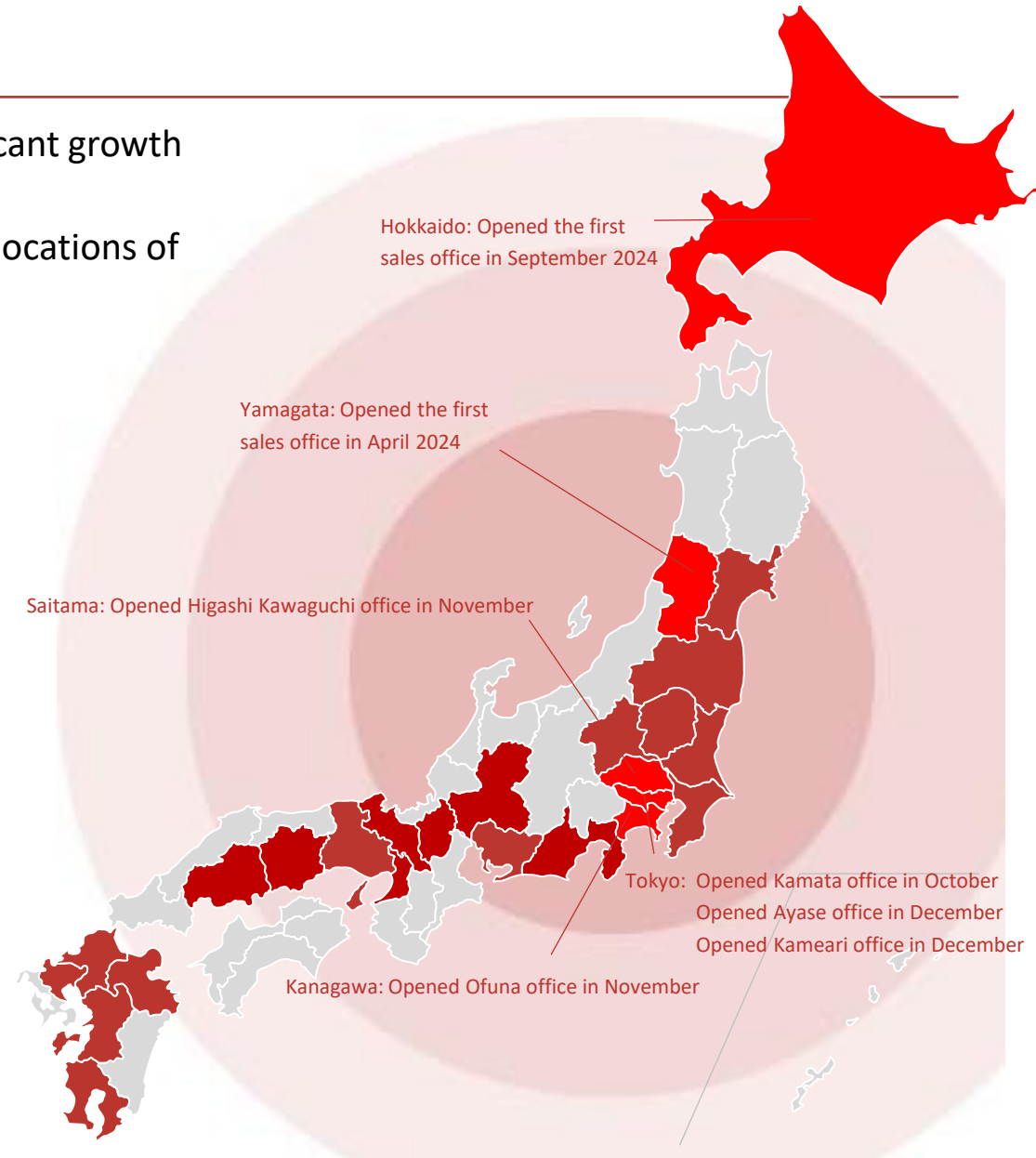
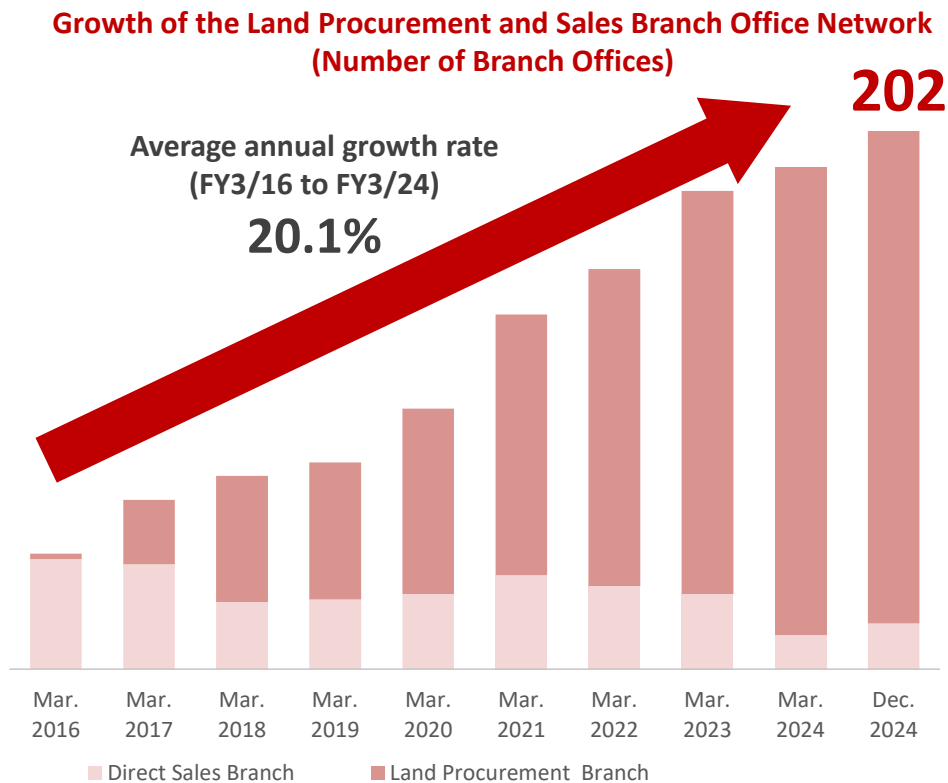
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Homebuilding and Sales Business: Growth of Purchases and Sales in Newly Added Regions of Japan

Opening many sales offices, primarily in areas with significant growth potential, and expanded operations to 25 prefectures.

In addition, activities are under way for the best possible locations of sales offices for even higher productivity.



Business Portfolio Expansion: Custom-built Housing Business

Differentiation from competitors by using KEIAI's expertise involving home designs, land purchases and construction acquired over many years in the homebuilding and sales business

KEIAI Semi Custom-built Housing

Companies acquired by the custom-built housing business will benefit from KEIAI's expertise involving the standardized design custom business.

In addition, the new Built-for-Sale House Business Division will create a framework capable of supplying houses to many customer segments.

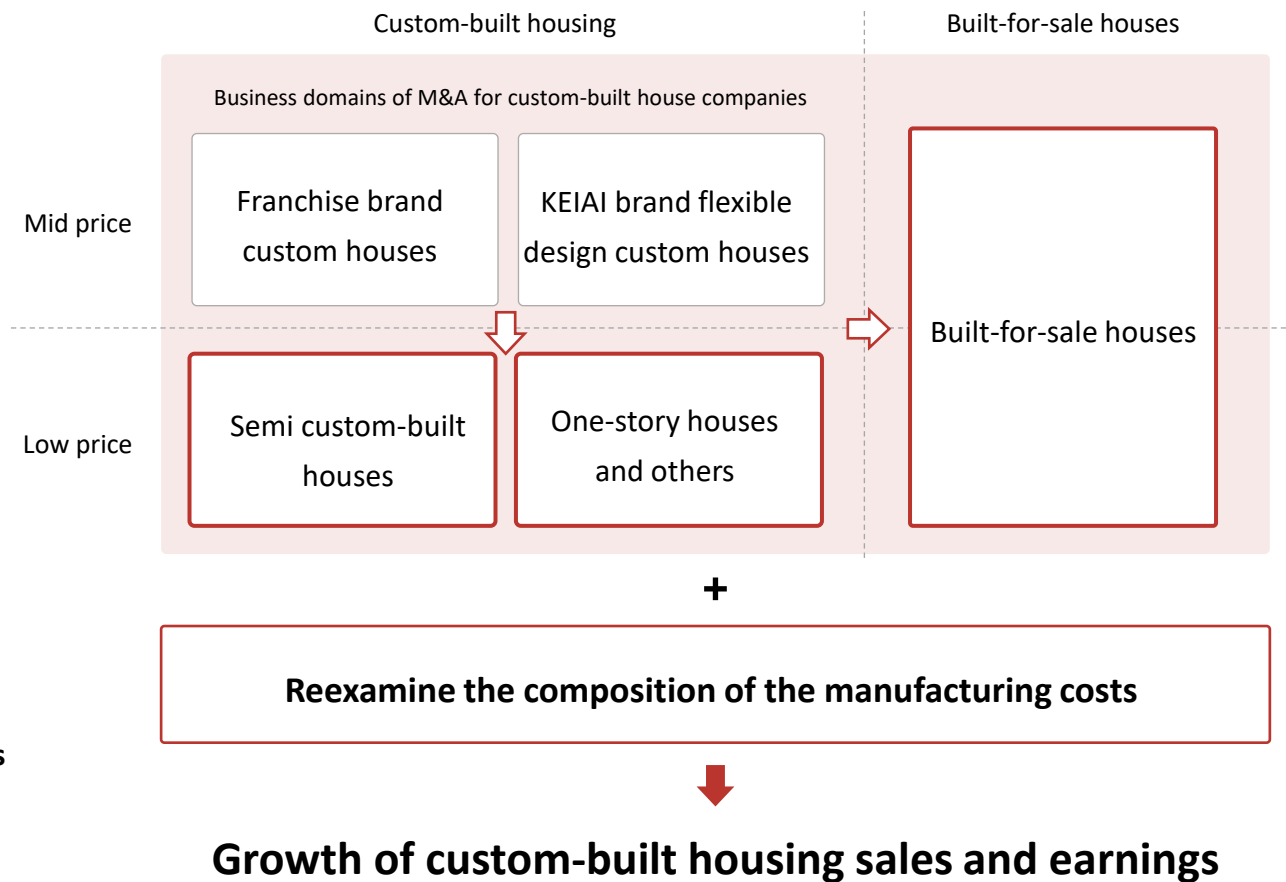


- Synergies spanning the KEIAI Group and prominent local custom-built housing companies
- Aiming to increase the KEIAI Group's share of Japan's custom-built housing market too

Recent acquisitions of the custom-built housing business



A larger product lineup for coverage of more customer segments



Business Portfolio Expansion: Custom-built Housing Business

KEIAI Semi Custom-built Housing (Hanamaru House)

- ✓ Differentiation from competitors by using KEIAI's expertise involving home designs, land purchases and construction acquired over many years in the homebuilding and sales business
- ✓ Many configurations are available, including numerous exterior and interior options, primarily for two-story houses with a floor area of 79 to 115 square meters.



IKI One-story Houses

- ✓ Compact, one-story houses are supplied efficiently by using the digital transformation as much as possible. For example, an IKI app is used for marketing and robots provide customers with information.
- ✓ Houses have many sustainability features. For example, all lumber is from trees grown in Japan and all houses have solar power systems.



Business Portfolio Expansion: Custom-built Housing Business

Hanamaru House, which builds semi-custom houses, launched a revised lineup of houses on November 1, 2024 with new pricing. At the same time, the company redesigned its website.

The new lineup gives customers a selection of 288 patterns for houses of the same size. This versatility provides outstanding flexibility for meeting the diverse needs of people concerning residences and life styles.



288 patterns for houses of the same size!

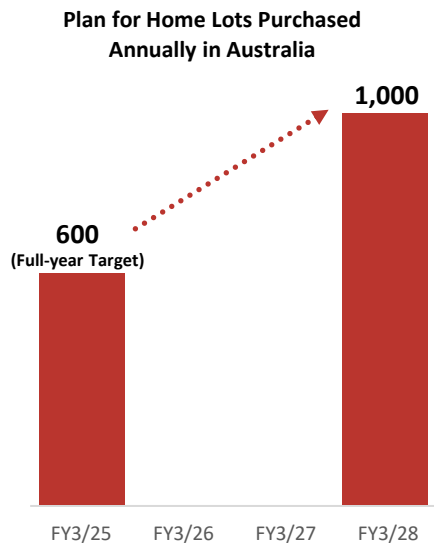


- Hanamaru House: <https://870house.jp/>
- KEIAI press release: https://ki-group.co.jp/wp/wp-content/uploads/2024/11/2024.11.07_hanamaruhouse_renewal.pdf

Business Portfolio Expansion: Overseas (Australia)

Progress as planned at a big project in Australia

- There are currently 11 development projects underway, including investment projects, with a total of more than 800 home lots.
- Aiming for land acquisitions in FY3/25 to raise cumulative home lots to more than 600 with operations mainly in the Melbourne area but also in other regions. Operations are on track to meet full-year targets.



Land purchasing target for FY3/28

1,000 home lots

Business phase starting in FY3/27

Advance to the profitability phase

Land for housing development and renderings of residences of the site

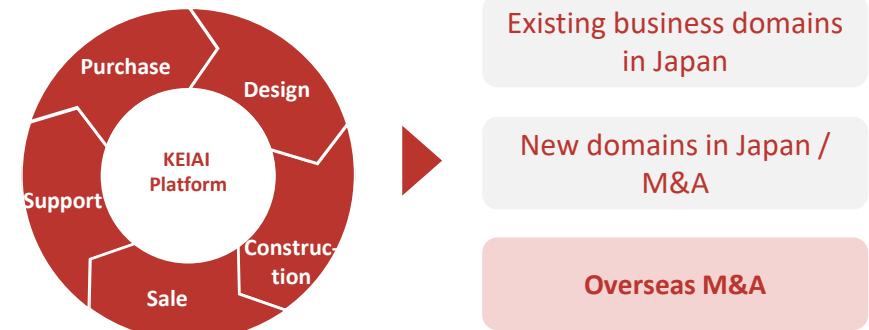


Business Portfolio Expansion: Overseas (U.S.)

Established KI-Star Real Estate America, Inc. in December 2023. The KEIAI Group now has bases of operations in Australia and the United States. The new company will perform studies for starting operations in the United States, mainly in Texas, and explore opportunities for alliances with U.S. companies as well as for investments and acquisitions.

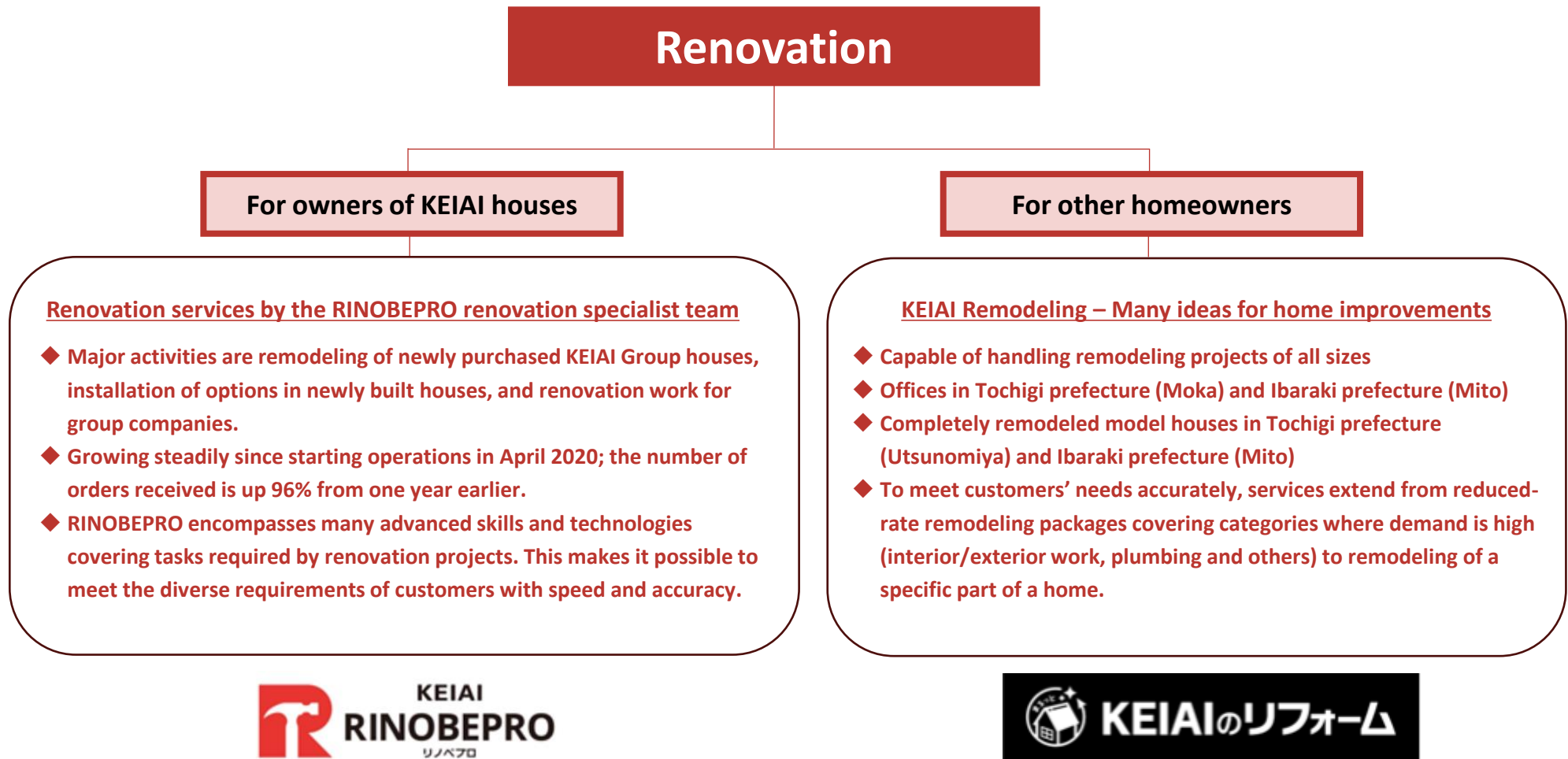


Use of the KEIAI Platform to supply affordable, high-quality houses with outstanding designs in other countries



Business Portfolio Expansion: Renovation

The renovation business has two business units and is aiming for more growth.



Business Portfolio Expansion: Renovation (Purchase, Resell)

The renovation business has started a purchase and resale business in addition to its standard renovation work. Existing houses are purchased, undergo major renovations and are then sold. The aim is to increase interest in purchasing houses as inflation and other events negatively affect sentiment about buying a home. This new business is also linked to the SDGs by helping solve the problem of abandoned houses in Japan. The initial goals are to become the leader in this purchase and resale business quickly in Gunma and Tochigi prefectures and to reach cumulative sales of 1,000 houses.

Before



After

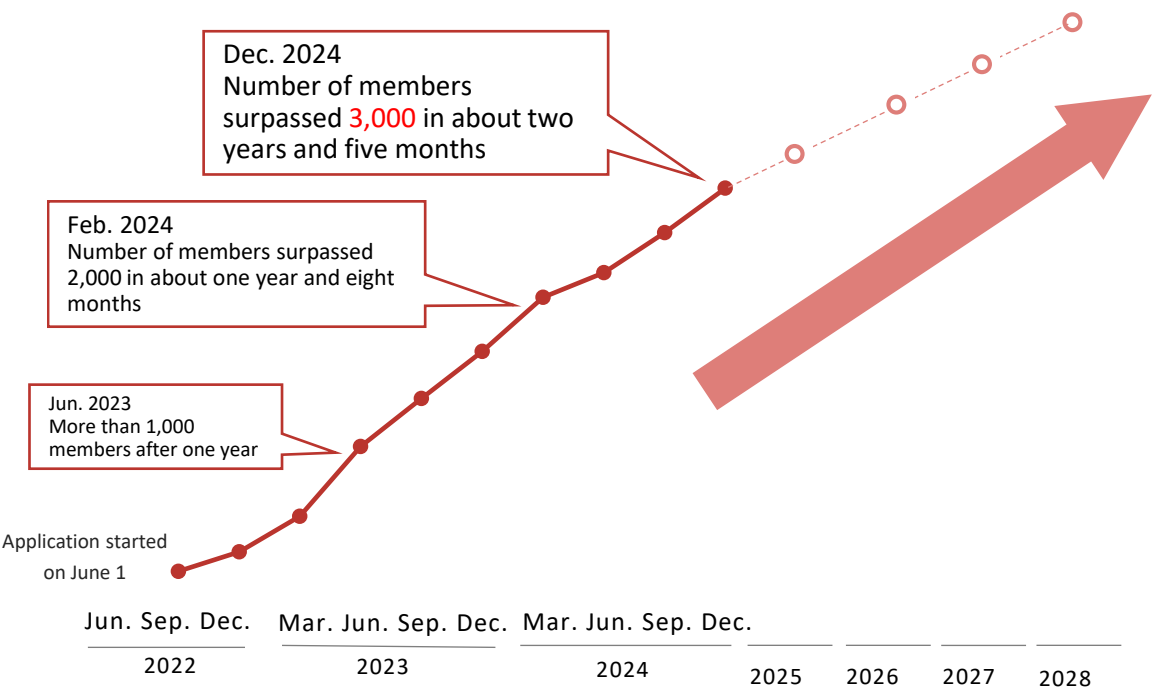


• For more renovation information: <https://reform.ki-group.jp/n136.html>

Business Portfolio Expansion: Recurring Revenue Business

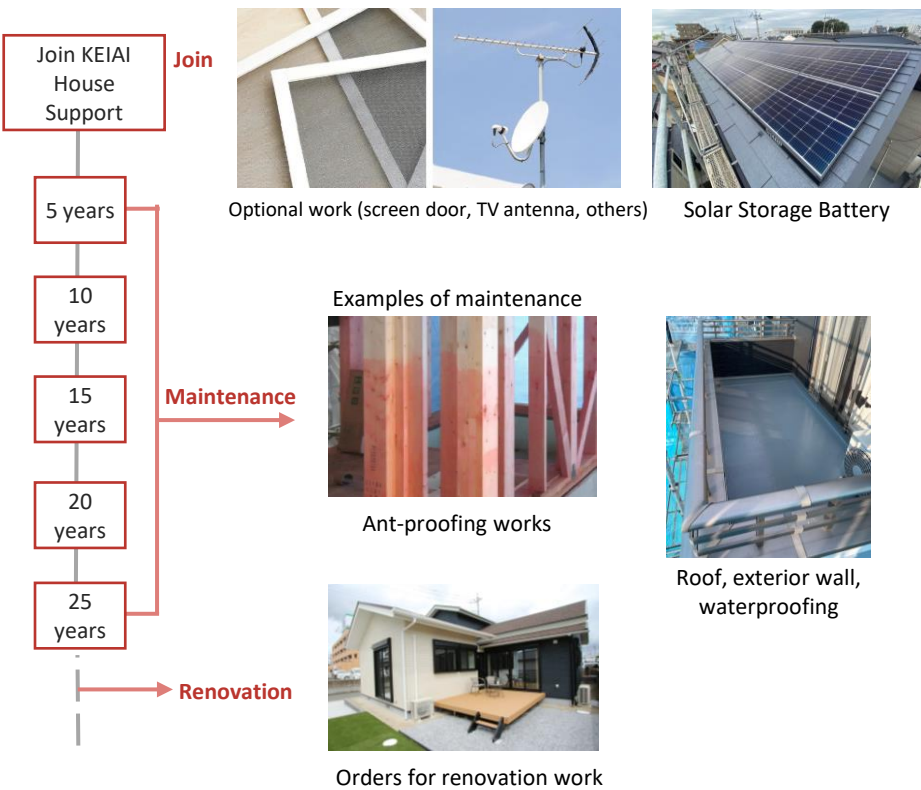
Customers who have purchased a KEIAI Group home or used the KEIAI Group to build a home are eligible to become a member of KEIAI House Support. The number of feepaying members has been increasing in proportion to the increase in the number of houses supplied by the KEIAI Group. The goal is to make the number of these members at least half of the total number of eligible customers by the end of the fiscal year ending in March 2028. KEIAI House Support is growing as a stable, long-term source of earnings with the growth of other services that generate recurring

Number of the KEIAI House Support paying members



* Calculated from the KEIAI House Support service start date.

Recurring Revenue Businesses (Mainly KEIAI House Support)



Business Portfolio Expansion: Apartment Business

Sales of the apartment business are growing steadily mainly in Tokyo and three neighboring prefectures. Orders received since the start of the apartment business are now more than 10 billion JPY. For expansion to more areas of Japan, preparations have started to begin operating in Fukuoka prefecture.

In addition, the website for this business has been redesigned to be even more aligned with the needs and interests of customers.

Example: KLEIS Kobuchi II



- KEIAI apartment management: <https://investment.ki-group.jp/>
- KEIAI apartment management: https://ki-group.co.jp/wp/wp-content/uploads/2024/11/2024.11.07_apartmentsite_renewal.pdf

Business Portfolio Expansion: Income-producing Real Estate Business

As KI's apartment business remain strong, KEIAI started an income-producing real estate business in January 2024 to meet the increasing demand among investors for properties that are larger and are more valuable as assets. This business is expanding purchase and sales of high-return reinforced concrete apartment buildings and other properties that are in urban locations and near a railway station.

Example of investment properties acquired by KEIAI



Shareholder Distributions

Dividends and Shareholder Benefits

Dividend (Started to pay an interim dividend in FY3/18)

	FY3/23 results (consolidated)	FY3/24 results (consolidated)	FY3/25 forecast (consolidated)
Net income per share (yen)	750.77	427.74	546.50
Dividend per share (yen)	230.00	180.00	148.00
Interim dividend per share (yen)	140.00	118.00	65.00
Payout ratio (%)	30.6%	42.1%	27.1%

* Some figures for the previous fiscal year have been revised due to the retroactive application of the change in accounting policy.

Shareholder Benefits

Number of shares held as of the record date (September 30)	Gift
100 shares to 499 shares	Quo card (1,000 yen)
500 shares and more	Quo card (3,000 yen)

News Topics

FY2024 KI-STAR Real Estate Safety Conferences

On November 19, 2024, KEIAI held safety conferences in Miyagi, Ibaraki, Gunma, Saitama, Chiba, Tokyo, Aichi, Osaka and Fukuoka prefectures. Presentations at these events raised awareness of workplace safety measures. Attendance at these nine events was 2,099, including 490 people at the KEIAI Group and 1,609 people at partner companies.



Integrated Report 2024 – KEIAI’s First Integrated Report

KEIAI released its first Integrated Report on December 25, 2024. The publication explains the company’s strategies, business operations, and ESG (environment, society, governance) programs, which are all based on the corporate philosophy of operating as a “YU TA KA” creation company.



• Integrated Report 2024: <https://ssl4.eir-parts.net/doc/3465/announcement/99851/00.pdf>

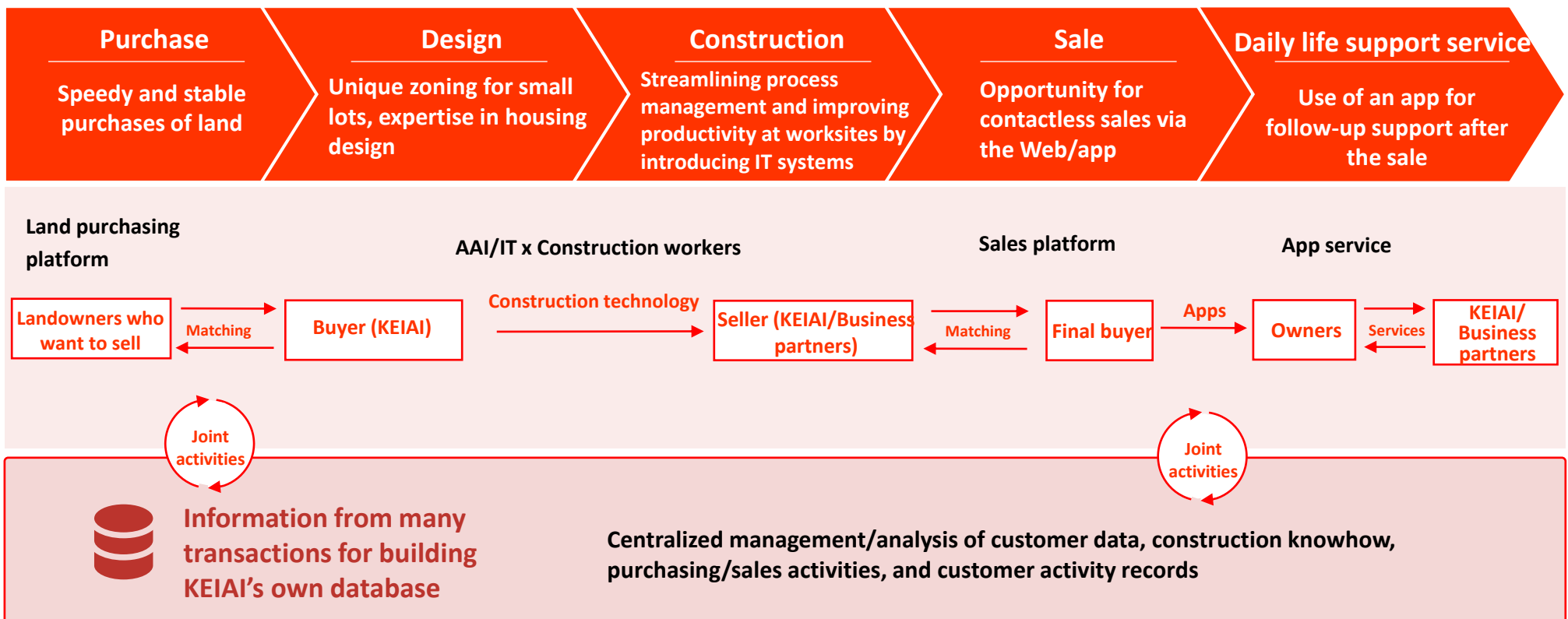
Business Model

A Fully Integrated “Real x Technology” Platform

A “Real x Technology” supply model that revolutionizes the detached housing supply chain in Japan.

KEIAI has developed an integrated technology platform extending from purchasing land, designing, constructing and selling houses, to support services.

● The “Real x Technology” KEIAI Platform

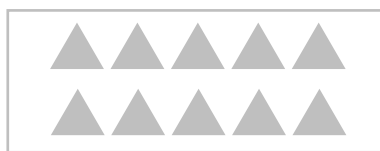


Advantages of Land Purchase through the Development of Compact Ready-built Houses

The development of KEIAI's distinctive compact ready-built houses makes it possible to accumulate a large volume of data quickly.

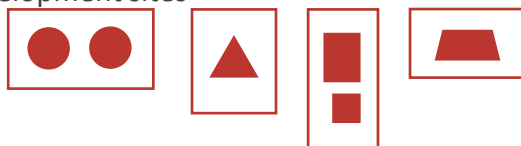
Conventional ready-built houses

Four to 10 houses for sale are constructed at once, resulting in similar houses
= Small number of house models on big development sites



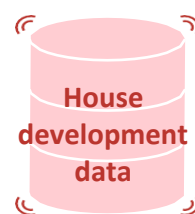
Compact ready-built houses

This business model targets sites for one or two houses, where conventional developers seeking larger sites normally do not operate, and supplies a large number of compact houses with outstanding designs.
= Large number of house models on small development sites

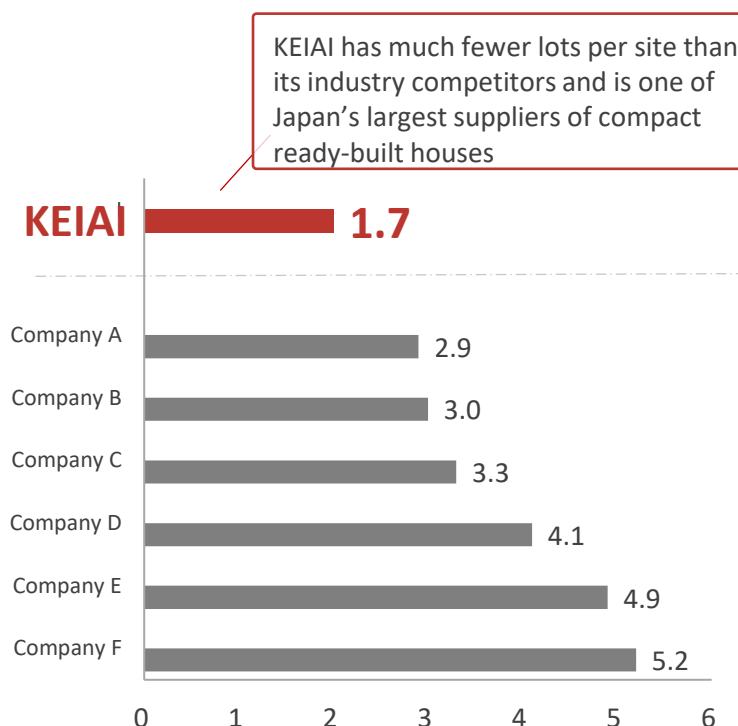


Increase in the number of land data entries

- Allows accumulating a large volume of information about experiences and other items about housing developments within a short time
- Data are stored in the KEIAI Platform for increasing the accuracy of land purchases and sales and marketing activities

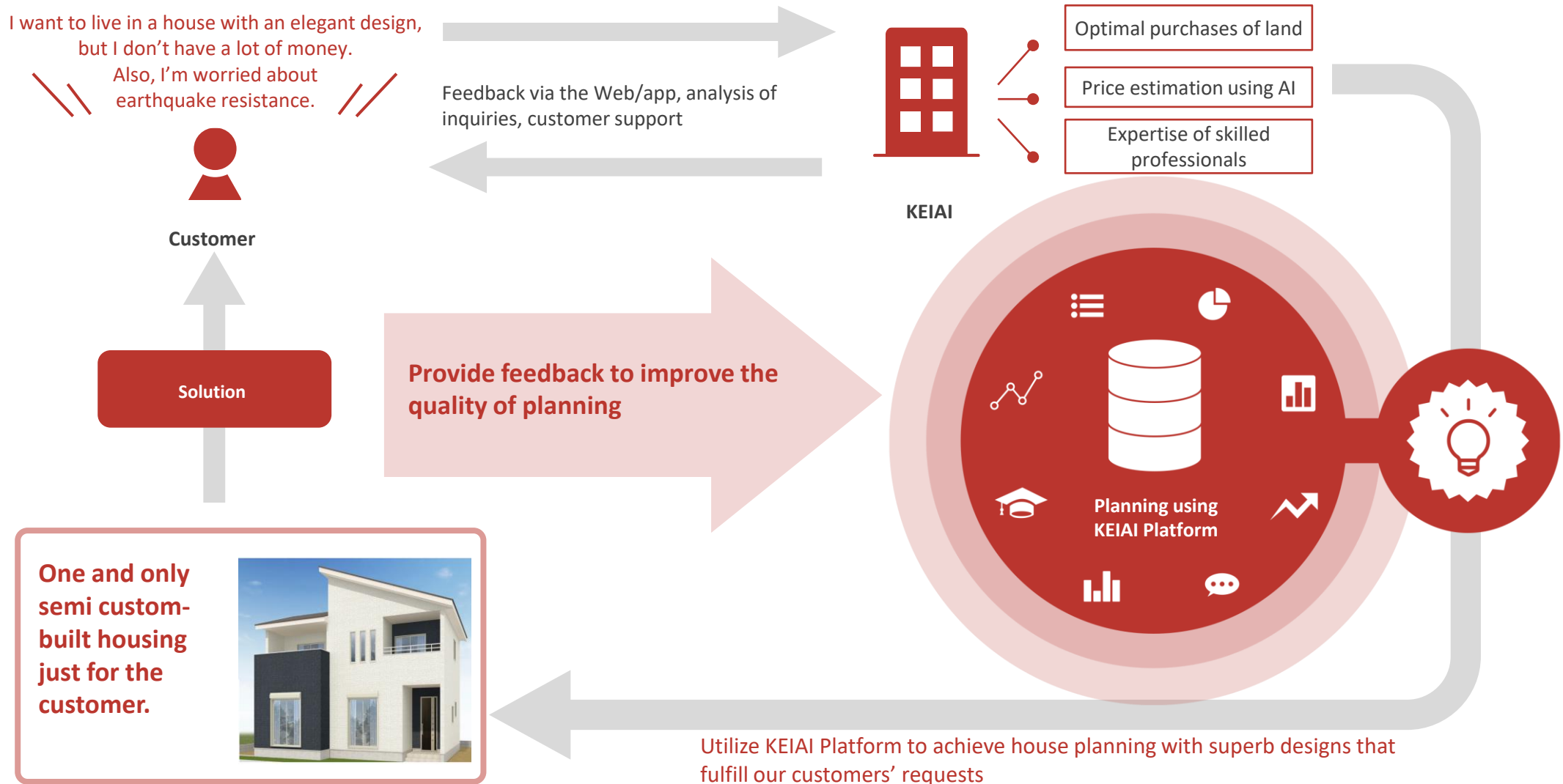


Avg. number of lots*1 in housing developments



*1: KEIAI estimates (FY3/23 results) based on housing developments of KEIAI and other companies as of December 2020

Semi Custom-built Housing Using Compact Ready-built House Development



ESG/SDGs Initiatives

Establishment of the Sustainability Committee

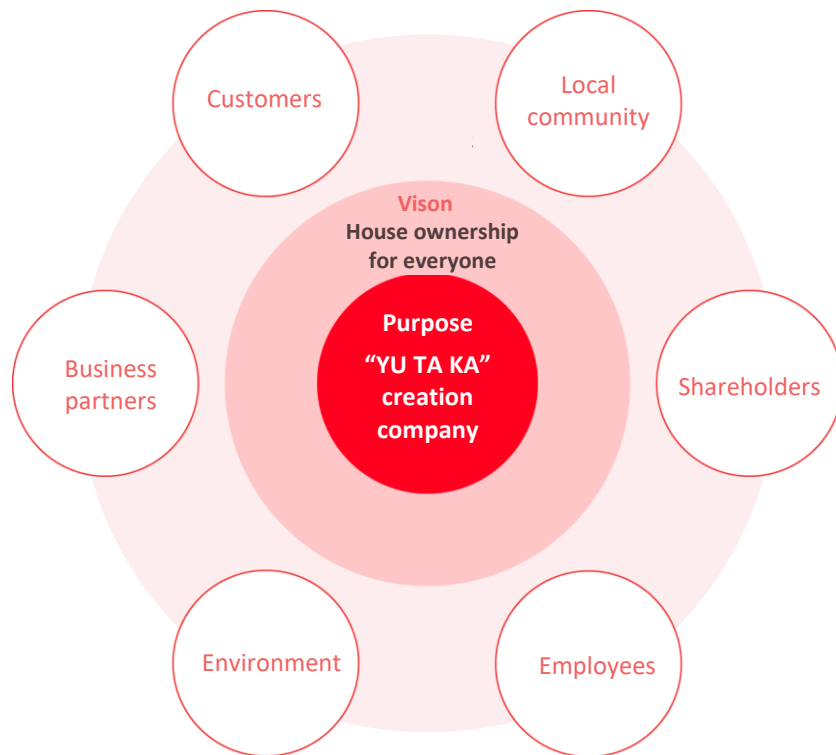
The KEIAI Group has many activities for helping solve social issues in Japan and other countries. By supplying homes where people can lead happy and fulfilling lives, we are dedicated to playing a role in creating a sustainable and affluent society. We believe these activities will contribute to the growth of our corporate value. One part of these activities is the Sustainability Committee, which is an important component of corporate governance. This committee conduct activities concerning social issues in Japan and other countries, protect the environment, ensure respect for human rights, and the maintenance and enhancement of rigorous compliance programs.



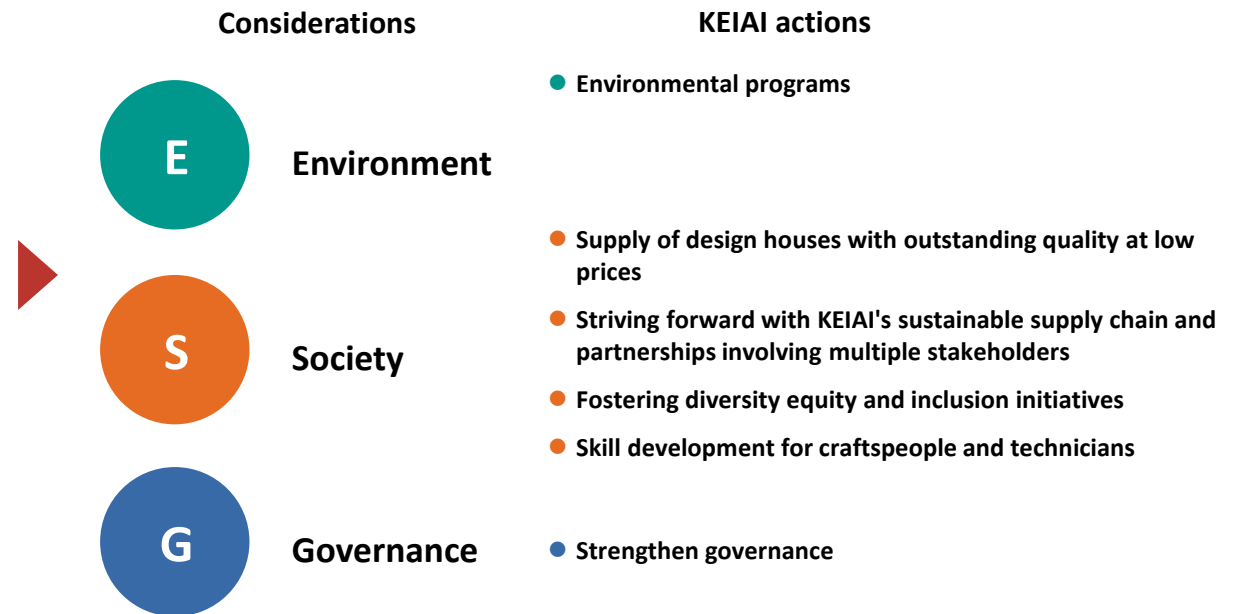
Sustainability Policy and Determination of ESG Materiality

The company is dedicated to elevating its corporate value by nurturing the growth of individuals, organizations, and business models rooted in its management philosophy of "YU TA KA" creation.

Striving forward with KEIAI's sustainable supply chain partnerships involving multiple stakeholders.



Determination of ESG Materiality



Sustainability Materiality

01 | Supply of design houses with outstanding quality at low prices

Society



03 | Fostering diversity, equity and inclusion initiatives

Society



05 | Environmental programs

Environment



02 | Striving forward with KEIAI's sustainable supply chain and partnerships involving multiple stakeholders.

Society



04 | Skill development for craftspeople and technicians

Society



06 | Strengthen governance

Governance



Sustainability Activities and Accomplishments

- Provided an instructor to Tanashi Technical High School in Tokyo for lessons about making a wood table.
 - Support for the 13th Nippon IT Charity Long Distance Relay (Ekiden)
-
- Conducted an engagement survey in October
 - Received employee feedback about job satisfaction and other opinions; using this information to improve workplaces and strengthen training programs and the organizational structure
 - Became a member of the TCFD Consortium in December
-
- Held KEIAI Walking Challenge 2024 in November
 - Child care alliance established with Nichiigakken Co., Ltd.; will start accepting applications in FY3/26



Students assemble a table at Tanashi Technical High School.



KEIAI Group employees at the Nippon IT Charity Ekiden



KEIAI press release

Tanashi Technical HS table displayed at Culture Festival: https://ki-group.co.jp/wp/wp-content/uploads/2024/11/2024.11.13_tanashi_koukakoukou.pdf

Support for the 13th Nippon IT Charity Ekiden: https://ki-group.co.jp/wp/wp-content/uploads/2024/11/2024.11.27_NIPPON-IT.pdf

Sustainable Finance Activities for Help Achieve a Sustainable Society

As one step for helping achieve a sustainable society, KEIAI received a Sustainability Link Loan and Positive Impact Finance loan from seven banks in September 2023. KEIAI will continue to reinforce its commitment to ESG and the SDGs in order to play a role in solving environmental and social issues.



- [September 2023] Information about Ashikaga Bank Positive Impact Finance:
https://ki-group.co.jp/wp/wp-content/uploads/2023/10/2023.10.02_ashikagaginkou.pdf
- [September 2023] Information about Saitama Resona Bank Sustainability Link Loan:
https://ki-group.co.jp/wp/wp-content/uploads/2023/10/2023.10.02_saitamarisona.pdf
- [February 2024] Information about SHIGA BANK Sustainability Link Loan:
https://ki-group.co.jp/wp/wp-content/uploads/2024/02/2024.2.29_sigabank_SSL.pdf
- [June 2024] Information about Ashikaga BANK Sustainability Link Loan:
https://ki-group.co.jp/wp/wp-content/uploads/2024/06/2024.06.27_asikagabank_SLL.pdf



- [September 2023] Information about Chiba Bank Sustainability Link Loan:
https://ki-group.co.jp/wp/wp-content/uploads/2023/10/2023.10.02_chibaginkou.pdf
- [November 2023] Information about Kagawa Bank Sustainability Link Loan:
https://ki-group.co.jp/wp/wp-content/uploads/2023/11/2023.11.30_kagawabank_SSL.pdf
- [March 2024] Information about Aozora Bank Positive Impact Finance:
https://ki-group.co.jp/wp/wp-content/uploads/2024/03/2024.3.25_aozorabank_PIF.pdf
- [September 2024] Information about Saitama Resona Bank Sustainability Link Loan:
https://ki-group.co.jp/wp/wp-content/uploads/2024/09/2024.09.27_saitamarisonabank_SLL.pdf

Building Energy Efficient Houses to Help Achieve a Sustainable Society

KEIAI changed to building entirely ZEH (Net Zero Energy House) in the homebuilding and sales business on all property purchased on or after January 1, 2024. Furthermore, all standard plans for the single-story IKI semi custom-built houses at KEIAI Group member Hanamaru House Co., Ltd.* were upgraded to ZEH on April 1, 2024. By supplying energy efficient houses to even more customers, we want to be a source of more eco-friendly options in the housing market.



*IKI Co., Ltd. and Hanamaru house Co., Ltd. were combined on September 1, 2024.

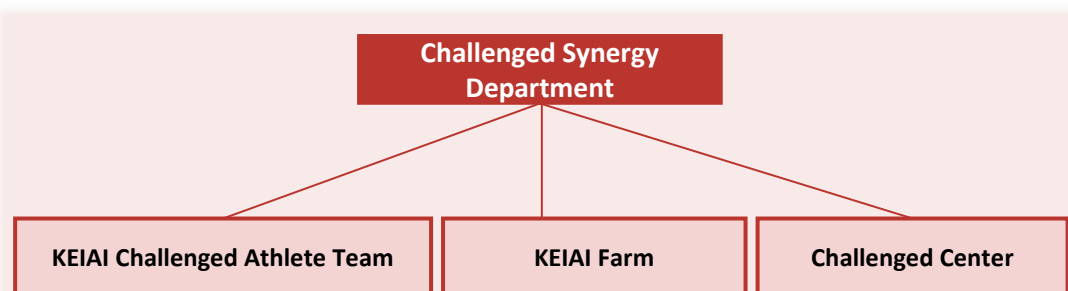
- Change to all-ZEH in the homebuilding and sales business: https://ki-group.co.jp/wp/wp-content/uploads/2024/04/2024.04.25_bunjyo_zehsuiyun.pdf
- Upgrade to ZEH of all plans for the single-story IKI semi custom-built houses: https://ki-group.co.jp/wp/wp-content/uploads/2024/04/2024.4.3_IKI_ZEH.pdf

Activities for Diversity; Employees with Disabilities 2.66% of Workforce

KEIAI maintains a diverse workforce based on a firm commitment to providing workplaces where people can perform fulfilling and enjoyable jobs irrespective of human rights, nationality, disabilities, age, gender and other characteristics. Based on the disability employment report^{*1}, people with disability account for 2.66%^{*2} of the KEIAI workforce. KEIAI will continue to take actions for ensuring that workplaces are welcoming and productive for people of all kinds.

■ Activities

- **2015: Started hiring athletes with disabilities**
- **2019: Started the KEIAI Challenged Athlete Team** – currently has nine members
- **2021: Opened the KEIAI Farm^{*3}** – Six employees with disabilities are working on the farm
- **2023: Established the Challenged Center** – Six employees with disabilities are making business cards for the KEIAI Group, assisting with administrative tasks, performing cleaning tasks and doing other work.
- **2024: Established the Challenged Synergy Department** – This department includes three teams responsible for the employment of people with disabilities.



The KEIAI Farm (left) and KEIAI Challenged Center (right)

^{*1} Ministry of Health, Labour and Welfare Employment Report for People with Intellectual Disabilities https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou_roudou/koyou/shougaisha-koyou_00002.html

^{*2} As of June 1, 2024

^{*3} KEIAI Farm Opens (June 14, 2021) https://ki-group.co.jp/keiai_magazine/2021/06/14/keiaifarm/

• KEIAI press release: https://ki-group.co.jp/wp/wp-content/uploads/2024/07/2024.07.18_houteikoyouritsu.pdf

The KEIAI Challenged Athlete Team

Concept – Create a team of athletes aiming to be the best in Japan

- A group of para-athletes who are overcoming physical disabilities and taking on the challenge of accomplishing even more ambitious goals -

- The KEIAI Challenged Athlete Team started in April 2019 and currently has nine members.
- Team members use rigorous training and competitions to upgrade skills. Furthermore, their participation in various events raises public awareness and understanding of para-sports.
- Sports:
 - Deaf futsal
 - Deaf judo
 - Wheelchair basketball
 - Wheelchair badminton



KEIAI Challenged Athlete Team official website: <https://www.athlete.ki-group.co.jp/>

Activities of the KEIAI Challenged Athlete Team (1)

First Joint Event with City of Honjo

The 4th KEIAI Cup Wheelchair Basketball Tournament

- Location: Kamiken Silk Dome, Honjo, Saitama prefecture
- Five teams participated in the Honjo Parasports Festival
- KEIAI Cup events are held for the purposes of raising awareness of parasports, enabling children without challenges to try a parasport as a learning experience, and give challenged athletes opportunities to compete and interact with one another.
- Four events have taken place since the first one in January 2020.
- About 30 elementary school students and their parents and guardians participated in this wheelchair basketball competition. Three KEIAI athletes served as instructors.



A wheelchair basketball game



Children without disabilities try the sport

Human Rights Lesson at Omiya Kita High School by Female Deaf Futsal Manager and Player

- Instructors: Yoshiki Yamamoto, manager; Ai Iwabuchi, player
- Activities: Deaf futsal was used for communications with physically challenged athletes and there were explanations of the Tokyo 2025 Deaflympic that will take place in November 2025 and other subjects. Other events were a lipreading game and a challenge for participants to communicate with each other by using only gestures.
- In response to a request from Omiya Kita High School, 1,000 students from this school participated in this deaf futsal event.



The deaf futsal human rights lesson at Omiya Kita High School



Activities of the KEIAI Challenged Athlete Team (2)

Digital Innovation Exhibition

Participation at the Tokyo Gov't PR Booth at CEATEC 2024

- Host: Japan Electronics and Information Technology Industries Association (JEITA)
- Activities: The Tokyo 2025 Deaflympic led to the idea of giving visitors to the Tokyo metropolitan government's PR booth at CEATEC 2024 the opportunity to experience for themselves the latest universal communication technologies that the government wants more people to use.
- Masaki Sato, a member of the KEIAI Challenged Athlete Team, participated in this event



© Tokyo Metropolitan Government

CEATEC (Combined Exhibition of Advanced Technologies) 2024



© Tokyo Metropolitan Government

A visitor uses a universal communication device

Five KEIAI Challenged Athletes Receive 2024 Sports

Outstanding Service Awards

- Five members of the KEIAI Challenged Athlete Team received 2024 Sports Outstanding Service Awards from the Minister of Education, Culture, Sports, Science and Technology: Nana Kawabata, Ai Iwabuchi, Airi Sakai, Kana Nakai, and Yoshiki Yamamoto, who is the team manager.
- These awards recognize the team's first place finish at 5th World Deaf Futsal Championships for women that took place in Brazil in 2023.



Left to right: Kana Nakai, Ai Iwabuchi, Yoshiki Yamamoto, Nana Kawabata, Airi Sakai

Parasports events held with companies, governments, educational institutions and other partners throughout Japan, as well as events with KEIAI as the lead sponsor, have enabled more than 3,000 people to experience parasports.

(Reference) Medium-term Plan 2028

Medium-term Plan 2028

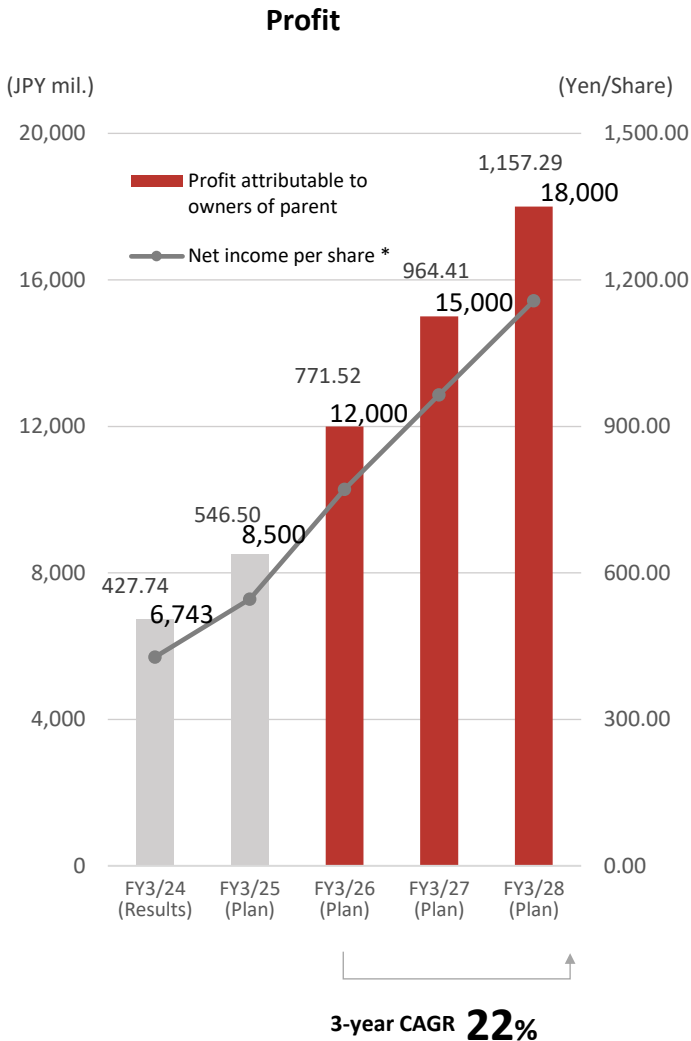
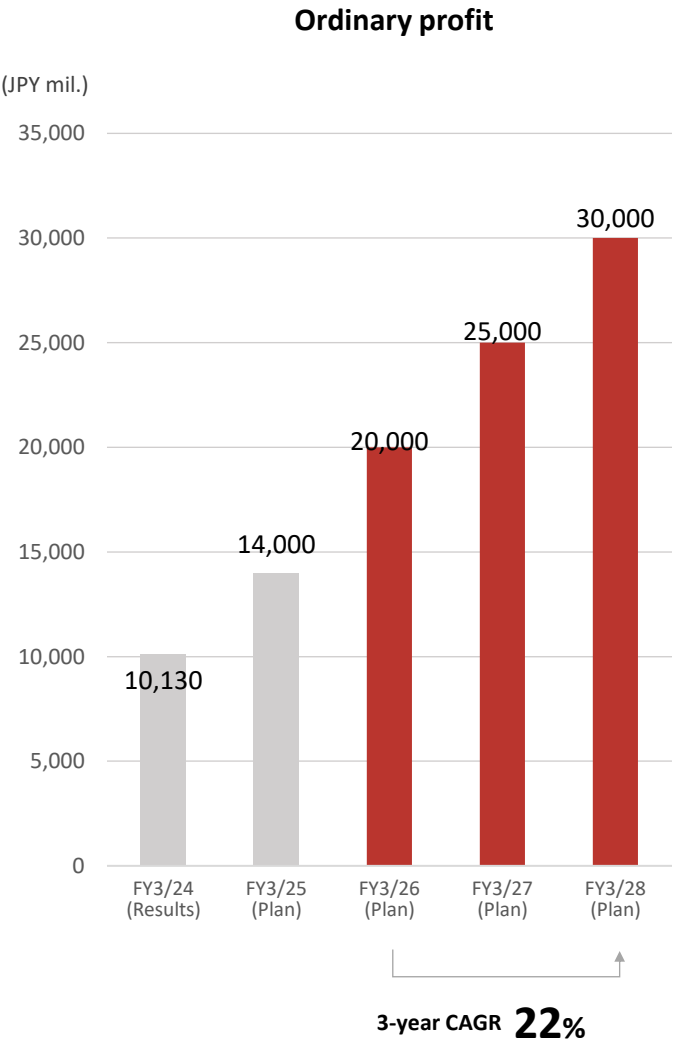
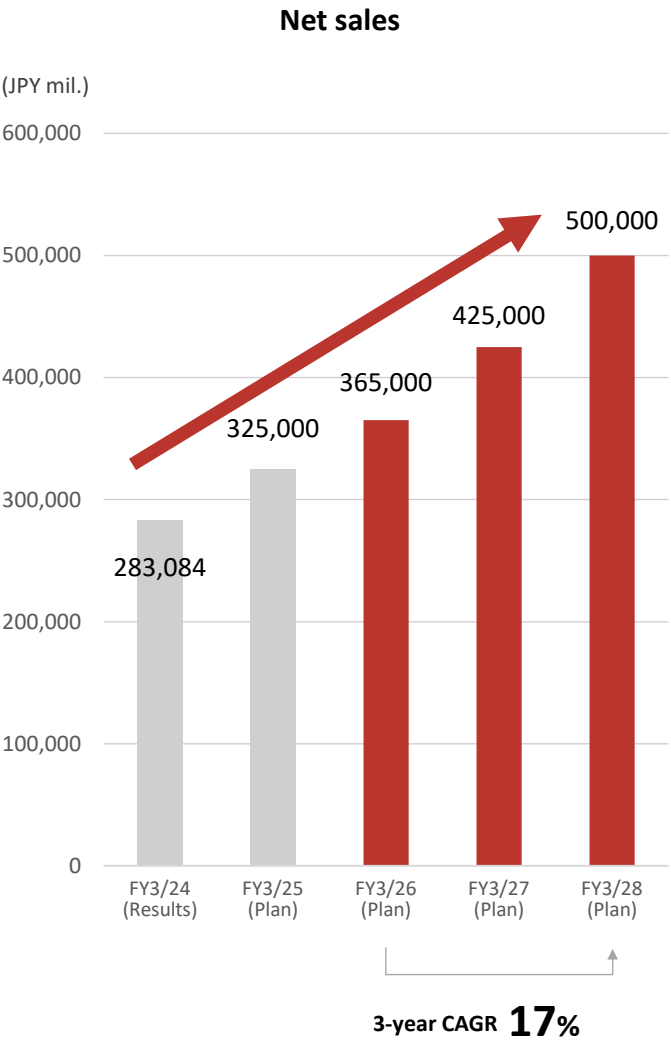
(JPY mil./% in parentheses represent YoY changes)

	FY3/24	FY3/25	FY3/26	FY3/27	FY3/28
	Results	Plan (revised)	Plan	Plan	Plan
Net sales	283,084	325,000 (115%)	365,000 (112%)	425,000 (116%)	500,000 (117%)
Ordinary profit	10,130	14,000 (138%)	20,000 (143%)	25,000 (125%)	30,000 (120%)
Profit attributable to owners of parent	6,743	8,500 (126%)	12,000 (141%)	15,000 (125%)	18,000 (120%)
Net income per share ※2(Yen)	427.74	546.50 (128%)	771.52 (141%)	964.41 (125%)	1,157.29 (120%)

* Some figures for the previous fiscal year have been revised due to the retroactive application of the change in accounting policy.

*2. The figures for the FY ending in March 2025 and after that are calculated using the average number of shares during the period as of the end of December 2024.

Medium-term Plan 2028



*Total number of issued shares: 15,863,000 shares

Sales Plan by Segment

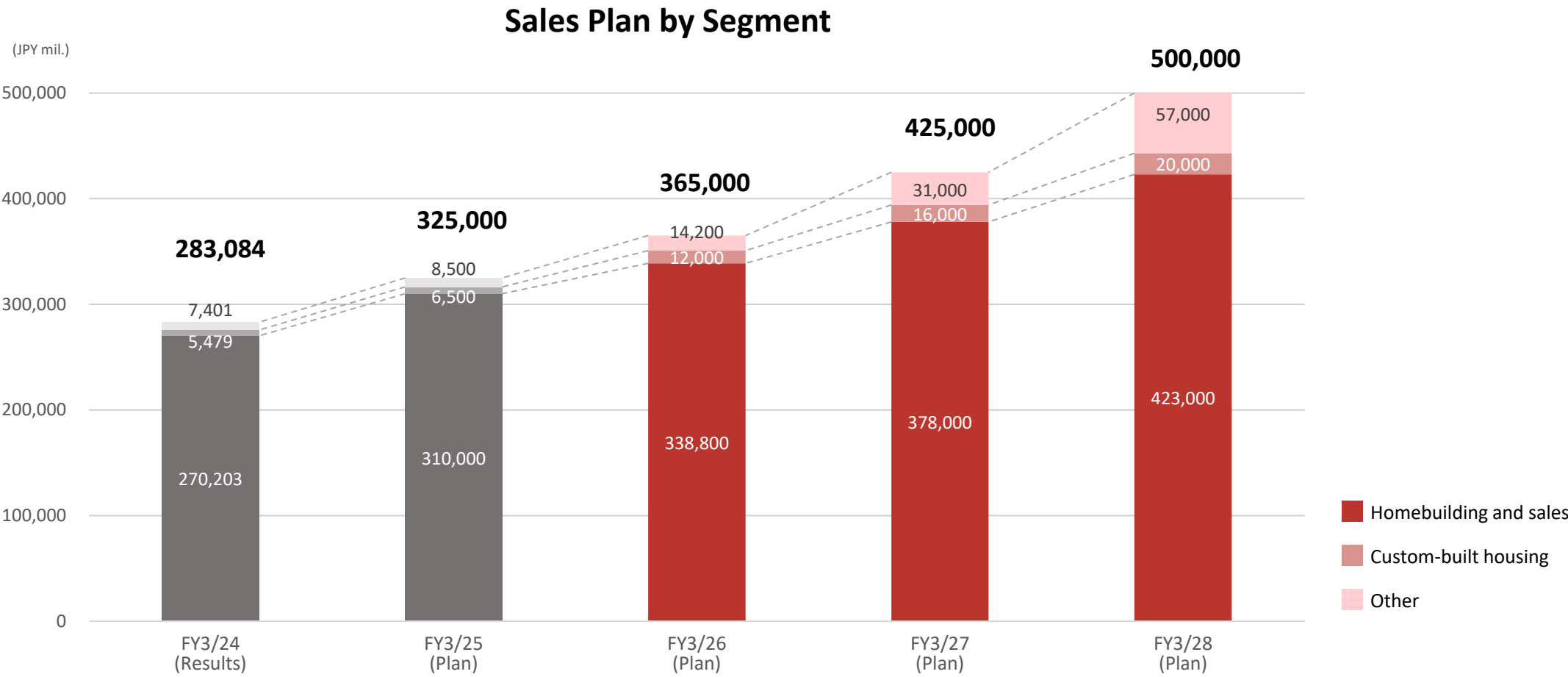
(JPY mil./Figures in parentheses represent YoY changes)

	FY3/24	FY3/25	FY3/26	FY3/27	FY3/28
	Results	Plan (After revision)	Plan	Plan	Plan
Homebuilding and sales	270,203	310,000 (114%)	338,800 (109%)	378,000 (111%)	423,000 (111%)
Custom-built housing	5,479	6,500 (118%)	12,000 (184%)	16,000 (133%)	20,000 (125%)
Other *	7,401	8,500 (115%)	14,200 (167%)	31,000 (218%)	57,000 (183%)
Total sales	283,084	325,000 (115%)	365,000 (112%)	425,000 (116%)	500,000 (117%)

* Some figures for the previous fiscal year have been revised due to the retroactive application of the revised reportable segments.

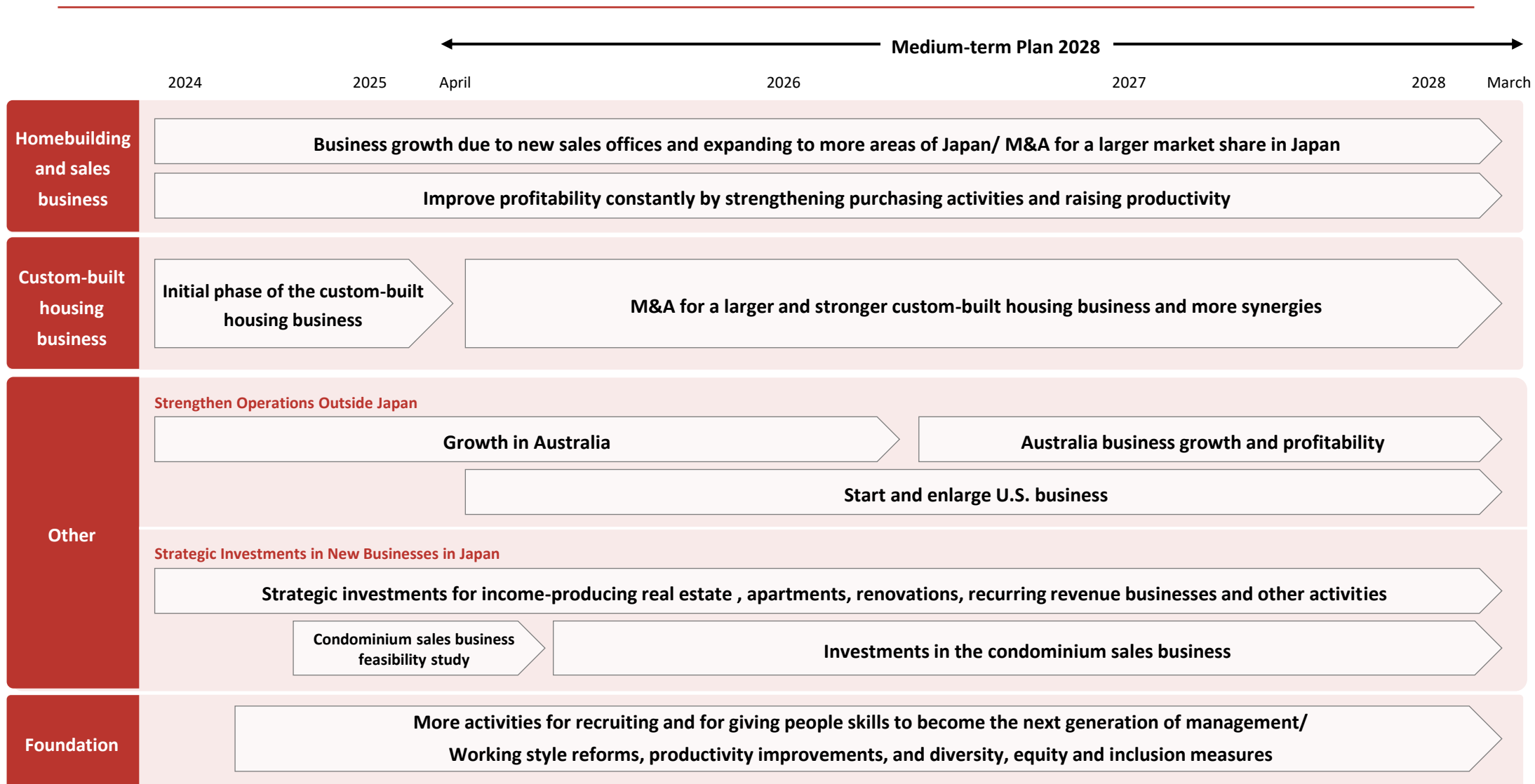
*Other includes overseas business, income-producing real estate business, recurring revenue business, apartment business, renovation business and condominium sales business.

Sales Plan by Segment



*Other includes overseas business, income-producing real estate business, recurring revenue business, apartment business, renovation business and condominium sales business.

Roadmap for Accomplishing the Medium-term Plan Goals



Human Resources Strategy

HR Strategy 1

More recruiting activities (new graduates and people with prior experience) and hiring and training of people who can become key members of management

- Give people skills to become the next senior executives and increase recruiting
- Step up skill development programs structured for specific job categories
- More hiring of people with prior experience who can be immediately productive
- Use performance-based evaluations for promotions to key positions
- Place the right people in the right jobs (including internal application system to fill open positions)
- Activities for the advancement of women

HR Strategy 2

Working style reforms, productivity improvements, and diversity, equity and inclusion measures

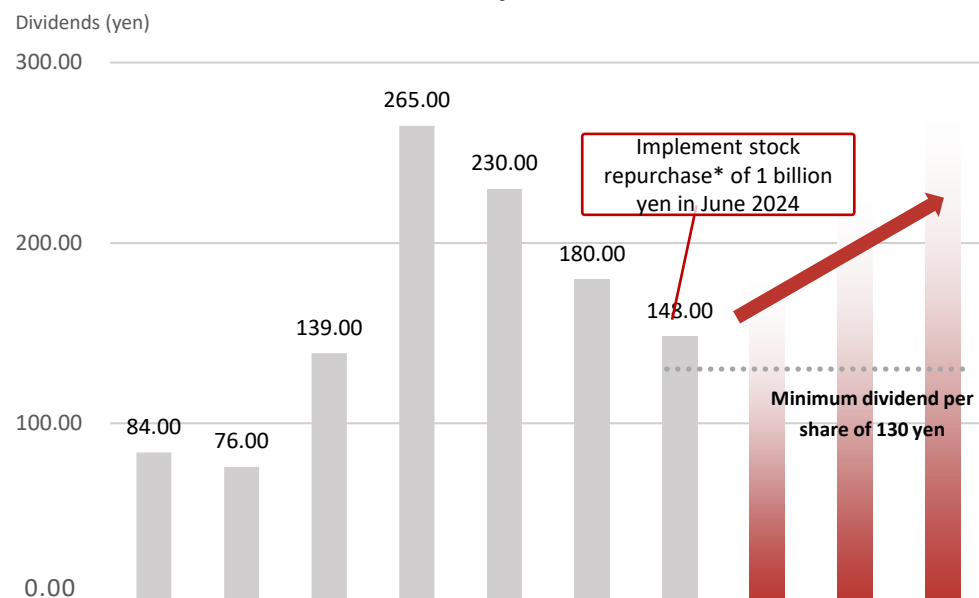
- Eliminate wasted time by closely managing working hours
- Use the digital transformation in a broad range of frontline operations
- Time off/reduced working hours for child care and caring for an elderly parent
- Recruit and train people from countries other than Japan (for diversity)
- Recruit and train people with disabilities (use many people throughout KEIAI's operations)
- Recruit older people (use many older people in frontline operations)
- Maintain a corporate culture with emphasis on fairness for everyone

Policy for Capital

Shareholder Distributions

Going forward, in principle, we will pay a minimum* dividend of 130 yen per share in conjunction with stock repurchases for shareholder distributions, depending on business performance and financial conditions.

Dividend per Share



	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26 (forecast)	FY3/27 (plan)	FY3/28 (plan)
Payout ratio (incl. stock repurchases)	34.4%	30.1%	25.9%	27.1%	30.6%	41.4%	27.1%	27.1%	27.1%	27.1%

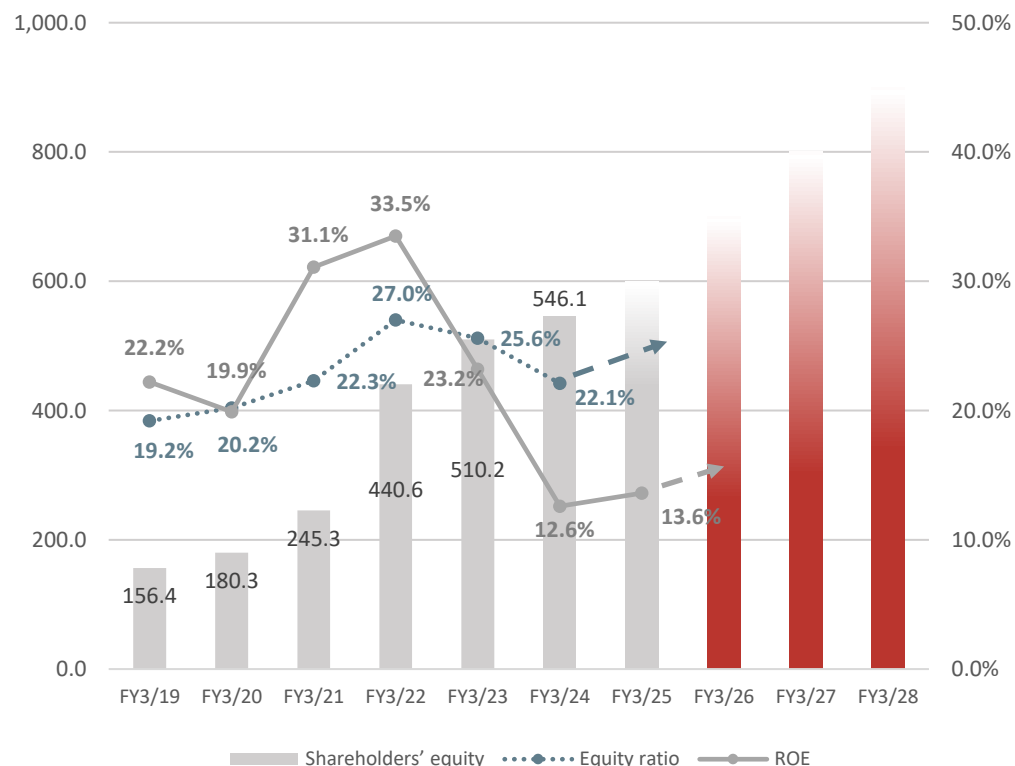
* Some figures for the previous fiscal year have been revised due to the retroactive application of the change in accounting policy.

* A part of the treasury share acquired will be used for the performance-linked stock compensation plan for directors and corporate auditors.

Capital Efficiency / Financial Soundness

- High capital efficiency ROE of at least 15% ▶ Maintain a high inventory turnover and use financial leverage
- Equity ratio of at least 20% ▶ Raise the equity ratio to 25%-30% by properly structuring the business portfolio and retaining a suitable amount of earnings

(JPY 100 mil.)



Appendix

Japan's Market for Houses Built for Sale and KEIAI's Market Share

The goal is a steady increase in market share by expanding to more areas of Japan in the core homebuilding and sales business, while fully utilizing strengths involving technologies and compact ready-built houses.



Medium-term goal

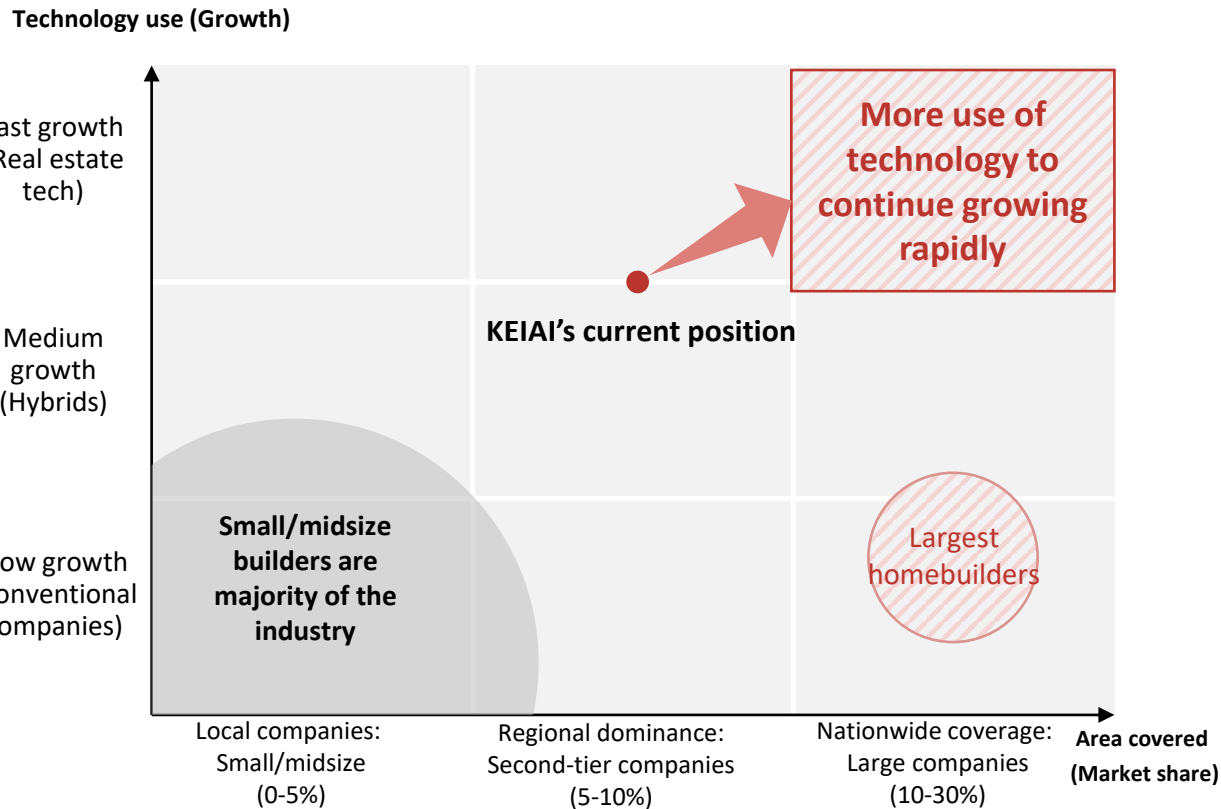
Increase our share of Japan's built-for-sale house market

*1: KEIAI estimates based on the number of new built-for sale wooden detached houses that have been constructed according to the Ministry of Land, Infrastructure, Transport and Tourism's "Housing Construction Statistics" through March 2024.

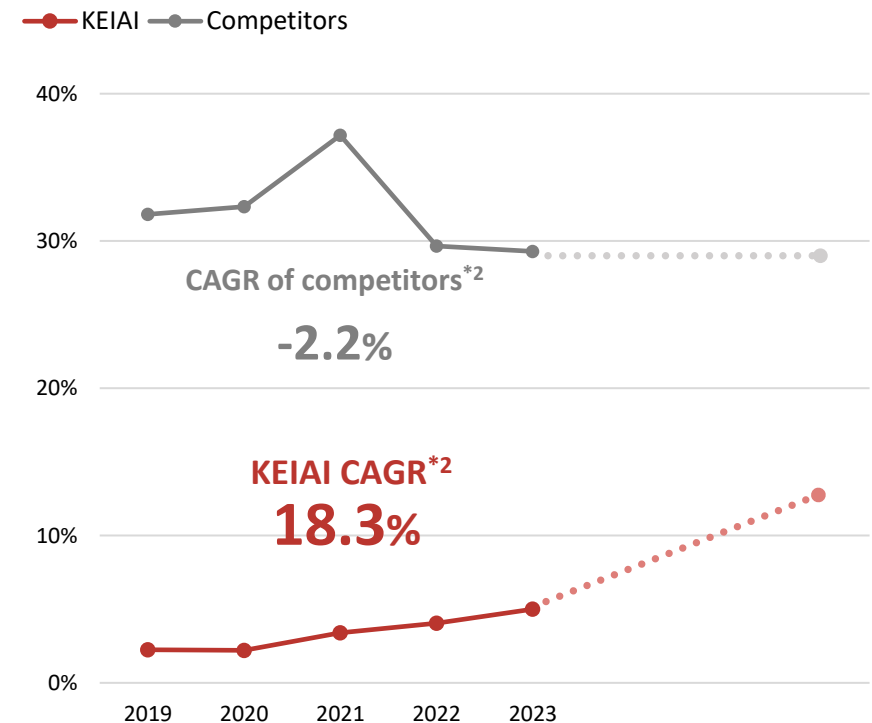
The Built-for Sale House Industry and KEIAI's Position

Japan has a large number of small companies that build houses for homebuyers. However, very few of these companies are skilled at using advanced technologies. KEIAI has the goal of continuing to increase its market share while growing rapidly by increasing its use of various technologies.

Market share and Growth Potential in the Built-for-Sale Housing Market Industry



Market Shares of Large Companies and KEIAI ^{*1}



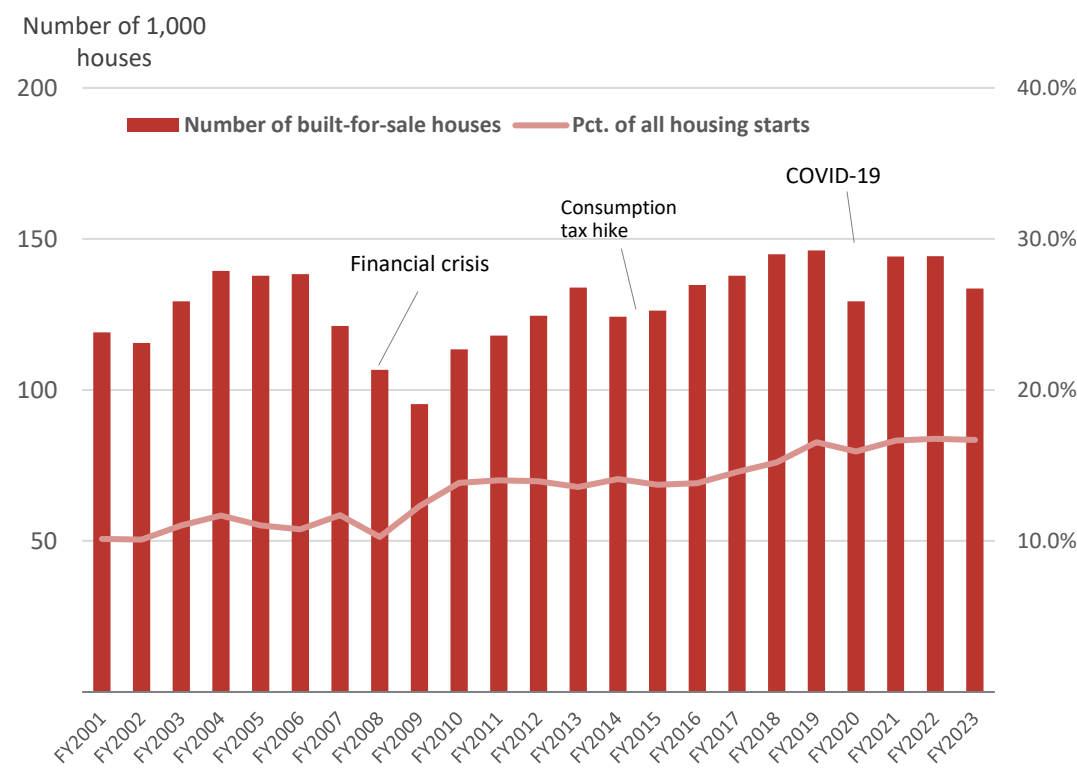
*1. Comparison of sales growth of largest companies and KEIAI

*2. CAGR : Compound Annual Growth Rate

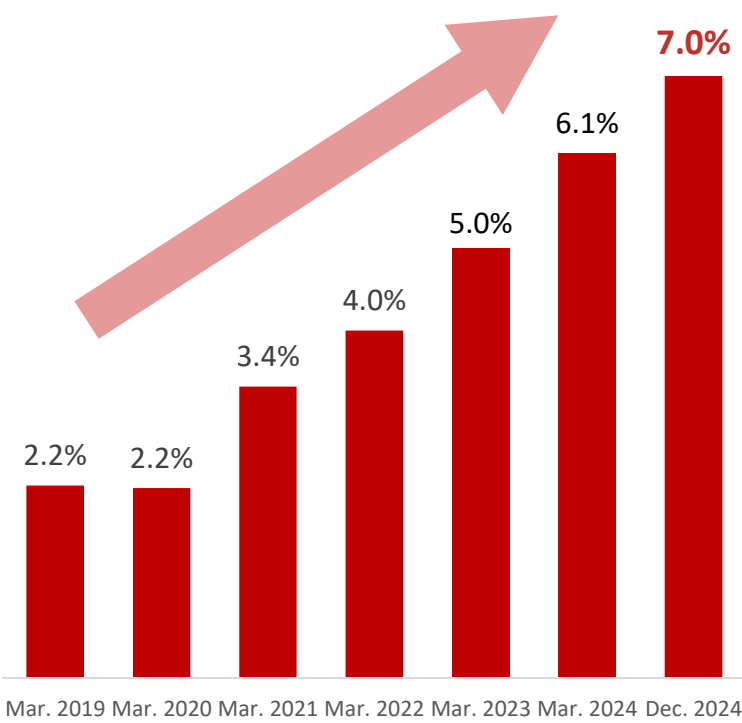
KEIAI's Market – Built-for-Sale Houses

Japan's market for built-for-sale houses has been steady for many years, other than brief downturns because of the pandemic and other one-time events. KEIAI's share of Japan's enormous market for detached houses has been rising rapidly in recent years.

Construction Starts for Built-for-Sale Detached Houses



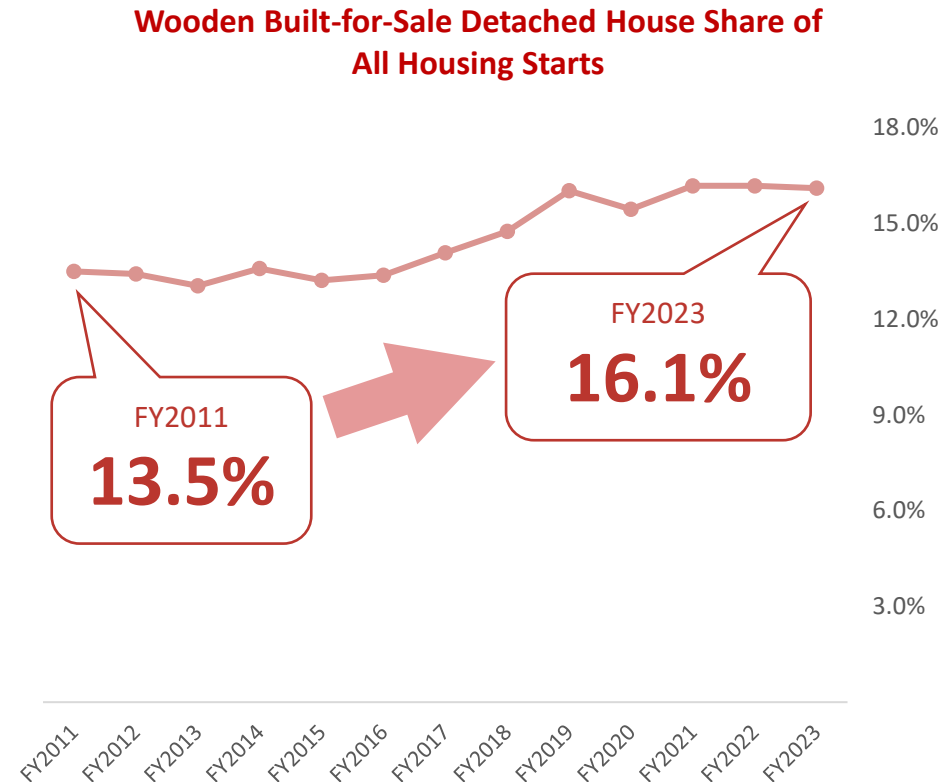
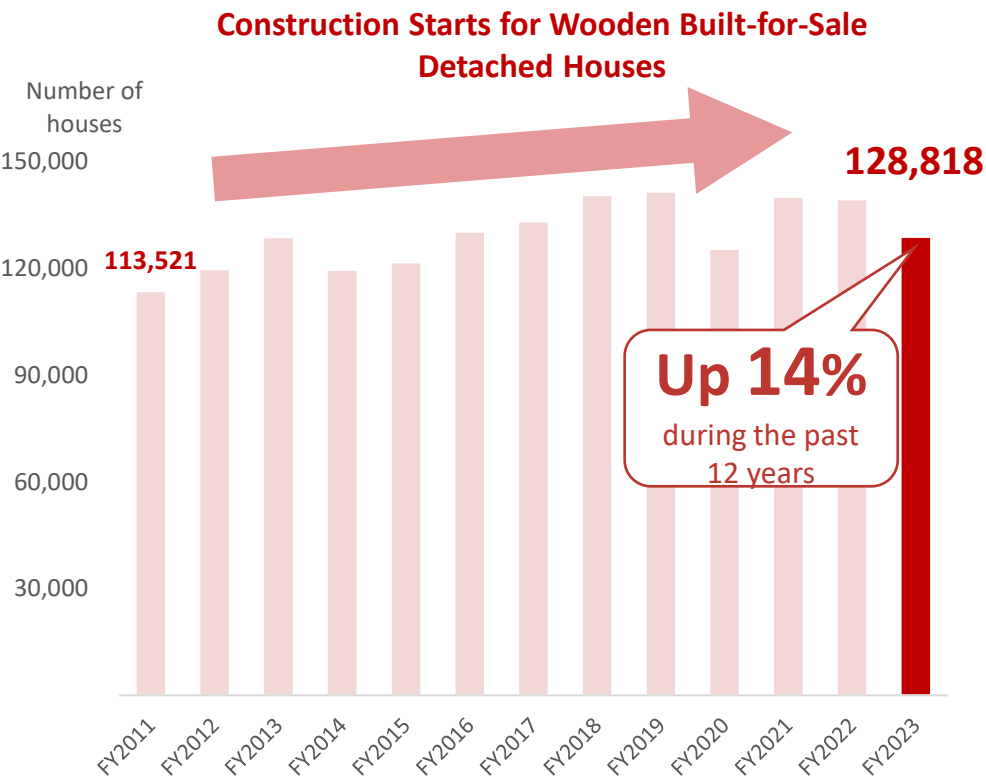
KEIAI Group's Nationwide Market Share



Source: Housing Start Statistics, Ministry of Land, Infrastructure, Transport and Tourism

Market Growth: The Steady Increase of the Popularity of Built-for-Sale Detached Houses

The number of construction starts for built-for-sale detached houses has been increasing steadily during the past decade. Furthermore, these houses are climbing as a percentage of all housing starts.



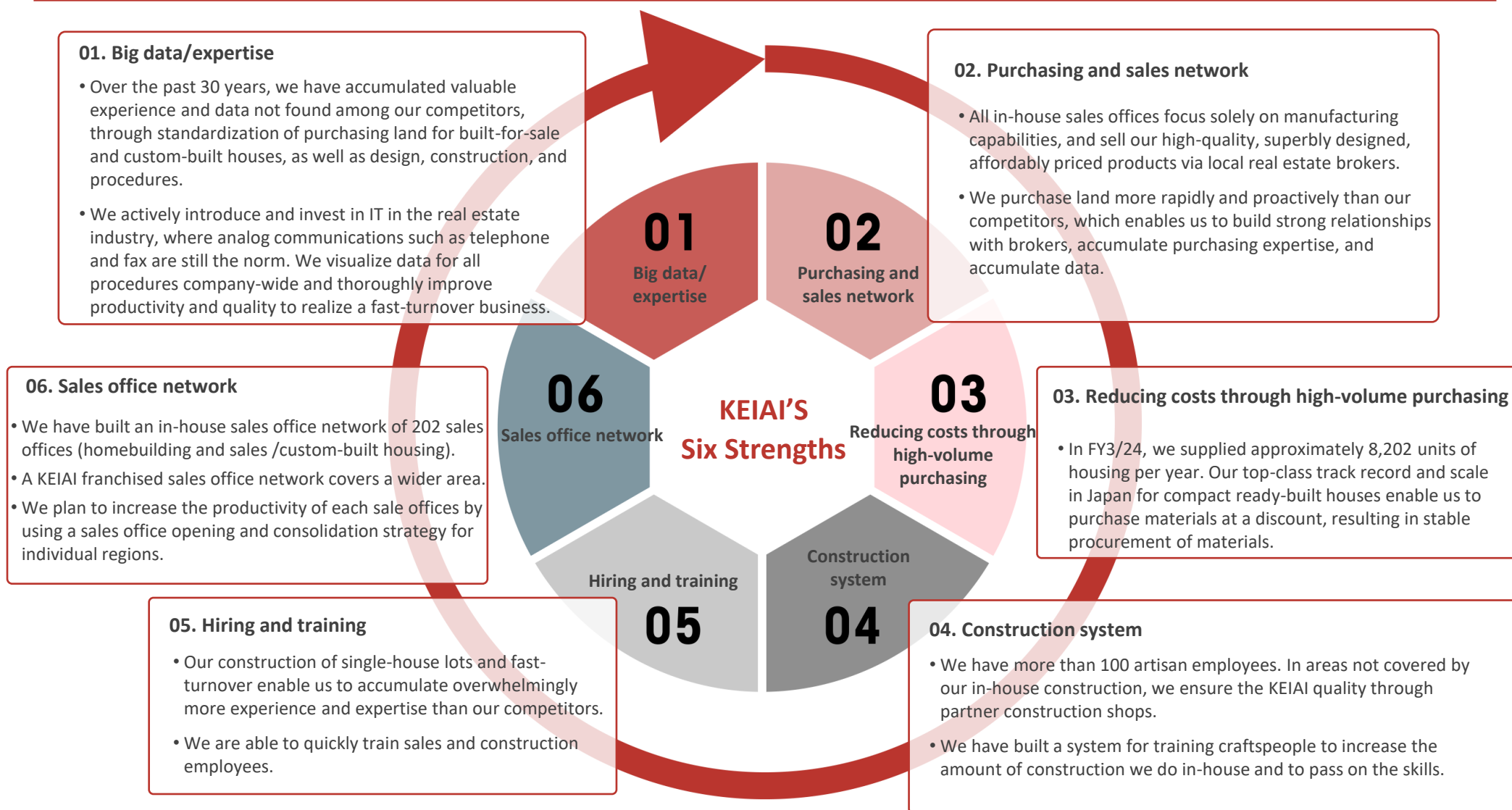
Source: Ministry of Land, Infrastructure, Transport and Tourism “Housing Construction Statistics”

Benefits of KEIAI's Semi Custom-Built Housing

Offers a “fourth choice” for detached houses combining the benefits of both built-for-sale and custom-built houses

Features / property type	Built-for-sale houses	Custom-built houses	Remodeled houses	Semi custom-built houses
Price	Low to mid price	High price	Low price (Partial remodeling)	Low price
Purchasing of land	Generally, 7 houses lots or more	A single house	Existing house	Possible from 1 house lot
Design	Uniform design	Entire house is fully customized	Only part of a house is remodeled	Superb design by semi custom-building each entire house
Earthquake resistance	Complies with new earthquake resistance standards	Complies with new earthquake resistance standards	Includes old earthquake resistance standards	Complies with new earthquake resistance standards
Time until move-in	Short	Long	Short	Short
Asset value	Low to mid value (Suburban locations, uniform designs)	Low to high value (Influenced by owner preferences)	Low to mid value (Structure remains old)	High value (Good location selected using KEIAI's proprietary database, superb design)
Sustainability	High (Latest materials and fixtures, easy to repair due to using standard materials)	Low to mid (Maintenance cost is high because it is custom-made)	Low to mid (In some cases, another remodeling or rebuilding may be required)	High (Latest materials and fixtures, easy to repair due to using standard materials)

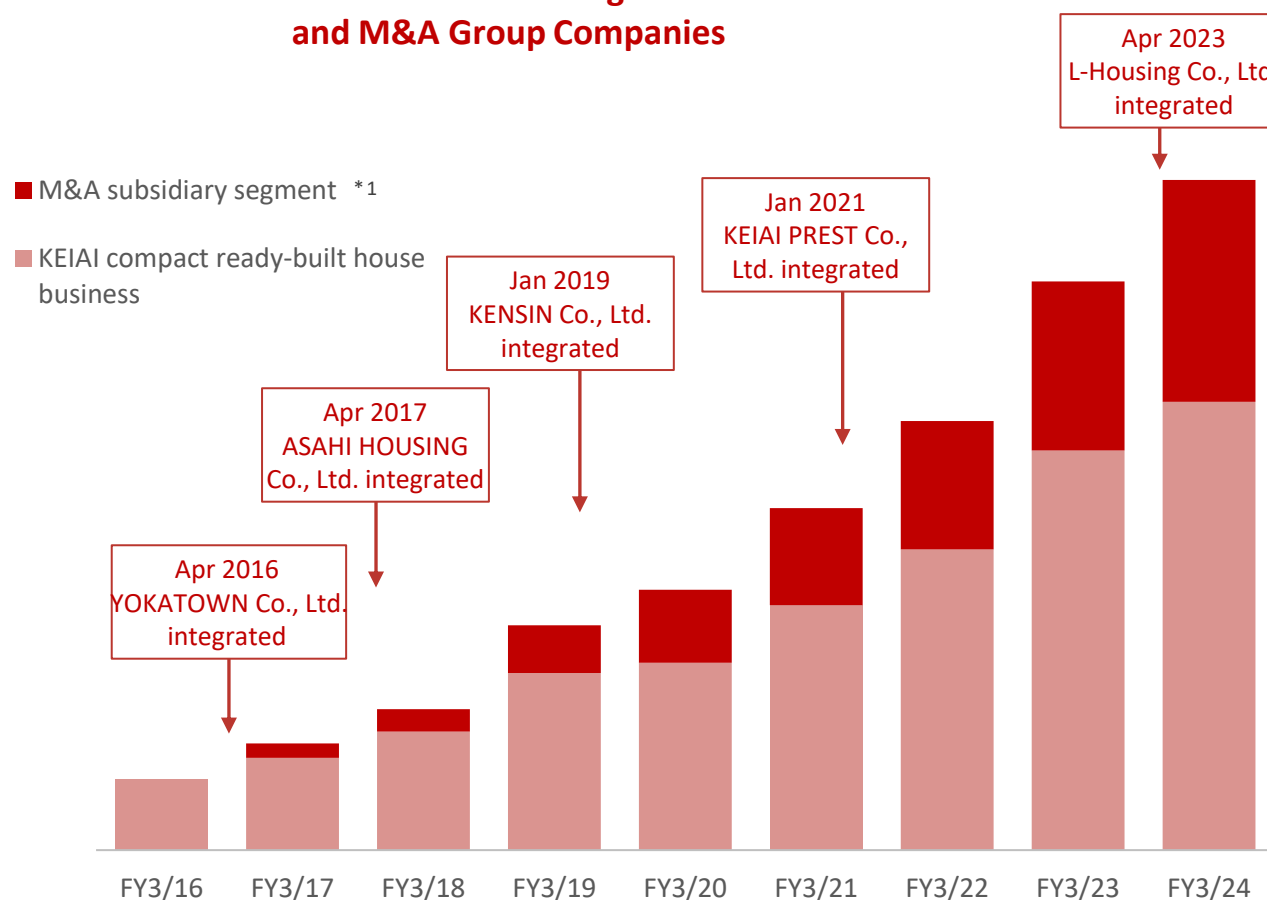
Six Strengths Backing the KEIAI Group's Growth



M&A –Sales of Subsidiaries after the Acquisition

Subsidiaries have achieved high sales growth after M&A, resulting in boosting group's total sales expansion. Shinyamagata Hometech and TAKASUGI also aim to increase sales by leveraging the synergies of joining the Group.

Results of the KEIAI Homebuilding and Sales Business and M&A Group Companies



*1: Results of M&A subsidiary segment includes YOKATOWN, ASAHI HOUSING, KENSIN, KEIAI Presto and L-Housing.

Forward-looking Statements

This presentation includes information about future performance and other items that are not historical facts. This information was prepared by using certain assumptions at the time that this presentation was prepared. Actual performance may differ significantly from forward-looking statements due to a variety of uncertainties.

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