



Integrated Report

2026

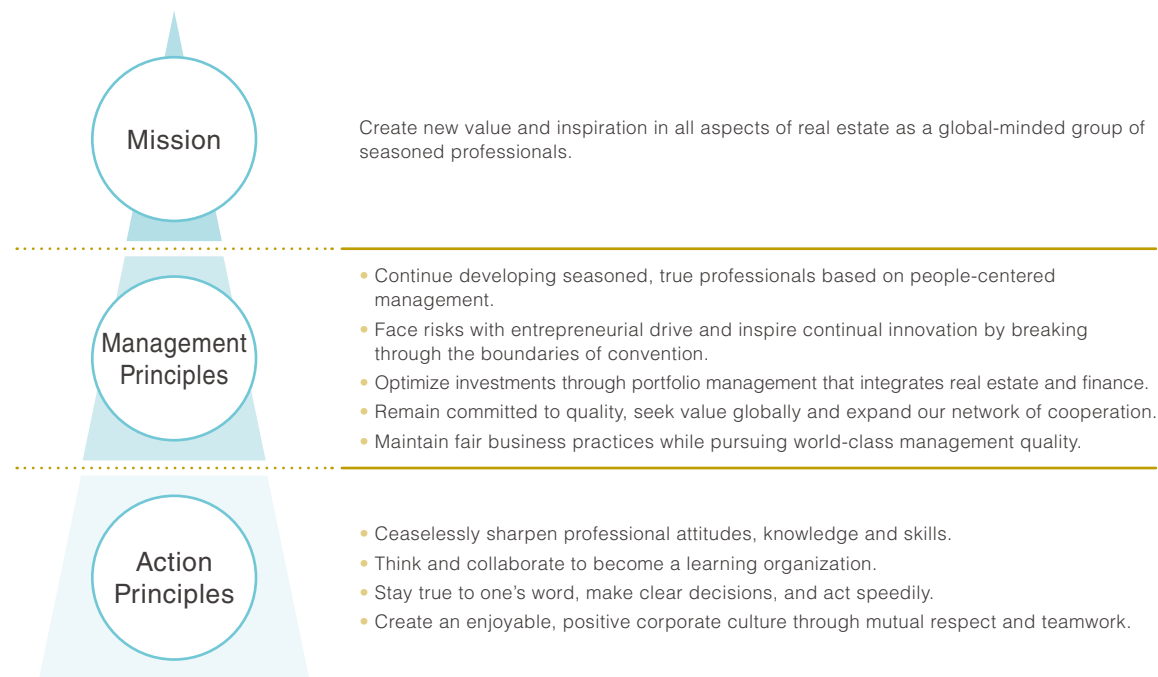
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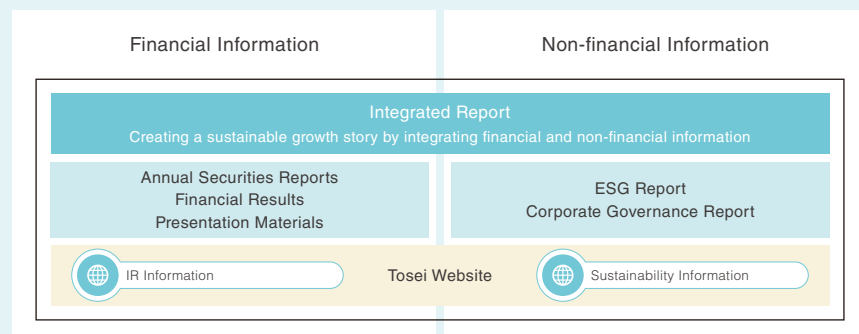
Corporate Philosophy

The Tosei Group is committed to realizing its corporate philosophy: "Create new value and inspiration in all aspects of real estate" through the provision of comprehensive real estate-related services, including revitalization.

The Tosei Group's Corporate Philosophy



Information Disclosure System



Editorial Policy

We publish our integrated report to enhance the understanding of all our stakeholders, including shareholders and investors, of the Group's efforts to create sustainable value. In this report, we have summarized the business models and strategies of each business to deliver our story of sustainable value creation through the realization of our mission, values and long-term vision by combining financial and non-financial information.

In this report, key information has been selected and presented to provide a better understanding of the Group. For more detailed information, please refer to the disclosure tools on the left.

Reporting Scope Tosei Corporation and its Group companies

Reporting Period December 1, 2024 to November 30, 2025

Note: We have included information from periods outside this period where appropriate, such as past history, data, or recent cases.

Referenced Guidelines The IFRS Foundation: *The Integrated Reporting Framework*
Ministry of Economy, Trade and Industry: *The Guidance for Collaborative Value Creation 2.0*

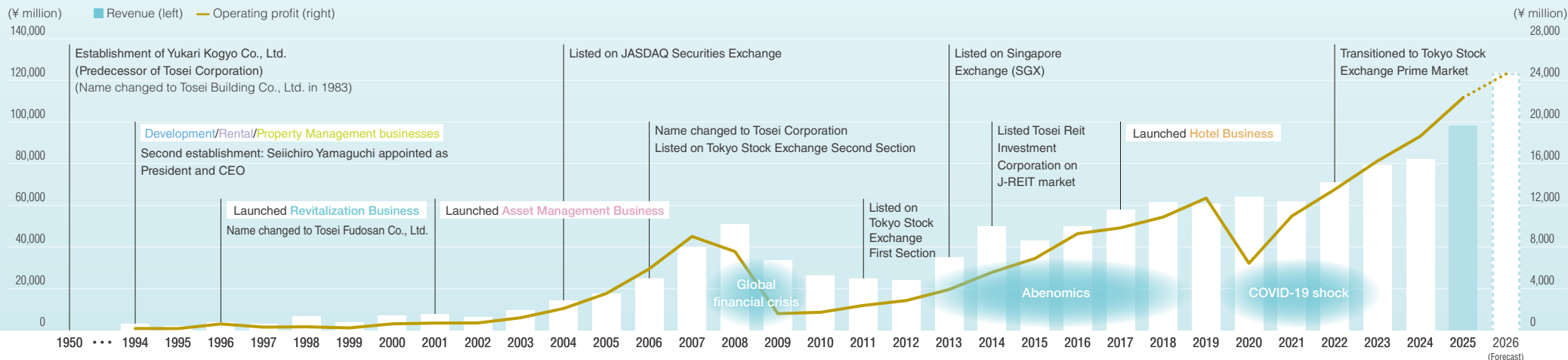
Financial Standards The Group has adopted International Financial Reporting Standards (IFRS) from FY2013. Also, the years shown in the graphs in this report generally refer to our fiscal year (Dec. to Nov. of the following year).

Forward-Looking Statements

The information contained in this report includes forward-looking statements. These statements are based on our judgment at the time of preparation of this report and involve risks and uncertainties. Please be aware that various factors may cause actual results to differ from those described in the forward-looking statements.

Tosei's History

We have continued to develop and expand our business to meet the changing needs of society. Building on the strengths and core competencies we have cultivated throughout this journey, we will continue to transform and integrate our six real estate-related businesses with different characteristics while aiming to realize further business growth and contribute to a sustainable society.



1994-

Start of Tosei and creation of new value

The Company's second establishment was initiated in 1994 by Seiichiro Yamaguchi through a management buyout of building management company, Tosei Building Co., Ltd. Started condominium business utilizing his own experience. In 1996, to pursue new value, the Company started its current core business, the Revitalization Business, which acquires and renovates existing real estate and re-sells it.



Our first revitalization project in Shirokanedai, Minato-ku.

2001-

Launched Asset Management Business, capturing the opportunity created through the inflow of foreign capital

In 2001, the Company started providing asset management services for real estate private funds (current Fund and Consulting Business) targeting foreign investors as the globalization of the financial market and the environment for financialization of real estate progressed, including the amendment of the Act on the Securitization of Assets.

Expanded the Revitalization Business by accelerating acquisitions and was listed on JASDAQ Securities Exchange in 2004 for further growth.

T O S E I

New start as Tosei Corporation

2008-

Capabilities to respond to change and portfolio management to survive recession

As the real estate investment market shrank due to the global financial crisis, the Company focused on the sales of condominiums and detached houses for end users, for which there was firm demand.

The Company maintained operating profit even during the financial crisis due to management support from the Rental Business and Property Management Business. The Company took a step forward in its portfolio management, staying conscious of financial soundness.



THE PALMS COURT Tsunashima (detached house series)

2013-

New challenges for growth: Becoming real estate professionals in Tokyo

Amid a significant increase in real estate investment capital driven by monetary easing, the Company achieved a secondary listing on the Singapore Exchange (SGX) in 2013 as a gateway to global markets, aiming to communicate the appeal of Tokyo and attract investment to the city. The Company entered new business areas, including through the launch of the Hotel Business in 2017 and the start of logistics facility development in 2018. Furthermore, in response to growing interest in sustainability, the Company established the Tosei Group ESG Policy in 2019.



Listed on SGX

2020-

Aiming for business growth and contribution to a sustainable society

Entered an era where change became the norm, including change in real estate demand due to COVID-19 and emerging trends for DX and sustainability. In 2020, the Company formulated Japan's first real estate crowdfunding scheme using SPCs under the Act on Specified Joint Real Estate Ventures, and in 2021 was the first Japanese company to list a security token on ADDX.*

In 2024, the Company formulated Long-Term Vision 2032 with a view to long-term growth.

* ADDX is a digital securities platform regulated by the Monetary Authority of Singapore.



TREC FUNDING



Property for the first fund

Core Competencies Cultivated Over Our History (Tosei's Strengths)

Real Estate Solution Capabilities

The ability to unlock the potential value and enhance the market value of all asset types



Portfolio Management Capabilities

Portfolio management of our six businesses that realizes both growth and stability and leverages synergies across businesses



Global Reach Capabilities

Quality of services and corporate management that continues to earn the confidence of domestic and overseas investors

At a Glance

Note: Results for the fiscal year ended November 2025

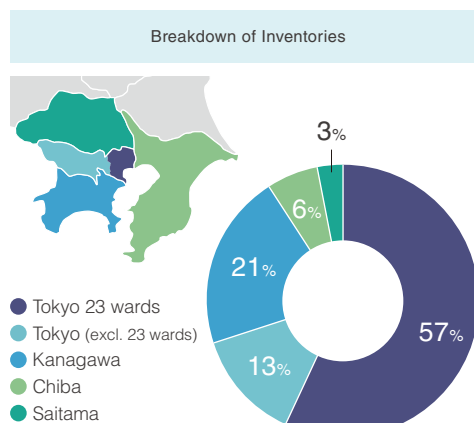


Key Characteristics of Tosei

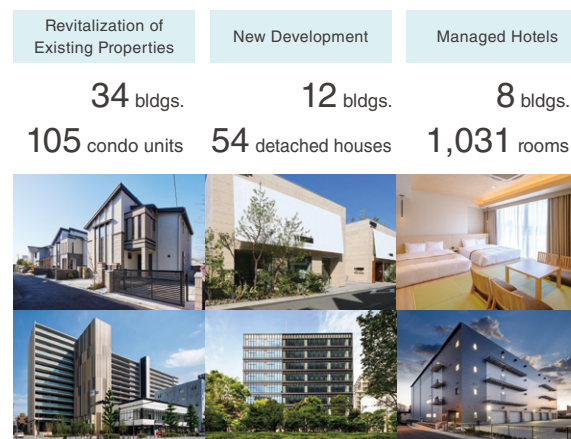
Portfolio Management Comprising Trading and Stable Businesses



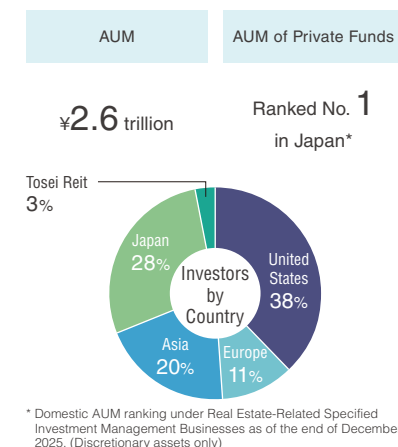
Business Area Focused on Tokyo and Its Three Neighboring Prefectures



Diverse Product Lineup Covering a Wide Range of Asset Types and Scale



Trusted by Global Investors

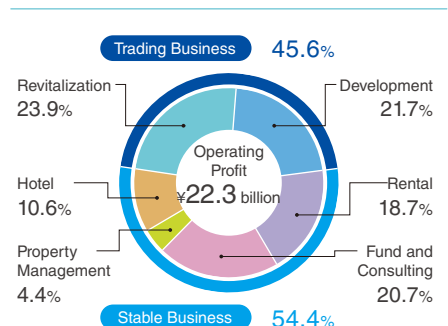


Financial Indicators

Revenue and Operating Profit

Revenue	Operating profit	Profit before tax
¥94.6 billion	¥22.3 billion	¥20.6 billion
ROE	Equity ratio	Dividend payout ratio
15.3%	33.4%	32.9%

Operating Profit Composition Ratio

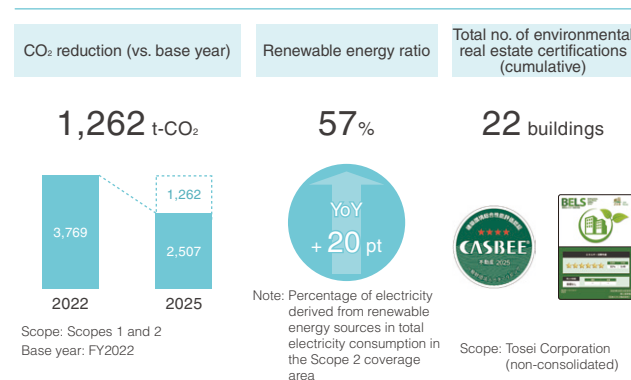


Target: Stable Business ratio of 45% or more (on an operating profit basis)



Sustainability

Environment



Social

No. of employees (consolidated)
875
Of which, passed real estate transaction agents exam: 474
Percentage of employees taking childcare leave
Female: 100% Male: 100%

Scope: Tosei Corporation (non-consolidated)

Message from the CEO



Change Is the Norm. Unlock Invisible Doors.

Leveraging our unparalleled portfolio management to create new value in all aspects of real estate.

President and CEO

Seiichiro Yamaguchi

Sharpening Our Ability to Embrace and Respond to Change

There are three messages I regularly share with our employees. The first is that “change is the norm.” The global economy, geopolitics, interest rates and technology—the environment surrounding us is constantly changing. Rather than standing still in the face of change, we must develop the ability to respond to it. I believe this is the very driving force that enables a company to continue growing.

The second is a phrase that is particularly important to me: “Unlock Invisible Doors.” Regardless of age, experience or position, each individual should boldly take on challenges and open new doors. That is also the path I myself have followed since launching Tosei at the age of 33.

The final message is: “Be an intrapreneur.” Until now, I have led the business as an entrepreneur. I firmly believe that Tosei has become what it is today because, at all times, I have held fast to the conviction that there is real opportunity for value creation in areas no one has dared to enter, and have continued to take on bold challenges rather than remaining satisfied with the status quo. Just as I have forged a path as an entrepreneur, I strongly hope that the employees who will lead Tosei in the years ahead will become intrapreneurs who demonstrate an entrepreneurial spirit from within the Company. The venture mindset and ability to respond to change required to do so are both the foundation of the Company and the source of its future competitiveness.

I now also regard it as my mission to develop people who will carry forward this venture mindset and have the ability to respond to change. We must build an organization in which every employee embraces change, unlocks invisible doors through their own initiative and drives the next stage of growth as an intrapreneur. This will form the foundation for the Company’s sustainable growth and provide the momentum that carries us into the future.

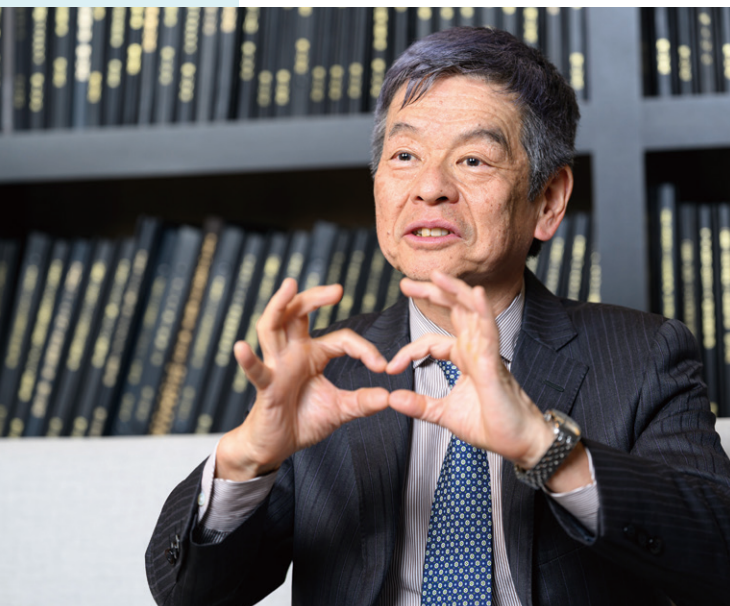
In the following pages, I will discuss the past year, during which we acted on these convictions, and the next steps we are taking toward Long-Term Vision 2032.

■ Message from the CEO

Tosei's Portfolio Management Born from "Fusion"

Tosei's corporate logo, the infinity symbol "∞," represents unlimited growth and opportunity, flexibility, and the "fusion" of real estate with other fields. Beginning with the fusion of real estate and design in the Company's early years, we have constantly pursued new forms of fusion, including the fund business combining real estate and finance; security tokens (STs) and real estate crowdfunding combining real estate with IT and digital transformation (DX); and, more recently, real estate-related M&A.

The accumulation of these initiatives has given rise to Tosei's distinctive portfolio management, comprising six businesses: Revitalization, Development, Rental, Fund and Consulting, Property Management, and Hotel. This is more than simply a means of diversifying risk. It is a collection of businesses that we have launched and developed with an entrepreneurial spirit in each field.



Identifying the Next Opportunity Amid Change

Looking back on the fiscal year ended November 30, 2025, the environment surrounding the real estate industry became increasingly complex, amid rising interest rates, geopolitical risks, constraints on the supply of materials and equipment, and persistently high construction costs. At the same time, rent increases during this period of inflation have absorbed the impact of rising interest rates to a certain extent, and we believe that the market has remained generally stable.

What is important in this environment is to identify the risks while capturing the opportunities that arise from them. The restructuring of the Tokyo Stock Exchange and the rise of engagement funds have prompted companies to make use of idle assets and review their business portfolios, and real estate is involved in a great many of the resulting opportunities. For the Company, this trend also presents an opportunity to provide new solutions originating from real estate.

Our sourcing teams are actively approaching such opportunities and working to generate the next pipeline of projects, while also considering collaboration with private equity funds. I believe that it is precisely at times of significant change that Tosei's portfolio management, which enables us to handle all types of real estate assets, demonstrates its strength.

In this environment, the Revitalization Business is displaying a clear competitive advantage. With construction costs remaining high, our ability to identify the value of existing properties and return them to the market after changing their uses and functions is becoming increasingly important, and we are also receiving renewed recognition of this capability from the market.

Examples of revitalization plans characteristic of Tosei that have taken shape include the revitalization of a former training facility in Mizonokuchi, Kanagawa Prefecture, which obtained CASBEE* for Buildings (Existing Buildings) certification, and Tosei Hotel COCONE Kamata, created by converting an office building in Kamata, Tokyo, into a hotel. In each case, we identified the distinctive qualities of an existing property and refined it for a use suited to the needs of the times.

The revitalization market remains large, and there is still ample room for us to expand our market share. In addition, we expect the Fund and Consulting Business and the Hotel Business to serve as growth drivers over the next three years, which will constitute Phase 2 of our Long-Term Vision.

* CASBEE: Comprehensive Assessment System for Built Environment Efficiency



Achieving the Targets of the Current Medium-Term Management Plan Ahead of Schedule and Moving into Phase 2 of the Long-Term Vision

Under Long-Term Vision 2032, the Company aims to contribute to the realization of a sustainable society as a unique real estate portfolio manager with diverse solution capabilities. In the fiscal year ended November 30, 2025, the second year of Further Evolution 2026, which represents Phase 1 of the vision, we achieved our original target for profit before tax one year ahead of schedule and delivered increases in both revenue and profit for the fourth consecutive fiscal year. One factor behind this performance was our decision, in anticipation of rising construction costs, to curb new reinforced-concrete development and redirect resources toward the T's Cuore series of wood-frame rental apartments and the revitalization of existing properties. I believe this was a year in which the agility of our portfolio management was clearly reflected in our financial performance.

In the next medium-term management plan, which will constitute Phase 2, we will work during the current fiscal year to formulate a plan that further enhances the presence of each business and translates the corporate profile we aspire to achieve by 2032 into more concrete growth.

■ Message from the CEO

For the Company, which already handles a wide range of asset types, the next stage of growth is not simply a matter of identifying new types of assets to take on. Rather, the key to Phase 2 will lie in how we assess the properties we already handle, what new uses we can find for them, and what value we can add to them.

For example, we are considering forms of added value characteristic of Tosei, including high-performance, premium detached houses capable of withstanding natural disasters, as well as services, facilities and specifications tailored to the needs of small and medium-sized office buildings. We have also begun developing an investment decision-making model that combines our proprietary database with AI. With the aim of reaching a level where we can speak of “Yamaguchi’s judgment versus AI,” we are simultaneously pursuing greater operational efficiency and more sophisticated decision-making.

Developing Talent to Bring Out the Potential of Real Estate

Developing human resources is essential to achieving sustainable growth from a medium- to long-term perspective. We expect our employees to develop three key attributes: interpersonal skills, management skills, and specialist expertise. They must enhance their personal qualities, deliver results as a team, and deepen their expertise in their respective fields. At the same time, rather than limiting themselves solely to residential properties or offices, they should develop a principal area of strength while also gaining an understanding of adjacent asset types and businesses. This will enable them to develop the ability to consider an asset from multiple perspectives—for example, whether to make use of it as residential property, revitalize it as an office, or convert it into a hotel. I believe that developing people with these capabilities will further strengthen our portfolio management.

We are also currently advancing a project to build the next-generation management team, with the participation of external experts. By identifying the competencies—the behavioral characteristics and patterns of thinking—possessed by our current directors and executive officers and discussing them from a cross-organizational perspective, we aim to clarify the criteria required of executives and use these findings to formulate development plans for the people who will lead the next generation of management.

Communicating Our Growth Potential and Stability More Effectively

At present, the Company’s shares are trading at a price-to-earnings ratio (PER) in the low teens. Given our growth potential and the stability of our earnings, I believe there remains considerable scope for a higher market valuation. Our return on equity (ROE) has remained in the 14–15% range, and another distinguishing feature of the Company, compared with developers that rely solely on turnover-based businesses, is that our stable businesses—including the Fund and Consulting, Rental, and Hotel businesses—provide a consistent contribution to earnings.

Our aim is to achieve portfolio management that combines growth with stability. However, I do not believe that the capital markets yet fully recognize the value of this approach. We will therefore continue our overseas investor relations activities and our dialogue with institutional investors, communicating more clearly the structure of our business, the quality of our earnings, and our future growth potential.

Management that is conscious of the cost of capital is already deeply embedded in our decision-making process. We carefully assess the risks and returns of each project and allocate recovered capital appropriately among growth investments, the maintenance of financial discipline, and shareholder returns. By maintaining this disciplined approach to capital allocation, we will continue to enhance corporate value over the long term.

Unlocking Invisible Doors Together with Our Employees and Continuing to Grow

Global investment capital is now increasingly turning its attention to Japan, particularly through funds focused on the Asia-Pacific (APAC) region. As the Chinese market slows, interest in Japan’s real estate revitalization and asset management markets continues to grow. Centered on Tokyo, we believe the Company still has significant room to expand its market share.

Guided by our conviction of “change is the norm,” we will continue creating value through the power of fusion embodied in our portfolio management. By combining creativity in property development, environmental contributions through revitalization, and investment



opportunities created through the fusion of real estate and finance, we will continue creating new value and inspiration in all aspects of real estate.

For our customers, we will provide a diverse range of solutions that maximize the value of their real estate assets. For our shareholders and investors, we will pursue sustainable growth in corporate value over the medium to long term, underpinned by both stability and growth potential. For our employees, we will provide a stage on which they can challenge themselves and continue to realize their full potential. For local communities, we will help create vibrant communities and lively neighborhoods through real estate. By ensuring that every employee continues to unlock invisible doors as an intrapreneur, we will uncover genuine opportunities for value creation in fields where no one has ventured before.

We invite you to follow the Tosei Group as we continue taking on new challenges across every facet of the real estate market.

Long-Term Vision 2032

In order to enhance corporate value over the long term, we have clarified our aspirations from a long-term perspective, based on our mission and core competencies as the foundation for value creation. While further strengthening and developing our core competencies, we will create sustainable value through business growth and contributions to a sustainable society.

Tosei Group's Mission

Create new value and inspiration in all aspects of real estate
as a global-minded group of seasoned professionals.

Tosei Group Long-Term Vision 2032

We will contribute to the realization of a sustainable society
as a unique real estate portfolio manager with diverse solution capabilities.

Core Competencies

Real Estate Solution
Capabilities



Portfolio Management Capabilities



Global Reach
Capabilities

Materiality

Coexistence with
the Environment



Action to Address
Social Issues



Solid Corporate Governance

Roadmap

Phase
1

FY2024

FY2025

FY2026

Medium-Term Management Plan FY2024-2026

"Further Evolution 2026"

Aim for further evolution as a unique comprehensive real estate company capable of contributing to the realization of a sustainable society

Phase
2

FY2027

FY2028

FY2029

Medium-Term Management Plan FY2027-2029

Expand new products/asset types/services and become a company with strong presence in each real estate business field

Phase
3

FY2030

FY2031

FY2032

Medium-Term Management Plan FY2030-2032

Become an edgy one-of-a-kind company by integrating and leveraging real estate and finance, DX, ESG, M&A, etc.



P. 11 >> Progress of Medium-Term Management Plan "Further Evolution 2026"

Anticipated Society in 2032



Concentration of population
in the Greater Tokyo area



Diversification of lifestyles/
workstyles



Acceleration toward
decarbonization and a circular
economy, and the tightening of
environmental regulations



Expansion of real estate
demand as an alternative
investment target

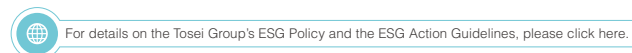


Technology innovation
such as AI and real
estate DX

Materiality

To contribute to the realization of a sustainable society through its corporate activities, the Tosei Group is committed to implementing sustainability management. Recognizing environment, social and governance (ESG) issues as key management priorities, we promote ESG-conscious initiatives centered on the Sustainability Committee in accordance with the Tosei Group ESG Policy and the ESG Action Guidelines.

Furthermore, in order to enhance the corporate value of the Group and contribute to the development of a sustainable society, we have identified key themes that should be prioritized as material issues (materiality), and will further accelerate our efforts to address these issues.



For details on the Tosei Group's ESG Policy and the ESG Action Guidelines, please click here.



Process for Identifying Materiality

- STEP 1** **Broad assessment of social issues and their impact on the Group**
- Identify 64 domestic and international social issues based on ESG guidelines and the SDGs, and analyze their relevance and mutual impact on our business operations.
- STEP 2** **Identification of specific social issues and conduct an internal survey**
- Plot these issues along two axes—impact on the Company and internal challenges—and select 15 key items following an internal survey.
- STEP 3** **Dialogue with internal and external stakeholders**
- Discuss the issues in the Sustainability Committee and conduct hearings with external experts, then incorporate their feedback to formulate a draft proposal.
- STEP 4** **Identification of material issues**
- Review the proposal at the Board of Directors and Management Committee meetings and determine themes to address as the Tosei Group.
- STEP 5** **Review of materiality as appropriate**
- Review and update issues as appropriate in response to changes in social trends, the business environment, and management strategies.

Materiality

Theme	Materiality	Opportunities	Risks	KPIs/Targets	Status of Achievement (FY2025)
Coexistence with the Environment 	Action on climate change and promotion of a circular economy	- Improvement of product and service quality (Decarbonization, energy conservation, resource conservation, disaster prevention, etc.) - Promotion of existing stock utilization, reduction of waste - Visualization of performance through environmental certification, etc.	- Further progression of climate change, increase in natural disasters - Cost increase due to GHG emissions, disasters, and material shortages	GHG emissions reduction¹ Long-term target: Net-zero by FY2050 Medium-term target: 50% reduction from base year (FY2022) by FY2030 Energy use reduction² Reduce energy use intensity by 1% from the previous fiscal year Water use reduction² Reduce water use intensity from the previous fiscal year Waste discharge reduction³ Long-term target: Reduce waste discharge intensity from base year (FY2022) by 15% by FY2050 Medium-term target: Reduce waste discharge intensity from base year (FY2022) by 5% by FY2030	GHG emissions reduction: -33.5% Energy use reduction: +6% (YoY) Water use reduction: +5% (YoY) Waste discharge reduction: -27% (FY2022)
	Environmentally friendly manufacturing and service provision		- Decline in relative product value - Increasing possibility of losing market recognition		
Actions to Address Social Issues 	Healthy work environment that embraces diversity and individuality	- Development and provision of new products and services through the promotion of diverse values and talented human resources - Corporate growth through improved employee productivity and retention	- Occurrence of discrimination, harassment, etc. - Loss of new business opportunities, talent drain	Percentage of female managers: 10% or more ⁴ Percentage of male employees taking childcare leave: 90% or more ⁴ Wage differentials between male and female employees: 70% or more ^{4,5} Average monthly overtime hours: 30 hours or less ⁴	Percentage of female managers: 4.9% Percentage of male employees taking childcare leave: 100% Wage differentials between male and female employees: 72.0% Average monthly overtime hours: 23.4 hours
	High-quality products and services that provide safety and reassurance	- Improvement of product and service quality - Establishment of good relationships with customers and suppliers	- Occurrence of accidents, health hazards, etc. - Occurrence of occupational accidents, etc., in the supply chain	Percentage of employees taking paid leave: 65% or more ⁴ Percentage of employees retiring for personal reasons: Less than 10% ⁴ Stress check inspection rate: 90% or more ⁴ Job satisfaction: 80% or more ^{4,6}	Percentage of employees taking paid leave: 66.7% Percentage of employees retiring for personal reasons: 11.1% Stress check inspection rate: 100% Job satisfaction: 69.0%
	Creation, rehabilitation and vitalization of local communities	Vitalization of local communities through business activities and owned real estate	Deterioration of public safety and the local economy in the business area		
Solid Corporate Governance 	Governance that promotes healthy corporate growth	- Improvement in management quality and promotion of sustainable corporate management - Enhancement of social credibility and realization a company with value to all stakeholders	- Loss of corporate value, social credibility, etc. - Customer churn and recruitment difficulties, etc.	—	—

1. Scope 1 and 2 emissions (based on GHG Protocol) of the Tosei Group

2. Real estate portfolio of fixed assets over which Tosei Corporation has substantial energy management authority

3. Tosei head office building

4. Tosei Corporation (non-consolidated)

5. Ratio of the average wage of female employees to that of male employees, with the average wage of male employees set at 100

6. The percentages of respondents who selected the top two items on the "job satisfaction" rating scale (5 levels), in the employee satisfaction survey conducted regularly.



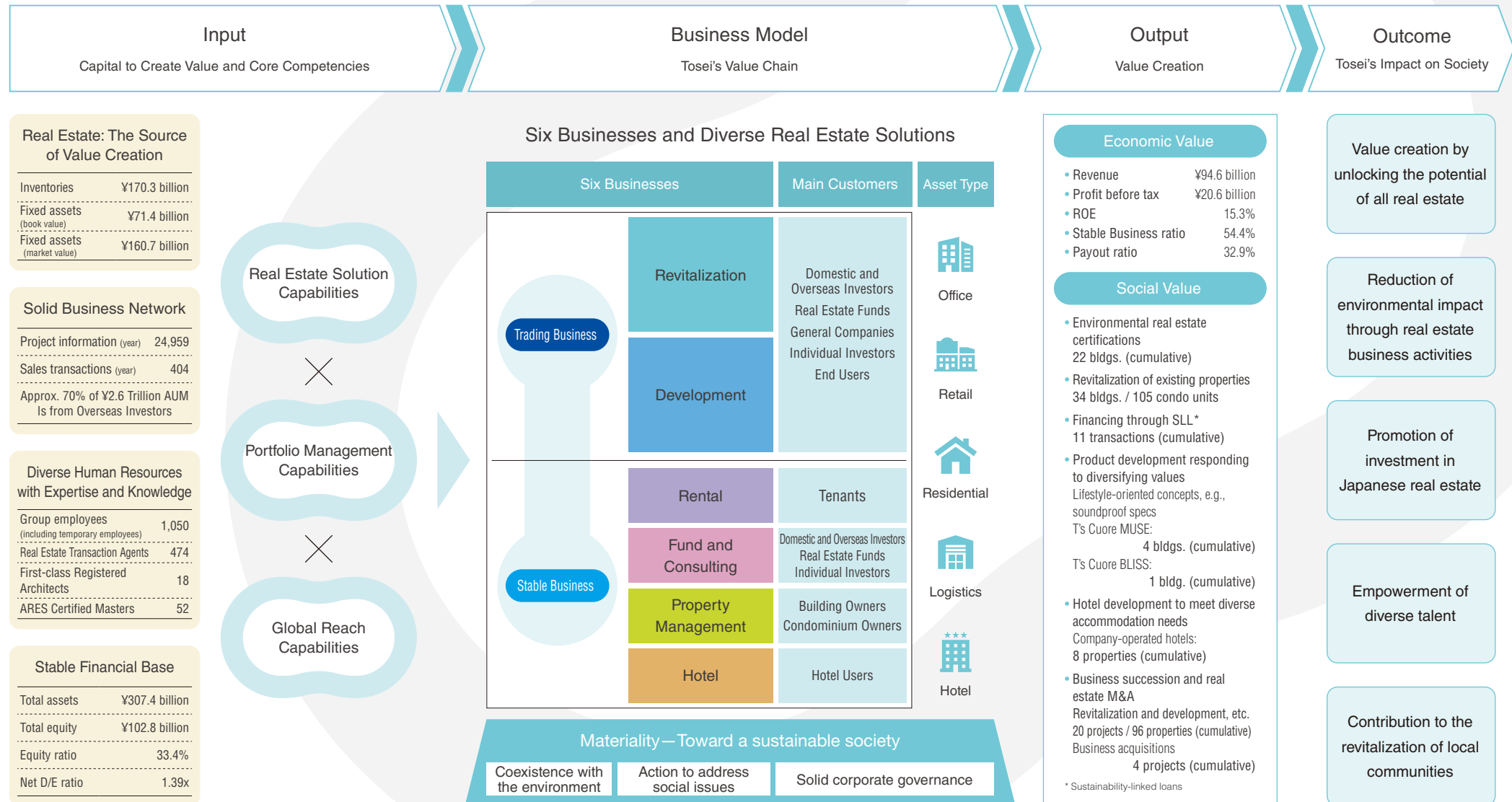
P.26 >> For results against KPIs and targets, please refer to the "Non-financial Data" section.

Value Creation Process

Note: Results for the fiscal year
ended November 2025

Mission of Tosei Long-Term Vision

We will contribute to the realization of a sustainable society as a unique real estate portfolio manager with diverse solution capabilities.



Value Creation Case: A Project Story

Large-scale
Revitalization Project:

Mizonokuchi Tosei Building II

Acquisition and Large-Scale Renovation of a Former Training Facility That Had Been Vacant for Many Years To Be Reborn in the Summer of 2026 as a New Landmark Where Students Gather

Real estate revitalization, the Tosei Group's core business, helps address today's environmental challenges as demolition and renovation generate fewer CO₂ emissions than new construction. In addition, the Greater Tokyo area is home to many small- and medium-sized buildings that are more than 30 years old. Revitalizing and utilizing underused properties, such as aging buildings with declining market value and buildings that have been long vacant, also contributes to society by enhancing public safety and revitalizing local communities.

Leveraging our proprietary investment criteria and expertise in identifying property value, we acquire and revitalize a wide range of underutilized properties, including office, retail, and residential properties. In addition to tangible improvements to facilities and design, we also enhance operational value—e.g., by increasing occupancy rates through stronger leasing activities for residential properties—thereby improving the overall value of each property. The revitalized properties are then returned to the market as new products, providing solutions that connect them with their next owners and users.

Mizonokuchi Tosei Building II was originally built by a major manufacturer as a training facility (equipped with conference rooms of various sizes, an auditorium, and a cafeteria), but had remained vacant for approximately 10 years. After acquiring the property, we revitalized it by making the most of its existing facilities and functions while transforming it to also be used as an office. The property was subsequently marketed as a large-scale building suitable for both office and training facility use, and in February 2026 it was sold to the Japan campus of a U.S. university. In the summer of 2026, it is scheduled to be reborn as a new place of learning where students gather.

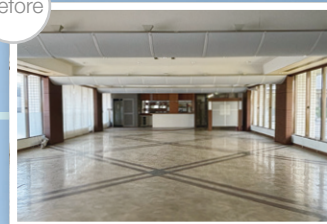


Exterior of the building

Value-add Case

Revitalized a former
cafeteria into a highly-
designed breakout space

Before



After



Lounge



Auditorium



Courtyard

Point

Core Competencies

Portfolio Management Capabilities
Real Estate Solution Capabilities

Materiality

Environmentally friendly manufacturing and
service provision
Creation, rehabilitation, and vitalization
of local communities

Creating new value and inspiration through comprehensive teamwork across the Group



Aya Konno

Team Leader, Section 2 of
Asset Solution Department 4

Mizonokuchi Tosei Building II had remained unused for approximately 10 years, making extensive renovation necessary. I was fortunate enough to be involved in every stage of the project—from acquisition and revitalization to sale—and gained valuable experience working on a large-scale value enhancement project, including the renovation of the lounge, cafeteria, and entrance areas, opportunities that are rarely available in the revitalization of small- and medium-sized buildings. During the planning stage, our team exchanged ideas and carefully refined the design and specifications to create a stylish space suited to today's needs. We also carried out extensive work with our Group companies, including upgrading air-conditioning and lighting systems, implementing corrective work, and conducting operational inspections to restore the building's comfort and safety. Seeing the once dark building transformed into a bright property was particularly rewarding. Although the sales process was not without challenges, the property was ultimately acquired by the Japan campus of a U.S. university. As a result, the surrounding area is now becoming a lively community filled with students from diverse international backgrounds, contributing to local revitalization. I believe this is a prime example of the unique value that large-scale real estate revitalization can create.

Progress of Medium-Term Management Plan “Further Evolution 2026”

Backcasting from our goal to realize Long-Term Vision 2032, we have formulated intermediate goals for each of our medium-term management plans. Medium-Term Management Plan “Further Evolution 2026,” which is positioned as Phase 1, sets out basic policies under five themes and aims for further evolution as a unique comprehensive real estate company capable of contributing to the realization of a sustainable society.

“Further Evolution 2026” Main Policy

Aim for further evolution as a unique comprehensive real estate company capable of contributing to the realization of a sustainable society



Sustainability



Business



Human resources /
Organization



DX



Financial strategy /
Capital policy

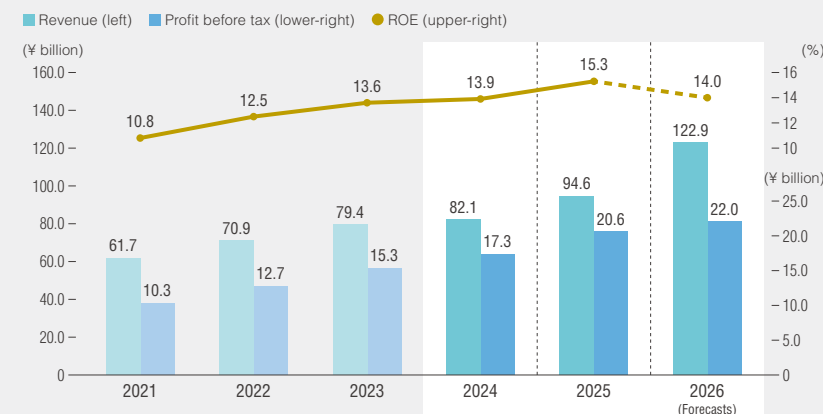
Basic Policies and Major Achievements

Basic Policies	Major Achievements
Promote sustainability management - Expand the provision of solutions to environmental/social issues and promote sustainability management - Expand investment for our future growth measures - Establish and promote the Tosei brand through non-financial information disclosure	- Implemented measures to achieve KPIs for materiality - Promoted capital and business alliance with Nagoya Railroad Co., Ltd. and initiatives to create synergies - Issued integrated reports - Newly selected as a constituent of JPX-Nikkei Index 400
Strengthen each business for sustainable growth - Evolve and grow the business portfolio in response to the changing environment - Strengthen real estate solution capabilities by pursuing synergy among the six businesses	- Strengthened the development of wood-frame rental apartments and detached houses in development business in light of soaring construction costs - Expanded AUM - Strengthened acquisition strategies by diversifying acquisition methods, such as through business succession support - Developed a wide range of accommodation programs to provide and enhance memorable experiences at each hotel
Create a healthy work environment that embraces diversity and develop human resources - Maintain a work environment where diverse employees can utilize their individuality and demonstrate their capabilities - Develop human resources with rich experience, knowledge, leadership and a deep understanding of the corporate philosophy	- Created an environment that enables flexible working styles (Maintained Certification as a 2026 Outstanding Organization of KENKO Investment for Health) - Promoted the revision of compensation and personnel development measures to enable young and mid-career employees to thrive
Promote DX - Expand existing DX businesses and promote differentiation of products and services through digital utilization - Improve operational efficiency across the Group through the use of IT	- Launched trading on Osaka Digital Exchange (ODX) to expand the issuance and domestic distribution of real estate security tokens - Promoted digitalization within the Company - Implemented AI measures
Drive financial strategy and cost of capital-conscious management - Strengthen funding capabilities for sustainable growth - Maintain return on capital that exceeds cost of capital and continue balance sheet management	- Created positive relationships with many financial institutions - Maintained financial discipline and raised ROE targets - Obtained preferential interest rates through sustainability-linked loans (SLLs)

Performance Indicators

- Property sales at higher profit margins than initially planned resulted in upward revisions to profit before tax forecasts each fiscal year
- For FY2026, the final year of Medium-Term Management Plan “Further Evolution 2026,” profit before tax is expected to reach ¥22.0 billion, exceeding the initial target by ¥3.0 billion, with ROE expected to reach 14.0%. We will continue to pursue further growth.

	Initial Metrics (Announced on January 12, 2024)			Updated Metrics (Announced on January 14, 2026)		
	FY2024	FY2025	FY2026	FY2024 (Results)	FY2025 (Results)	FY2026 (Forecasts)
Revenue	¥92.1 billion	¥117.8 billion	¥123.2 billion	¥82.1 billion	¥94.6 billion	¥122.9 billion
Profit before tax	¥16.5 billion	¥17.7 billion	¥19.0 billion	¥17.3 billion	¥20.6 billion	¥22.0 billion
ROE	13.0%	12.7%	12.5%	13.9%	15.3%	14.0%
Stable Business ratio	45% or more			50.5%	54.4%	45% or more
Equity ratio	Approx. 35%			32.7%	33.4%	Approx. 35%
Net D/E ratio	Approx. 1.4x			1.45x	1.39x	Approx. 1.4x
Payout ratio	31.5%	33.0%	35.0%	31.9%	32.9%	35.0%



Initiatives in the Medium-Term Management Plan

Capital and Business Alliance with Nagoya Railroad Co., Ltd.



With the aim of further growing the Group and realizing Long-Term Vision 2032, we entered into a capital and business alliance agreement with Nagoya Railroad Co., Ltd. in May 2024.

We strive to further expand our presence in the business areas of both groups and maximize corporate value.



Condo in Asakusa, Taito-ku
(Joint investment)



Real estate crowdfunding
(Joint Investment)

Promoting joint projects in the real estate business and strengthening real estate investment and fund businesses in the Greater Tokyo and Nagoya areas

We will accelerate growth toward the realization of the **Tosei Group's Long-Term Vision 2032** by leveraging synergies from the capital and business alliance.

Synergies and joint projects we expect

Initiatives for large-scale properties

Real estate investment in the Nagoya area

Real estate private fund business

Real estate tech business

Creating Acquisition Opportunities through M&A



In addition to conventional property acquisitions, we are expanding acquisition opportunities through real estate M&A and business succession support.

In FY2025, we acquired a total of eight properties, including rental apartments and retail facilities, through three business succession support M&A transactions involving real estate holding companies located in Yokohama-shi, Shibuya-ku, and Nakano-ku.



Retail facility in Fuchu-shi

FY2025 Results

3 projects / 8 properties

8 properties, including rental apartments and retail facilities
Expected disposition value: ¥8.3 billion

Cumulative Results

20 projects / 96 properties

Expanding AUM from Domestic and Overseas Investors

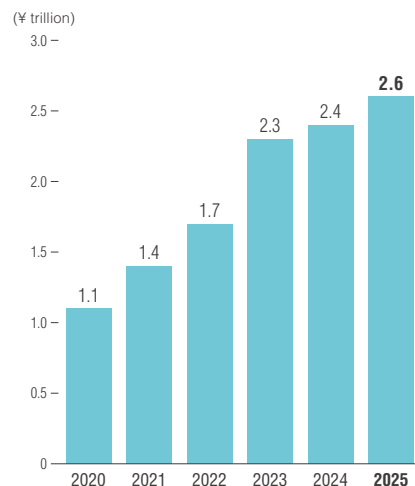


In the Fund and Consulting Business, the Group's AUM increased to ¥2.6 trillion as of the end of November 2025.

From FY2024 to FY2025, the Group secured a significant number of new mandates from both domestic and overseas investors, including Warburg Pincus.

Building on strong investment demand from European and U.S. investors and targeting available dry powder, we will continue to expand our AUM.

Assets under Management (AUM)



Newly Selected as a Constituent of JPX-Nikkei Index 400



In August 2025, we were selected for the first time as a constituent of the JPX-Nikkei Index 400. The index comprises companies that are considered highly attractive to investors based on factors such as efficient use of capital and management with a strong awareness of investor expectations. In addition, we have been included in the JPX-Nikkei Mid and Small Cap Index continuously since 2018.

We will continue to strive to enhance our corporate value on a sustainable basis in order to meet the expectations of our shareholders.

JPX-NIKKEI 400

JPX-NIKKEI Mid Small

Interest Rate Incentives through Sustainability-Linked Loans (SLL)



In December 2024, we established a SLL framework and obtained a second-party opinion from R&I. Under the framework, the SPTs* include a target of reducing Scope 1 and Scope 2 GHG emissions by 50% by FY2030 from the FY2022 baseline. If the annual targets are achieved, we are eligible for a reduction in the applicable interest rate.

We will continue to collaborate with financial institutions through SLL financing and contribute to the realization of a sustainable society by achieving these SPTs.

FY2025 Result

Financed
¥15.6 billion through
11 transactions

* SPTs: Sustainability performance targets—Targets related to sustainability initiatives aimed at addressing environmental and social issues

Human Resources Strategy in the Medium-Term Management Plan



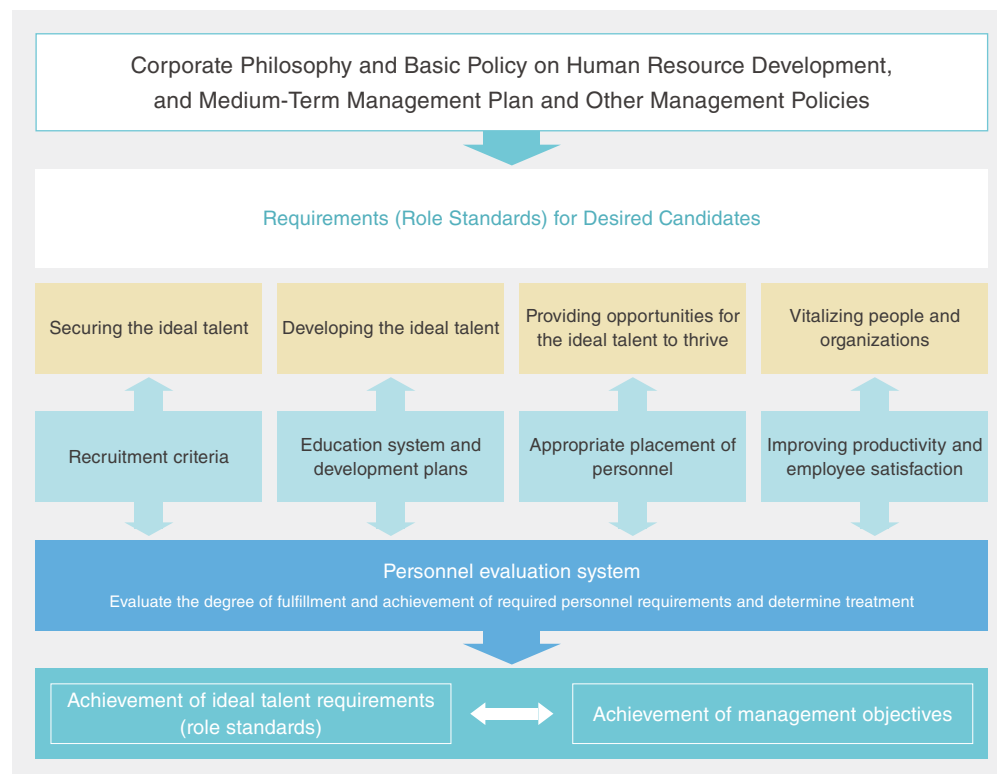
Our Approach to Human Resources

One of the Tosei Group's management principles is to "Continue developing seasoned, true professionals based on people-centered management." Based on this principle, we aim to create an organization where each employee continuously enhances their awareness, knowledge, and skills, and can maximize their motivation and abilities.

Organizational Chart of Human Resource Measures

We position human resource development as a comprehensive system that includes promotion, transfer, and evaluation in addition to the creation of training opportunities for employees. Furthermore, based on our corporate philosophy, medium-term management plan, and other management policies, we specifically consider and implement various human resource measures.

Management Policy and Human Resource Measures



See here for details on our approach to human resources

See here for data on human resource management

Basic Policy in the Medium-Term Management Plan

- Creating an environment where diverse employees can utilize their individual strengths and abilities
- Developing human resources with extensive experience, knowledge, strong leadership, and a deep understanding of the corporate philosophy

Training the Ideal Talent

Systematization of Young Talent Development Programs

As a basic strategy for human resources development under the Medium-Term Management Plan, we have established a policy of "Developing professional human resources through work experiences, evaluations, and training" and are promoting multi-layered initiatives, particularly to strengthen the development of young talent.



- **Skill management**
Break down foundational business skills and confirm progress through feedback
- **Diverse programs**
Offer a variety of programs for young employees up to five years of professional experience, including group-based, overnight, and application-based programs designed to develop foundational business skills, enhance business understanding, and foster leadership capabilities
- **External training**
Provide external training to enhance thinking skills beyond those gained through practical experience, such as logical thinking, and acquire marketing skills

Human Capital Investment (Tosei Corporation (non-consolidated))

Annual Training Expenses
for the Company

FY2024: ¥8.84 million

FY2025: ¥11.78 million

Enhancing Employee and Organizational Engagement

Developing Workplace Environments and Systems That Enable Diverse Employees to Maximize Their Potential

- **Diverse work styles**
Promote diverse work styles through initiatives such as introducing remote work, flextime systems, and hourly paid leave programs
- **Health management**
Implement regular health checkups, stress check (achieved 100% participation for three consecutive years), health seminars, and an in-house massage room
- **Awards**
Implement the Tosei Spirit Award to recognize employees who have achieved results that contribute to the realization of the Company's philosophy

Employee Engagement (Tosei Corporation (non-consolidated))

Tosei Spirit Award Results

FY2024: 8 awards / 12 recipients

FY2025: 12 awards / 22 recipients

Job Satisfaction Rate*

FY2024: 64.0%

FY2025: 69.0%

* The percentages of respondents who selected the top two items on the "job satisfaction" rating scale (5 levels), in the employee satisfaction survey conducted regularly.

Financial Strategy and Capital Policy in the Medium-Term Management Plan

We will strive to strengthen our financing capabilities to respond to business expansion and optimize the capital allocation between reinvestment and shareholder returns, in order to enable sustainable growth.

Financial strategy /
Capital policy

Noboru Hirano
Director and Senior Executive Officer



Capital Allocation (FY2024-2026)

Free Cash Flow for the Three-Year Period¹

Based on the cash generated by our six business segments, we will strengthen both growth investments and shareholder returns.

Cash in	Cash out
Cash generated from business	Growth investments
¥243.4 billion	¥231.6 billion
Cash flow from operating activities: ¥46.7 billion	Acquisition of prime assets Inventories: ¥218.9 billion (Revitalization: ¥166.0 billion) (Development: ¥52.9 billion)
Sales of properties: ¥151.8 billion	Fixed assets: ¥12.7 billion
Financing: ¥44.9 billion	Shareholder returns ²
	¥11.8 billion

Balance Sheet Simulation

Aim to expand our balance sheet by increasing inventories (our growth driver) and fixed assets (the foundation of stable earnings).

End of FY2023	End of FY2026 (Estimated)
¥245.3 billion	¥337.7 billion
Cash and cash equivalents: ¥39.1 billion	Cash and cash equivalents: ¥48.6 billion
Inventories: ¥118.2 billion	Inventories: ¥183.0 billion
Revitalization: ¥78.7 billion	Revitalization: ¥128.0 billion
Development: ¥39.5 billion	Development: ¥55.0 billion
Interest-bearing debt: ¥146.5 billion	Interest-bearing debt: ¥201.3 billion
Other liabilities: ¥16.4 billion	Other liabilities: ¥23.3 billion
Fixed assets: ¥70.8 billion	Fixed assets: ¥80.0 billion
Other assets: ¥17.0 billion	Other assets: ¥26.1 billion
Equity: ¥82.3 billion	Equity: ¥113.1 billion
Equity ratio: 33.4%	Equity ratio: 33.5%
Net D/E ratio: 1.31x	Net D/E ratio: 1.35x

1. The three-year free cash flow is calculated internally as the sum of cash flow from borrowings and other financing, cash flow from property sales and cash flow from operating activities (excluding changes in inventories).

2. Although share buybacks will be considered flexibly, they are not included.

Optimizing Capital Allocation Between Investment and Shareholder Returns

While maintaining financial soundness and expanding the balance sheet through growth investments, we will return the profits generated by business growth to shareholders in a stable manner.

Growth Investment Approach

- We will achieve stable growth by identifying opportunities amid changes in real estate demand and the business environment and by flexibly adjusting our investment strategy.

Focused Asset Type



Office

Residential

Hotel

Focused Area

- Properties located in the central 10 wards of Tokyo and near suburban stations in the Greater Tokyo area

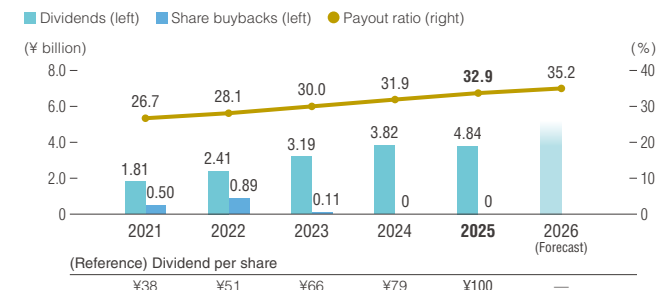
Acquisition Strategy

- Creating acquisition opportunities by leveraging real estate M&A and business succession support.
- Shifting the focus from the Development Business to the Revitalization Business in response to persistently high construction costs.
- Focusing on hotels, where construction cost pass-through is expected, and wood-frame apartment buildings, which have relatively low construction costs, within the Development Business.

Shareholder Returns Policy

- Our basic policy for dividends is to pay dividends on a continuous and stable basis, taking into consideration factors such as earnings forecasts, the business environment, and the level of internal reserves in light of future business development.
- Regarding share buybacks, we will consider purchases after comprehensively considering the business environment, stock price trends, etc.

Trends in Dividends



Enhancement of Financing Capabilities to Support Business Expansion

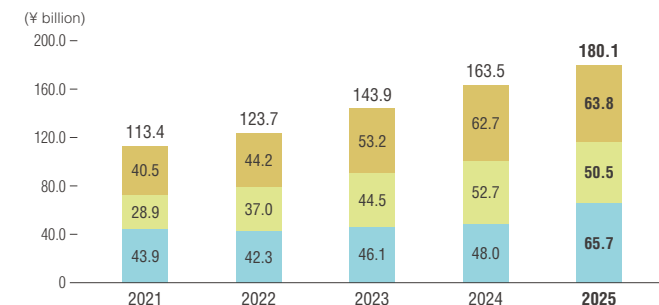
We will maintain financial soundness with a net D/E ratio of approximately 1.4 times, while strengthening our financing base by deepening relationships with existing banks and promoting various financing initiatives such as sustainability-linked loans (SLLs). In addition, we will ensure appropriate borrowing periods in line with the holding periods of acquired assets, be mindful of interest costs, and exercise control on an individual property basis.

Utilization of SLLs

Based on the sustainability-linked loan framework established in December 2024, we have entered into loan agreements with Mitsubishi UFJ Bank, Ltd., The Norinchukin Bank, etc. We will continue to utilize a variety of financing methods and contribute to the realization of a sustainable society.

Bank Formation

■ Megabanks ■ Trust banks, major banks, government-affiliated financial institutions, etc.
■ Regional banks and shinkin banks



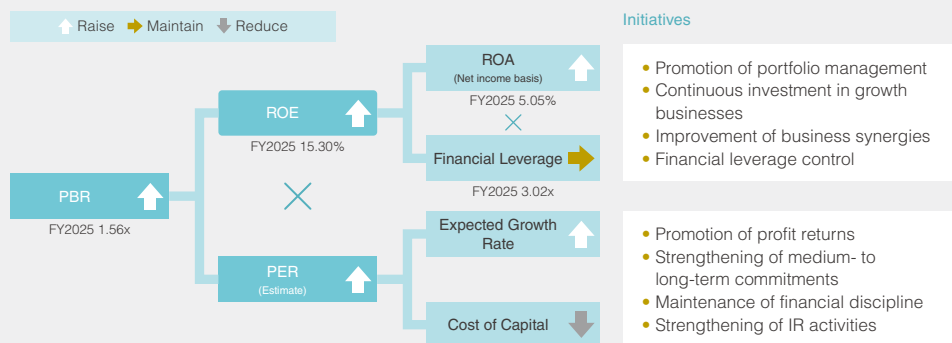
Financial Strategy and Capital Policy in the Medium-Term Management Plan

We analyze and evaluate our current cost of capital, return on capital, and market valuation with a view to achieving management that takes into account cost of capital and stock price. Based on this analysis, we formulate policies and measures aimed at enhancing sustainable corporate value and work to promote their implementation.

Utilization of a Logic Tree for Improving PBR

In order to promote management that takes into account cost of capital and stock price, we comprehensively utilize a logic tree aimed at improving PBR. We formulate strategies to improve each component, such as ROE and PER, and promote them while managing some indicators as KPIs. At the same time, we strive to clearly communicate our portfolio management and measures to shareholders and investors with the aim of reducing cost of capital.

Logic Tree for Improving PBR



Key Initiatives through the Second Year (FY2025) of the Medium-Term Management Plan

During the first two years of the Medium-Term Management Plan (FY2024 and FY2025), we accelerated growth by expanding growth investments and strengthening acquisitions, including business succession support M&A. In addition, we introduced a stock remuneration plan to further reinforce management's commitment to medium- to long-term growth and enhance value sharing with our shareholders. We also worked to reduce the cost of capital by issuing an integrated report and enhancing dialogue with domestic and overseas shareholders and investors.

- Expanding growth investments while maintaining financial discipline and strengthening acquisition
- Creating synergies between businesses (e.g., supplying our own properties to fund investors)
- Strengthening shareholder returns (increasing the dividend payout ratio)
- Strengthening commitment through the introduction of a stock remuneration plan
- Enhancing measures to improve stock price, including the issuance of an integrated report and proactive investor relations meetings

We will continue to promote management conscious of cost of capital and stock price, with the aim of achieving sustainable growth and enhancing corporate value.

Target Levels Based on Recognition of Our Cost of Capital

Maintain return on capital exceeding cost of capital

ROE: 13.0% or more

Maintain financial discipline

Equity ratio: Approx. 35%

Maintain financial discipline

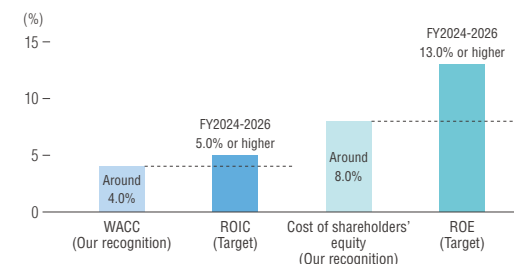
Net D/E ratio: Approx. 1.4x

Maximizing Corporate Value (PBR) = Capital Efficiency (ROE) × Growth Expectations (PER)

While maintaining financial soundness, we will strive to improve ROE (capital efficiency) and PER (growth expectations), the key components of PBR.

ROE

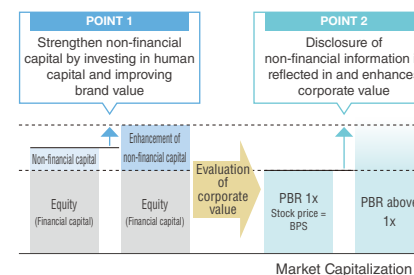
- Maintain return on capital exceeding the cost of capital, which is the market's expected return
- Aim for corporate value enhancement through a balanced portfolio of Trading and Stable businesses, while pursuing financial soundness and capital efficiency



PER

Enhancement of Non-financial Capital and Proactive Information Disclosure

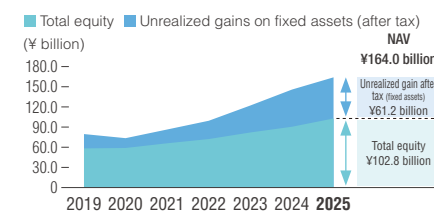
- Strengthen non-financial capital by investing in human capital and improving brand value
- Improve corporate value through proactive information disclosure



Stable Profit Growth and NAV Growth

- Accumulate capital through earnings growth driven by the Revitalization Business, which continuously realizes high profit margins, and through the enhancement of earning power in the Stable Business
- Enhance NAV* through the acquisition of high-quality fixed assets and by increasing asset values

* Net asset value (NAV) = Total equity + Unrealized gains on fixed assets (after tax)

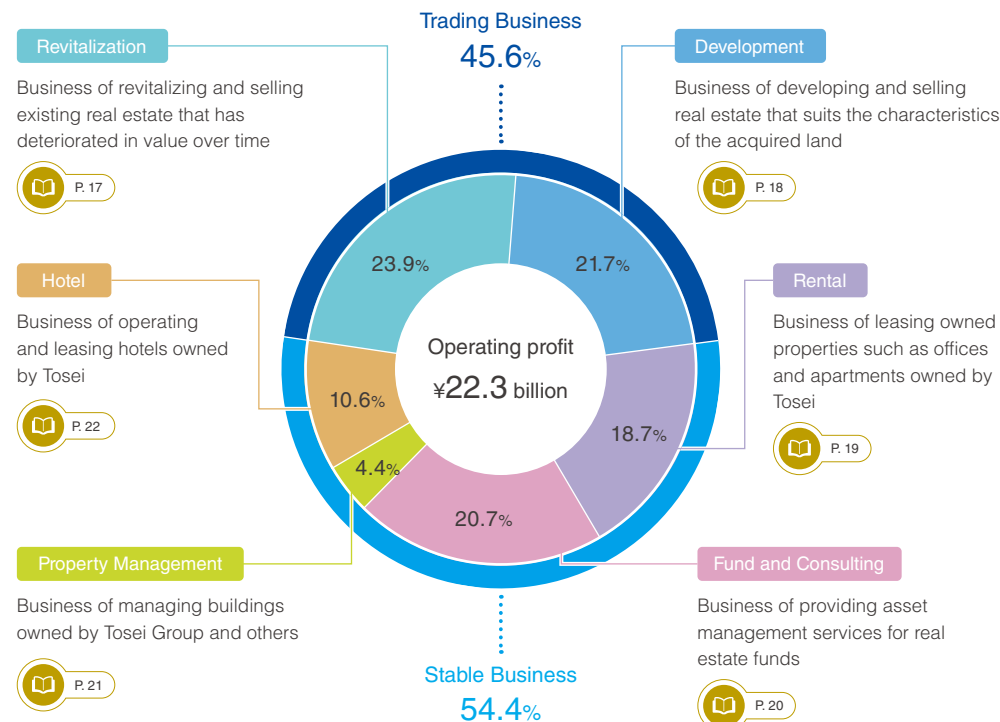


Business Portfolio Strategy

We recognize that flexible business management and risk management are essential for the continued existence of the Company. Based on this understanding, we have built a business portfolio consisting of multiple businesses with different characteristics. By expanding each business and flexibly and quickly changing our business portfolio in response to changes in the real estate market, we have achieved sustainable growth.

FY2025 Operating Profit Composition Ratio by Segment*

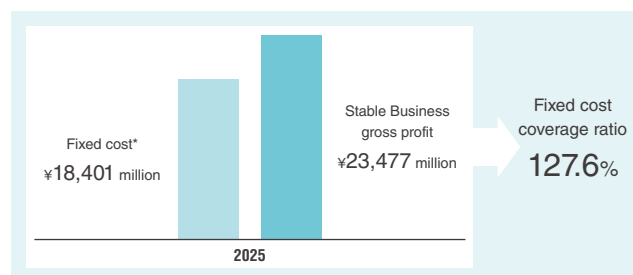
* Calculated excluding corporate expenses, etc.



Fixed Cost Coverage Ratio by Stable Business Gross Profit

Stable Business is relatively unaffected by real estate market conditions and generates stable income on a continuous basis.

In addition, we are conscious of covering fixed costs with gross profit from Stable Business, which supports our management as a stable revenue base.



* Fixed cost = SG&A excluding property selling expenses + Interest expenses

ROIC and Approach by Segment for On-Balance-Sheet Businesses

We measure ROIC, an indicator of capital efficiency for each business, and taking into account its positioning and significance, we are promoting initiatives tailored to environmental changes to drive expansion.

On-balance sheet business

Revitalization

Development

Rental

Hotel

Off-balance sheet business

Fund and Consulting

Property Management

	ROIC ¹ as Recognized by Tosei	Business Period	Business Approach																												
Trading Business	Revitalization Approx. 10%	0.5 to 2 years	• We reduce risk exposure by diversifying asset types and locations. • We maintain and improve profit margins by utilizing various acquisition methods, including M&A, and by providing real estate solutions that meet customer needs. • We sell properties in a planned manner based on market conditions and inventory levels to ensure the continuous growth of the overall Trading Business by balancing the Revitalization and Development businesses. Operating Profit Trends in the Trading Business ■ Revitalization ■ Development (¥ billion) <table><thead><tr><th>Year</th><th>Revitalization</th><th>Development</th><th>Total</th></tr></thead><tbody><tr><td>2021</td><td>8.2</td><td>0.0</td><td>8.2</td></tr><tr><td>2022</td><td>9.0</td><td>0.0</td><td>9.0</td></tr><tr><td>2023</td><td>9.9</td><td>0.0</td><td>9.9</td></tr><tr><td>2024</td><td>10.9</td><td>0.0</td><td>10.9</td></tr><tr><td>2025</td><td>12.0</td><td>0.0</td><td>12.0</td></tr><tr><td>2026 (Plan)</td><td>15.9</td><td>0.0</td><td>15.9</td></tr></tbody></table>	Year	Revitalization	Development	Total	2021	8.2	0.0	8.2	2022	9.0	0.0	9.0	2023	9.9	0.0	9.9	2024	10.9	0.0	10.9	2025	12.0	0.0	12.0	2026 (Plan)	15.9	0.0	15.9
	Year	Revitalization	Development	Total																											
2021	8.2	0.0	8.2																												
2022	9.0	0.0	9.0																												
2023	9.9	0.0	9.9																												
2024	10.9	0.0	10.9																												
2025	12.0	0.0	12.0																												
2026 (Plan)	15.9	0.0	15.9																												
Development Approx. 5%	1 to 4 years																														
Stable Business	Rental Approx. 2.5%	Long-term	• We increase the asset value and generate unrealized gains through in-house renovations and leasing despite the Rental Business (fixed assets) having a lower ROIC than the Trading Business. • We realize unrealized gains generated by strategically selling fixed assets. Changes in Book Value and Unrealized Gains on Fixed Assets ■ Book value of fixed assets ■ Unrealized gains (¥ billion) <table><thead><tr><th>Year</th><th>Book value of fixed assets</th><th>Unrealized gains</th><th>Total</th></tr></thead><tbody><tr><td>2021</td><td>92.4</td><td>0.0</td><td>92.4</td></tr><tr><td>2022</td><td>102.0</td><td>0.0</td><td>102.0</td></tr><tr><td>2023</td><td>127.9</td><td>0.0</td><td>127.9</td></tr><tr><td>2024</td><td>153.1</td><td>0.0</td><td>153.1</td></tr><tr><td>2025</td><td>160.7</td><td>0.0</td><td>160.7</td></tr></tbody></table> Fair value² ¥160.7 billion Unrealized gains ¥91.4 billion Book value ¥69.3 billion	Year	Book value of fixed assets	Unrealized gains	Total	2021	92.4	0.0	92.4	2022	102.0	0.0	102.0	2023	127.9	0.0	127.9	2024	153.1	0.0	153.1	2025	160.7	0.0	160.7				
	Year	Book value of fixed assets	Unrealized gains	Total																											
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2022	102.0	0.0	102.0																												
2023	127.9	0.0	127.9																												
2024	153.1	0.0	153.1																												
2025	160.7	0.0	160.7																												
Hotel Approx. 5%	Long-term	• In the Hotel Business, we are working to expand our business scale while maintaining capital efficiency. We are also considering off-balancing some of our hotels and taking on the management of hotels owned by others.																													

1. ROIC for the Trading Business (Revitalization and Development) is calculated including rental income during the holding period. ROIC for the Rental Business is calculated based on fixed assets only.

2. Fair value is calculated by Tosei using methods based on the Real Estate Appraisal Standard, etc.

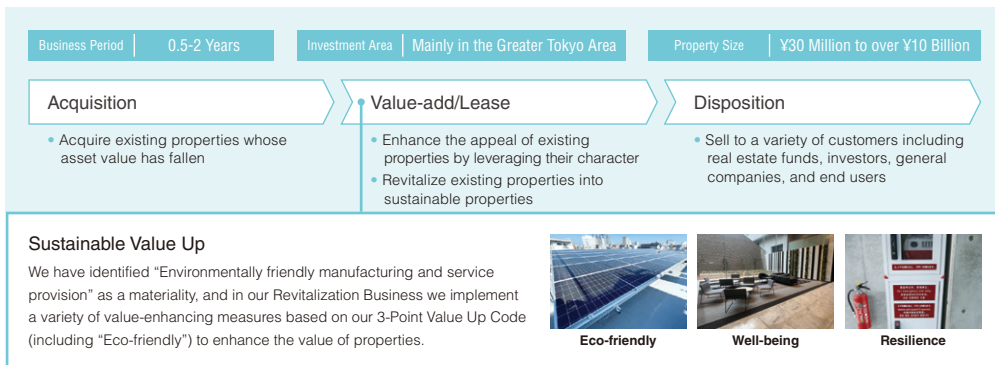
Revitalization Business

We acquire existing properties, the value of which has fallen due to age and other factors and re-sell them as “revitalized property” after adding value including improving the design, convenience, and environmental performance. This is our mainstay business.

Operating profit composition ratio

23.9%

Business Model



Opportunities and Risks in the Business Environment

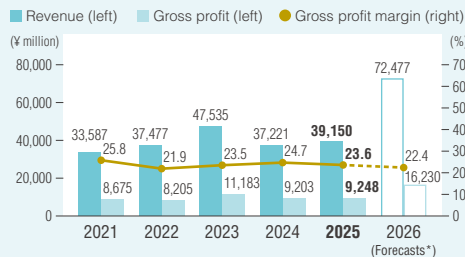
Opportunities	- Sustained robust investment demand from both domestic and overseas investors, with expectations for continued capital inflows - Review of corporate real estate strategies to improve capital efficiency - Anticipated improvements in real estate profitability driven by rising rent levels
Risks	- Impact on financing costs resulting from policy interest rate hikes and rising long-term interest rates - Impact of increasing construction costs due to persistently high material prices, supply constraints, and rising labor costs

Business Strategy in the Medium-Term Management Plan

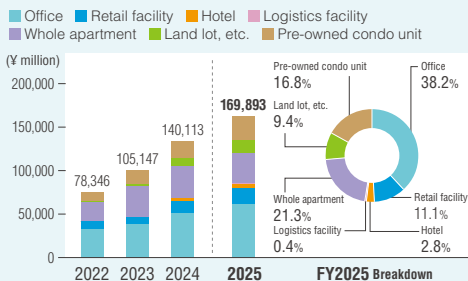
We will push forward mainly through the initiatives listed below to establish the Tosei brand in the revitalization field.

- Expand the range of properties that we can handle by improving our value-add skills
- Expand property sales to private funds (Green × Value Up Residential Fund, etc.)
- Advance approaches to the expanding private equity market
- Strengthen sales of pre-owned condo units in the central Tokyo area, targeting wealthy individuals

Revenue, Gross Profit and Gross Profit Margin



Inventory Held at Fiscal Year End (Expected Disposition Value)



Review of FY2025 and Progress of Business Strategy

For FY2025, revenue was ¥39.1 billion (up 5.2% YoY), gross profit was ¥9.2 billion (up 0.5% YoY), and operating profit was ¥6.3 billion (up 6.1% YoY). We sold 34 whole buildings and 105 condominium units, resulting in year-on-year growth in both revenue and profits in the Revitalization Business. Due to the recent rise in construction costs, demand for and interest in existing properties has been increasing. In response, we will further increase our investment focus on the Revitalization Business and place greater emphasis on large-scale projects, particularly centrally located properties in areas with high liquidity. We will also actively pursue real estate M&A opportunities.

Expansion of Scale of Acquired Properties and Diversification of Revitalization Methods

To capture robust real estate investment demand in central Tokyo for further expansion of the scale of our Revitalization Business, we are increasing property acquisitions by expanding our target range from our specialty of small- and medium-sized properties to include large-scale assets. In addition, we are enhancing property value through our unique revitalization approaches, including the revitalization of vacant buildings and former company housing, conversions involving changes in property use, and the renovations that improve environmental performance, enabling us to obtain external certifications such as green building certifications. Our strategy for maintaining and expanding high profitability is to promote a balanced mix of projects: large-scale, turnover-focused deals that aim for early exit after value-up, combined with more complex, high-difficulty projects such as small- to medium-sized properties and vacant buildings as large-scale properties in central Tokyo offer high liquidity.



Hatchobori Tosei Building III

Revitalize Real Estate Value by Leveraging Exceptional Sourcing Expertise and Create New Markets



Hitoshi Oshima

Managing Executive Officer in charge of Asset Solution Department 4 and Proptech Business Department

This year marks the 30th anniversary of our real estate revitalization business. Over this period, the market environment has undergone significant changes, and we have experienced both favorable and challenging conditions. Our Revitalization Business has continued to drive the expansion of our Trading Business by flexibly adjusting our asset types and sizes in response to changing market conditions.

The strength of Tosei's Revitalization Business lies in our exceptional sourcing capabilities and our unique ability to revitalize real estate cultivated through many years of experience. We have the expertise to collect a wide range of property information across the Greater Tokyo area and to carefully identify hidden-value opportunities from a vast pool of potential acquisitions. Utilizing our 3-Point Value Up Code, we determine the optimal revitalization approach to maximize value from environmental, social, and economic perspectives, and possess the capabilities to execute a wide range of initiatives, from renovations to conversions.

Furthermore, supported by our strong financial soundness, we acquire vacant buildings and former company housing, implement the optimal revitalization measures, and identify customer needs to deliver properties that meet market demand. These capabilities represent key solutions that underpin our competitive advantage.

Amid intensifying competition for the acquisition of existing properties, we are advancing a strategy that combines our traditional strength in medium- and small-sized revitalization projects with large-scale projects in central Tokyo, where we expect rental growth and high liquidity. By maintaining and enhancing the high profitability of our Revitalization Business and optimizing investment efficiency, we will continue to pursue further growth in this business.

Development Business

This business involves analyzing the characteristics of acquired land, developing the site—selecting from a diverse product lineup to maximize its value—and selling the resulting properties. With an in-house first-class architectural office, we promote real estate development that considers both environmental and social aspects.

Operating profit composition ratio

21.7%

Business Model



Opportunities and Risks in the Business Environment

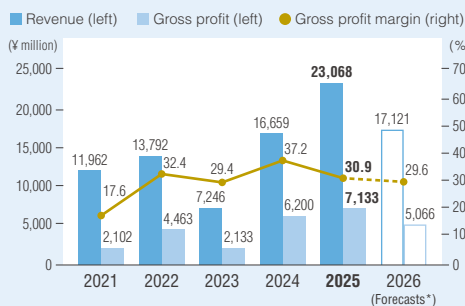
Opportunities	- Changes in real estate demand due to diversification of lifestyles/workstyles and climate change - Review of corporate real estate strategies to improve capital efficiency - Continued supportive lending stance of domestic financial institutions
Risks	- Rising construction costs (higher material and labor costs, and the need to respond to stricter GHG emissions regulations) - Fewer development opportunities due to rising land prices and lack of land - Decline in real estate demand due to rising interest rates, etc.

Business Strategy in the Medium-Term Management Plan

To strengthen our development capabilities for diverse asset types, enhance our brand recognition and expand profitability, we will promote the following initiatives.

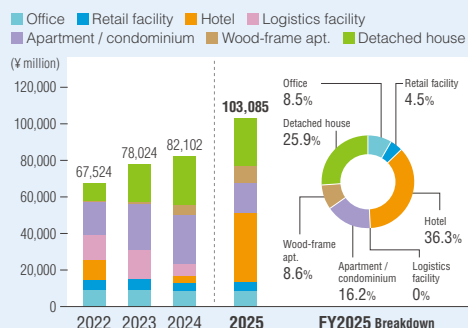
- Research/develop wood-frame properties
- Research/develop high-priced detached houses for wealthy individuals
- Develop products with appealing design and high environmental performance (e.g., development of ZEB and ZEH)
- Strengthen architectural design department and promote in-house wooden construction work

Revenue, Gross Profit and Gross Profit Margin



* Forecasts announced on January 14, 2026

Inventory Held at Fiscal Year End (Expected Disposition Value)



Review of FY2025 and Progress of Business Strategy

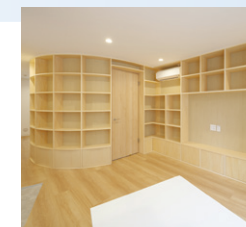
For FY2025, revenue was ¥23.0 billion (up 38.5% YoY), gross profit was ¥7.1 billion (up 14.5% YoY), and operating profit was ¥5.7 billion (up 15.5% YoY). We sold one logistics facility, one retail facility, five rental apartment buildings, five wood-frame rental apartment buildings, and 54 detached houses, among other properties. In particular, gains from the sale of the logistics facility and the rental apartment buildings made a significant contribution to our financial performance. Looking ahead, as construction costs are expected to remain elevated, we will focus on acquiring development sites only for projects that meet our profitability criteria, while placing greater emphasis on product planning that offers strong appeal to customers.

Key
Strategy

Competitive Product Planning

We are actively expanding T's Cuore, our wood-frame rental apartment series, which is less susceptible to rising construction costs than reinforced concrete buildings. Every building in the series has obtained the highest Grade 3 rating for Measures Against Deterioration under Japan's Housing Performance Labeling System.

We are also promoting highly competitive product planning by creating additional value, including the MUSE series, which features soundproof rooms for musical instrument practice, and the BLISS, where each floor is designed around a unique concept, such as floor-to-ceiling bookshelves.



T's Cuore BLISS Jiyugaoka

Pursuing Sustainable Growth through a Diverse Development Portfolio and Practical Talent Development



Fumio Ishida

Executive Officer in charge of
Asset Solution Department 3

The greatest strength of the Development Business lies in our ability to flexibly plan and develop a wide range of products across different asset types and sizes in response to changing market conditions. In addition, all asset classes are managed by a single department. While many of our peers specialize in specific asset types such as residential properties, this is a unique competitive advantage that serves as the cornerstone for pursuing optimal project profitability.

Wood-frame apartment projects, which have become one of our core products in recent years, typically have a project size of approximately ¥200-300 million per building and offer high liquidity. These projects also serve as practical training opportunities, allowing younger employees to gain hands-on experience throughout the entire business process—from land acquisition to sales. This approach accelerates their development into productive contributors while directly supporting business performance. Going forward, we will continue to leverage our ability to respond swiftly and flexibly to changing market conditions, thereby achieving sustainable growth.

Development Pipeline (As of the End of FY2025)

Completion Period	Completed	FY2026	FY2027	FY2028 and After	Number of Buildings	Expected Disposition Value
Offices/Retail facilities	6		1		7	¥13,413 million
Hotels				7	7	¥37,418 million
Rental apartments	5		1		10	¥10,838 million
Wood-frame rental apartments	8	11	6		37	¥8,897 million
Condominiums				1	1	¥5,894 million
Detached houses		390			390	¥26,622 million
Total					62 bldgs. + 390 units	¥103,085 million

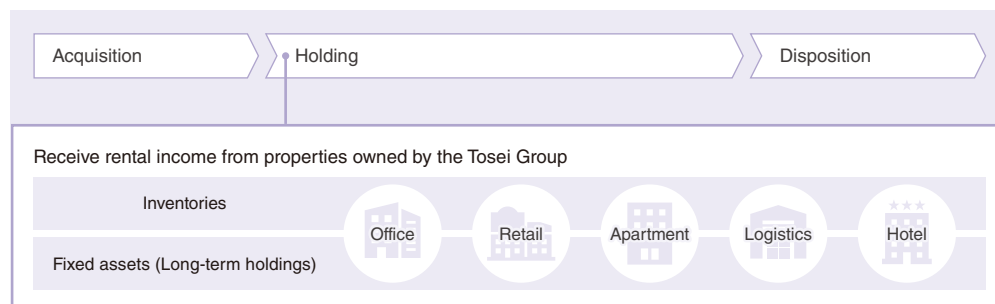
Rental Business

The Rental Business is a business that earns stable income by leasing offices, retail facilities, condominiums, etc., owned by the Tosei Group, primarily in the Greater Tokyo area. We maintain and enhance the value of these properties through comprehensive operations that make full use of our unique expertise.

Operating profit composition ratio

18.7%

Business Model



Opportunities and Risks in the Business Environment

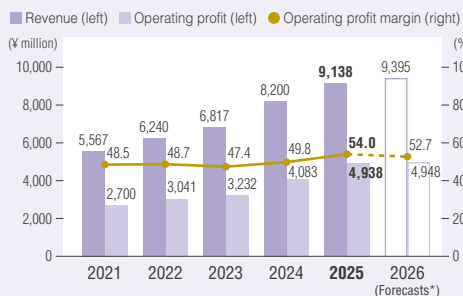
Opportunities	- Expectations for improved real estate profitability driven by rising rents in an inflationary environment - Changes in real estate demand due to diversification of lifestyles/workstyles and climate change - Proliferation of IoT due to rapid technological innovation
Risks	- Increase of rental operating costs due to decarbonization and stricter GHG emissions regulations - Decline in property competitiveness due to delays in technology adoption

Business Strategy in the Medium-Term Management Plan

We will improve NAV by accumulating fixed assets and maintaining and enhancing the value of our properties, while contributing to the resolution of social issues through our business. Specifically, we will promote the following initiatives.

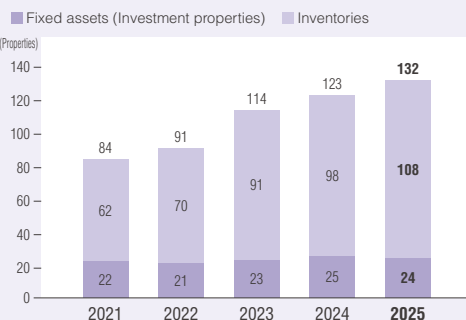
- Conduct research into rental apartments with concepts adapted to changing lifestyles and new areas (such as services for foreigners) where investment opportunities are expected to expand
- Promote energy-saving renovations and obtain environmental real estate certifications for fixed assets
- Strengthen property competitiveness through the introduction of IoT equipment and the use of digital technology

Revenue, Operating Profit and Operating Profit Margin



* Forecasts announced on January 14, 2026

Number of Rental Properties



Review of FY2025 and Progress of Business Strategy

For FY2025, revenue was ¥9.1 billion (up 11.4% YoY) and operating profit was ¥4.9 billion (up 20.9% YoY). Revenue and profit both increased year on year, driven by an increase in the number of rental properties and rent increases. In addition, the occupancy rate of fixed assets (based on floor area, as of the end of November 2025) remained high at 98.4%.

Key
Strategy

Enhancing Rental Revenue

We are working to improve the profitability of our properties by maintaining close communication with tenants and reviewing rents where appropriate. For fixed assets, our continued focus on tenant engagement, including the implementation of tenant satisfaction surveys, has contributed to both high occupancy and improved profitability; specifically, rents for tenants whose lease agreements were renewed during FY2025 increased by approximately 10% after renewal. These initiatives have enhanced the value of our property portfolio and, in turn, contributed to an increase in NAV.



Narimasu Tosei Building

Leasing Solutions That Enhance the Profitability of All Asset Types



Masaaki Watanabe

Managing Executive Officer,
Deputy Chief of Business
Division in charge of Asset
Management Department and
Asset Solution Business
Promotion Department

We position our Rental, Fund and Consulting, Property Management, and Hotel businesses as our Stable Business. Among these, the Rental Business, for which I am responsible, plays a key role in supporting stable earnings through its strong leasing capabilities across a wide range of asset types.

By capturing market information in a timely manner and accurately assessing local market characteristics and tenant needs, we are able to determine appropriate rental levels. In some cases, we have successfully secured rents comparable to those in central Tokyo even for properties located in suburban areas. Amid the current inflationary environment, where rents continue to trend upward, we are actively reviewing rents upon lease renewals and when leasing space to new tenants. In addition, for our properties held as fixed assets, we conduct annual tenant satisfaction surveys and place strong emphasis on maintaining close communication with tenants.

Building strong relationships with brokerage firms is fundamental to the success of the Rental Business. We strategically select brokerage partners according to the asset type—including offices, retail facilities, residential properties, and company housing—and work closely with them to establish rental levels that maximize profitability while achieving timely leasing.

The greatest strength of our Rental Business lies in our ability to enhance real estate value by leveraging synergies with our Revitalization, Development, and Property Management businesses, together with our management of properties held as fixed assets, which consistently achieve high occupancy rates. Going forward, we will continue to support the Group's portfolio management strategy by serving as a stable source of earnings.

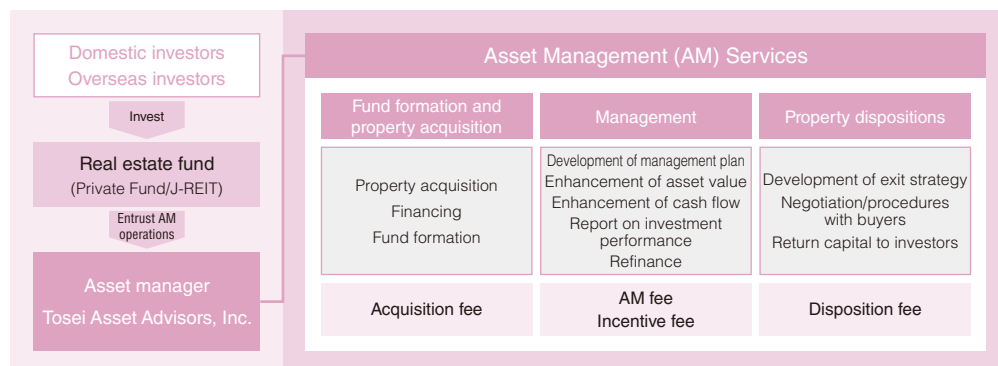
Fund and Consulting Business

The Fund and Consulting Business is an asset management business for real estate funds, and is mainly conducted by Tosei Asset Advisors, Inc. It is also entrusted with the asset management of Tosei Reit Investment Corporation.

Operating profit composition ratio

20.7%

Business Model



Opportunities and Risks in the Business Environment

Opportunities	- Continued expectations for capital inflows into the Japanese real estate market, driven by the accumulation of significant dry powder and other factors - Review of corporate real estate strategies to improve capital efficiency
Risks	Rising long-term interest rates against the backdrop of Bank of Japan policy interest rate hikes and concerns over fiscal deterioration due to the government's proactive fiscal policy

Business Strategy in the Medium-Term Management Plan

We aim to achieve AUM of ¥2.9 trillion as an asset management company that can flexibly respond to the diverse needs of domestic and overseas investors.

- Improve our proposal ability to establish new funds
- Expand our capacity to take on new contracts (increasing headcount, utilizing DX)
- Sustainability initiatives such as obtaining environmental certifications

Review of FY2025 and Progress of Business Strategy

For FY2025, revenue was ¥9.0 billion (up 32.6% YoY) and operating profit was ¥5.4 billion (up 43.1% YoY). Active buying and selling by fund investors generated significant spot revenue, resulting in performance that significantly surpassed that of the previous fiscal year. In addition, AUM grew to ¥2.66 trillion, exceeding the year-end target, driven by the acquisition of new mandates from both domestic and international investors.

Expansion of Asset Management Services to Meet Diverse Investment Management Needs

We are promoting the diversification of our asset management service offerings in order to flexibly meet the investment management needs of investors. In addition to our traditional full-service offerings, we have developed a structured range of services that focuses on areas where we have strong expertise, such as property management and fund administration. Through these initiatives, we aim to accurately capture emerging demand, maximize opportunities to secure new mandates, and further expand our AUM.

Fund and Consulting Business Driving Growth through Unparalleled Asset Management Expertise and Organizational Capabilities



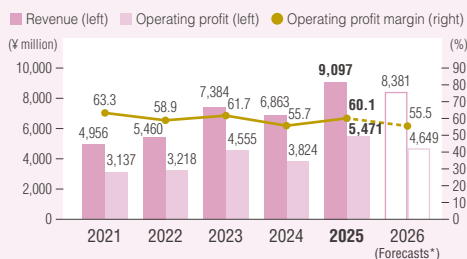
Eiji Koya
Director, Senior Executive Officer
Tosei Asset Advisors, Inc.

Since our establishment in 2005, we have accumulated extensive experience as professionals in both real estate and finance, growing into one of Japan's leading independent real estate asset managers with a top-tier level of AUM.

Our greatest strengths lie in the advanced expertise we have cultivated through our ability to successfully navigate numerous changes in market conditions, as well as our specialized division of roles that enables us to provide comprehensive asset management services across a wide range of areas, including property acquisitions and dispositions, ongoing asset management, and financing. Through these capabilities, we have earned the trust of investors in Japan and overseas and established a unique position as an asset manager capable of handling diverse types of AM mandates.

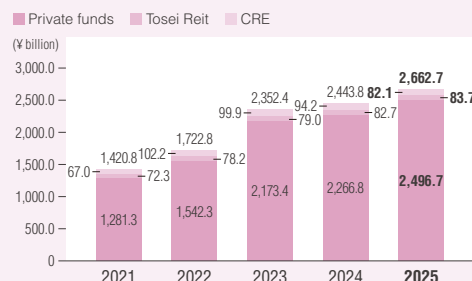
In particular, in the residential sector, we have developed unparalleled expertise and an extensive track record by successfully managing a diverse range of mandates. In 2025, we were awarded a large-scale asset management mandate from Warburg Pincus, one of the world's leading investment firms. By leveraging the asset management expertise and organizational capabilities we have built over the years, we will continue to pursue further growth.

Revenue, Operating Profit and Operating Profit Margin

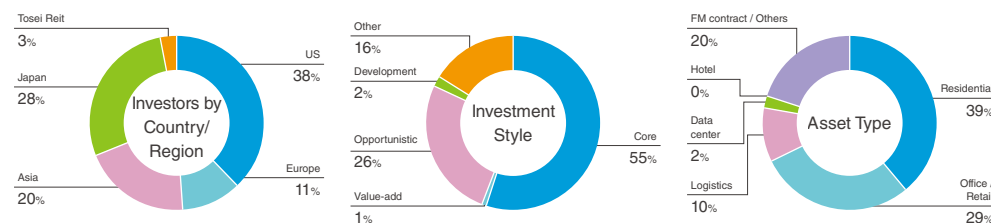


* Forecasts announced on January 14, 2026

AUM



Breakdown of AUM (As of the End of November 2025)



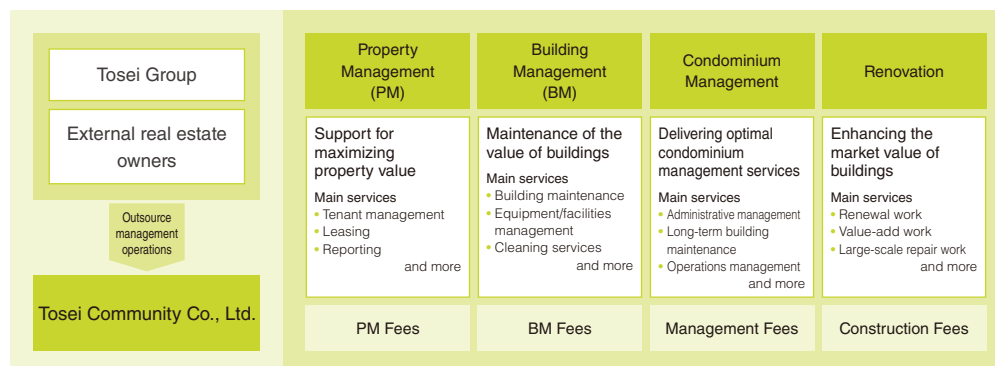
Property Management Business

The Property Management Business provides real estate management services, including property management and building management, primarily by Tosei Community Co., Ltd. We manage properties owned by the Tosei Group and external owners.

Operating profit composition ratio

4.4%

Business Model



Opportunities and Risks in the Business Environment

Opportunities	- Expectations for improved real estate profitability driven by rising rents in an inflationary environment - Increasing demand for building maintenance to support long-term use due to growing environmental awareness - Proliferation of IoT due to rapid technological innovation
Risks	- Decline in the capacity to accept new contracts due to labor shortages in the supply chain, given the labor-intensive nature of the business - Loss of competitiveness due to delay in promotion of DX

Business Strategy in the Medium-Term Management Plan

We aim to continue to develop as a property management company by increasing the number of contracts and providing high-quality services. - Grow revenue by expanding new contracts both within and outside the Group and strengthening construction proposal capabilities - Increase property management contracts for large properties, including logistics facilities - Promote green property certification initiatives, tenant engagement, and supply chain engagement - Improve operational efficiency through the use of IT
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Review of FY2025 and Progress of Business Strategy

For FY2025, revenue was ¥9.0 billion (up 4.7% YoY) and operating profit was ¥1.1 billion (up 12.4% YoY). This was mainly due to the fact that the number of buildings under management reached a record high of 969 as of the end of November 2025, as well as an increase in construction orders. Going forward, we will continue to expand the types of assets we handle, promote further improvements in service quality and operational efficiency, and strive to increase profitability.

Key Strategy

Strengthening Supply Chain Engagement

The Tosei Group holds the Quality Improvement Conference annually with the aim of enhancing service quality and building strong collaborative relationships with its business partners. Hosted by Tosei Community Co., Ltd., which operates the real estate property management business, this conference is a group training program that invites key suppliers to collaborate on promoting improvements in safety management, quality control, and compliance awareness in their operations. The 2025 conference, which marked its third year, was attended by 55 participants from 31 business partners.



Quality Improvement Conference

Proactively Expanding Custom-Made Services to Meet Customer Needs

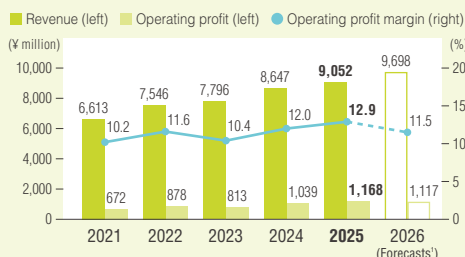


Shiro Nakano
President and CEO
Tosei Community Co., Ltd.

As the company responsible for the Tosei Group's Property Management Business, we provide services in four areas: property management (PM), building management (BM), condominium management, and renovation. One of the key benefits of being able to provide such diverse service offerings is the flexibility of our service models, made possible by our broad scope. For example, we can provide customized services tailored to customer needs, ranging from stand-alone BM services such as building equipment management and cleaning services, to combined PM and BM services, and even full-service solutions covering all of our service offerings. In leveraging this strength, we are pursuing a strategic sales approach aimed at expanding the number of buildings under management. For example, we first provide customers with opportunities to experience the quality and value of one of our services, which then leads to consideration of larger-scale PM and BM outsourcing opportunities.

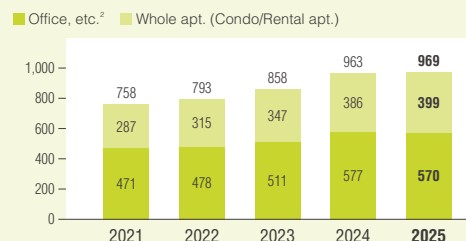
In addition to the expansion of new contracts, a key challenge is the professional development of our workforce. Across each business area, we are strengthening human resource development by standardizing the cultivated skills of our management teams, accumulating expertise, and promoting knowledge sharing. To achieve further growth in the Property Management Business, we will continue to identify the profitability and growth potential of each business area and strengthen our collaborative framework with business partners, thereby contributing to the growth of the Tosei Group.

Revenue, Operating Profit and Operating Profit Margin



1. Forecasts announced on January 14, 2026

Number of Properties under Management



2. Office, retail, hotel, logistics, etc.

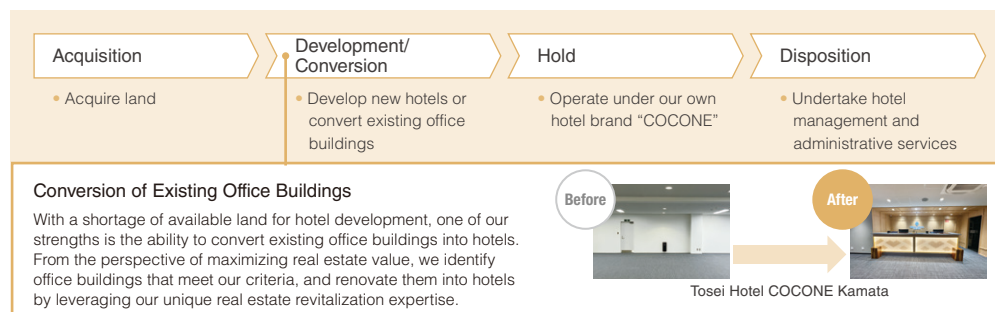
Hotel Business

The Hotel Business develops Tosei Hotel COCONE and operates hotels. Tosei Corporation is responsible for hotel development, while Tosei Hotel Management Co., Ltd. plans and manages the hotel business, and Tosei Hotel Service Co., Ltd. handles hotel operations.

Operating profit composition ratio

10.6%

Business Model



See here for more details about the Tosei Hotel "COCONE" brand

Opportunities and Risks in the Business Environment

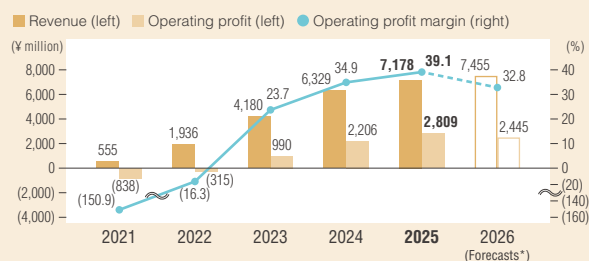
Opportunities	- Increased tourists to Japan due to growth in inbound tourism and a weaker yen - The expanding role of real estate as an alternative investment target
Risks	- Increase in operating costs due to rising labor and utilities costs and stricter environmental regulations - Increased number of competing hotels - Fluctuations in inbound tourism demand due to geopolitical risks and exchange rate fluctuations

Business Strategy in the Medium-Term Management Plan

We will strive to increase revenue by promoting the following initiatives with the aim of expanding our business scale and enhancing our brand power.

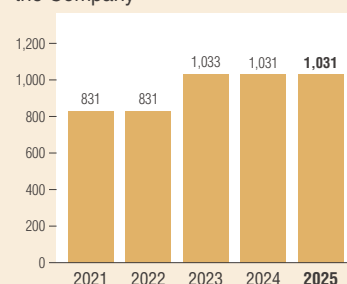
- Exploration of new hotel development
- Improvement of profitability through DX promotion and marketing enhancement
- Promotion of customer delight and differentiation strategies
- Diversification of hotel types and promotion of research aimed at acquiring hotel management contracts

Revenue, Operating Profit and Operating Profit Margin



* Forecasts announced on January 14, 2026

Number of Hotel Rooms Owned by the Company



Review of FY2025 and Progress of Business Strategy

For FY2025, revenue was ¥7.1 billion (up 13.4% YoY) and operating profit was ¥2.8 billion (up 27.3% YoY). Improved profitability resulting from higher average room rates amid strong inbound tourism demand contributed to record-high revenue and profit. We will continue to increase the number of hotels we operate and aim for further business growth.

Key
Strategy

Expanding Business Scale

In FY2026, we opened Tosei Hotel COCONE Kamata (90 rooms) in December 2025 and Tosei Hotel COCONE Chiba Chuo (12 rooms) in February 2026. The Group's Hotel Business has secured stable occupancy rates and high profitability, supported by hotel planning based on thorough market analysis and robust demand from both domestic and international travelers. We are therefore actively pursuing land acquisitions and hotel development projects. Going forward, our hotel development pipeline is expected to expand to 7 hotels with 438 rooms targeted for opening by around 2032, and together with the hotels we currently operate, the total portfolio is expected to grow to 19 hotels with 1,800 rooms (projection as of June 30, 2026).

Identifying Location Characteristics in Pursuit of the Optimal Hotel Concept

Our Hotel Business leverages the strengths of the Tosei Group by managing the entire process from land acquisition to hotel operations. Our greatest strength lies in our ability to create optimal hotel concepts tailored to each area and the characteristics of each location—flexibly planning room types, facilities, and specifications to meet a wide range of needs, from business travelers and tourists to long-stay guests.

In addition, we focus on providing a hospitality experience that is uniquely Japanese through designs featuring a modern Japanese aesthetic, as well as facilities such as large public baths and saunas, which have been well received by both domestic and international guests. Against the backdrop of expanding inbound tourism demand, we continue to develop hotels that combine comfort with the unique characteristics of each location.

Furthermore, we recognize human resource development as one of our highest priorities in improving overall hotel service quality. We are enhancing training and recognition programs to support employees in improving their working environment, developing their skills, and building their careers, while fostering professional talent across various fields.

To achieve further growth in the Hotel Business, we will continue to enhance operational quality and pursue sustainable improvements in corporate value, aiming to operate hotels that are trusted by our customers, business partners, employees, and local communities.

Motokazu Hiyama President and CEO Tosei Hotel Management Co., Ltd.

Key Hotel Properties

T O S E I H O T E L
C O C O N E

COCONE
Kanda



COCONE
Asakusa-
Kuramae



COCONE
Ueno-
Okachimachi



COCONE
Kamakura



COCONE
Tsukiji
Ginza
Premier



Corporate Governance

Fundamental Approach to Corporate Governance

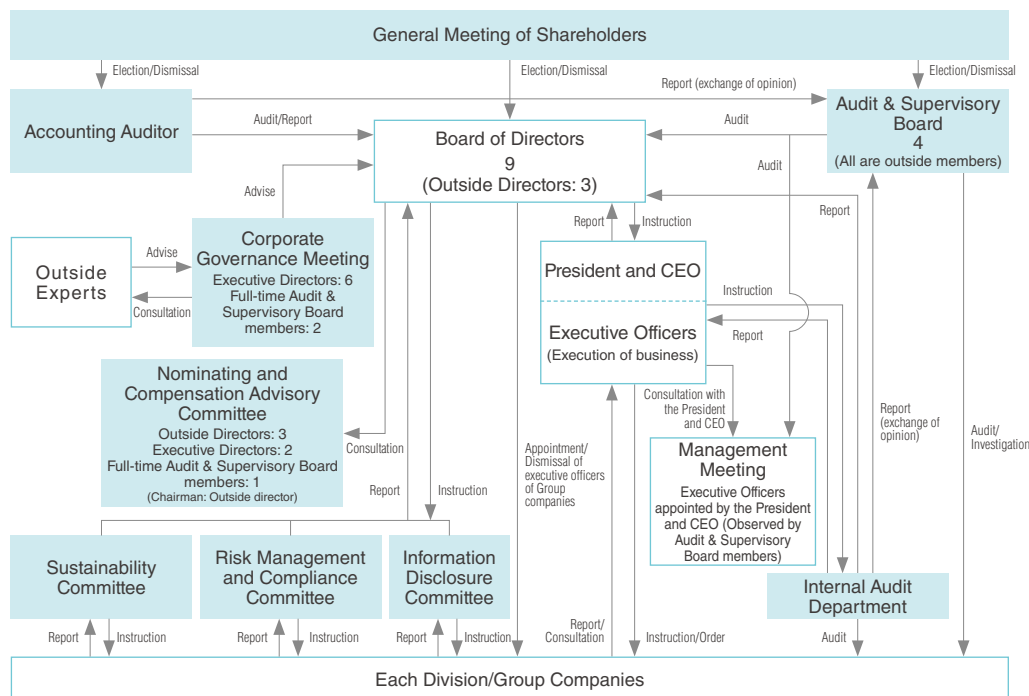
We aspire to be a valuable contributor to all of our stakeholders in society, including shareholders, employees, business partners and others, by promptly and appropriately responding to changes in the business environment and by engaging in business activities that enable us to achieve sound growth. To this end, we place the greatest importance on enhancement of corporate governance, and in particular “fully cultivating a compliance

mindset,” “enhancing risk management” and “conducting timely disclosure” as three key initiatives. Furthermore, we are making ongoing efforts to further strengthen our framework for developing our internal control system and establishing a system that meets investors’ expectations and trust as a financial instruments business operator.

Corporate Governance System

Our corporate governance system centers on a Board of Directors and an Audit & Supervisory Board. For the purpose of ensuring that business is conducted with high transparency, we have appointed outside directors and appointed all our Audit & Supervisory Board members from outside. The Company has adopted the executive officer system in order to more clearly segregate the monitoring/supervision of the Company’s business management, which is the duty and responsibility of the directors, from the execution of the business. We believe our management and the monitoring and supervision system over management is functioning adequately, and thus have adopted the current system.

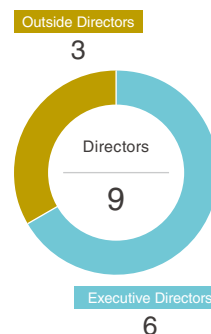
Corporate Governance Structure



See here for matters related to the functions of each organization, such as business execution, auditing and supervision, appointment, and remuneration decisions.

Management Team (As of March 1, 2026)

Board of Directors



Skills of Directors	
Management	Corporate management
Real Estate	Real estate business
Finance	Finance/Accounting
Global	Global business
IT/DX	IT/DX
HR	Human resources/Labor
Compliance	Compliance/Risk management
ESG	ESG

Directors

 Seichiro Yamaguchi President and CEO Management, Real Estate, Finance, ESG, Compliance	 Noboru Hirano Director and Senior Executive Officer Management, Finance, ESG, HR, Compliance	 Hideki Nakanishi Director and Senior Executive Officer Real Estate, ESG
 Shunsuke Yamaguchi Director, Managing Executive Officer ESG, IT/DX, HR, Compliance	 Hiroyasu Yoneda Director, Managing Executive Officer Management, Finance	 Shigehiro Takami Director, Executive Officer Real Estate
 Kenichi Shohtoku Outside Director Management, Finance, Global	 Hiroyuki Kobayashi Outside Director Management, Finance, ESG, HR	 Mai Ishiwatari Outside Director Management, Global, IT/DX, Compliance

Audit & Supervisory Board Members (All external auditors)

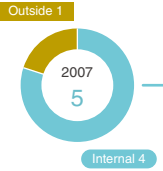
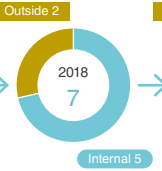
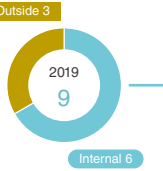
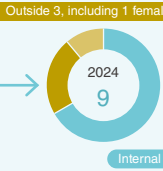
Hitoshi Yagi Full-time Audit & Supervisory Board Member	Toshinori Kuroda Full-time Audit & Supervisory Board Member
Tatsuki Nagano Audit & Supervisory Board Member	Satoshi Ikeda Audit & Supervisory Board Member

Executive Officers

Ryoji Nishimoto	Masaaki Watanabe	Hitoshi Oshima	Nobuto Fujiwara	
Senior Executive Officer	Managing Executive Officer	Managing Executive Officer	Managing Executive Officer	
Daizo Kozasa	Satoshi Shiwaku	Toshiya Tatebayashi	Fumio Ishida	Koichi Tachibana
Executive Officer	Executive Officer	Executive Officer	Executive Officer	Executive Officer

■ Corporate Governance

■ History of Enhancing Corporate Governance

	~2007	2012~2018	2019~2022	2024~
Policy		2016 Established Basic Policy on Corporate Governance	2019 Established the Tosei Group ESG Policy and the Tosei Group ESG Action Guidelines 2021 Established ESG Promotion Rules (current Sustainability Promotion Rules)	
Organization Structure Compensation System	2004 Introduced executive officer system	2015 Established Nominating and Compensation Advisory Committee	2019 Established ESG Promotion Meeting 2021 Transitioned ESG Promotion Meeting into ESG Promotion Committee (current Sustainability Committee)	2024 Introduced performance-linked restricted stock remuneration plan
Board of Directors	2007 First appointment of independent outside directors 	2012 Appointed one additional outside director 	2018 Two new directors appointed to support future growth 2019 Ratio of outside directors: 1/3  	2024 Elected a female director for the first time 
	Effectiveness	2017 Evaluated the effectiveness of the Board of Directors and disclosed the results	2022 Disclosed directors' skill matrix	2024 Changed the term of office of directors to 1 year

■ Effectiveness of the Board of Directors

■ Effectiveness of the Board of Directors

The Company carries out annual evaluations regarding the composition, agenda, and operation of the Board of Directors, given to all directors and Audit & Supervisory Board members.

<Evaluation Process>

- A questionnaire survey is carried out for all directors and Audit & Supervisory Board members.
- The results of the aggregation and analysis of responses are reported and deliberated at a Board of Directors meeting.
- The results are disclosed in the Corporate Governance Report.

<Evaluation Items (7 categories, 41 items)>

(1) Composition of the Board of Directors, (2) Effectiveness of the Board of Directors, (3) Nomination of candidates for re-election/election of directors and compensation system, (4) Operation of the Board of Directors, (5) Self-assessments by the directors, (6) Relationship with shareholders and other stakeholders, (7) Others

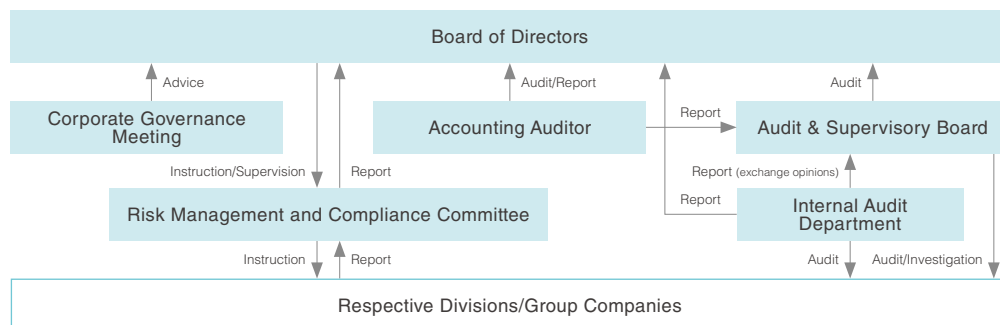
<Summary of the Analysis/Evaluation Results for FY2025>

The current structure and diversity of the Board of Directors are considered appropriate. In order to continue to address the enhancement of diversity, such as in terms of gender and internationality, the Company needs to tackle the issues of developing next-generation leaders more systematically and strategically. The effectiveness of the Board of Directors is fully secured, and good relationships with stakeholders continue to be maintained.

■ Compliance and Risk Management

The Group has established the Risk Management and Compliance Committee under direct supervision of the Board of Directors to promote integrated and cross-sectional risk management and compliance, including sustainability-related matters, across the Tosei Group. This committee examines the Company-wide policy, annual plan and other matters for risk management and compliance. In addition to this, it oversees and manages the various risks surrounding the Group's businesses through the implementation of the Risk Management and Compliance Program and assesses the status of risk management and compliance of each Group company.

Compliance and Risk Management System



Promotion of Risk Management and Compliance

The Group formulates a Group-wide Risk Management and Compliance Program every fiscal year. This program is approved by the Board of Directors after evaluating the effectiveness and functionality of the risk management process and through discussions by the Risk Management and Compliance Committee.

Initiatives to Address Business Risks

In accordance with the Risk Management and Compliance Program established at the beginning of the fiscal year, we are promoting various training programs, information sharing, and the introduction of systems aimed at achieving both ongoing goals, such as fostering compliance awareness, and term-specific focus areas, such as strengthening our response to system incidents. In addition, at monthly Risk Management and Compliance Committee meetings, the status of risk responses and the existence of potential risks across the entire Group, including each Group company, are confirmed, and the details are reported at the monthly Board of Directors meeting. The outcomes of these responses are also monitored by the Internal Audit Department.



See here for details on business risks

See here for the specific initiatives related to compliance risk management

Message from an Outside Director



Career Summary

A certified public accountant qualified in Japan, the United States, and Singapore. Specializing in corporate governance and ensuring the reliability of financial reporting, Kenichi Shohtoku has many years of experience providing advisory services to companies in Japan and overseas. Since becoming an outside director of the Company in 2012, he has provided advice from the perspectives of governance, financial reporting, and global disclosure. He currently serves as chairperson of the Company's Nominating and Compensation Advisory Committee.

Supporting Tosei's Challenges by Continually Asking "Why?"

Kenichi Shohtoku Outside Director

The Company's Growth and My Mission as an Outside Director

I became an outside director of the Company in 2012. Drawing on my experience in financial reporting and corporate governance as a certified public accountant, as well as my perspective on how Japanese companies are viewed by overseas investors, I have been involved in the Company's management. At the time of my appointment, the Company was preparing for a listing on the Singapore Exchange (SGX), and I had the opportunity to contribute to making that listing a reality. Fourteen years have since passed, during which the Company has expanded significantly in terms of revenue, number of employees, and number of Group companies. As the Company's social responsibilities have grown, I have continually considered what questions I should ask and how I should contribute as an outside director.

Continually Asking the "Simple Questions"

What I value most as an outside director is confirming the assumptions that underpin discussions from the standpoint of an independent third party. I ask questions such as, "Why are we doing business with this particular counterparty?" and "Why are we making this decision now?" Over the course of my career, I have worked with the management teams of companies across a wide range of industries. One thing I have consistently observed is the risk that, as discussions on individual projects become more detailed, assumptions that are taken for granted within the organization gradually become implicit, making them difficult for outsiders to recognize. One of the Company's strengths is that the president's insight and judgment are shared very clearly within the Board of Directors. In companies with a strong owner-manager culture, decisions can sometimes move forward without the reasoning behind them being fully visible. At Tosei, however, management clearly explains why a particular decision has been made and where it sees the opportunities for profit and the associated risks. That is precisely why I believe it is important for an outside director to continue verifying those underlying assumptions and asking whether each decision would also stand up to scrutiny from the perspective of external stakeholders.

Governance That Enables Sound Risk-Taking

That said, I also feel that the role of outside directors in asking these simple questions has increasingly been misunderstood in recent years. While awareness of compliance and corporate governance has grown across Japanese companies, there has also been a growing tendency toward overly cautious decision-making. Needless to say, rigorous compliance is indispensable for any company. At the same time, however, business cannot create new value without taking risks, and governance defeats its own purpose if organizations become so constrained by rules that they are unable to act. The role of an outside director is not simply to point out that a proposed course of action involves risk. Rather, I believe it is to work with management to clarify why a particular risk is worth taking and to support decision-making in a way that enables the Company to fulfill its accountability to stakeholders. There are occasions when I candidly ask, "Do we really need to go this far?" on a particular proposal. My intention is not to restrain management, but to work together to improve the quality of its decisions.

Passing Sound Risk-Taking on to the Next Generation

The question, then, is how to pass this decision-making framework for taking risks appropriately on to the next generation of management. This goes directly to the heart of one of the Company's most important management issues—succession planning. I have repeatedly discussed this topic not only through the Nominating and Compensation Advisory Committee, which I chair, but also in my day-to-day dialogue with management. Fortunately, the president clearly and openly shares with employees the criteria that underpin his own judgment to identify value. Through this daily practice, employees who will lead the Company in the future are developing the thought processes needed to make sound decisions. I am convinced that creating an environment in which the next generation of management can take appropriate risks on the front lines of execution will be essential to the Company's long-term sustainability.

Building Credibility through Global Disclosure—and the Next Step Forward

The qualities that must be passed on to the next generation extend beyond a sound approach to risk-taking. I also believe that the Company's commitment to openness to the global market, demonstrated through its SGX listing in 2013, is an important asset that should be carried forward. Supporting that commitment has been the Company's continued English-language disclosure based on International Financial Reporting Standards (IFRS). This has never been an easy undertaking, requiring considerable effort every year, but that sustained commitment has earned the trust of global institutional investors and has heightened interest in the Company's core strengths in the revitalization and management of existing real estate and mid-sized assets. Looking ahead, one area I believe deserves particular attention is further enhancing the diversity of the Board of Directors, especially its international perspective. As advances in AI continue to reduce language barriers, the opportunity to incorporate a broader range of global viewpoints is steadily expanding.

As an outside director, I will continue to bring an independent perspective to the Board by asking the simple questions, while drawing on the broad perspective and expertise I have developed over many years. Through further strengthening our governance, I will continue contributing to the Company's efforts to meet the expectations of all stakeholders and to take confident strides toward its next stage of growth.

Financial and Non-financial Information

Financial Data

		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Results	Revenue	(¥ million)	43,006	49,818	57,754	61,543	60,727	63,939	61,726	70,953	79,446	82,191	94,688
	Operating profit	(¥ million)	6,891	9,279	9,833	10,875	12,690	6,427	10,965	13,514	16,254	18,488	22,336
	Revitalization Business	(¥ million)	4,187	4,001	7,845	6,770	7,754	5,596	7,203	6,102	8,877	5,963	6,324
	Development Business	(¥ million)	534	3,674	(408)	1,487	1,528	(3,743)	1,060	2,958	1,036	4,962	5,730
	Rental Business	(¥ million)	1,730	2,389	2,581	2,534	2,367	2,319	2,700	3,041	3,232	4,083	4,938
	Fund and Consulting Business	(¥ million)	1,373	951	1,273	1,616	2,365	4,193	3,137	3,218	4,555	3,824	5,471
	Property Management Business	(¥ million)	146	141	278	453	504	667	672	878	813	1,039	1,168
	Hotel Business	(¥ million)	—	—	—	36	99	(673)	(838)	(315)	990	2,206	2,809
	Profit before tax	(¥ million)	6,040	8,450	9,049	10,171	12,090	5,901	10,302	12,753	15,310	17,364	20,631
	Profit attributable to owners of the parent	(¥ million)	4,135	5,547	6,155	6,852	8,447	3,602	6,721	8,607	10,507	11,985	14,754
Financial Position	Total assets	(¥ million)	93,196	121,276	122,550	138,768	161,894	161,684	195,010	210,955	245,329	276,815	307,427
	Inventories	(¥ million)	46,156	67,298	59,718	62,457	73,573	65,416	85,210	95,303	118,252	146,817	170,357
	Property, plant and equipment	(¥ million)	3,315	3,595	5,305	8,785	8,671	23,495	23,860	22,963	33,018	32,094	32,961
	Investment properties	(¥ million)	18,785	21,728	28,359	33,752	37,868	26,987	39,812	39,864	37,805	40,945	38,509
	Interest-bearing liabilities	(¥ million)	48,667	70,159	67,123	75,025	89,843	90,987	114,954	124,847	146,587	165,900	182,640
Cash Flows	Total equity attributable to owners of the parent	(¥ million)	36,228	41,010	46,158	52,021	58,306	58,969	65,958	72,290	82,046	90,500	102,805
	Cash flows from operating activities	(¥ million)	(4,443)	(7,472)	7,089	7,615	(3,799)	12,509	974	(197)	5,722	(13,045)	(1,736)
	Cash flows from investing activities	(¥ million)	481	(8,193)	(18)	(10,786)	(2,133)	(4,054)	(15,448)	(9,081)	(16,102)	(5,608)	(3,493)
	Cash flows from financing activities	(¥ million)	6,661	18,522	(4,962)	5,941	11,412	(3,414)	10,994	7,477	17,805	14,329	9,946
	Cash and cash equivalents at end of year	(¥ million)	18,791	21,640	23,750	26,520	31,998	37,039	33,560	31,767	39,197	34,874	39,604
	EPS (Basic earnings per share)	(¥en)	85.66	114.89	127.48	141.36	176.40	76.05	142.56	181.66	219.74	247.43	304.36
	EPS (Basic earnings per share) (Split-adj.)	(¥en)	42.83	57.45	63.74	70.68	88.20	38.03	71.28	90.83	109.87	123.72	152.18
	BPS (Equity attributable to owners of the parent per share)	(¥en)	750.32	849.35	955.99	1,071.63	1,225.27	1,250.00	1,380.36	1,529.65	1,695.98	1,867.49	2,120.36
	BPS (Equity attributable to owners of the parent per share) (Split-adj.)	(¥en)	375.16	424.68	477.99	535.81	612.64	625.00	690.18	764.82	847.99	933.74	1,060.18
	Dividends per share	(¥en)	16.00	22.00	25.00	30.00	42.00	19.00	38.00	51.00	66.00	79.00	100.00
Financial Indicators	Dividends per share (Split-adj.)	(¥en)	8.00	11.00	12.50	15.00	21.00	9.50	19.00	25.50	33.00	39.50	50.00
	ROE	(%)	12.0	14.4	14.1	14.0	15.3	6.1	10.8	12.5	13.6	13.9	15.3
	ROA	(%)	6.9	7.9	7.4	7.8	8.0	3.6	5.8	6.3	6.7	6.7	7.1
	ROIC	(%)	6.0	6.2	6.0	6.1	6.4	2.6	4.3	4.8	5.2	5.3	5.9
	EBITDA (Earnings before interest, taxes, depreciation and amortization)	(¥ million)	7,137	9,676	10,303	11,582	13,719	7,911	12,707	15,481	18,252	20,706	24,706
	Stable Business ratio	(%)	43.1	31.1	35.3	35.6	36.5	77.8	40.7	43.0	49.2	50.5	54.4
	Equity ratio	(%)	38.9	33.8	37.7	37.5	36.0	36.5	33.8	34.3	33.4	32.7	33.4
	Net D/E ratio	(Times)	0.82	1.18	0.94	0.93	0.99	0.91	1.23	1.29	1.31	1.45	1.39
	Dividend payout ratio	(%)	18.7	19.1	19.6	21.2	23.8	25.0	26.7	28.1	30.0	31.9	32.9

Note: Segment profit or loss is adjusted to match operating profit in the consolidated statements of comprehensive income.
A 2-for-1 share split was implemented on Dec. 1, 2025.

Non-financial Data

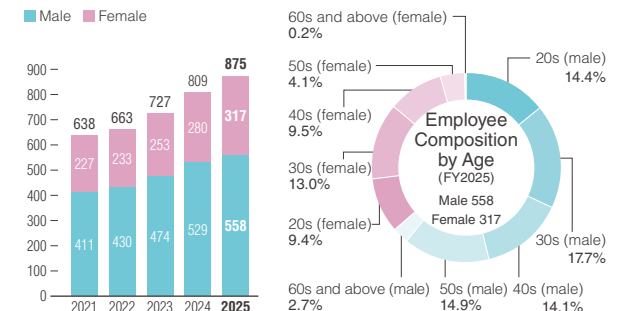
Environment	Targets	Unit	2023	2024	2025
GHG emissions (Scope 1 + Scope 2)	Long-term target: Net-zero by FY2050	(t-CO ₂)	3,296	3,260	2,507
	Medium-term target: 50% reduction from base year (FY2022) by FY2030				
Energy use	Reduce energy use intensity (crude oil equivalent kl/m ²) by 1% from the previous year	(kl)	4,581	3,218	3,422
		(kl/m ²)	0.032	0.031	0.033
Water withdrawal	Reduce water withdrawal intensity (m ³ /m ²) from the previous year	(m ³)	174,179	201,742	212,279
		(m ³ /m ²)	1.23	1.96	2.06
Water discharge	Reduce water discharge intensity (m ³ /m ²) from the previous year	(m ³)	170,256	201,740	212,572
		(m ³ /m ²)	1.20	1.96	2.07
Waste discharge	Long-term target: Reduce waste discharge intensity (kg/m ²) from base year (FY2022) by 15% by FY2050	(t)	121	107	92
	Medium-term target: Reduce waste discharge intensity (kg/m ²) from base year (FY2022) by 5% by FY2030	(kg/m ²)	7.95	7.04	6.02

Social	Targets	Unit	2023	2024	2025
Number of employees ¹	—		727	809	875
Percentage of female managers ²	10% or more	(%)	6.0	5.0	4.9
Percentage of male employees taking childcare leave ²	90% or more	(%)	42.9	71.4	100
Wage differential between male and female employees ²	70% or more	(%)	69.5	71.2	72.0
Average monthly overtime hours ²	30 hours or less	(Hours)	24.3	23.3	23.4
Percentage of employees taking paid leave ²	65% or more	(%)	66.1	67.5	66.7
Percentage of employees retiring for personal reasons ²	Less than 10%	(%)	8.4	7.9	11.1
Stress check inspection rate ²	90% or more	(%)	100	100	100
Job satisfaction ²	80% or more	(%)	68.0	64.0	69.0

1. Figures are for the entire Tosei Group, excluding temporary employees.
2. Figures are for Tosei Corporation on a non-consolidated basis.

 See here for historical non-financial data

Number of Employees



Corporate Information (As of November 30, 2025)

Corporate Data

Company Name	TOSEI CORPORATION
Representative	President and CEO Seiichiro Yamaguchi
Head Office	4-5-4, Shibaura, Minato-ku, Tokyo, Japan
Date of Establishment	February 2, 1950
Paid-in Capital	¥6,624,890 thousand
Listed Markets	Tokyo Stock Exchange, Prime Market (Code: 8923) Singapore Exchange, Mainboard (Code: S2D)
Number of Employees	302 (non-consolidated), 875 (consolidated) 1,050 (including temporary employees)
Business Description	Revitalization Business, Development Business, Rental Business, Fund and Consulting Business, Property Management Business, Hotel Business
Fiscal Year	From December 1 to November 30
Website	https://www.toseicorp.co.jp/english

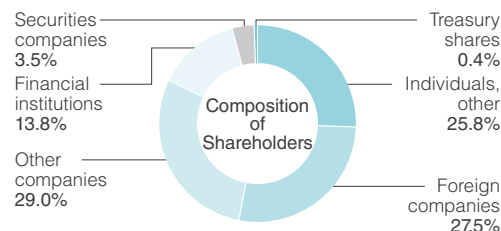
Affiliated Companies

Tosei Asset Advisors, Inc.	Asset management business of real estate funds
Tosei Community Co., Ltd.	Building management (property management), building maintenance, the management of equipment, security, cleaning, etc.
Tosei Logistics Management Co., Ltd.	Logistics consulting businesses, etc.
Tosei Hotel Management Co., Ltd.	Hotel business planning, operation, and management, etc.
Tosei Hotel Service Co., Ltd.	Hotel and restaurant management and operation businesses
Tosei Princess Square Co., Ltd.*	Real estate rental, management, trading, and brokerage businesses
Tosei Singapore Pte. Ltd.	Consulting business relating to real estate

* Changed company name on March 1, 2026 (Formerly: Princess Square Co., Ltd.)

Stock Information

Number of Authorized Shares	150,000,000
Number of Shares Issued	48,683,800
Number of Shareholders (excluding treasury shares)	27,579

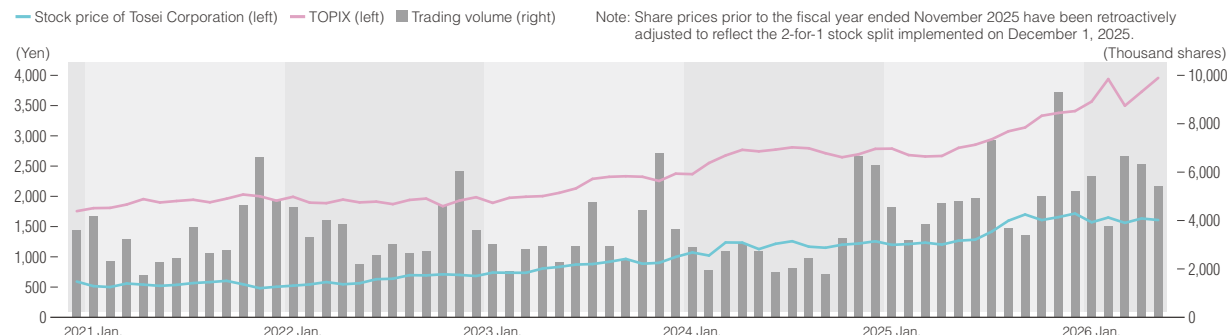


Major Shareholders

Shareholder	Number of shares held	Shareholding ratio (%)
Nagoya Railroad Co., Ltd.	7,500,100	15.46
Zeus Capital Limited	6,000,000	12.37
Seiichiro Yamaguchi	5,393,131	11.12
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,083,400	8.42
STATE STREET BANK AND TRUST COMPANY 505001	1,855,521	3.82
Custody Bank of Japan, Ltd. (Trust Account)	1,709,300	3.52
Kiraboshi Capital Tokyo Sparkle Investment Limited Partnership	1,000,000	2.06
SMBC Nikko Securities Inc.	755,654	1.55
HOST-PLUS PTY LIMITED-HOSTPLUS POOLED SUPERANNUATION TRUST HOSKING PARTNERS LLP	751,267	1.54
CACEIS BANK, LUXEMBOURG BRANCH/AIF CLIENTS ASSETS	740,800	1.52

Note: Shareholding ratios are calculated excluding treasury shares (199,000 shares) and rounded down to two decimal places.

Stock Price (As of May 31, 2026)



External Evaluations (Status of Inclusion in Indexes)

