Business and Financial Highlights for FY2025

June 10, 2025 | Nisshin Group Holdings Co., Ltd.

Code： 8881

NGHD
日神グループホールディングス

AGENDA

1. Executive Summary
2. FY2025 Financial Highlights
3. Construction Business
4. Property Management Business
5. Real Estate Business
6. Shareholder Returns
7. Outlook for FY2026

01

Executive Summary

“Comprehensive Real Estate & Construction Businesses” Nisshin Group Holdings

We comprehensively engage in real estate development, sales, and management to enhance the residential experience and maximize property value.

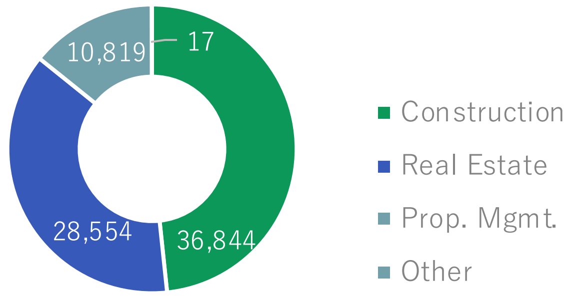
Company Overview of Nisshin Group Holdings

As **a comprehensive real estate and construction company**, we operate across the entire real estate value chain—from development and construction to property management and sales—through our three core businesses.

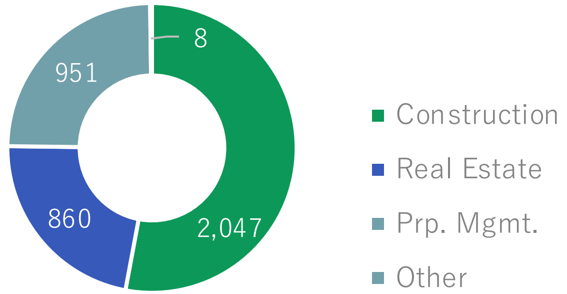
Segments	Business Features and Group Companies	Financial Performance
	With over 100 years of history, we excel in condominium construction and are **improving profitability** through price adjustments amid rising costs. Affiliates: TADA CORPORATION	Revenue ¥36,844M YoY +0.2% Operating Profit ¥2,047M YoY +157.5%
	We manage not only properties sold in our real estate business, but also those developed by other companies. We are **building a high-margin, recurring-revenue business**. Affiliates: 日神管財	Revenue ¥10,819M YoY +0.4% Operating Profit ¥951M YoY △12.3%
	We develop and sell homes primarily in the Tokyo metropolitan area, leveraging “face-to-face sales” led by over **100 sales representatives**. Affiliates: 日神不動産, 日神不動産投資顧問	Revenue ¥28,554M YoY △14.6% Operating Profit ¥860M YoY △57.9%

Breakdown by Segment

Revenue by Segment (FY2025)



Profit by Segment (FY2025)



Mid-Term Management Plan (1/3): Positioning of New Mid-Term Management Plan

We aim for sustainable growth by promoting strategies and management practices that prioritize capital efficiency and profitability.

Roadmap Toward the Realization of Our Long-Term Vision

Long-Term Vision

Toward becoming a ¥100 billion real estate and construction group

FY2030 (Target)
- Revenue ¥100 billion
- Operating Profit ¥6.5 billion

2025.3-2027.03
New Mid-Term Management Plan

1. Drive sustainable revenue growth with improved profitability
2. Management focused on capital efficiency
3. Attract and develop high-performing talent

FY2027 (Plan)
- Revenue ¥88 billion
- Operating Profit ¥5 billion

Previous Mid-Term Plan

Respond to major external changes such as the COVID-19 pandemic and rising material costs, and address talent acquisition challenges

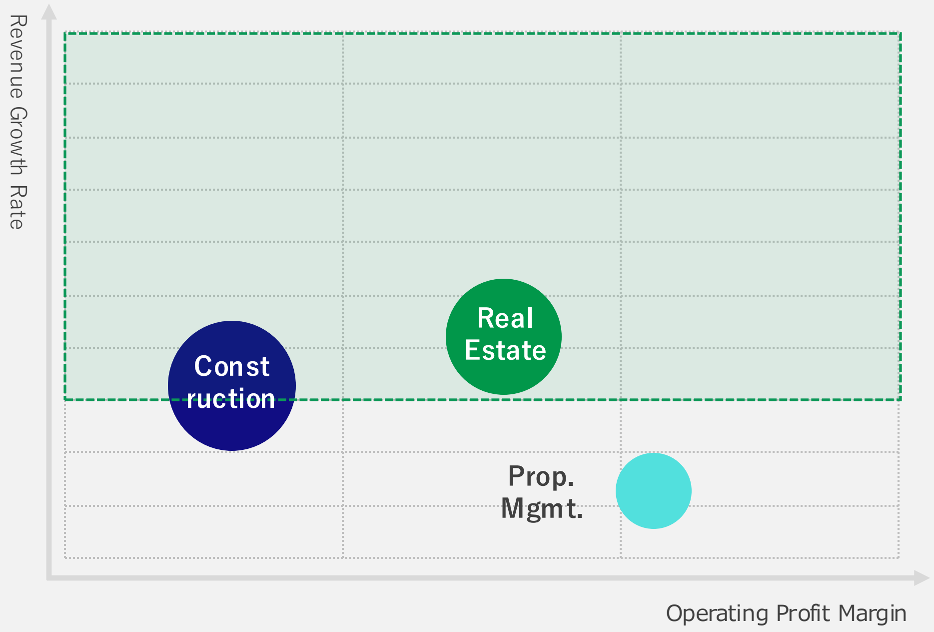
FY2024 (Actual)
- Revenue ¥810 billion
- Operating Profit ¥ 3.5 billion

Mid-Term Management Plan (2/3): Current and Target Business Portfolio

We aim to drive lean, profit-oriented revenue growth across all business segments, focusing on expanding those with high margin potential.

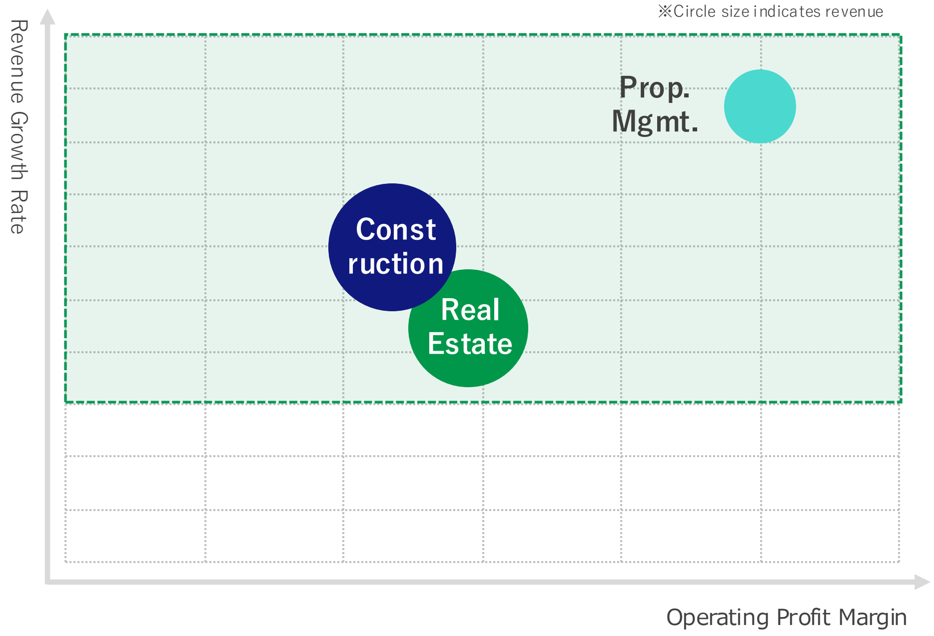
Business Portfolio under the Previous Mid-Term Plan

Revenue growth and profit targets were not achieved due to significant external changes, including the COVID-19 pandemic and surging material costs



Target Business Portfolio under the New Mid-Term Plan

Aim to build a business portfolio that achieves both revenue growth and improved profitability



Mid-Term Management Plan (3/3): Current Status and Outlook

Driven by strong construction demand, the construction business is expanding. However, real estate sales are falling behind plan due to supply shortages, and the number of managed units in property management is also underperforming expectations.

Segments	Key KPIs	Current Status	Progress
Construction Business	Sole-Sourced Project Ratio	○	As in the first half, we improved profitability by increasing the ratio of sole-sourced projects awarded by a single client
	Segment Profitability Improvement	○	Segment profit margins improved throughout the fiscal year through selective order-taking and timely cost reviews
Property Management Business	Number of Managed Properties / Units	△	The number of managed units did not increase as initially expected under the mid-term plan, due to a decline in new condominium development projects in the real estate business
	Development of In-House Investment Apartments	△	7 buildings totaling ¥1.2 billion. Strong construction demand raised construction costs, making it difficult to secure cost-efficient contractors and resulting in slower-than-expected progress
Real Estate Business	Investment Property Ratio	△	Targeting a 20% share of investment-use properties; considering a new branch in the Tokyo metropolitan area
	Property Development for Securitization Business	○	Utilizing SPCs and other structures to acquire land for rental apartments, while also planning to acquire and renovate existing properties

02

FY2025 Financial Highlights

Financial Overview for FY2025

Although the construction and property management businesses grew, **delays in property handovers in the real estate segment** led to a decline in overall revenue and profit.

Cumulative Total (April 2024 – March 2025)

Despite declines in both revenue and profit, the operating margin improved by 0.1pt

Revenue	¥76,235 M	YoY △5.9%
Operating Profit	¥3,447 M	YoY △2.3%
Ordinary Profit	¥3,069 M	YoY △4.8%
Net Profit	¥2,057 M	YoY △2.3%

Revenue by Segment (April 2024 – March 2025)

Impacted by timing delays in the real estate segment

Construction	¥36,844 M	YoY +0.2%
Property Management	¥10,819 M	YoY +0.4%
Real Estate	¥28,554 M	YoY △14.6%
Other	¥17 M	YoY △48.5%

Qualitative Factors Behind FY2025 Financial Results

Although demand remained strong, rising construction costs and longer project timelines led to lower profitability in the real estate and property management businesses.

Business Impact

Construction Business	Real Estate Business	Property Management Business
Backlog Growth (Conditions: ○) Strong demand boosted profitability, while rising costs led to longer construction timelines and project delays	**Fewer Units Released** (Conditions: △) Despite strong demand, longer construction timelines delayed project completions, resulting in fewer units released	**Lower Profitability** (Conditions: △) Sales delays from extended in-house construction led to a higher ratio of externally managed units

Real Estate Market Conditions

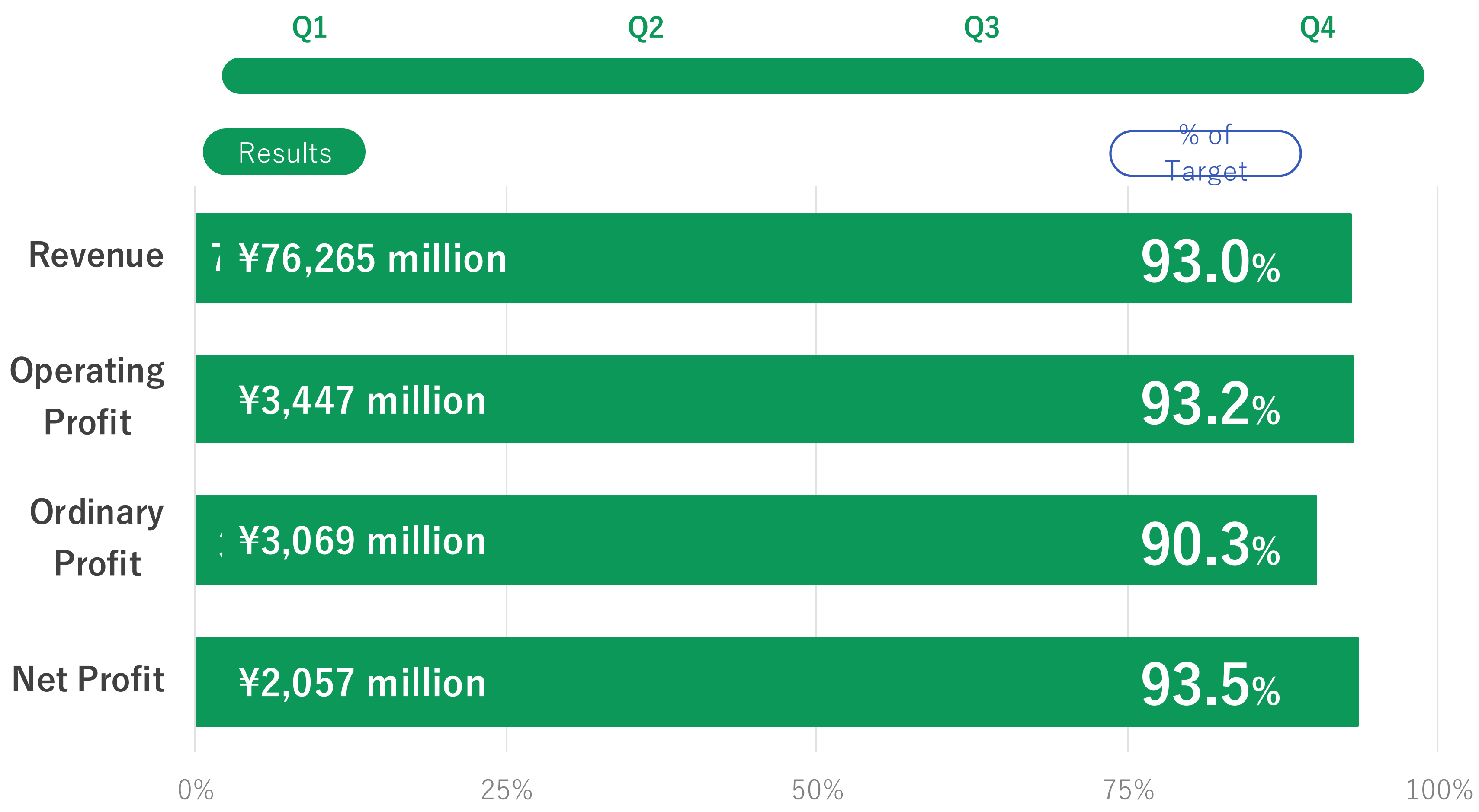
New condominium sales in the Tokyo metropolitan area totaled 23,003 units — the lowest since surveys began in 1973 ※1

Rising Material Costs	Rising Labor Costs	Labor Reform Initiatives
Construction Material Price Index (April 2025)	Public Construction Labor Cost (FY2024)	Work Style Reform Act (Effective April 2024)
vs. 2015 +40.0% ※2	vs. 2012 +85.8% ※3	**Slower construction progress compared to previous period**
A combination of factors including surging global demand for materials such as lumber and steel, the Russia-Ukraine conflict, high oil prices, and the weaker yen	In addition to labor shortages, labor unit costs have risen due to the 2024 implementation of the Work Style Reform Act, which includes increased overtime pay requirements	Impact of rising construction costs and longer project timelines

※1) "Summary of the Tokyo Metropolitan Area New Condominium Market in 2024" by Real Estate Economic Institute (Jan 23, 2025)
※2) "Construction Price Index – April 2025" by the General Research Institute, Building Material Price Survey Association
※3) "Public Construction Design Labor Unit Prices Effective from March 2025" by the Ministry of Land, Infrastructure, Transport and Tourism (Feb 14, 2025)

FY2025 Performance Against Forecast

The real estate segment, a major contributor to revenue and profit, fell short due to handover delays from slower project completion. In construction, despite high margins, labor shortages hindered progress, making it hard to offset the gap.



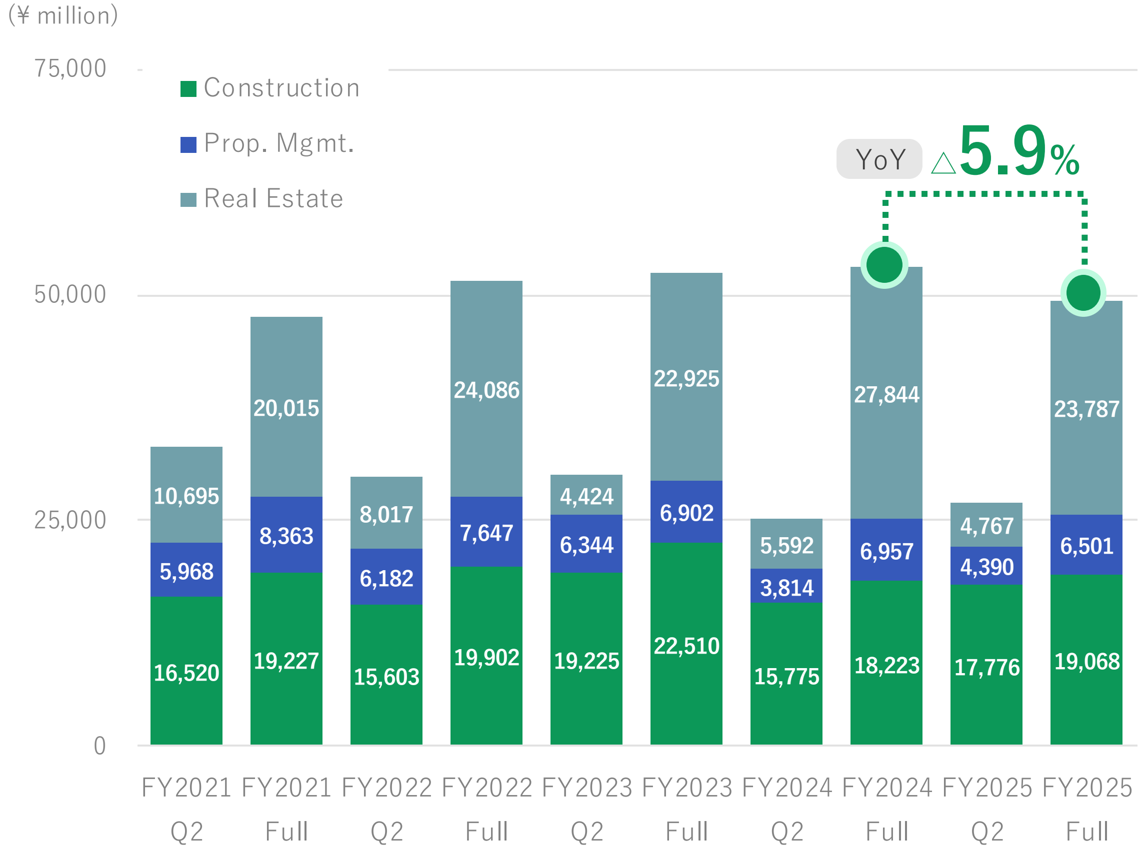
Full-Year Forecast

Revenue	¥ 82,000 M
Operating Profit	¥ 3,700 M
Ordinary Profit	¥ 3,400 M
Net Profit	¥ 2,200 M

Revenue Trend by Half-Year and Segment Breakdown – FY2025

Segment profit improved significantly in the construction business, driven by selective acceptance of high-margin projects amid strong demand and limited supply.

Half-Yearly Revenue Trend



(Unit: ¥ million)	FY2024 Results	FY2025 Results	YoY (%)
Revenue	81,023	**76,235**	△5.9%
Construction	36,781	**36,844**	+0.2%
Property Management	10,771	**10,819**	+0.4%
Real Estate	33,436	**28,554**	△14.6%
Segment Profit			
Construction	795	**2,047**	+157.5%
Property Management	1,084	**951**	△12.3%
Real Estate	2,042	**860**	△57.9%

FY2025 Balance Sheet Summary

Inventory of real estate for sale increased due to handover delays in the real estate segment. The equity ratio remains at a healthy level of over 51%.

(Unit: ¥ million)	FY2024	FY2025	YoY Change	YoY (%)	Notes
Current Assets	**105,152**	**116,407**	**+11,255**	**+10.7%**	
Cash and deposits	57,920	54,343	△3,577	△6.2%	Declined due to increased investments in consolidated SPCs and expenditures related to the real estate business
Receivables on Completed Construction, etc.	14,254	15,179	+925	+6.5%	Increased in line with construction revenue
Real Estate for Sale	7,561	15,064	+7,503	+99.2%	Increased due to newly consolidated SPCs
Real Estate Business Expenditures	21,511	27,615	+6,104	+28.4%	Increased due to expenditures related to new condominium projects by Nisshin Real Estate
Non-Current Assets	**16,847**	**16,893**	**+46**	**+0.3%**	
Total Assets	**121,999**	**133,300**	**+11,301**	**+9.3%**	
Current Liabilities	29,126	34,232	+5,106	+17.5%	
Short-Term Borrowings	11,794	16,948	+5,154	+43.7%	Increased due to the reclassification of the current portion of long-term borrowings to short-term
Non-Current Liabilities	**25,458**	**29,691**	**+4,233**	**+16.6%**	
Long-Term Borrowings	22,918	26,845	+3,927	+17.1%	Increase due to newly consolidated SPCs
Total Liabilities	**54,584**	**63,924**	**+9,340**	**+17.1%**	
Net Assets	**67,415**	**69,376**	**+1,961**	**+2.9%**	Increase in non-controlling interests due to newly consolidated SPCs
Total Liabilities and Net Assets	**121,999**	**133,300**	**+11,301**	**+9.3%**	

03 Construction Business

Key Characteristics and Business Model

We are refining our order selection process to improve project scale and gross margin.

Market Environment and Challenges in the Construction Industry

Market conditions and the 2024 labor reform have lengthened timelines and increased labor costs

Long-Standing Challenges

- Chronic labor shortages
- Aging workforce
- Persistent long working hours

+

The 2024 Construction Industry Issue

- Overtime cap
- Increased overtime wages
- Japan's Invoice system

Key Strengths of Our Company (Tada Construction)

With over a century of expertise, we specialize in condominium construction to drive efficiency

Key Features of Our Construction Business

- 90% of orders from external clients
- Condo specialist
- Over 100 years of history

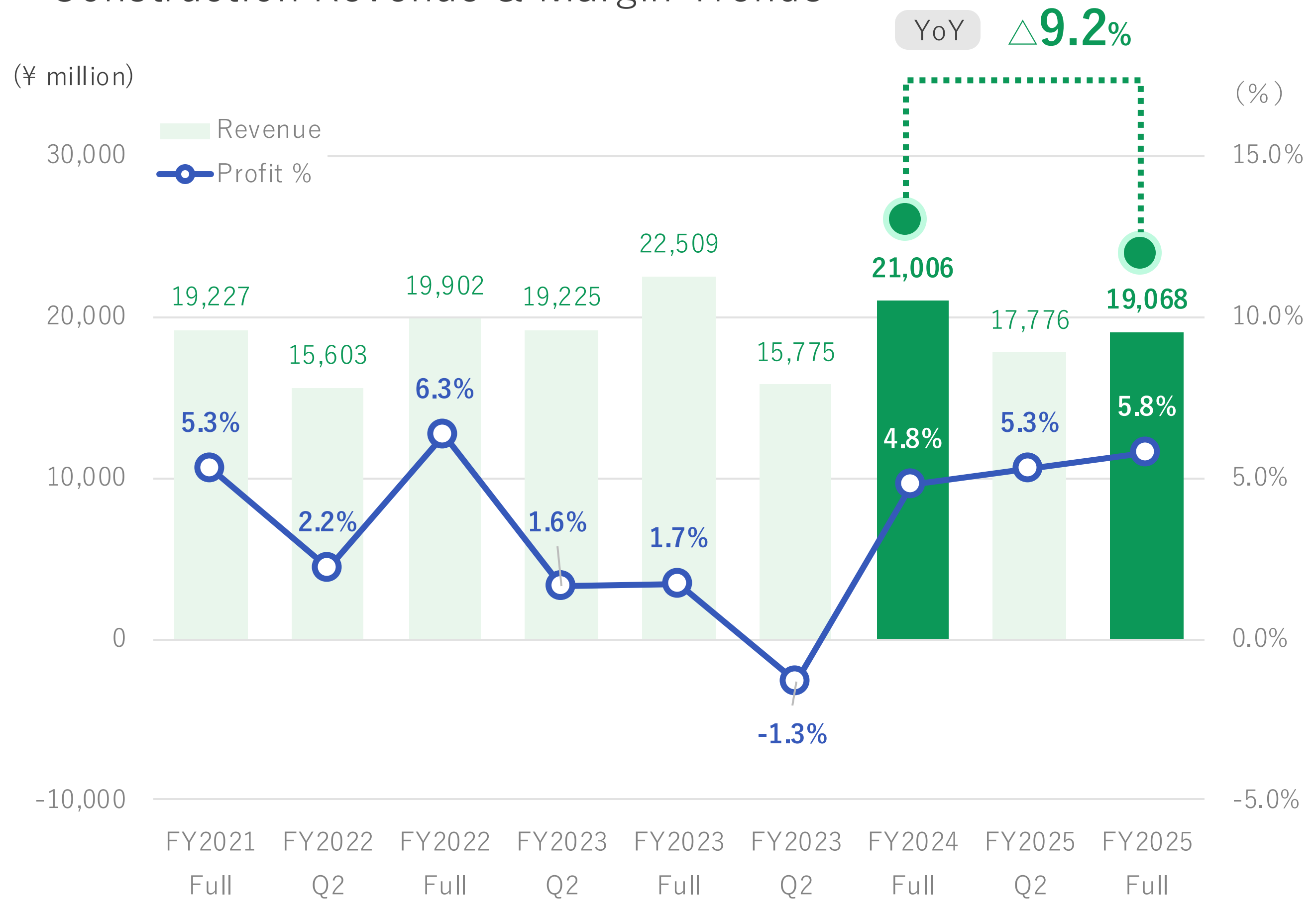
Leveraging demand to ensure profitability

- Profitability-focused
- 2,000 units/year for 10 years
- Understanding needs & follow-up

Construction Segment Performance

Amid supply shortages, we focused on high-margin projects, **boosting segment profit to 2.5× YoY**. Labor shortages and workstyle reforms **slowed construction progress**, lowering revenue compared to the second half of the previous year.

Construction Revenue & Margin Trends



FY2025 Summary

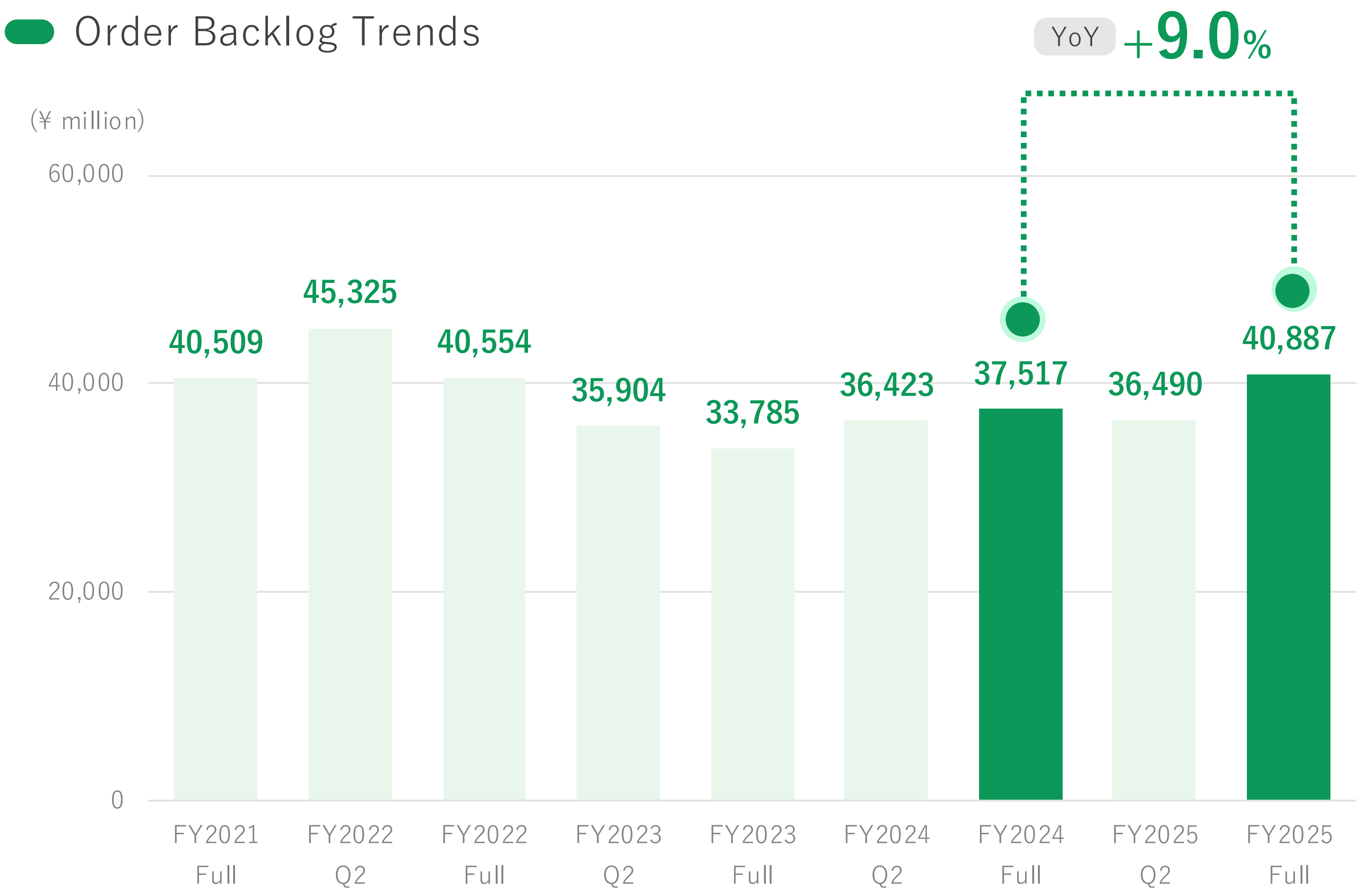
Segment profit (1) improved significantly

(Unit: ¥ million)	FY2024 Results	FY2025 Results	YoY (%)
Revenue	36,781	**36,844**	+0.2%
Gross Profit	1,573	**2,820**	+79.3%
Gross Profit Margin	4.3%	**7.7%**	+3.4pt
Segment Profit	795	**2,047**	+157.5% (1)
Segment Profit Margin	2.2%	**5.6%**	+3.4pt

Key KPI Trends: Order Backlog

We are **selectively taking on high-margin projects,** keeping the backlog at a healthy level. Due to labor shortages and **slower construction pace**, the backlog has temporarily increased slightly.

Order Backlog Trends



Progress as of FY2025 Year-End

FY2025 Summary	Our order backlog has **accumulated a large number of high-margin condominium projects**. The top priority is to steadily execute these projects and convert them into revenue by adhering to the construction schedule. Meanwhile, new orders continue to be secured at a stable pace, supported by our industry-leading brand recognition, **with no concerns regarding the order environment**.
Reasons for Changes	Due to labor shortages and workstyle reforms across the supply chain, construction progress has slightly slowed, **resulting in a temporary increase in backlog beyond planned levels**.

Progress on the Mid-Term Plan for the Construction Business

We are making solid progress toward achieving our mid-term management plan through well-executed initiatives.

Key Initiatives	Specific Strategies	Status	Progress
Improved Operating Profit Margin	Strengthening Orders from Sole-Source Projects	◎	**84.6% of orders** (22 out of 26 full-year; 11 out of 14 in 2H, excl. civil works) were sole-source, **exceeding the 60–70% target**
	Expansion of Real Estate Business through JV	○	A real estate project launched last year, with expected revenue of ¥2.2 billion, has now begun construction
	Enhanced Cost Review	○	Continue to enforce strict project screening to ensure orders are placed within appropriate budgets
	Expand Subcontractor Partnerships	○	Secured subcontractors through early ordering and expanded the network by engaging 61 new partners
	Grow Volume of Premium Construction Projects	○	Scheme structuring underway for Morioka and Okinawa projects
Human Capital	More Qualified Professionals	○	**7 passed** Assistant First-Class, **4 passed** First-Class Construction Mgmt. Exams; total certified personnel **met the planned target**
	Enhance Certification Support and Training Programs	◎	**Implemented an expanded qualification curriculum** within the new graduate training program. Conducted management training for newly appointed managers. Expanded financial support for certification acquisition

Construction Business Highlights

In FY2024, **larger ¥2B-scale projects** led to **profit margin declines** amid rising material costs and inflation.
In FY2025, we shifted to **¥1B-scale projects** with shorter timelines, **improving profit margins** by reducing cost pressure.

Project scale optimization boosted segment profit **from ¥790M to ¥2.0B**

FY Project Example ① Condominium

Name	New Construction Project: Toyonaka Shoji
Location	Nishimidorigaoka, Toyonaka, Osaka
Client	Nippon Steel Kowa Real Estate Co., Ltd. Sekisui House, Ltd. — Osaka Condominium Division

FY Project Example ② Student Apartment with Cafeteria

Name	New Construction Project : Sakuranomachi 3-chome, Toyonaka City
Location	Sakuranomachi, Toyonaka, Osaka
Client	Hankyu Hanshin Properties Corp. Sumitomo Corporation

FY Project Example ③ Condominium

Name	New Construction Project : Clio Yokohama Hodogaya Bright Marks
Location	Hodogaya-ku, Yokohama, Kanagawa
Client	Meiwa Estate Co., Ltd.

04

Property Management Business

Key Characteristics and Business Model

Following property handover, we transition to a stock-based model through the management business, **driving growth by accumulating stock**, including replacements of other companies' contracts.

Robust Acquisition Channels for Managed Properties × Profitability Driven by Seven Synergies

Primary Acquisition Channels

Real Estate Business

Around 400–500 units handed over each year feed into the managed property portfolio

Acquisition of External Projects

Less reliance on group companies, with a focus on capturing external property management contracts

Managed Property Stock

FY2025

35,238units

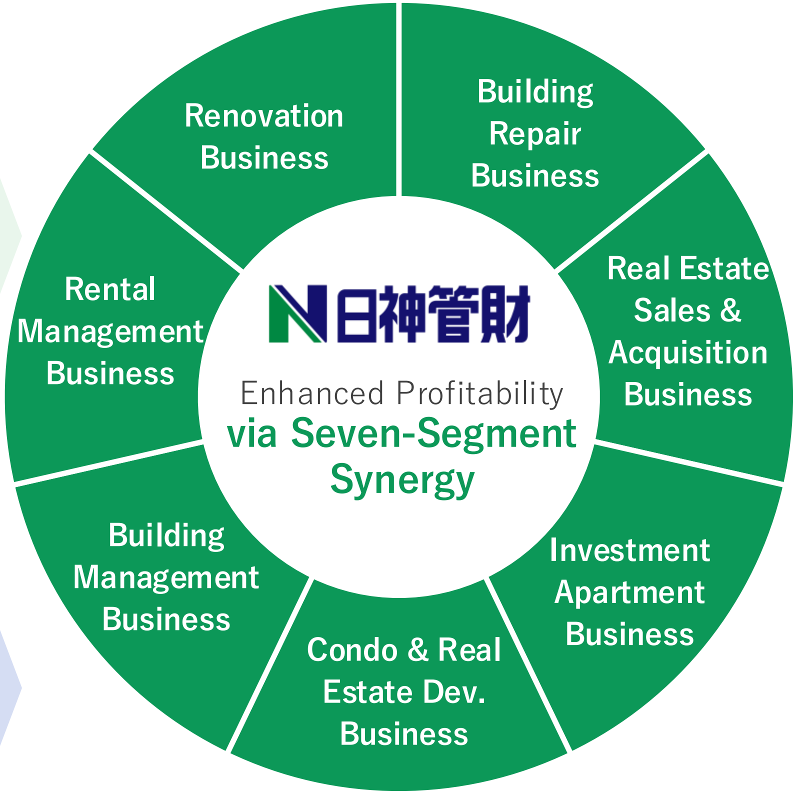
YoY +674units (+2.0%)

Other Acquisition Channels

Proprietary Real Estate Development and Sales

Proprietary development and sales by Nisshin Kanzai to build rental management portfolio

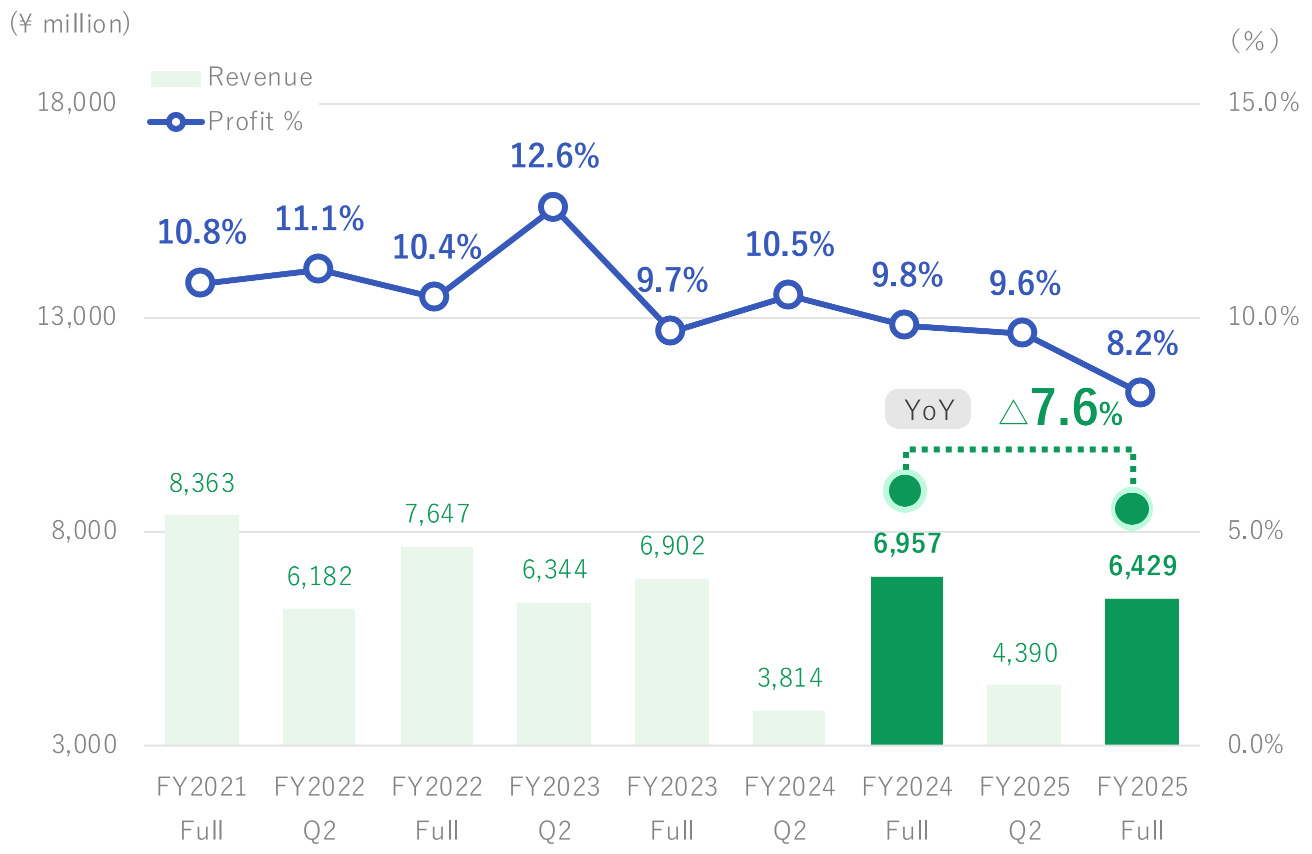
It has little impact on the number of managed units, but serves as a factor causing fluctuations in one-time revenue from property sales



Performance of the Property Management Segment

Stock revenue grew steadily with more managed units, but segment profit declined due to increased SG&A from DX and personnel investments for future growth.

Property Management Revenue & Margin Trends



FY2025 Summary

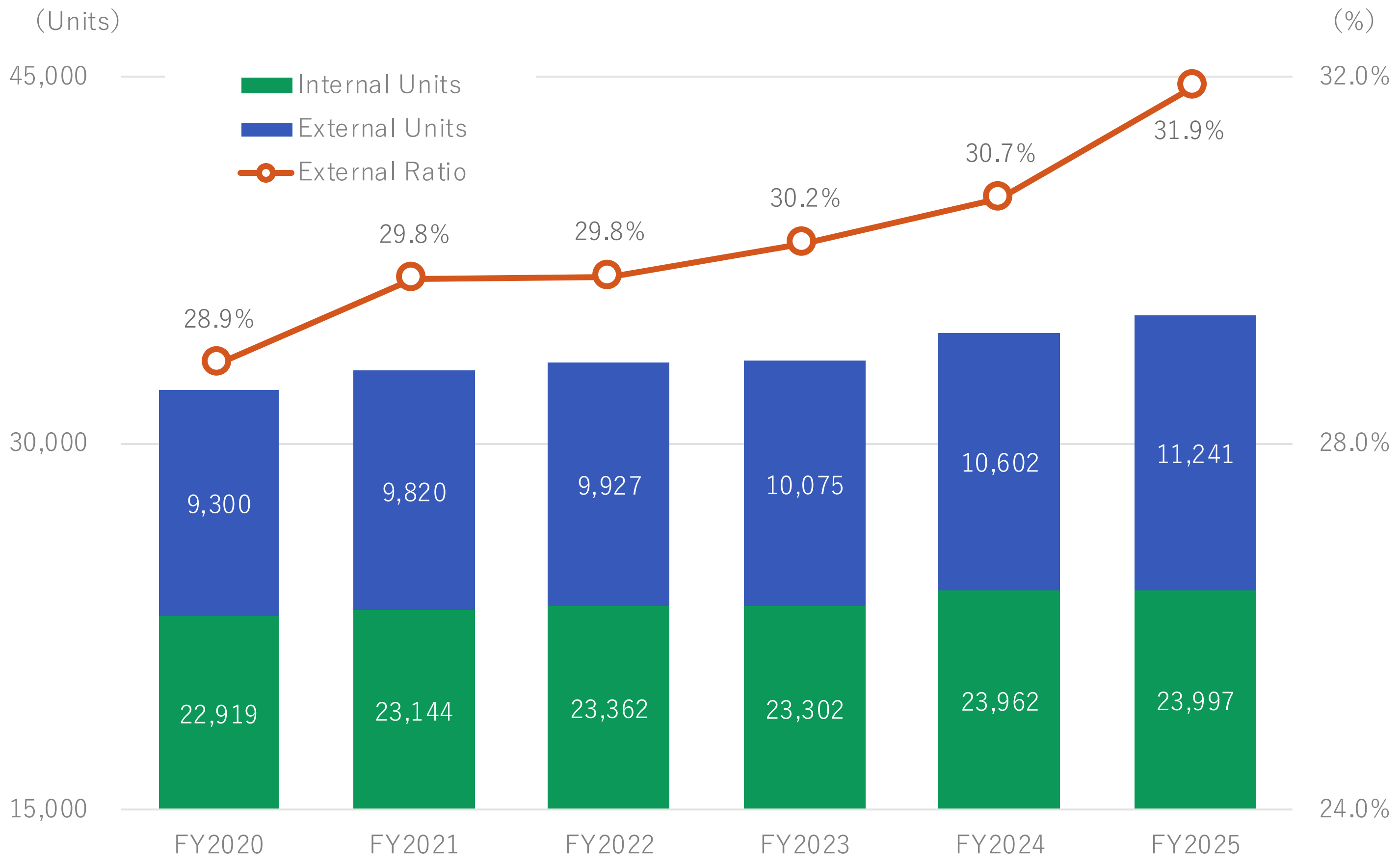
Sales and gross profit improved YoY; SG&A rose with strategic spend

(Unit: ¥ million)	FY2024 Results	FY2025 Results	YoY (%)
Revenue	10,771	**10,819**	+0.4%
Gross Profit	2,635	**2,775**	+5.3%
Gross Profit Margin	24.5%	**25.6%**	+1.2pt
Segment Profit	1,084	**951**	△12.3%
Segment Profit Margin	10.1%	**8.8%**	△1.3%

Key KPI Trends: Number of Managed Units

Amid a slowdown in overall condominium sales across the industry, we focused on increasing the external ratio to build up our managed units.

Managed Units and Non-Group Property Ratio Trends



FY2025 Year-End Overview

Amid rising construction costs and longer timelines—partly due to the government's workstyle reform legislation—**the condominium industry saw a decline in unit sales**. As a result, the Group's real estate sales fell short of targets, leading to slower growth in overall sales and a smaller-than-expected rise in managed units. Nevertheless, we continued to build our managed unit base by **focusing on securing management contracts for properties outside the Group**, even under these challenging conditions.

Progress on the Mid-Term Business Plan for the Property Management Segment

Due to external factors in the real estate industry—such as rising costs and development delays caused by tight construction demand—progress fell short of the initial plan.

Key Initiatives	Specific Strategies	Status	Progress
Revenue Growth	**Target: 1,000 Buildings / 40,000 Units by March 2027**	△	Due to weaker-than-expected new condominium sales under our real estate plan and an industry-wide decline in sales caused by construction delays, the accumulation of managed units fell short of initial plan
	Stable Supply of External OEM Condominium Projects	△	Each building is valued at ¥1.12 billion. One project was deferred to the next fiscal year due to construction delays
	Expansion of In-House Investment Apartment Development	△	Seven buildings totaling ¥1.2 billion. Amid rising construction costs driven by tight demand, we carefully evaluated contractors to ensure both profitability and quality, resulting in slower development progress than initially planned

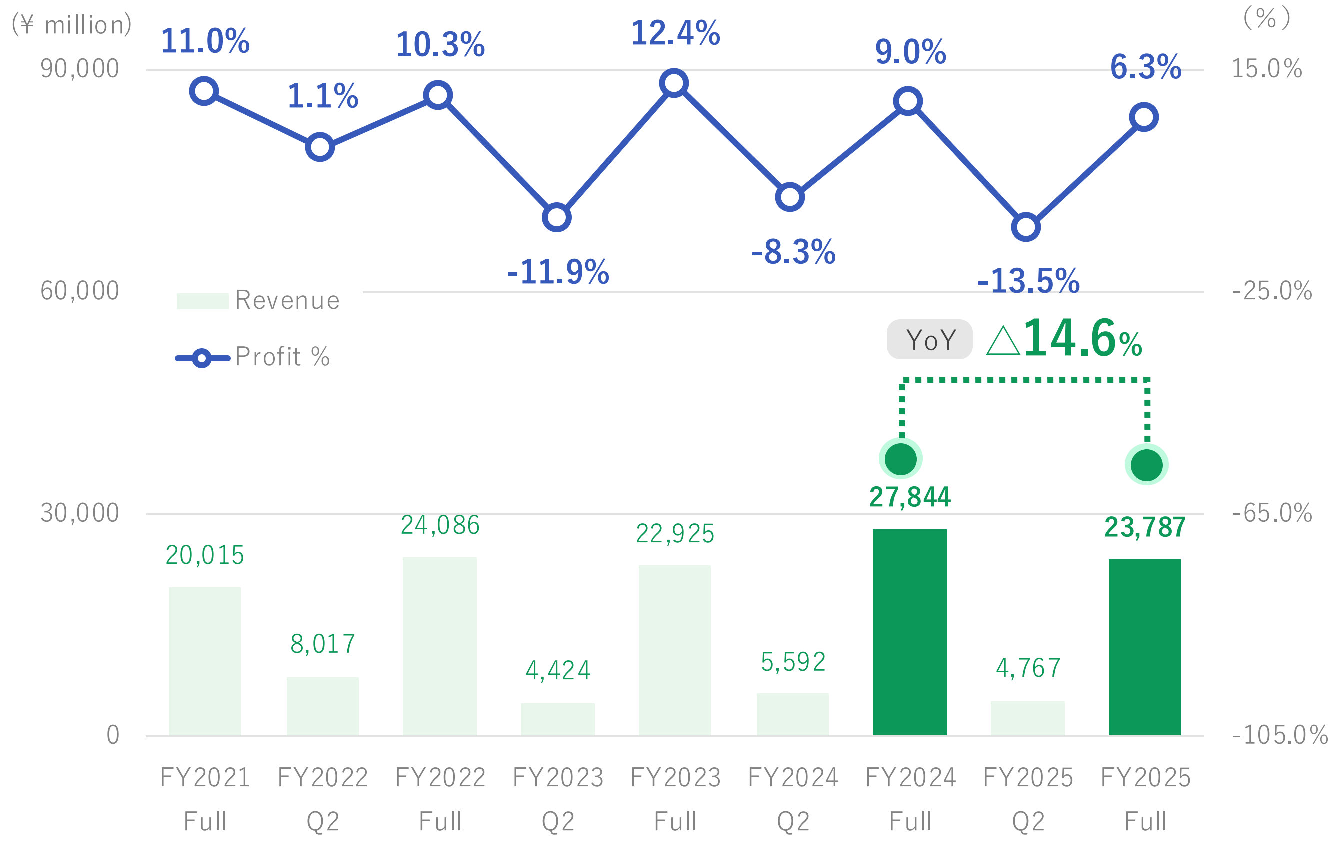
05

Real Estate Business

Performance of the Real Estate Segment

With a real estate supply shortage, we anticipated a tough environment from the start of the fiscal year. While **sales were steady**, rising costs and slower construction led to **delayed handovers** and reduced revenue and profit.

Real Estate Revenue and Profit Margin Trends



FY2025 Summary

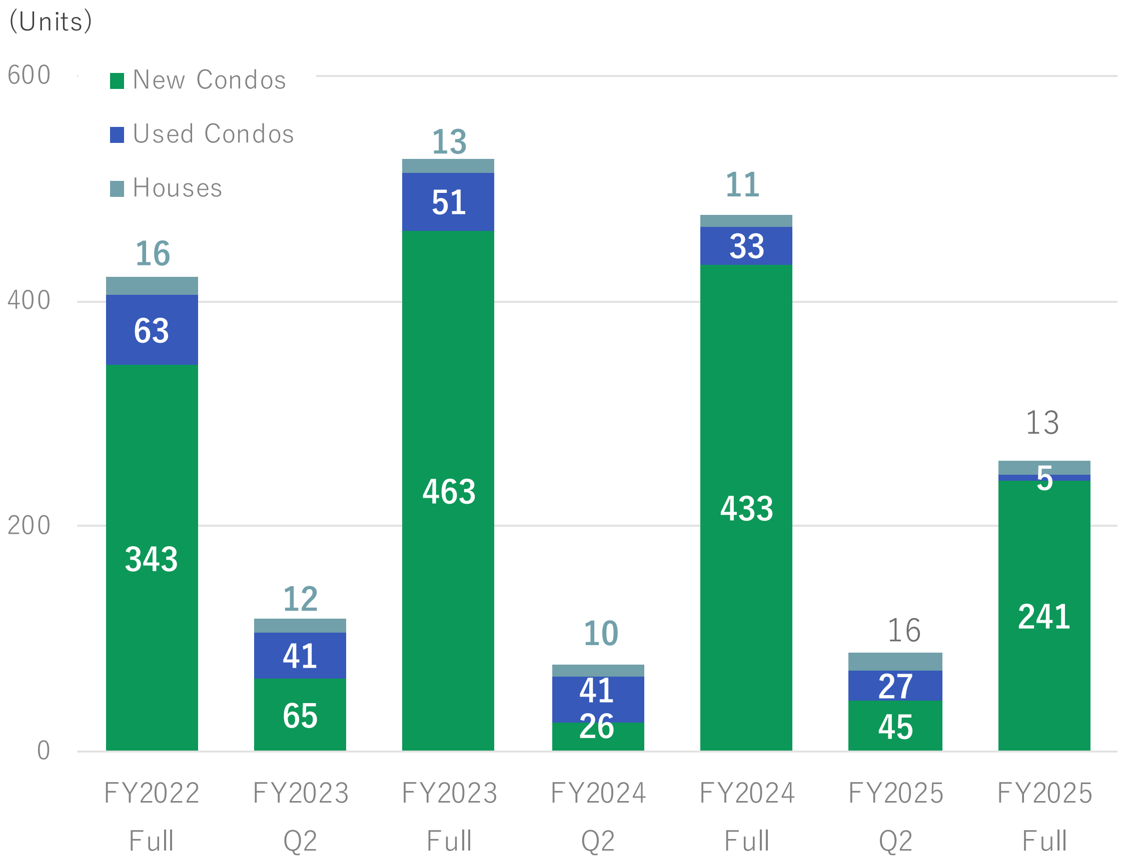
Completion Delays Resulted in Plan Shortfall

(Unit: ¥ million)	FY2024 Results	FY2025 Results	YoY (%)
Revenue	33,436	**28,554**	**△14.6%**
Gross Profit	6,405	**4,813**	**△24.9%**
Gross Profit Margin	19.2%	**16.9%**	**△2.3pt**
Segment Profit	2,042	**860**	**△57.9%**
Segment Profit Margin	6.1%	**3.0%**	**△3.1%**

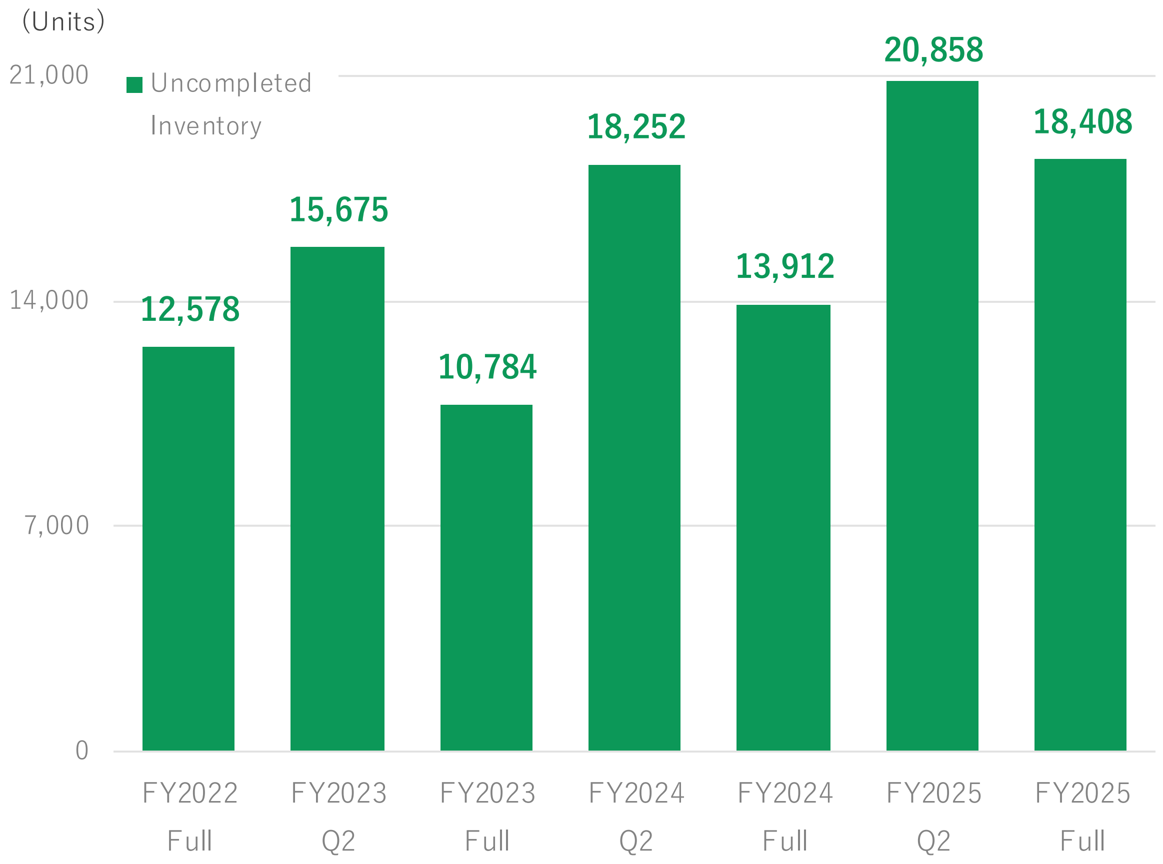
Key KPI Trends: Units Sold and Units in Uncompleted Inventory

Slower construction progress led to a year-on-year decline in units sold and an increase in uncompleted inventory.

Trend in Units Sold



Trend in Uncompleted Inventory



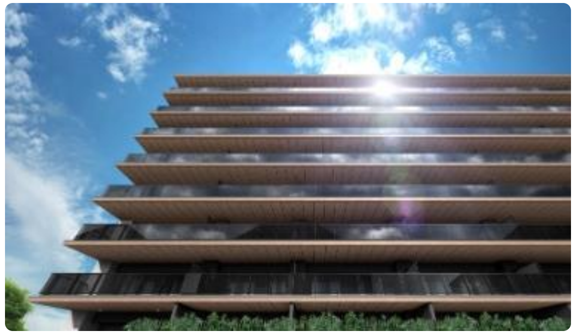
Progress on the Mid-Term Business Plan for the Real Estate Segment

Although the launch of the new brand and SG&A cost reduction initiatives are time-intensive projects and have not yet been achieved, they are steadily progressing toward the plan targets.

Key Initiatives	Specific Strategies	Status	Progress
Revenue Growth	Development of Condominiums for Asset Management	△	Land acquired for the new brand “SOLA STAGE,” with investment-type sales projects expected to account for around 20%
	Property Development for Securitization Business, Targeting Annual Scale of ¥15 Billion	○	Acquisition of land for rental condominiums via SPCs (Special Purpose Companies) and other structures
Profitability Improvement	SG&A Optimization Aligned with Asset Management–Focused Development	△	To reduce model room setup costs, permanent model rooms are scheduled to be installed at the head office building (January 2026) and the Yokohama branch building (July 2025)
	Strengthening Nisshin Real Estate’s Warehousing Function for the Securitization Development Business	○	Renovation proposals and construction work were carried out by Nisshin Kanzai within the Group
Human Capital Investment	Training and Development for New Graduate Employees	○	The joint training program for new employees was enhanced to include additional modules such as business etiquette, telephone communication, and email correspondence
	Enhanced Allowances for License and Certification Acquisition	○	As part of our certification support efforts, external instructors were invited to conduct training sessions, and qualification allowances were increased to enhance employees' knowledge and certification levels
New Brand Launch	Launch of a New Brand for Investment Studio Apartments	△	Sales of “SOLA STAGE,” a new condominium brand targeting a new customer segment, are scheduled for the first half of FY2026

Real Estate Segment Topics

Examples of completed condominiums and those that have started sales but are pending handover.



Name	Palstage Rokucho V
Location	2-22-10 Kahei, Adachi-ku, Tokyo
Completed	July 24, 2025
Total Units	102

Name	DS Kitasenju III
Location	12-14 Senju-Tatsutacho, Adachi-ku, Tokyo
Completed	September 30, 2025
Total Units	39

Name	DS Urawa Kishimachi
Location	4-10-6 Kishimachi, Urawa-ku, Saitama-shi, Saitama
Completed	March 26, 2026
Total Units	36

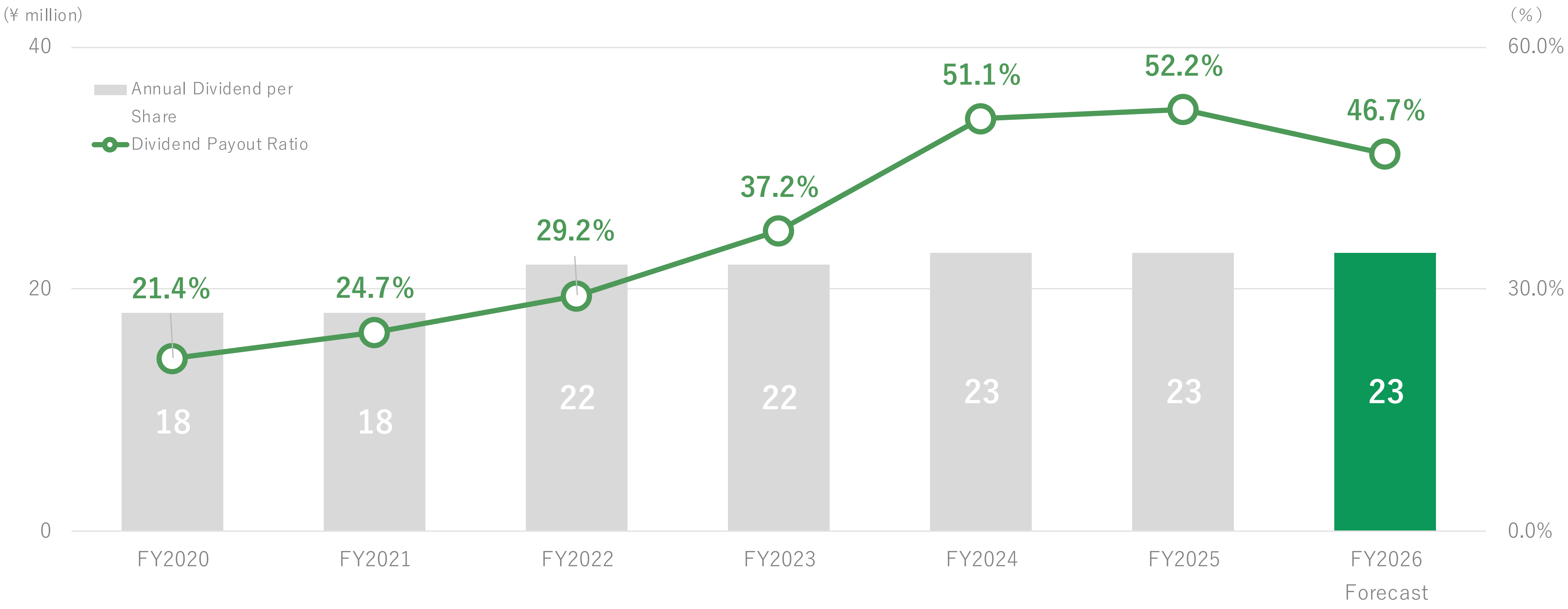
Name	DS Fujisawa
Location	1036-1 Fujisawa, Fujisawa-shi, Kanagawa
Completed	November 20, 2025
Total Units	36

06

Shareholder Returns

Enhancing Shareholder Returns with a 50% Payout Ratio Target

Planned dividend conservatively set at ¥23 to avoid a reduction from the forecasted amount. Final decision to be made with a 50% payout ratio as a guideline.



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FY2026 Earnings Forecast

Plan Summary

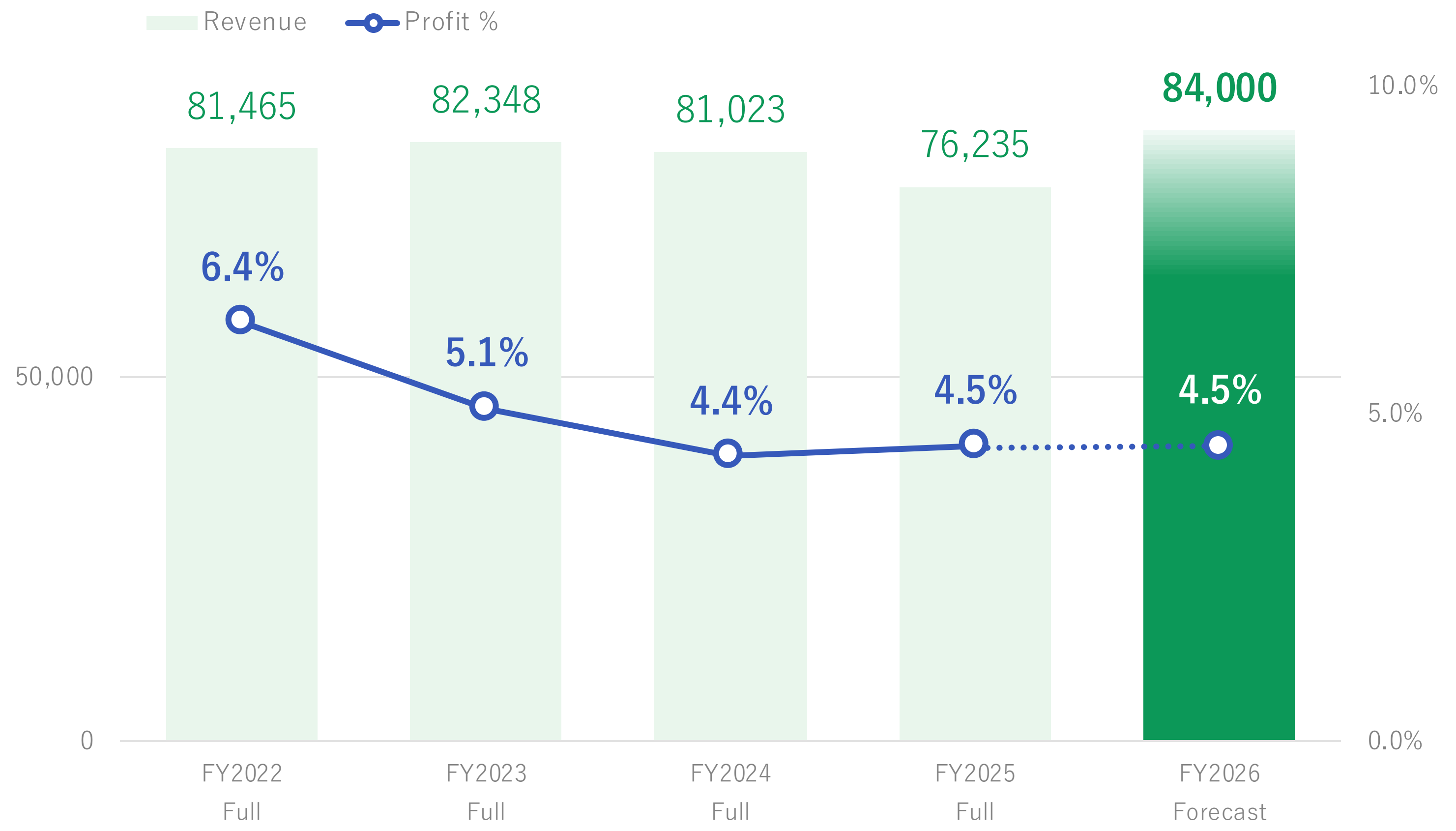
For FY2026, we plan to achieve revenue of ¥84.0 billion (+10.2% YoY) and operating profit of ¥3.8 billion (+10.2% YoY).

(Unit: ¥ million)	FY2025 Full-Year Results			FY2026 Full-Year Plan		
	Results	Revenue Ratio	YoY (%)	Forecast	Revenue Ratio	YoY (%)
Revenue	76,235	100%	△5.9%	84,000	100%	+10.2%
Operating Profit	3,447	4.5%	△2.3%	3,800	4.5%	+10.2%
Ordinary Profit	3,069	4.0%	△4.8%	3,400	4.0%	+10.8%
Profit Attributable to Owners of Parent	2,057	2.7%	△2.3%	2,300	2.7%	+11.8%
Earnings per Share (EPS)	44.02	—	-	49.21	—	-

Revenue and Operating Profit Trends

With **an increase in property sales** expected to be recorded this fiscal year due to deferred sales from FY2025, both revenue and operating profit are projected to **grow by over 10%**.

Revenue and Profit Margin Trends



Revenue

84,000 百万円

YoY (%) +10.2%

Operating Profit

3,800 百万円

YoY (%) +10.2%

Operating Margin

4.5 %

Key Initiatives to Achieve FY Targets

Reflecting on the lessons from FY2025, we will thoroughly address segment-specific challenges and aim to achieve the Group's overall performance targets.

Project Selection and Streamlining of Process Management

As in FY2025, we will continue to **strategically select projects** with manageable risks and **high margins**.

Amid longer average construction periods due to workstyle reforms, we aim to control construction output through **streamlined process management**.

In addition, by rigorously managing costs to **secure construction profit margins** and delivering two large in-house projects developed over several years, we aim to achieve our revenue and profit targets.

Revenue and Profit Growth from Increased Sale Properties

In FY2025, delays in condominium construction led to slower-than-expected growth in the number of managed units.

In FY2026, we aim to achieve our revenue and profit targets by increasing **real estate sales of in-house properties**.

With **a clear outlook on the completion of properties for sale**, we expect to **generate revenue and profit** not only from the accumulation of managed units but also from **property sales**.

Mitigating Deferral Risk by Staggering Completion Timelines

In FY2025, many property deliveries were concentrated in March, making them vulnerable to delays from extended construction timelines. As a result, some sales were deferred to FY2026.

In FY2026, we aim to **absorb these deferred sales** while **staggering completions** to ease March congestion—improving flexibility, reducing deferral risk, and supporting target achievement.