

# KEIAI

デザインのケイアイ

## First Quarter of FY3/25 Financial Results

KI-STAR REAL ESTATE CO., LTD.

KEIAI



Tokyo Stock Exchange,  
Prime Market/ 3465

# Our Purpose and Vision

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## **Our Purpose**

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

## **Our Vision**

House ownership for everyone

# 1Q FY3/25 Financial Summary

- As inventories of finished houses slowly declines, first quarter sales totaled 67.5 billion JPY and first quarter record of 1,865 houses were sold. This is a strong start toward reaching the fiscal year goals.
- Ordinary profit decreased 7.6% mainly due to commission expenses because of large syndicated loan in June 2024.
- Profit attributable to owners of parent decreased 38.0% due to decline in a gain on bargain purchase.

		<u>1Q FY3/25 Results</u>	<u>YoY change</u>
1Q FY3/25 Results	Net sales	<b>¥67.5 billion</b>	10.6%
	Operating profit	<b>¥2.6 billion</b>	5.3%
	Ordinary profit	<b>¥2.2 billion</b>	-7.6%
	Profit attributable to owners of parent	<b>¥1.2 billion</b>	-38.0%
Shareholder returns		<u>Total amount of acquisition</u>	<u>Total number of shares acquired</u>
	Purchase of treasury shares	<b>¥1.0 billion</b>	<b>292,200 shares</b>

# 1Q FY3/25 Financial Results

# Consolidated Statement of Income (1Q)

First quarter sales were consistent with the fiscal year goal. The gross profit margin is recovering slowly. Net sales increased 10.6% YoY to 67.56 billion JPY, which is a record-high for the first quarter, ordinary profit decreased 7.6% to 2.22 billion JPY and profit attributable to owners of parent decreased 38.0% to 1.28 billion JPY.

(JPY mil.)

	1Q (Apr-Jun) of FY3/24		1Q (Apr-Jun) of FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
Net sales	61,096	100.0%	<b>67,568</b>	100.0%	10.6%
Gross profit	7,464	12.2%	<b>8,298</b>	12.3%	11.2%
SG&A expenses	4,962	8.1%	<b>5,663</b>	8.4%	14.1%
Operating profit	2,502	4.1%	<b>2,635</b>	3.9%	5.3%
Ordinary profit	2,411	3.9%	<b>2,228</b>	3.3%	-7.6%
Profit attributable to owners of parent	2,078	3.4%	<b>1,288</b>	1.9%	-38.0%

# Performance of Main Reportable Segments

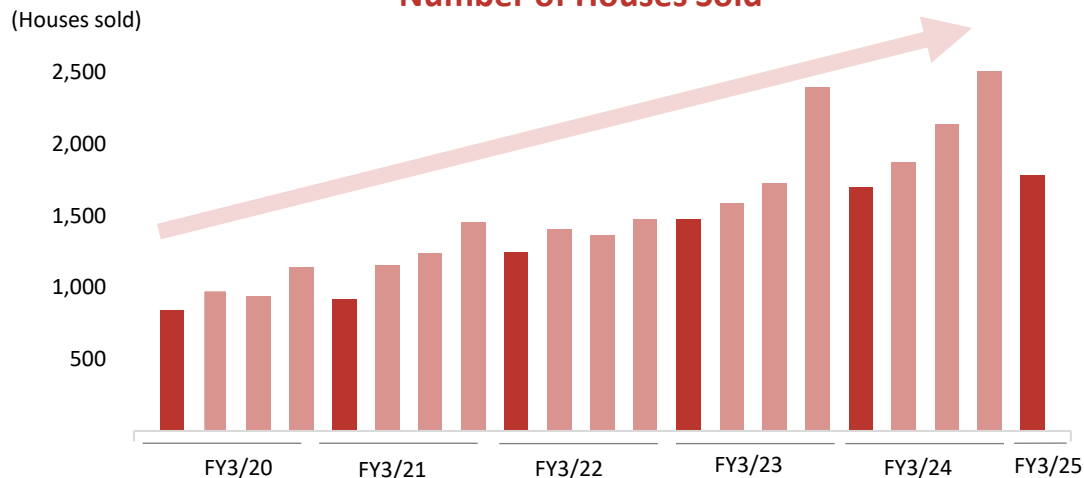
Sales and the number of houses sold steadily increased in the homebuilding and sales segment as inventories of finished houses in Japanese real estate market slowly declines. Further sales growth are expected by making Shinyamagata Hometech a consolidated subsidiary in the custom-built housing business.

(Unit of sales and profit: JPY mil.)

		1Q FY3/24	1Q FY3/25	YoY change
Homebuilding and sales (including land)	Houses sold	1,625	1,785	+9.8%
	Sales	58,903	65,090	+10.5%
	Operating profit	3,161	3,306	+4.6%
Custom-built housing	Houses sold	72	80	+11.1%
	Sales	1,218	1,434	+17.7%
	Operating profit	83	140	+68.9%

# Houses Sold by Area

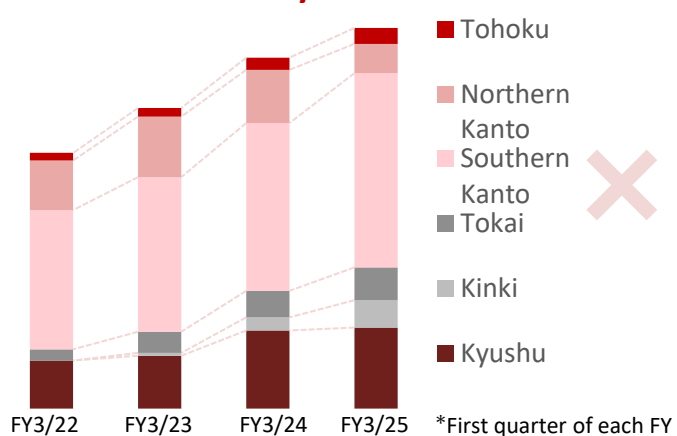
**Number of Houses Sold**



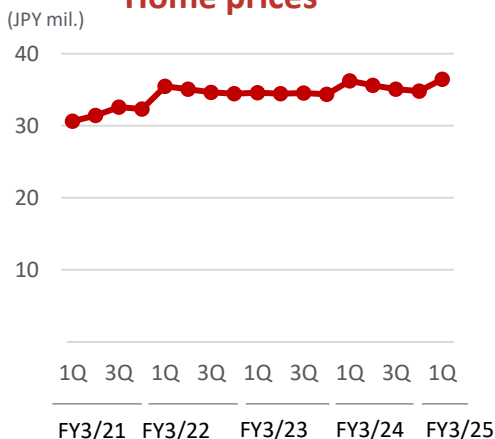
- KEIAI has a balanced and diverse portfolio covering many areas of Japan with no excessive reliance on a single region. This is the result of years of sales office expansion nationwide and acquisitions of companies.

- The number of houses sold increased in the Kinki area and in the southern Kanto region, where demand is strong. Aiming to continue to increase market share nationwide.

**Houses Sold by Area\*1**



**Home prices**



- Aim to gain a stable market share in regions where KEIAI operates and continue to increase the number of houses sold in the current fiscal year through a sales office opening strategy that matches market conditions.

# SG&A expenses

The SG&A to sales ratio was almost unchanged compared to the previous year at 8.4%

(JPY mil.)

	1Q FY3/24		1Q FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
SG&A expenses	4,962	8.1%	5,663	8.4%	14.1%
Sales commission	1,292	2.1%	1,556	2.3%	20.4%
Advertising expenses	194	0.3%	139	0.2%	-28.0%
Salaries and allowances	1,293	2.1%	1,356	2.0%	4.9%
Provision for bonuses	-27	0.0%	126	0.2%	-
Other	2,209	3.6%	2,484	3.7%	12.4%



# Consolidated Balance Sheet

Total assets were 262.79 billion JPY and net assets were 60.59 billion JPY.

(JPY mil.)

	March 31, 2024*	June 30, 2024	Increase/decrease
Current assets	235,041	<b>249,520</b>	14,479
Non-current assets	10,896	<b>13,270</b>	2,373
Total assets	245,938	<b>262,790</b>	16,852
Current liabilities	139,801	<b>135,552</b>	-4,249
Non-current liabilities	45,111	<b>66,643</b>	21,532
Total liabilities	184,913	<b>202,196</b>	17,282
Net assets	61,024	<b>60,594</b>	-429
Total liabilities and net assets	245,938	<b>262,790</b>	16,852

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

# Inventories

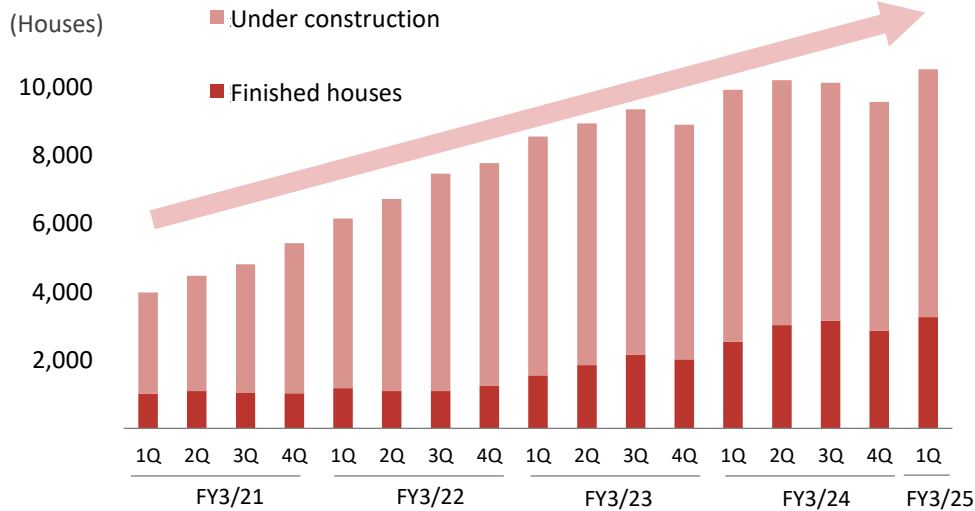
Inventories steadily increased by 22.19 billion JPY from the end of March 2024, including more than 10,000 finished houses for sale.

(JPY mil.)

	FY3/24	1Q FY3/25	YoY change
Inventories	170,533	<b>192,727</b>	22,193
Real estate for sale	89,317	<b>105,755</b>	16,437
Real estate for sale in process	76,792	<b>81,570</b>	4,778
Costs on uncompleted construction contracts	4,423	<b>5,401</b>	978

# Inventory and Inventory Turnover

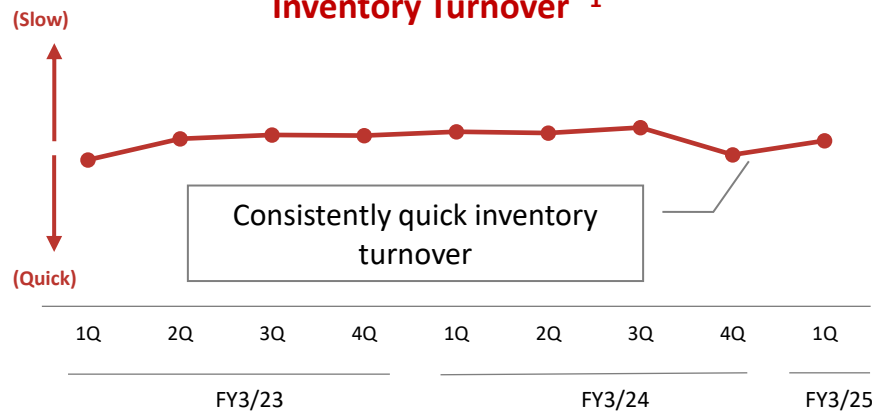
## Inventory



- Inventory has exceeded 10,000 houses, and is steadily increasing for growth in FY3/25 onward. Continuing to purchase properties in accordance with the supply-demand balance of market inventories
- Constant replacements of inventory properties due to the consistently quick turnover



## Inventory Turnover \*1



- Continue to manage inventory with a suitable balance between sales growth and securing profits by utilizing the KEIAI platform that keep inventory turnover quick.

\*1 Average turnover from purchase of land to closing of home sale (Group average excluding L Housing)

## Business Policy/Forecast

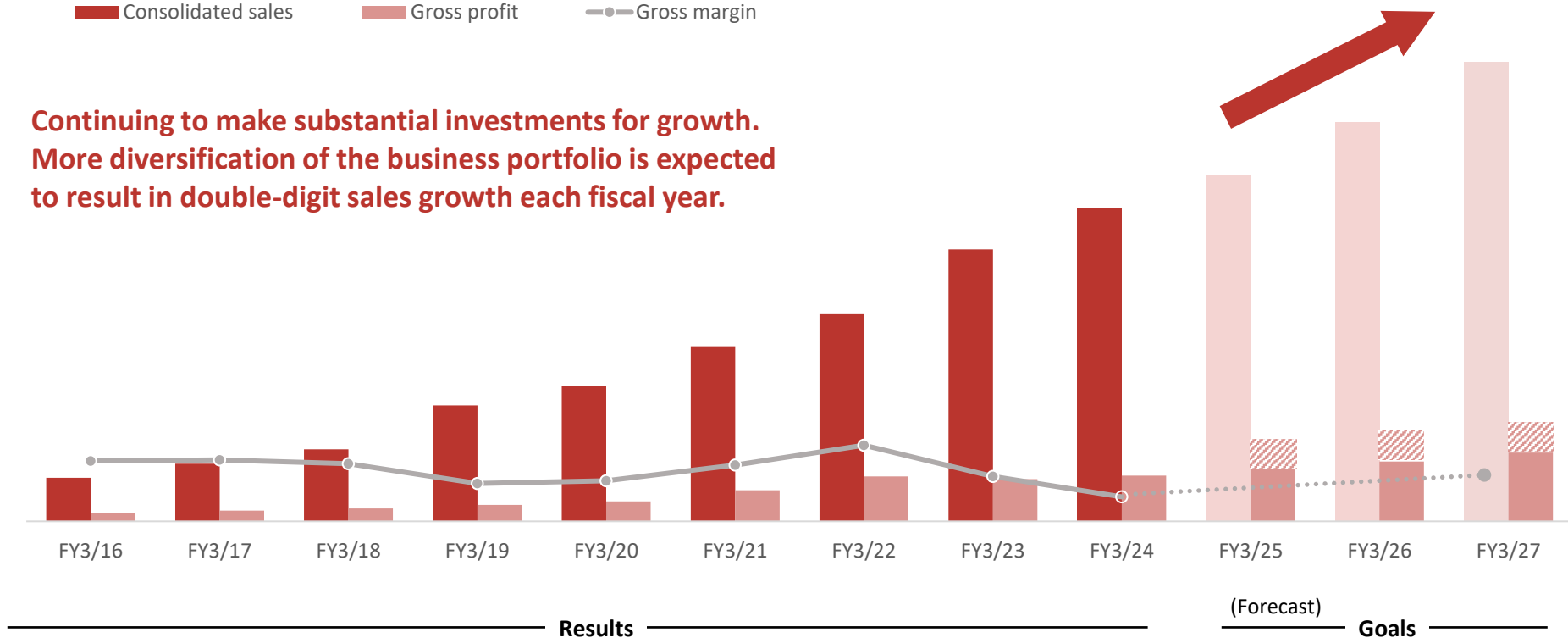
# Projected Business Growth

Steady growth of the homebuilding and sales business supported by the strategic addition of sales offices and purchases of land and measures to increase homebuilding capacity. Growth is also backed by large investments for expanding business operations, including expenditures for custom-built houses, overseas and other operations, M&A and other activities.

**Projected growth of consolidated sales and gross margin**

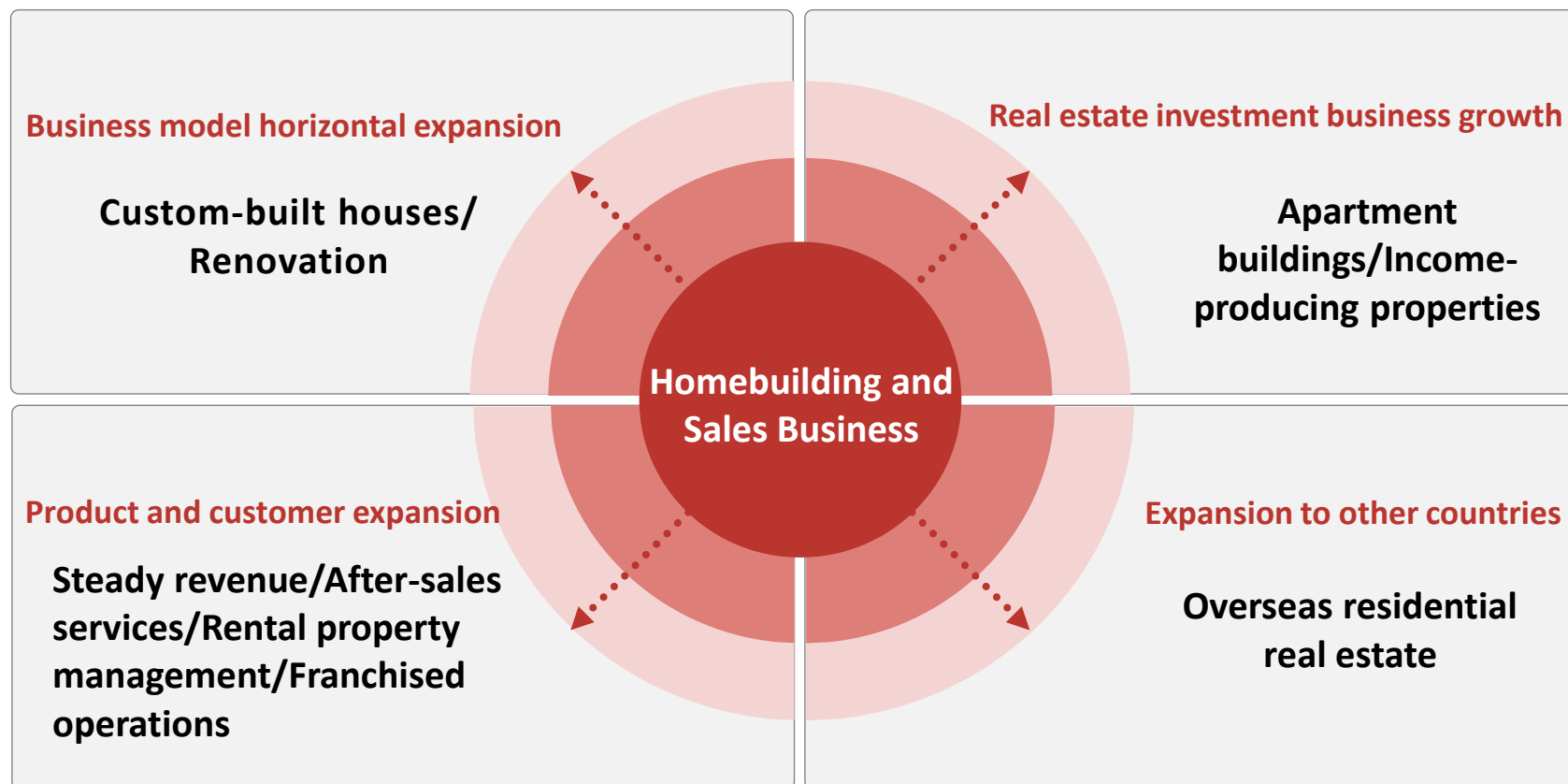
■ Consolidated sales    
 ■ Gross profit    
 —●— Gross margin

**Continuing to make substantial investments for growth. More diversification of the business portfolio is expected to result in double-digit sales growth each fiscal year.**



# Business Portfolio Expansion

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



# Business Portfolio Expansion: Custom-built Housing

## KEIAI Custom-built Housing

- ✓ Differentiation from competitors by using KEIAI's expertise involving home designs, property purchases and construction acquired over many years in the homebuilding and sales business
- ✓ Acquired Shinyamagata Hometech in April 2024 and plan to continue adding companies throughout Japan to the KEIAI Group



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

## IKI One-story Houses

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



## Business Portfolio Expansion: Custom-built Housing

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On May 23, 2024, KEIAI signed a contract for the purchase of the stock of TAKASUGI Co., Ltd. The stock was purchased on July 1. TAKASUGI is one of the leading homebuilders in Kumamoto prefecture. Adding this company to the KEIAI Group is expected to speed up the growth of the custom-built housing business. Furthermore, combining the resources of the two companies, including business models, knowledge and other items, will create a sound base for more growth in Kyushu.

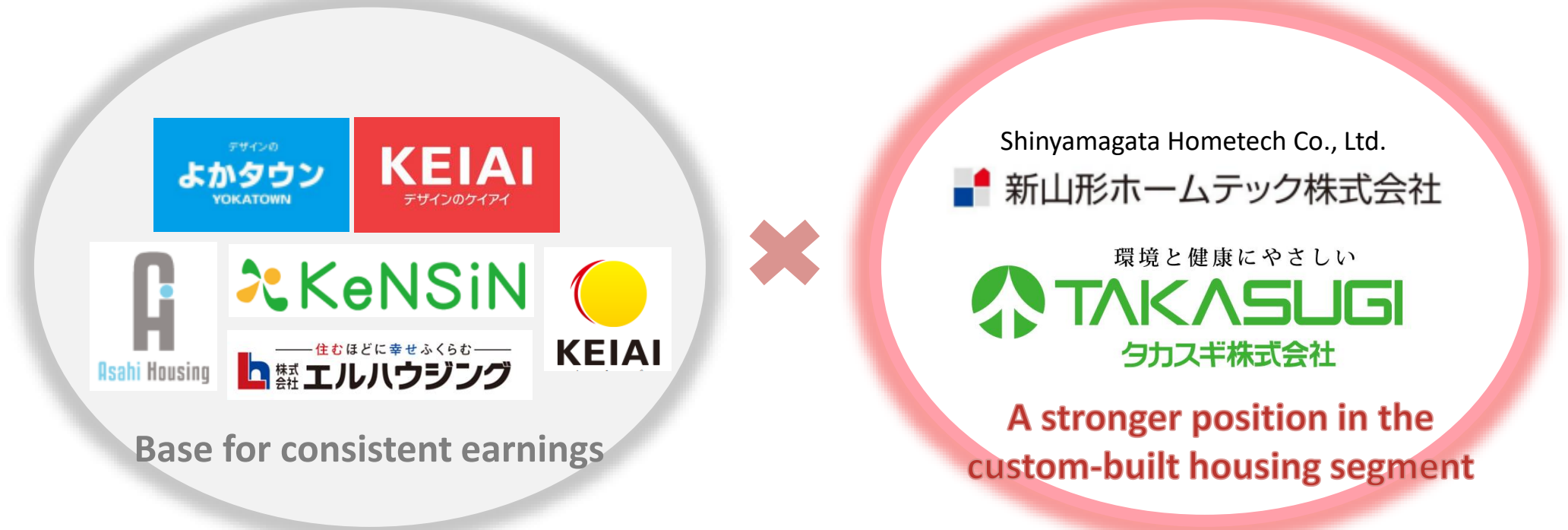
Kindness for the environment and healthy living



**Synergies spanning the homebuilding and sales and the custom-built housing businesses are expected to enable the KEIAI Group to grow even faster in Kyushu.**



# Business Portfolio Expansion: Custom-built Housing



The homebuilding and sales business in Japan has continued to grow through the Group companies.

We will strengthen the custom-built housing business and increase synergies between the homebuilding and sales business and the custom-built housing business through companies added to the Group this fiscal year through M&As.

# Business Portfolio Expansion: Renovation

- Completed in June the Utsunomiya Model House where people can see a completely renovated home.
  - The house is designed to appeal to people of all generations by using a Japanese modern atmosphere, a design that was sold in the past.
  - Many people are visiting the finished renovation. A second model house is scheduled for completion at the Mito Office at the end of August.

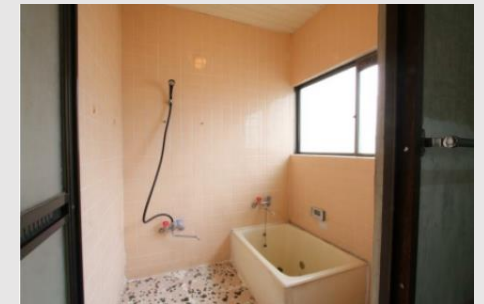
**Exterior**

**Kitchen**

**Living room**

**Bathroom**

**Before**



**After**



# Business Portfolio Expansion: Overseas (Australia)

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## Started a new big project in Australia

- There are currently seven development projects underway, including investment projects, with a total of more than 300 housing lots.
- In Deanside, an area on the northwest side of Melbourne, land has been purchased that is to be used for housing development with 106 residential lots.
- Aiming for land acquisitions in FY3/25 to raise cumulative home sites to more than 600 with operations mainly in the Melbourne area but also in other regions.

Land for housing development and renderings of residences of the site



KEIAI press release: [https://ki-group.co.jp/wp/wp-content/uploads/2024/06/2024.06.13\\_Australia\\_bigproject.pdf](https://ki-group.co.jp/wp/wp-content/uploads/2024/06/2024.06.13_Australia_bigproject.pdf)

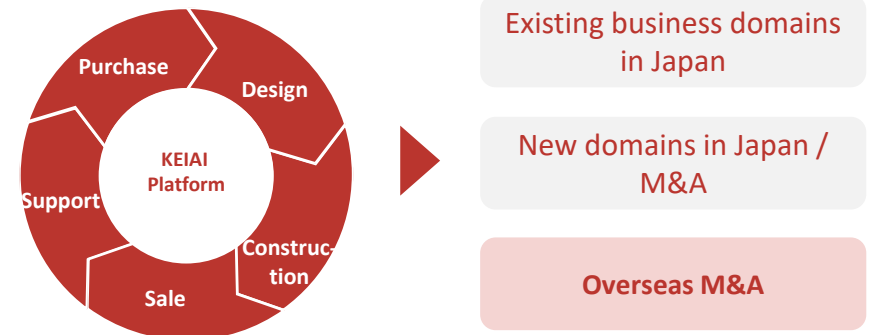


# Business Portfolio Expansion: Overseas (U.S.)

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



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

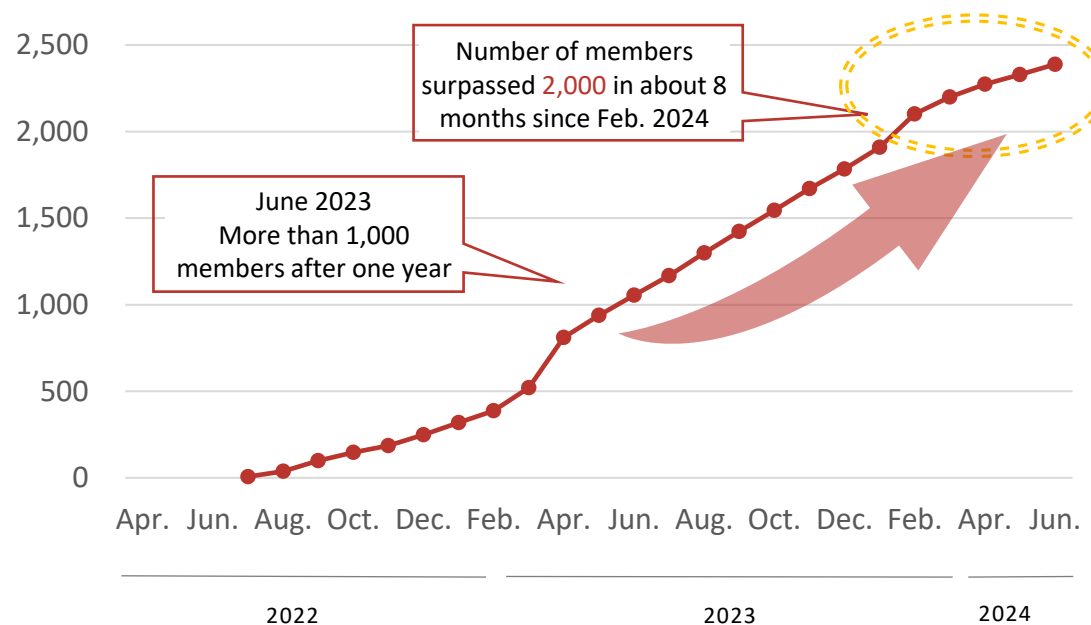


# Business Portfolio Expansion: Recurring Revenue Business

KEIAI House Support is a 24-hour service to deal with an emergency involving a house or other structure. Customers who have purchased a KEIAI Group home or used the KEIAI Group to build a home are eligible to become KEIAI House Support Service members. KEIAI House Support Service is service for thorough home inspections and other examinations to the members. The number of fee-paying members of this service is more than 2,000 only 20 months after the launch of the services and increasing steadily.



Number of the KEIAI House Support paying members



KEIAI House Support Service: <https://owners.ki-group.jp/uchisapo/>

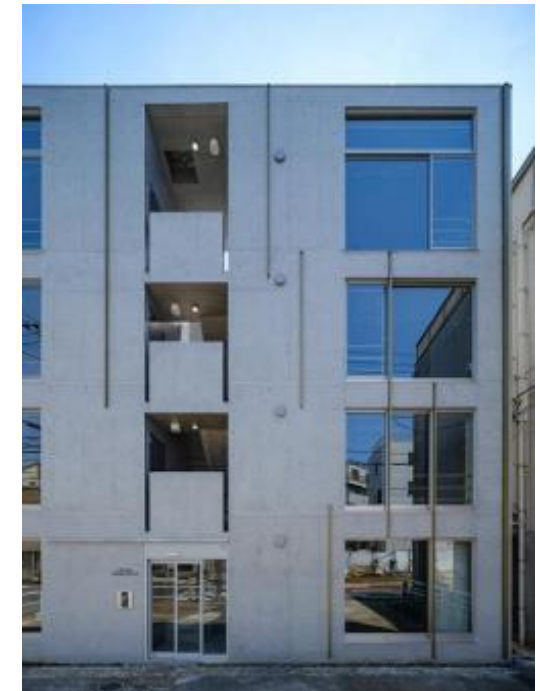
\* Calculated from the KEIAI House Support service start date.

# Business Portfolio Expansion: Income-producing Properties Business

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

Example of investment properties acquired by KEIAI



# Shareholder Returns

# Dividends and Shareholder Benefits

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

	FY3/23 results (consolidated)	FY3/24 results (consolidated)	FY3/25 forecast (consolidated)
Net income per share (yen)	750.77	434.89	<b>462.82</b>
Dividend per share (yen)	230.00	180.00	<b>130.00</b>
Interim dividend per share (yen)	140.00	118.00	<b>65.00</b>
Payout ratio (%)	30.6%	41.4%	<b>28.1%</b>

## Shareholder Benefits

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

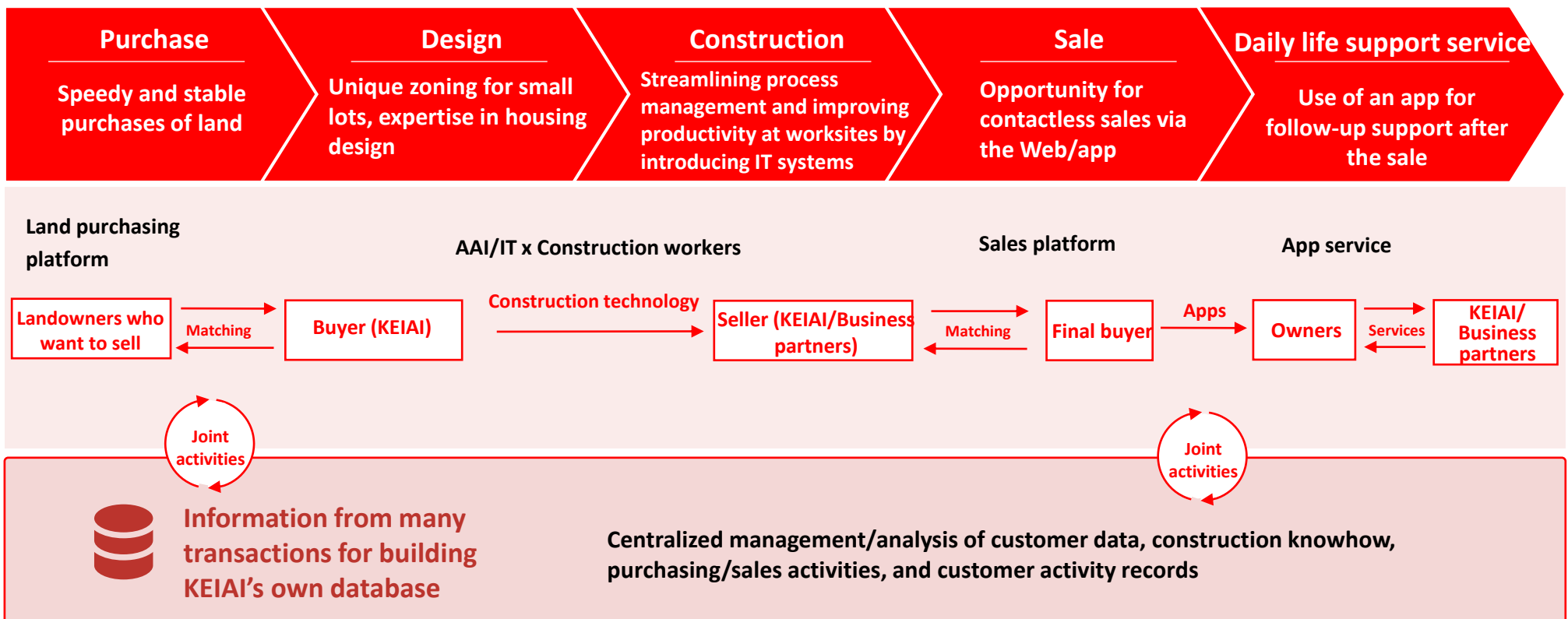


# Business Model

# A Fully Integrated “Real x Technology” Platform

A “Real x Technology” supply model that revolutionizes the detached housing supply chain in Japan. KEIAI has developed an integrated technology platform extending from purchasing land, designing, constructing and selling houses, to support services.

## ● The “Real x Technology” KEIAI Platform



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

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

## Conventional ready-built houses

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



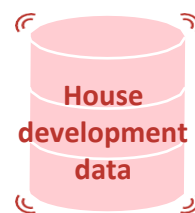
## Compact ready-built houses

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

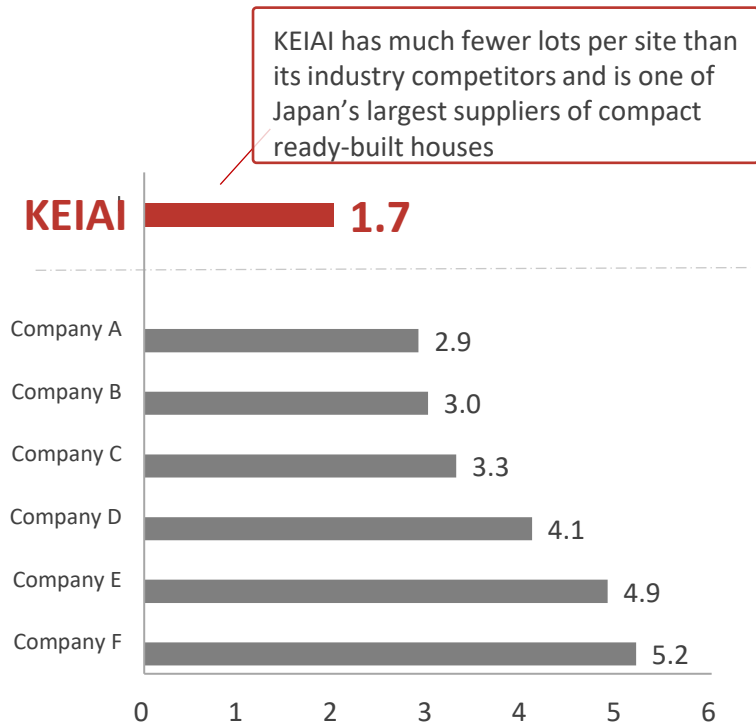


## Increase in the number of land data entries

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



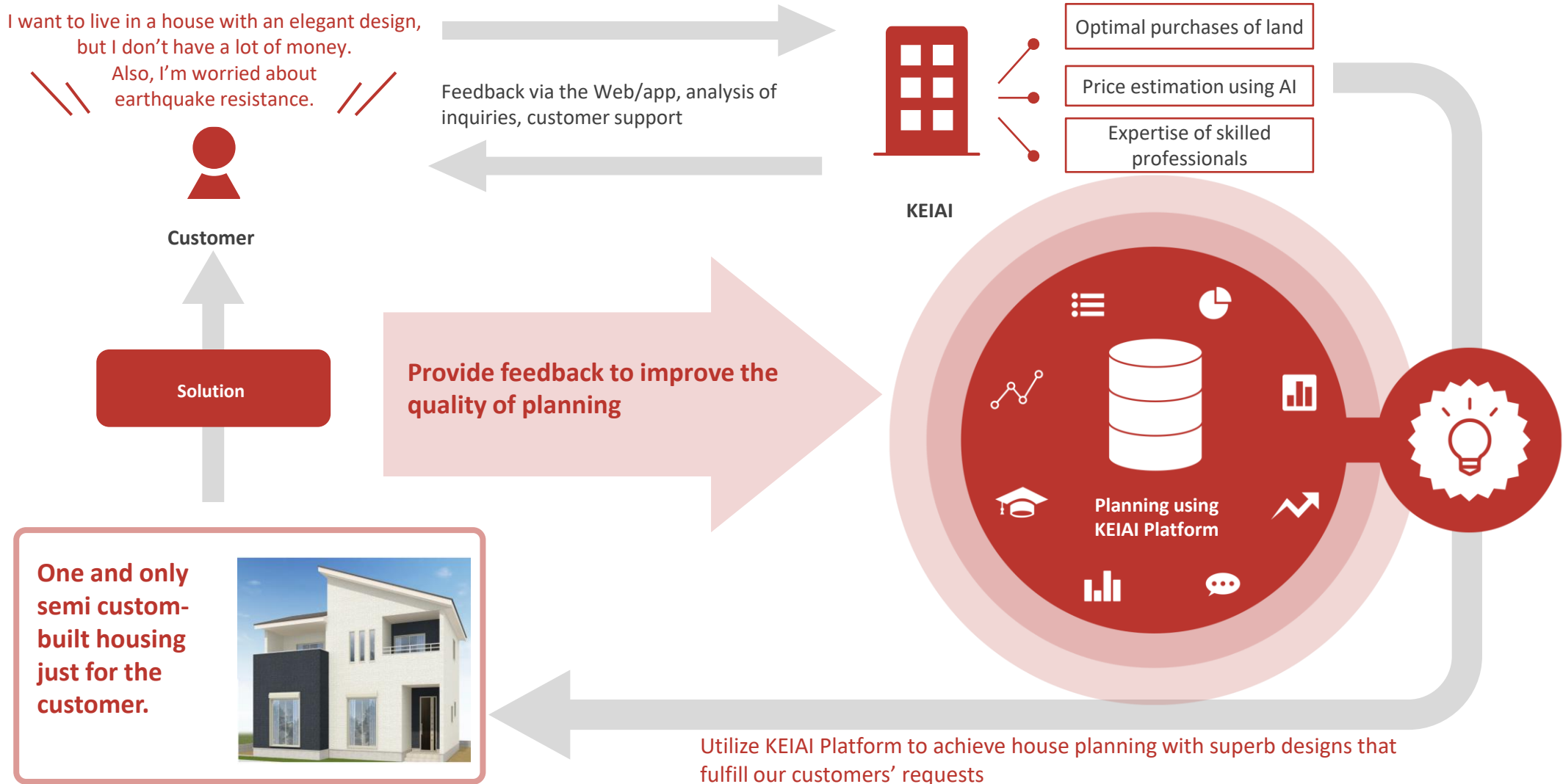
## Avg. number of lots\*1 in housing developments



KEIAI has much fewer lots per site than its industry competitors and is one of Japan's largest suppliers of compact ready-built houses

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

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



## ESG/SDGs Initiatives

# Establishment of the Sustainability Committee

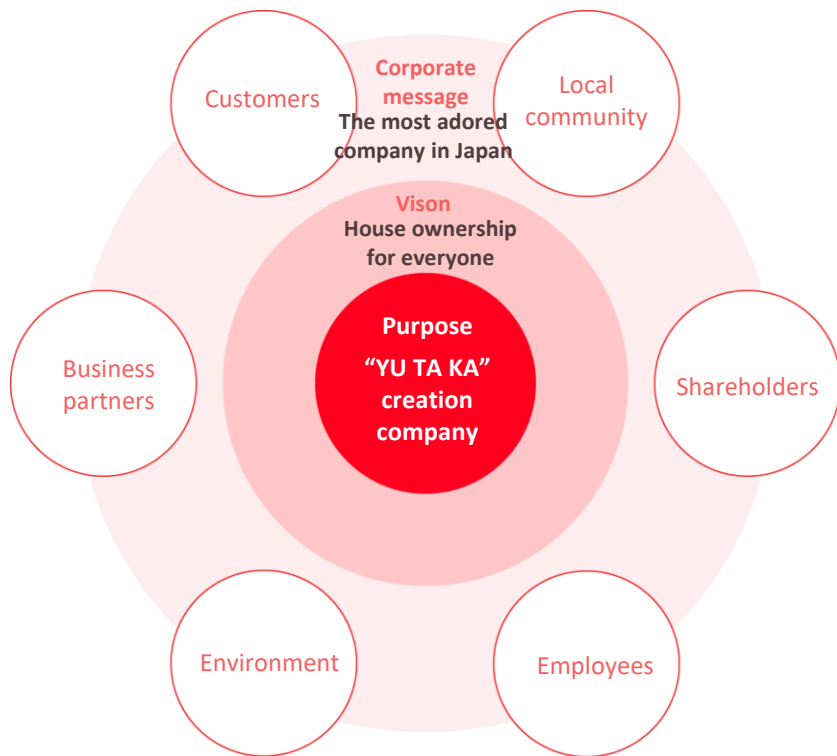
The KEIAI Group has many activities for helping solve social issues in Japan and other countries. By supplying homes where people can lead happy and fulfilling lives, we are dedicated to playing a role in creating a sustainable and affluent society. We believe these activities will contribute to the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



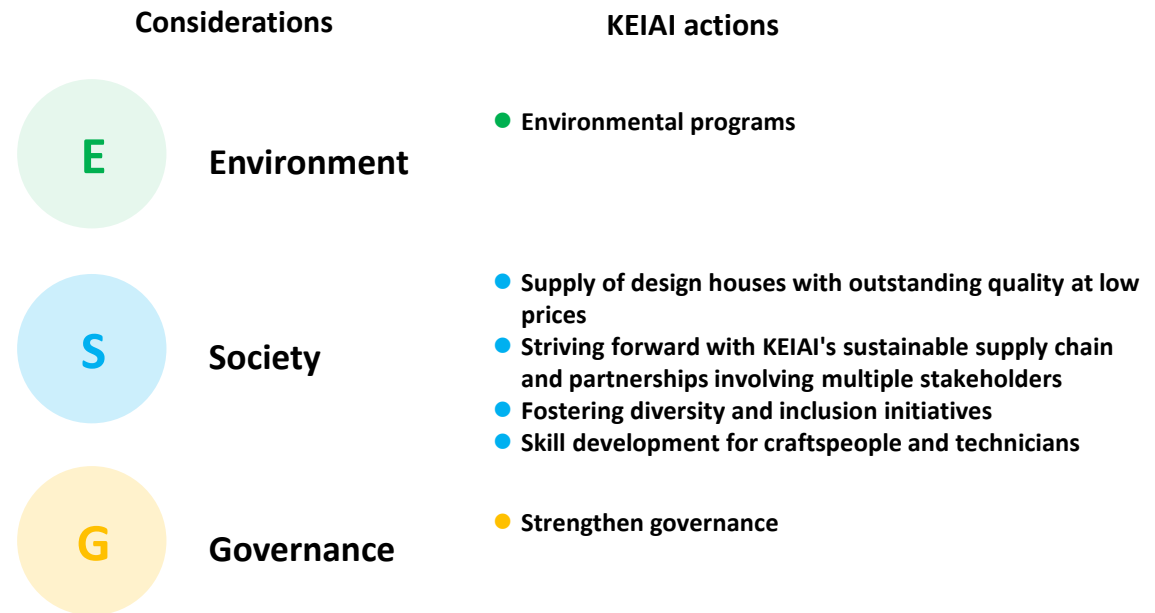
# Sustainability Policy and Determination of ESG Materiality

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

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



## Determination of ESG Materiality



# Sustainability Materiality

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

Society



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

Society



03 | Fostering diversity, equity and inclusion initiatives

Society



04 | Skill development for craftspeople and technicians

Society



05 | Environmental programs

Environment



06 | Strengthen governance

Governance





# Sustainability Activities and Accomplishments

- Received scores of “B” in Climate Change Report 2023 of the CDP, an international environmental NGO, and “A-” in the Supplier Engagement Rating 2023.



- The KEIAI Greenhouse Gas Emission Report 2023 received third-party certification.
- KEIAI posts climate information based on the TCFD framework on its website.
- Received Platinum Certification for Promotion of Diverse Working Styles in Saitama



- KEIAI uses sustainable financing in order to help create a sustainable society.
  - On June 27, KEIAI received a syndicated Sustainability Link Loan from Ashikaga Bank. The SLL of 20.4 billion yen is part of the total loan of 43.2 billion yen.



# Towards Sustainable Society : Sustainable Finance Activities

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



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



- [September 2023] Information about Chiba Bank Sustainability Link Loan:  
[https://ki-group.co.jp/wp/wp-content/uploads/2023/10/2023.10.02\\_chibaginkou.pdf](https://ki-group.co.jp/wp/wp-content/uploads/2023/10/2023.10.02_chibaginkou.pdf)
- [November 2023] Information about Kagawa Bank Sustainability Link Loan:  
[https://ki-group.co.jp/wp/wp-content/uploads/2023/11/2023.11.30\\_kagawabank\\_SSL.pdf](https://ki-group.co.jp/wp/wp-content/uploads/2023/11/2023.11.30_kagawabank_SSL.pdf)
- [March 2024] Information about Aozora Bank Positive Impact Finance:  
[https://ki-group.co.jp/wp/wp-content/uploads/2024/03/2024.3.25\\_aozorabank\\_PIF.pdf](https://ki-group.co.jp/wp/wp-content/uploads/2024/03/2024.3.25_aozorabank_PIF.pdf)

# Towards Sustainable Society : Building Energy Efficient Houses

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



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



# Towards Sustainable Society : Safe Disposal of Company PCs

In March 2024, KEIAI started using Japan Circuit Boards Network\*1 for the responsible recycling and disposal of end-of-life PCs used for business operations. Some CPUs, memory units and monitors are reused. Other components are sold and processed in Japan to recover gold, copper, rare metals and other resources. Furthermore, these activities generate revenue and create jobs with appropriate wages for people with developmental disabilities. Everyone at the KEIAI Group has a commitment to raising awareness of the importance of environmental measures and making a contribution to communities and environmental programs.



Mr. Nakamura (right), deputy manager of the KEIAI Strategic Development Division, with two Japan Circuit Boards Network employees

\*1: Residents of facilities for people with developmental disabilities in all areas of Japan collect and manually disassemble PCs for the recycling in Japan of numerous materials.



The PC disassembly and recycling process



# News Topics

# KEIAI Receives iF DESIGN AWARD 2024

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- Project awarded: Komichi no Komachi
- Features
  - ◇ Design linked to the culture of traditional Japanese row houses
  - ◇ A new type of neighborhood atmosphere with adjacent houses linked by narrow passages for bringing people together



Komichi no Komachi website: <https://ki-group.jp/komichinokomachi/>

## Ranked Fourth Most Popular in the Real Estate Category

- KEIAI placed fourth in the 2025 real estate top 10 ranking of popular companies in specific industries among new graduates seeking their first jobs\*<sup>1</sup>
  - KEIAI's ranking improved from seventh to fourth.
  - KEIAI is hiring many young people who can play key roles in the growth strategy of using a diverse range of businesses and expanding operations to more areas of Japan.
- KEIAI is number 18 in the top 30 popularity ranking by area among new graduates of companies in the Kanto-Koshinetsu region (excluding Tokyo).

### Mynavi-Nikkei 2025 New Graduate Job Seeking Popularity Ranking (Real Estate)

1st	Mitsui Fudosan Co., Ltd.	6th	Mitsui Fudosan Retail Management Co., Ltd.
2nd	Open House Group Co., Ltd.	7th	MORI BUILDING Co., Ltd.
3rd	Mitsubishi Estate Company, Limited	8th	Nomura Real Estate Development Co., Ltd.
4th	<b>KI-STAR REAL ESTATE Co., Ltd.</b>	9th	Mitsui Fudosan Realty Co., Ltd.
5th	Sumitomo Realty & Development Co., Ltd.	10th	NTT Urban Development Corporation

KEIAI press release: [https://ki-group.co.jp/wp/wp-content/uploads/2024/04/2024.04.22\\_mynavinikkei\\_ranking2025.pdf](https://ki-group.co.jp/wp/wp-content/uploads/2024/04/2024.04.22_mynavinikkei_ranking2025.pdf)

\*1: Announced by Nikkei Inc. and Mynavi Corporation



# The KEIAI Challenged Athlete Team

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

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

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



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



# Activities of the KEIAI Challenged Athlete Team

## Special instructor for a class at the Sakado Deaf School of the Saitama Prefectural Special Support School

- Purpose: Enable students to experience the joy of physical activities and provide opportunities to think about and determine goals for the future
- Instructor for a class that included a deaf judo lesson for 32 students

(KEIAI Challenged Athlete Team member Masaki Sato and students at the school for deaf children)



## Para-Sports competition at Shochi Fukaya High School

- Purpose: Increase interest in Paralympics and Deaflympics and increase the understanding of physical disabilities
- Seven people from KEIAI participated in this para-sports event at Shochi Fukaya High School in Saitama prefecture where 22 students competed: six members of the KEIAI Challenged Athlete Team and the team's director, who is also the manager of the women's deaf futsal team.

(Participants from KEIAI and the 22 students who competed in this event)

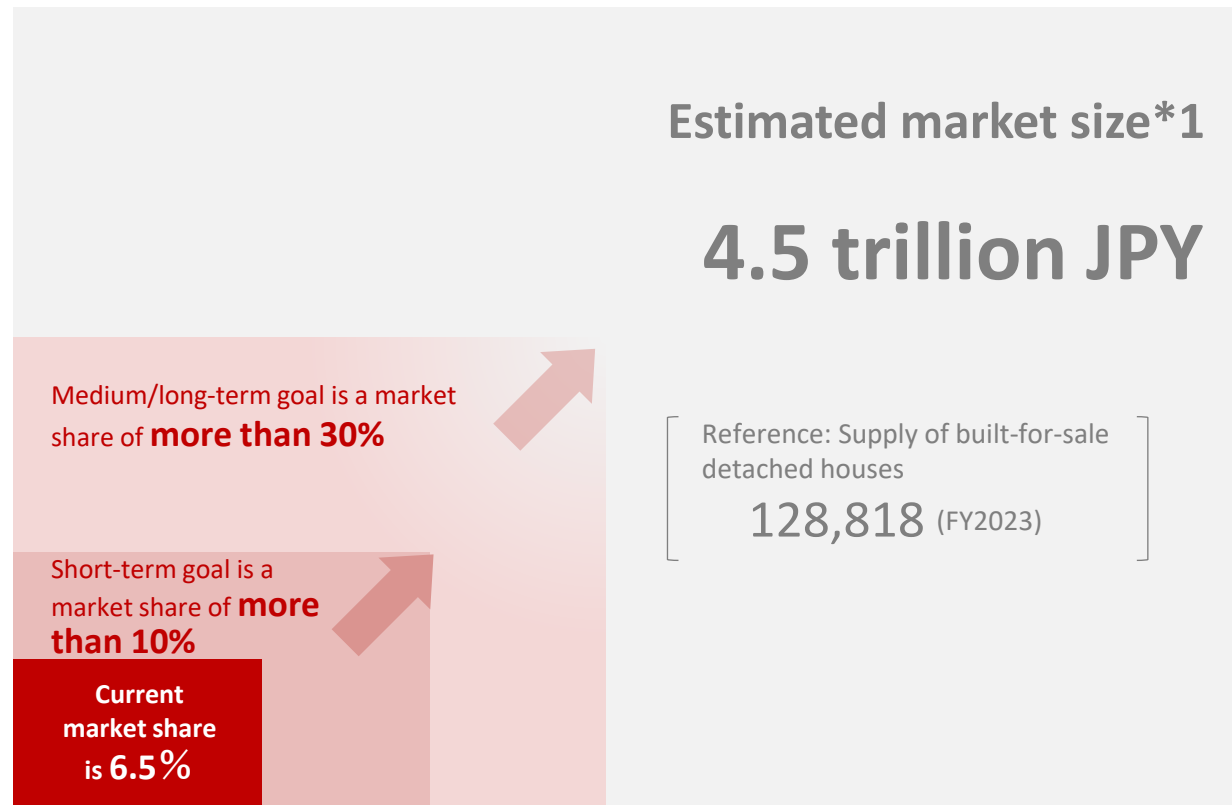


**Para-sports events held with schools and other partners and by KEIAI have achieved total participation of more than 1,500 student athletes.**

# Appendix

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

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



**Medium-term goal**

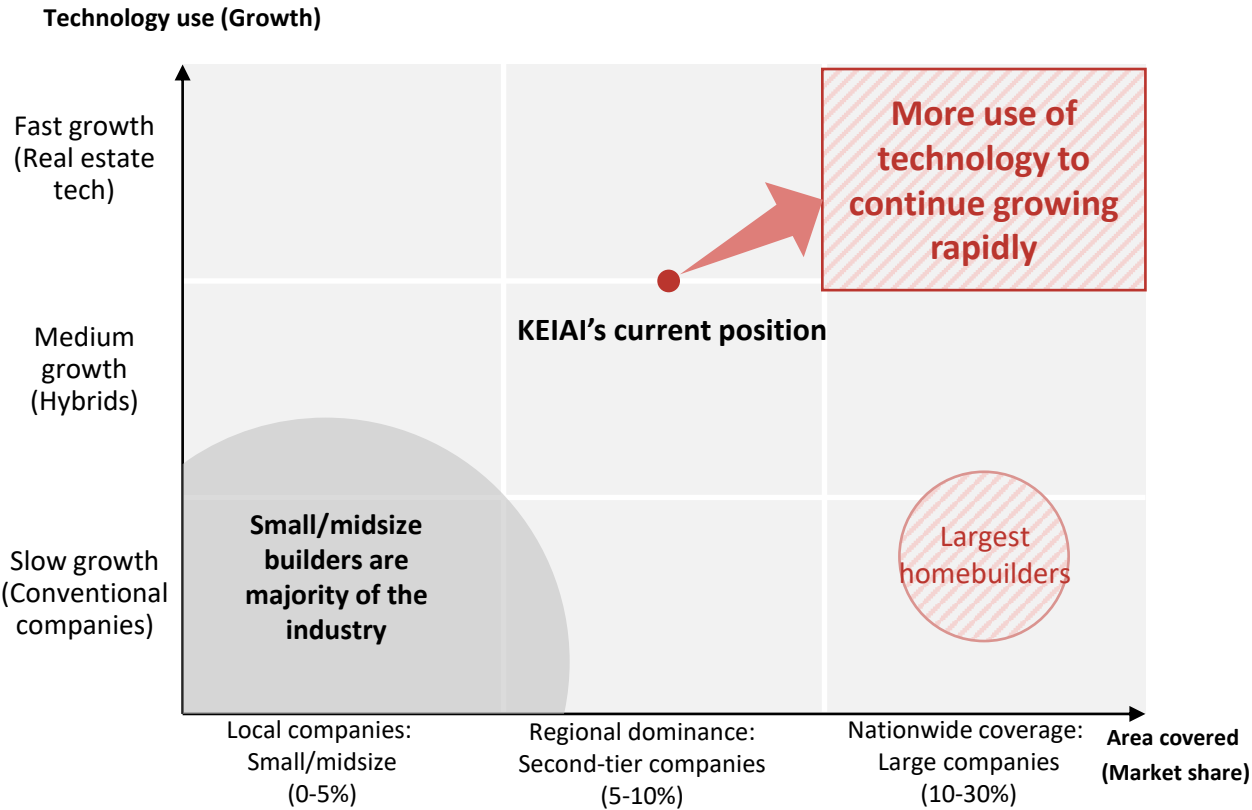
**Increase our share of Japan's built-for-sale house market**

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

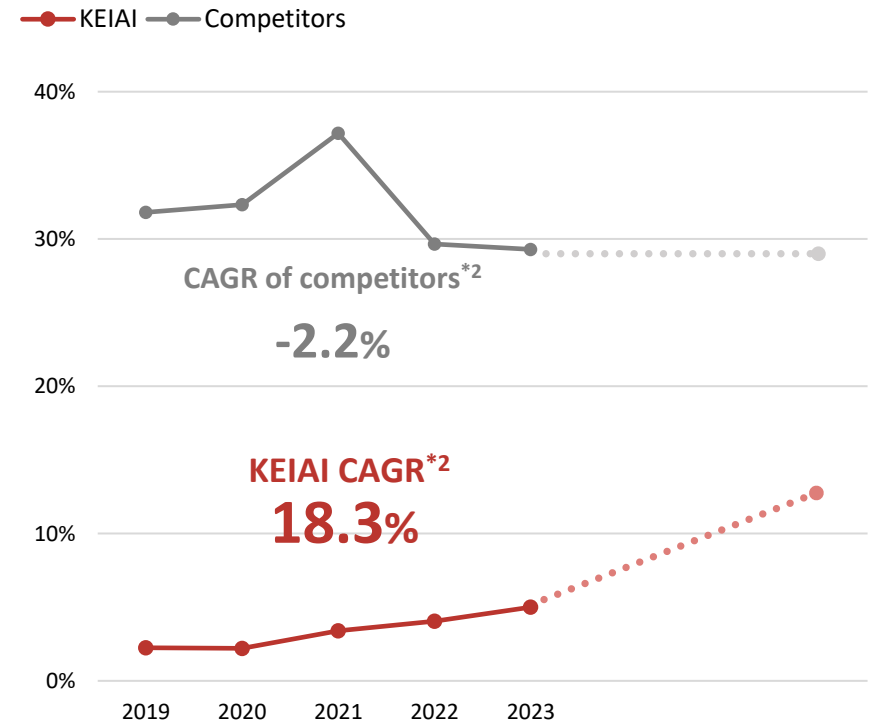
# The Built-for Sale House Industry and KEIAI's Position

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

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



**Market Shares of Large Companies and KEIAI \*1**



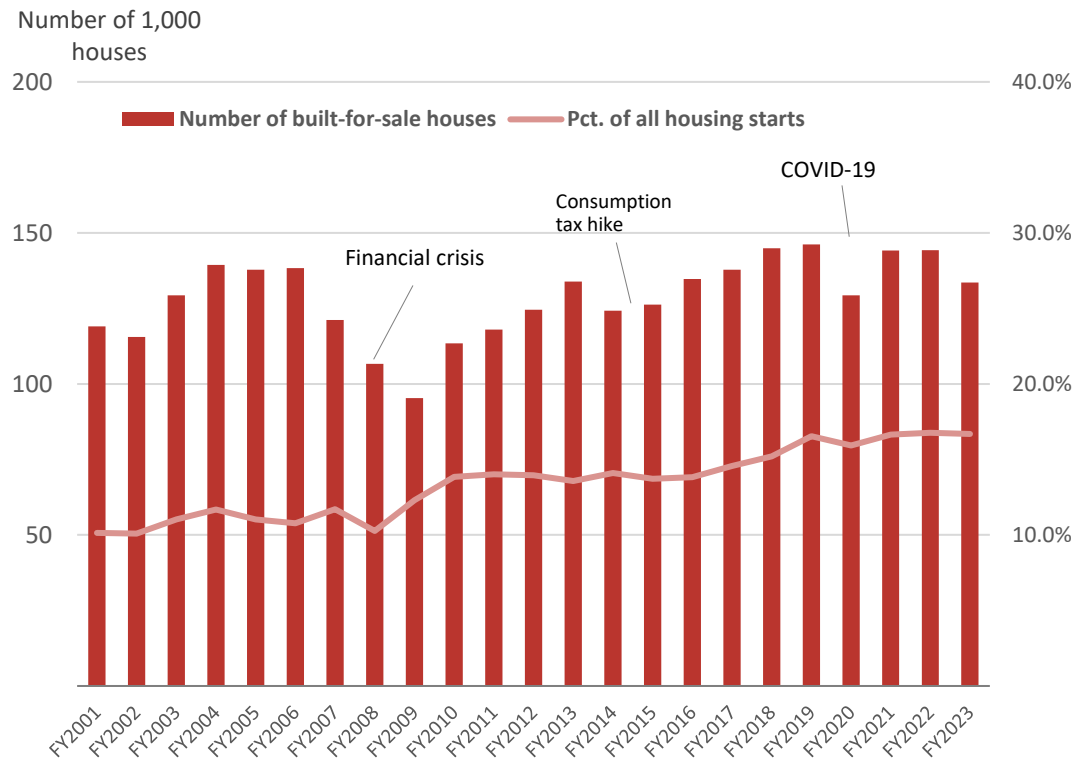
\*1. Comparison of sales growth of largest companies and KEIAI

\*2. CAGR : Compound Annual Growth Rate

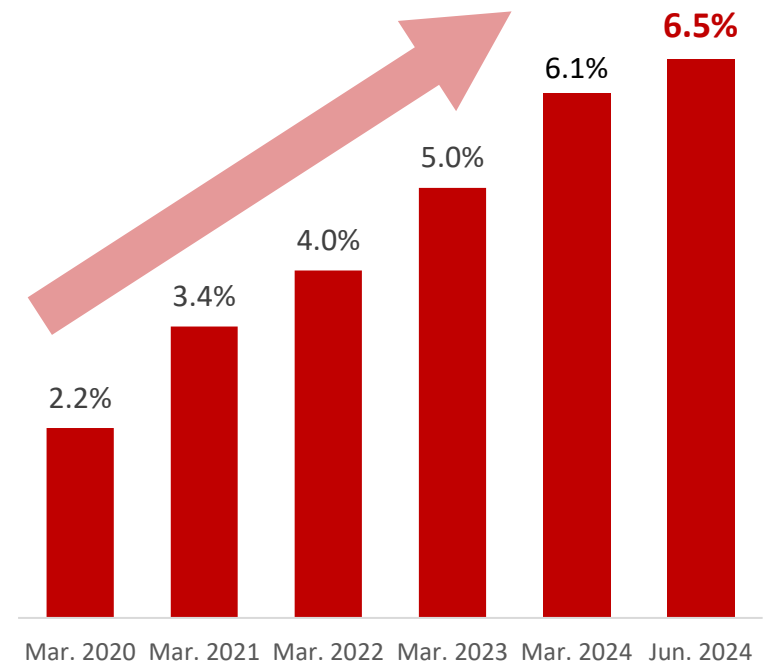
# KEIAI's Market – Built-for-Sale Houses

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

**Construction Starts for Built-for-Sale Detached Houses**



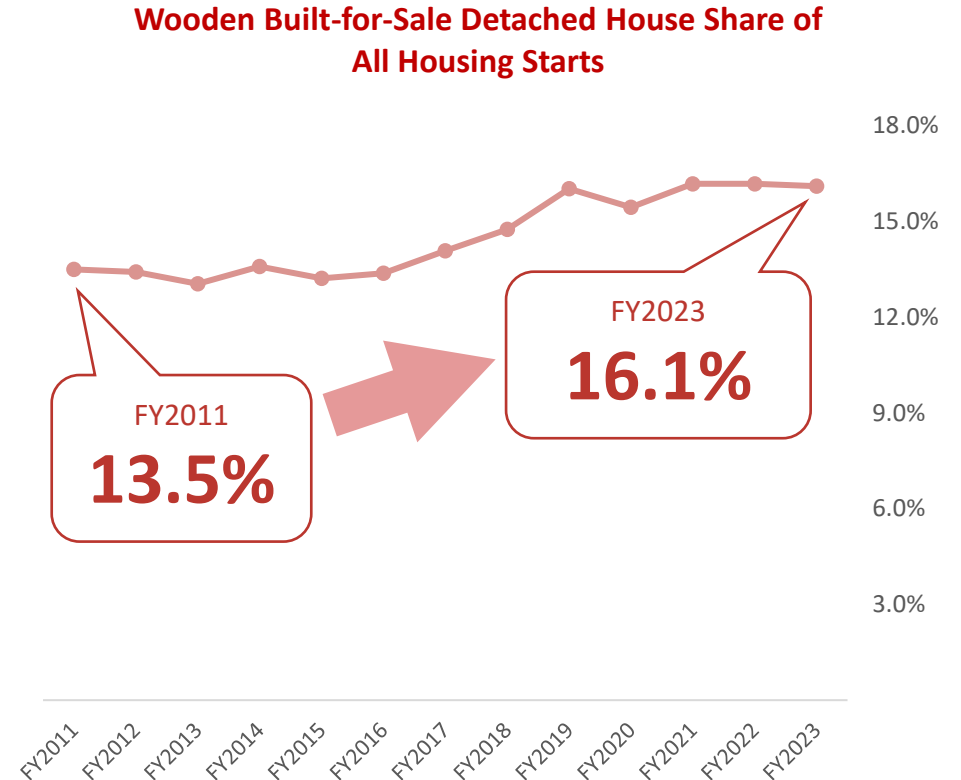
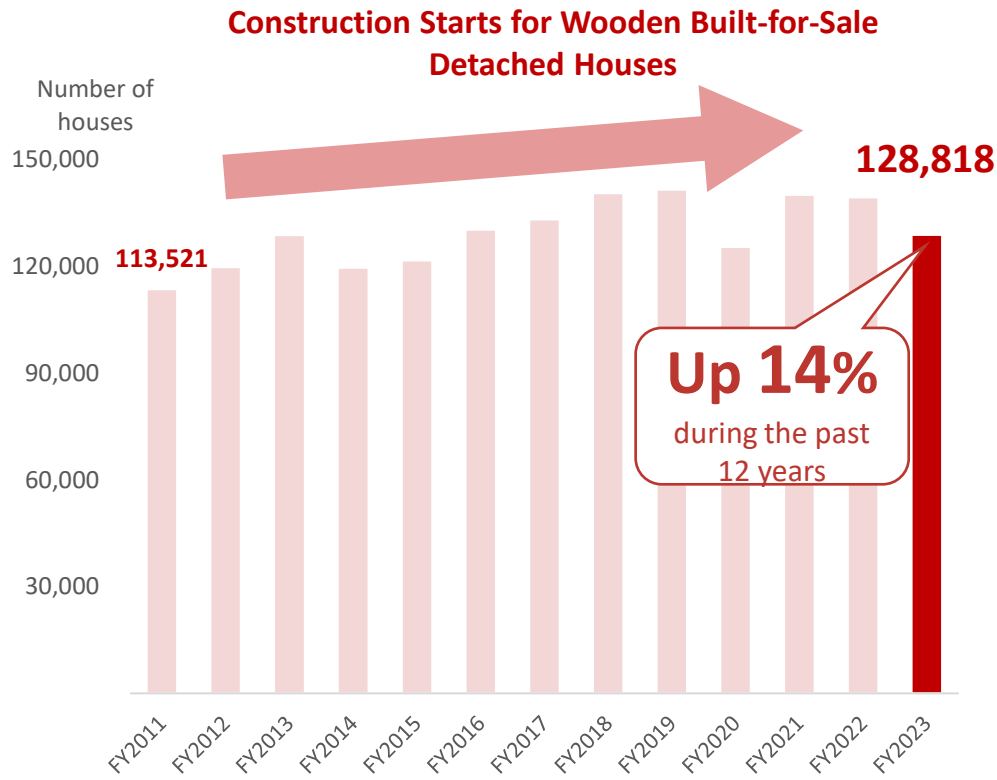
**KEIAI Group's Nationwide Market Share**



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

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

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



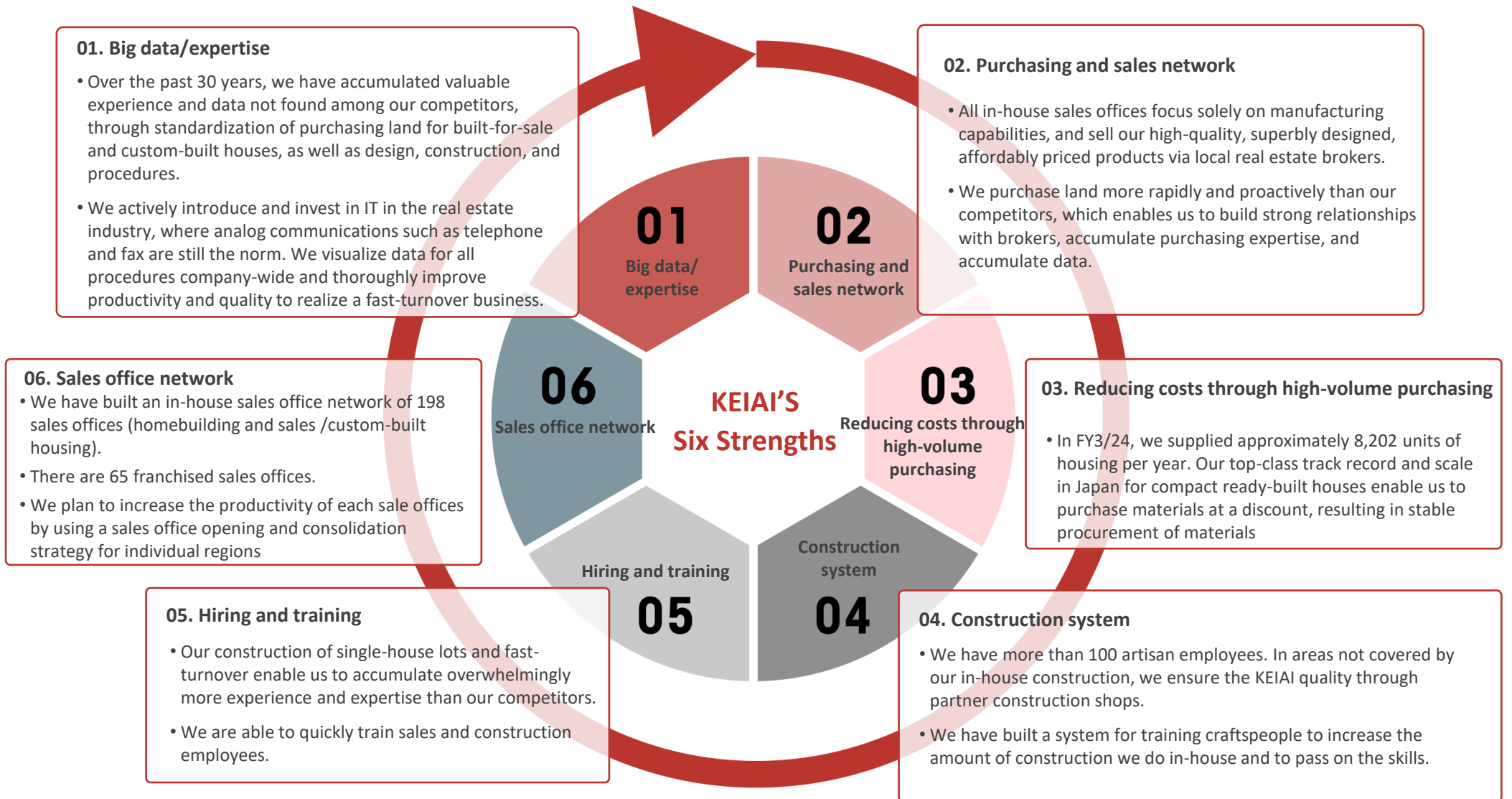
Source: Ministry of Land, Infrastructure, Transport and Tourism "Housing Construction Statistics"

# Benefits of KEIAI's Semi Custom-Built Housing

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

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

# Six Strengths Backing the KEIAI Group's Growth

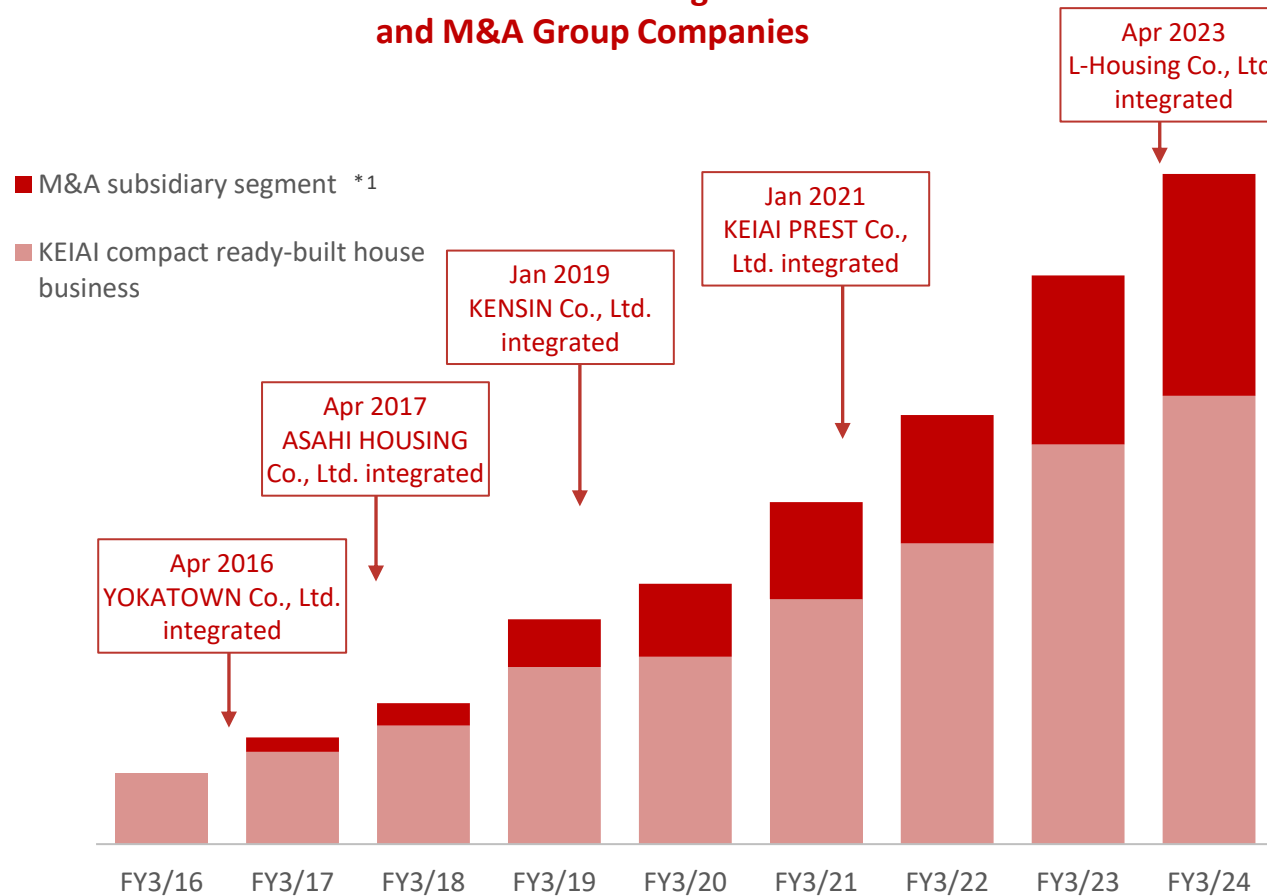




# M&A –Sales of Subsidiaries after the Acquisition

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

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



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

# Forward-looking Statements

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

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## Inquiries

**KI-STAR REAL ESTATE Co., Ltd.**

**Financial Strategy & Investor Relations Department / IR section**

URL: [www.ki-group.co.jp](http://www.ki-group.co.jp)

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