

KEIAI

デザインのケイアイ

FY3/25 Financial Results

KI-STAR REAL ESTATE CO., LTD.



Tokyo Stock Exchange,
Prime Market/ 3465

Our Purpose and Vision

Our Purpose

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

Our Vision

House ownership for everyone

FY3/25 Financial Summary

- Sales and earnings increased more than planned as net sales were up 21.0% to 342.5 billion JPY and Profit attributable to owners of parent increased 31.4% to 8.8 billion JPY.
- A slow recovery of inventory turnover and the gross profit margin due to rapidly selling houses to replace inventory properties with others.
- The homebuilding and sales business increased its market share in Tokyo and three neighboring prefectures and in other major metropolitan areas.

		<u>FY3/25 Results</u>	<u>YoY change</u>
FY3/25 Results	Net sales	¥342.5 billion	21.0%
	Operating profit	¥17.2 billion	51.9%
	Ordinary profit	¥15.1 billion	49.3%
	Profit attributable to owners of parent	¥8.8 billion	31.4%

FY3/26 Forecast Summary

- Due to the strong performance, the goal for net sales in the first year of the medium-term plan has been increased from 365 billion JPY to 370 billion JPY.
- The homebuilding and sales business continues to concentrate on large metropolitan areas and measures are underway to start a house repurchasing and selling business that will operate in suburban areas.
- Planning on returning quickly to a normal gross profit margin by raising productivity and cutting costs.
- Making substantial investments in other new businesses for optimization of the business portfolio

		<u>FY Forecast</u>	<u>YoY change</u>
FY3/26 Forecast	Net sales	¥370.0 billion	8.0%
	Operating profit	¥23.0 billion	33.3%
	Profit attributable to owners of parent	¥12.0 billion	35.4%

FY3/25 Financial Results

Consolidated Statement of Income

Net sales increased to a record high due to proactive sales activities, including for inventory adjustments, and the gross profit margin is recovering. Net sales were 342.55 billion JPY (up 21.0% YoY), ordinary profit increased 49.3% to 15.12 billion JPY and profit attributable to owners of parent increased 31.4% to 8.86 billion JPY.

(JPY mil.)

	FY3/24		FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
Net sales	283,084	100.0%	342,553	100.0%	21.0%
Gross profit	32,576	11.5%	41,988	12.3%	28.9%
SG&A expenses	21,214	7.5%	24,733	7.2%	16.6%
Operating profit	11,362	4.0%	17,255	5.0%	51.9%
Ordinary profit	10,130	3.6%	15,124	4.4%	49.3%
Profit attributable to owners of parent	6,743	2.4%	8,862	2.6%	31.4%

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

Consolidated Statement of Income (4Q)

Net sales significantly increased to 109.71 billion JPY (up 28.4% YoY). Ordinary profit increased 63.2% to 5.07 billion JPY and profit attributable to owners of parent increased 49.2% to 3.00 billion JPY.

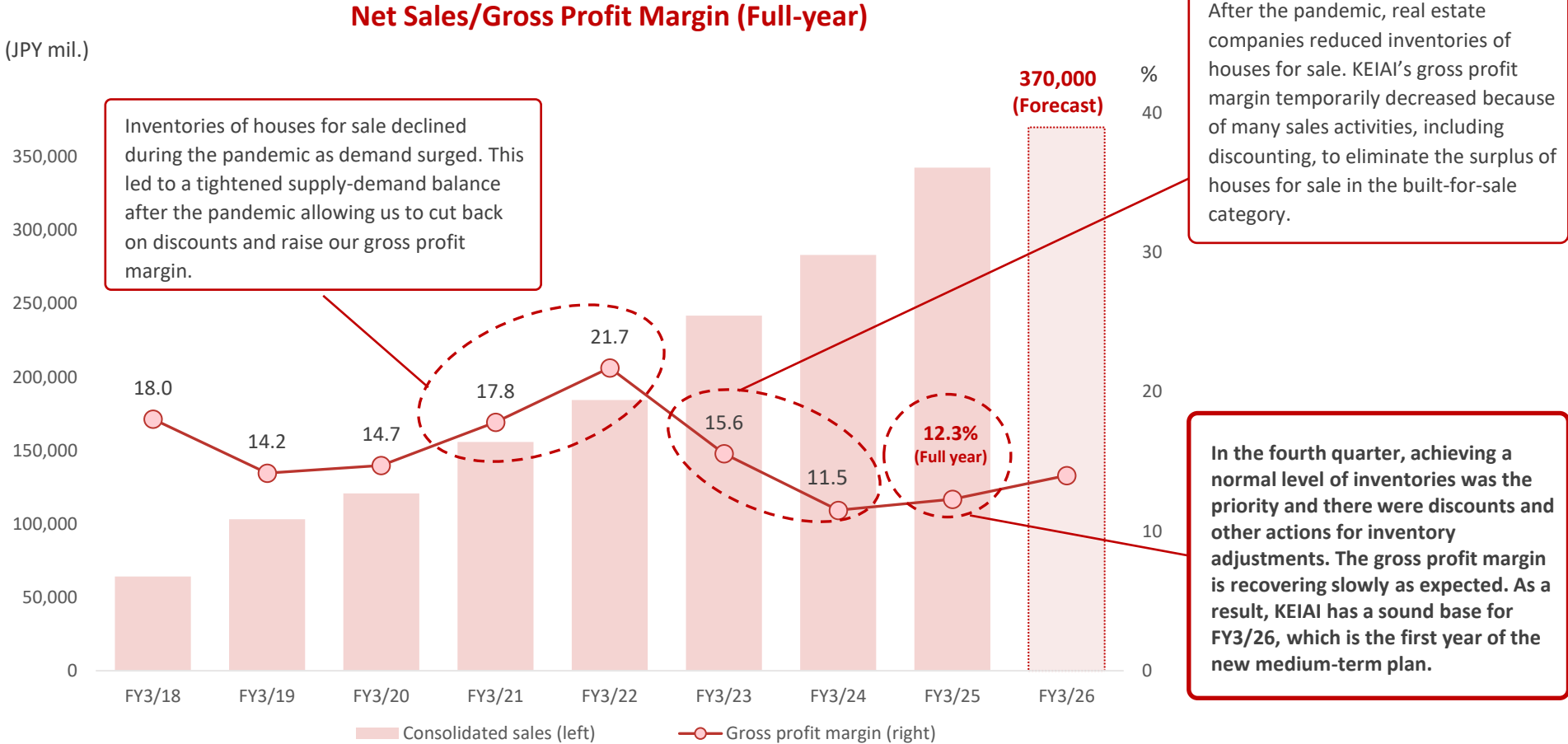
(JPY mil.)

	4Q (Jan-Mar) of FY3/24		4Q (Jan-Mar) of FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
Net sales	85,461	100.0%	109,718	100.0%	28.4%
Gross profit	9,056	10.6%	12,467	11.4%	37.7%
SG&A expenses	5,579	6.5%	6,635	6.0%	18.9%
Operating profit	3,476	4.1%	5,831	5.3%	67.7%
Ordinary profit	3,106	3.6%	5,070	4.6%	63.2%
Profit attributable to owners of parent	2,012	2.4%	3,002	2.7%	49.2%

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

Consolidated Results of Operations: Sales/Gross Profit Margin

Double-digit sales growth is continuing even after the end of the surge in demand during the pandemic. Inventory adjustments during FY3/25 were completed and the gross profit margin is recovering slowly. In FY3/26, the focus of sales areas on large metropolitan areas will be increased with the goal of returning the gross profit margin to the pre-pandemic level.



Performance of Main Reportable Segments

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

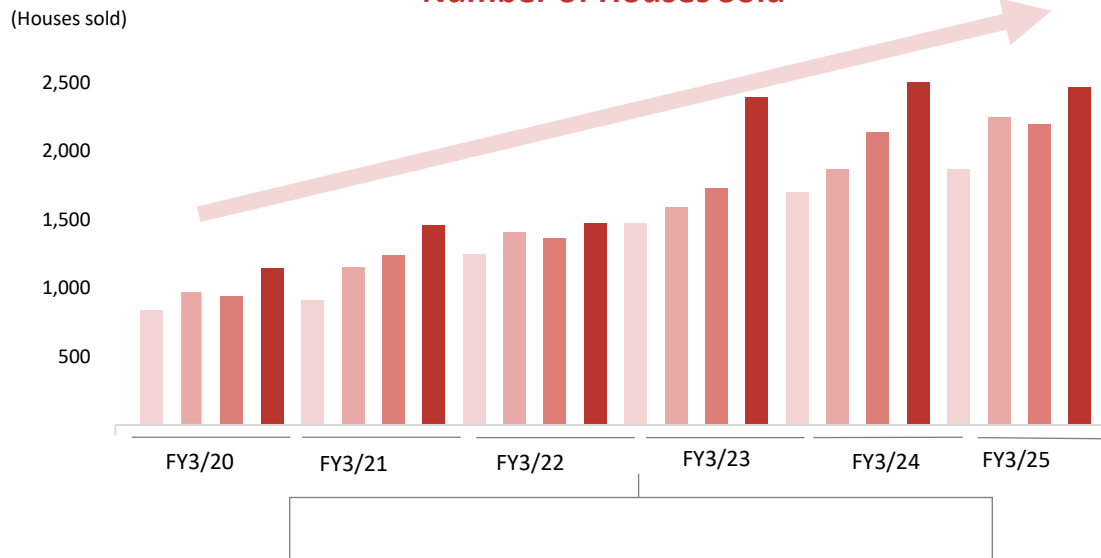
(Unit of sales and profit: JPY mil.)

		FY3/24	FY3/25	YoY change
Homebuilding and sales (including land)	Houses sold	7,811	8,767	12.2%
	Sales	270,203	322,844	19.5%
	Operating profit	14,174	19,258	35.9%
Custom-built housing	Houses sold	360	358	-0.6%
	Sales	5,479	6,951	26.9%
	Operating profit	796	38	-95.2%

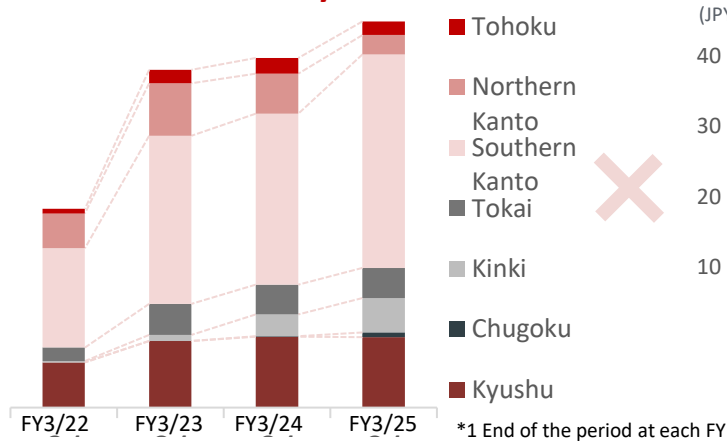
* Some figures for the previous fiscal year have been revised due to the retroactive application of the revised reportable segments.

Houses Sold by Area

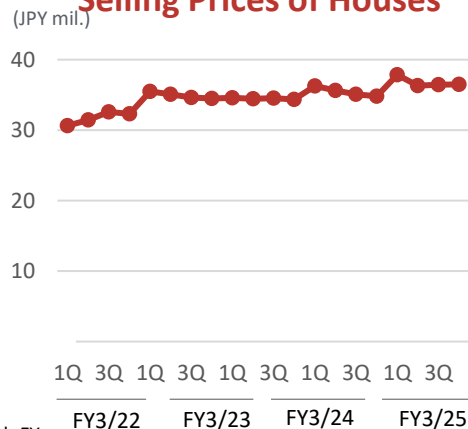
Number of Houses Sold



Houses Sold by Area*1



Selling Prices of Houses



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

- Sales activities are mainly in large metropolitan areas where demand is strong. There was a big increase in market share in the southern Kanto area.
- Selling prices of houses are increasing as the areas where KEIAI is selling houses change.



- Continuing a proactive sales strategy of concentrating on the southern Kanto area and other major metropolitan areas. In other regions of Japan and suburban areas, where demand for houses is not as strong, the plan is to use the new house purchasing and reselling business for market share growth.

SG&A Expenses

The SG&A to sales ratio slightly decreased to 7.2%.

Cost cutting will continue in FY3/26 with more measures for the appropriate control of expenses.

(JPY mil.)

	FY3/24		FY3/25		YoY change
	Amount	Proportion	Amount	Proportion	
SG&A expenses	21,214	7.5%	24,733	7.2%	16.6%
Sales commission	6,320	2.2%	8,004	2.3%	26.6%
Advertising expenses	782	0.3%	673	0.2%	-13.9%
Salaries and allowances	5,031	1.8%	5,184	1.5%	3.0%
Provision for bonuses	279	0.1%	460	0.1%	65.1%
Other	8,800	3.1%	10,409	3.0%	18.3%

Consolidated Balance Sheet

Total assets were 294.55 billion JPY and net assets were 68.80 billion JPY.

(JPY mil.)

	March 31, 2024*	March 31, 2025	Increase/decrease
Current assets	235,041	276,435	41,393
Non-current assets	10,896	18,117	7,220
Total assets	245,938	294,552	48,614
Current liabilities	139,801	156,309	16,508
Non-current liabilities	45,111	69,440	24,329
Total liabilities	184,913	225,750	40,837
Net assets	61,024	68,801	7,777
Total liabilities and net assets	245,938	294,552	48,614

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

Other indicators as of March 31, 2025

Equity ratio	20.4%
ROE	15.5%

Inventories

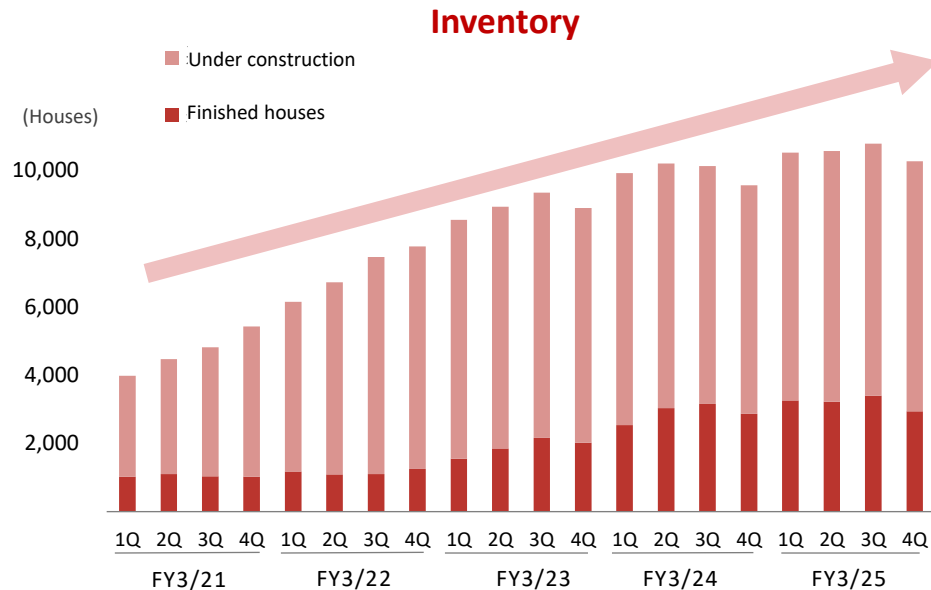
Inventories increased by 25.52 billion JPY from the end of March 2024.

Inventories of finished houses for sale increased by more than 10,000. The volume of purchases will remain high to maintain a base for consistent growth.

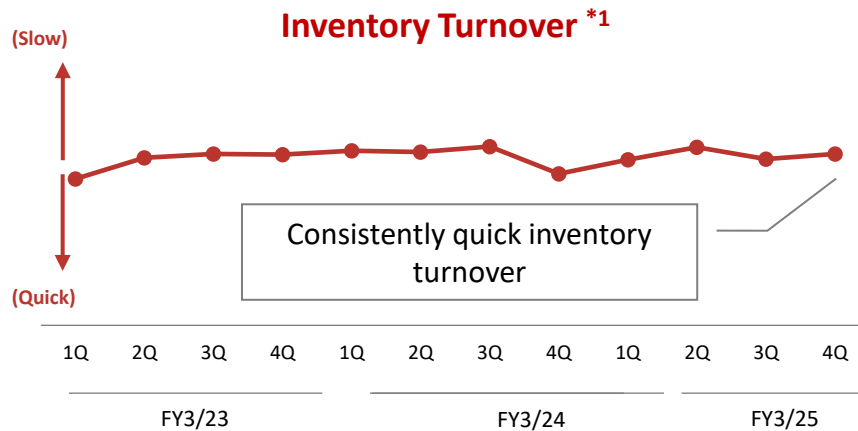
(JPY mil.)

	March 31, 2024	March 31, 2025	YoY change
Inventories	170,533	196,061	25,527
Real estate for sale	89,317	102,518	13,201
Real estate for sale in process	76,792	91,455	14,662
Costs on uncompleted construction contracts	4,423	2,087	-2,336

Inventory and Inventory Turnover



- Inventory houses are increasing steadily and now surpass 10,000 as steady progress continues for stable growth in FY3/26 onward.
- Continuing to purchase a large number of properties in carefully selected locations, primarily major metropolitan areas.
- Maintaining a steady inventory turnover because of inventory adjustment measures.



- More actions for higher productivity and faster inventory turnover by utilizing the KEIAI platform for business operations with the rapid turnover of inventories.

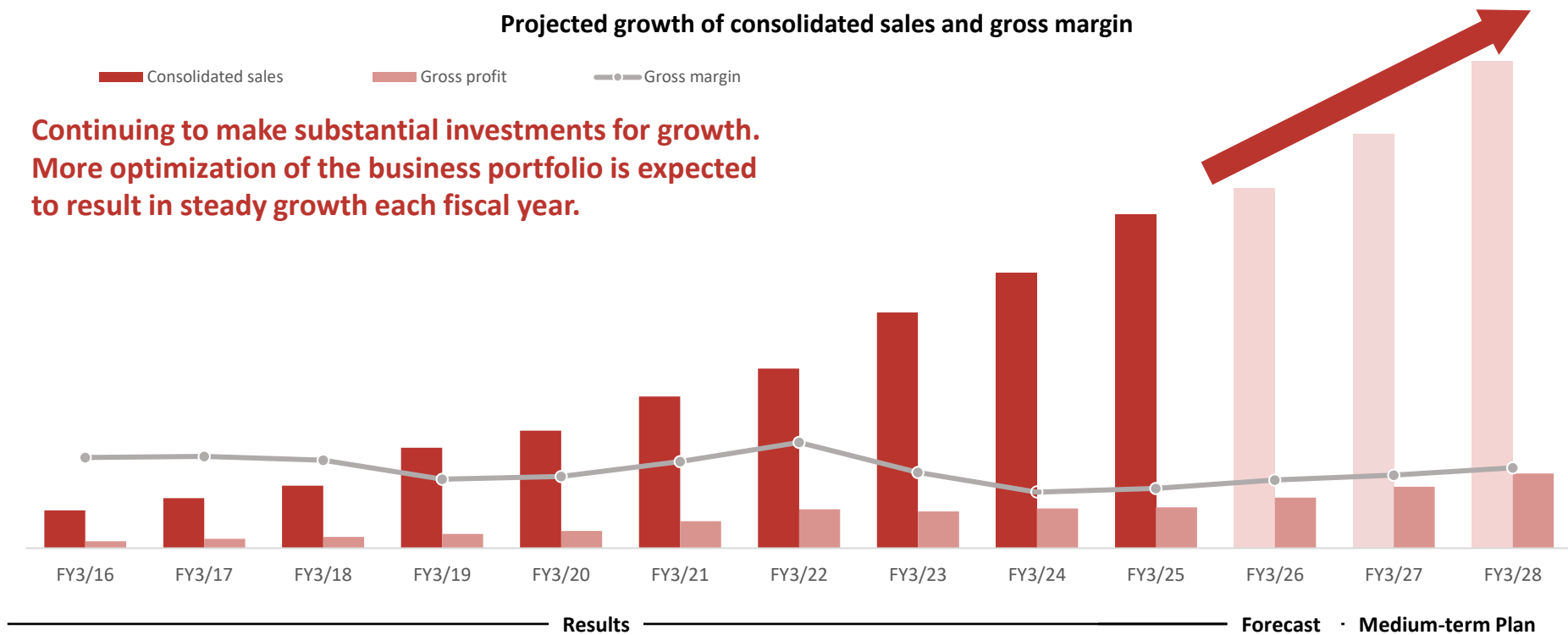
*1 Average turnover from purchase of land to closing of home sale (Group average excluding L Housing, Shinyamagata Hometech and TAKASUGI)

Business Policy/Forecast

Projected Business Growth

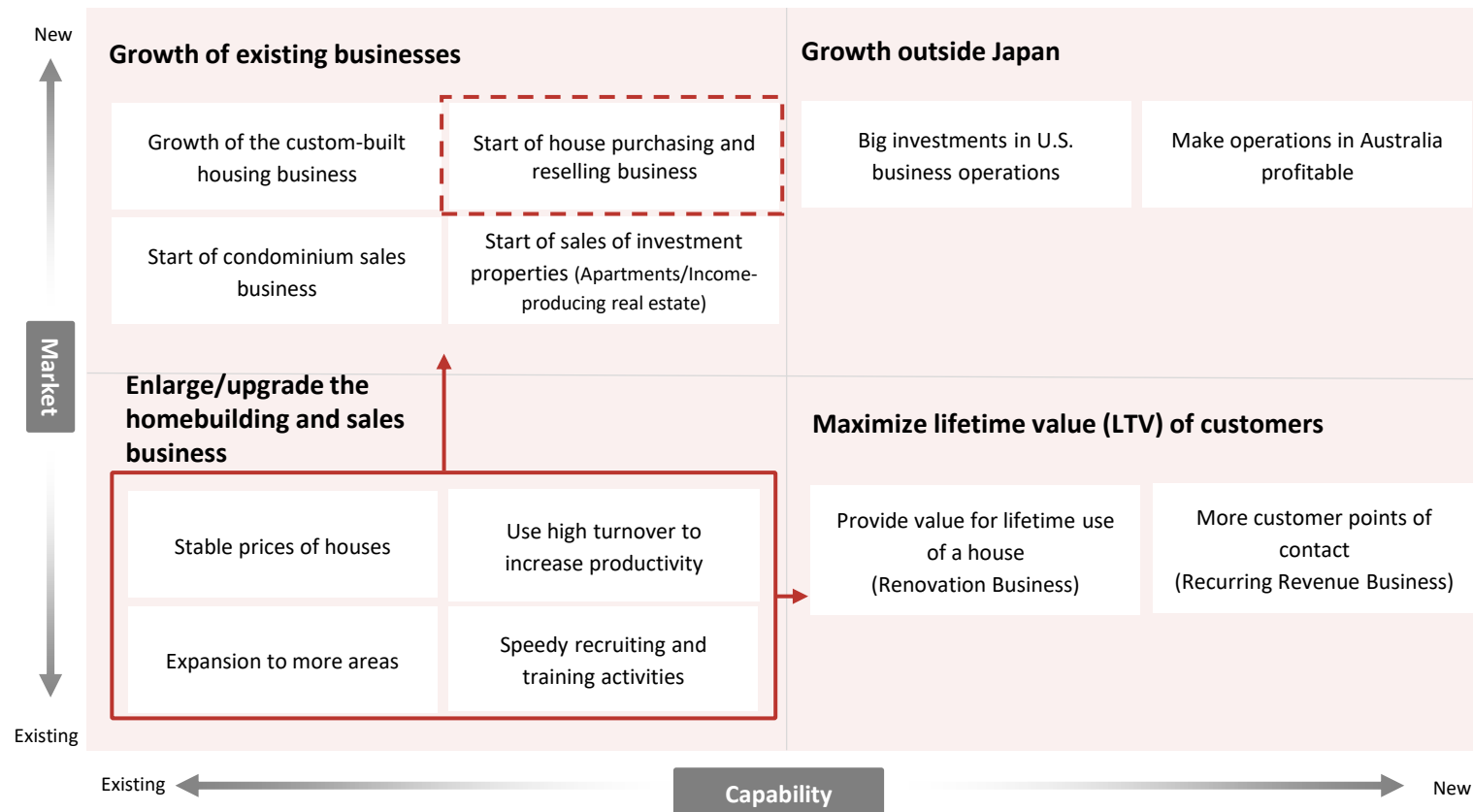
More growth of the homebuilding and sales business is expected with the support of strategic expansion of sales offices, purchasing a large volume of land and increasing homebuilding capacity. Focusing on the custom-built housing business and house purchasing and reselling business, progress is backed apartment buildings/income-producing real estate/condominium sales/overseas and other new businesses along with substantial investments for M&A and other actions for growth. These activities give KEIAI a sound base for accomplishing the goals of the medium-term plan.

Projected growth of consolidated sales and gross margin



Business Portfolio Optimization

Expand operations to new categories of the housing business by utilizing the strengths of the KEIAI Group, including synergies created by KEIAI Group management and the DX backed by the KEIAI Platform in the core homebuilding and sales business.



Medium-term Plan 2028

Based on the strong performance, we have revised the forecast for net sales upwards for FY3/26 to 370 billion JPY.

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

	FY3/24	FY3/25	FY3/26	FY3/27	FY3/28
	Results	Results	Plan	Plan	Plan
Net sales	283,084	342,553 (121%)	370,000 (108%)	425,000 (115%)	500,000 (118%)
Ordinary profit	10,130	15,124 (149%)	20,000 (132%)	25,000 (125%)	30,000 (120%)
Profit attributable to owners of parent	6,743	8,862 (131%)	12,000 (135%)	15,000 (125%)	18,000 (120%)
Dividend per share (yen)	427.74	570.44 (133%)	775.09 (135%)	968.86 (125%)	1,162.63 (120%)

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

FY3/26 Consolidated Forecast

The goal is more growth of the homebuilding and sales business by strategically expanding sales offices, mainly in large metropolitan areas, purchasing a large volume of land, and raising profitability by improving productivity. Initiatives are also underway for business portfolio optimization with increasing speed of measures involving custom-built housing, house purchasing and reselling, income-producing real estate, overseas and other new businesses.

(JPY mil.)

	Full-year of FY3/25	Full-year of FY3/26	
	Results	Forecast	YoY change
Net sales	342,553	370,000	8.0%
Operating profit	17,255	23,000	33.3%
Ordinary profit	15,124	20,000	32.2%
Profit attributable to owners of parent	8,862	12,000	35.4%

Homebuilding and Sales Business: More Purchases and Sales Mainly in Urban Locations

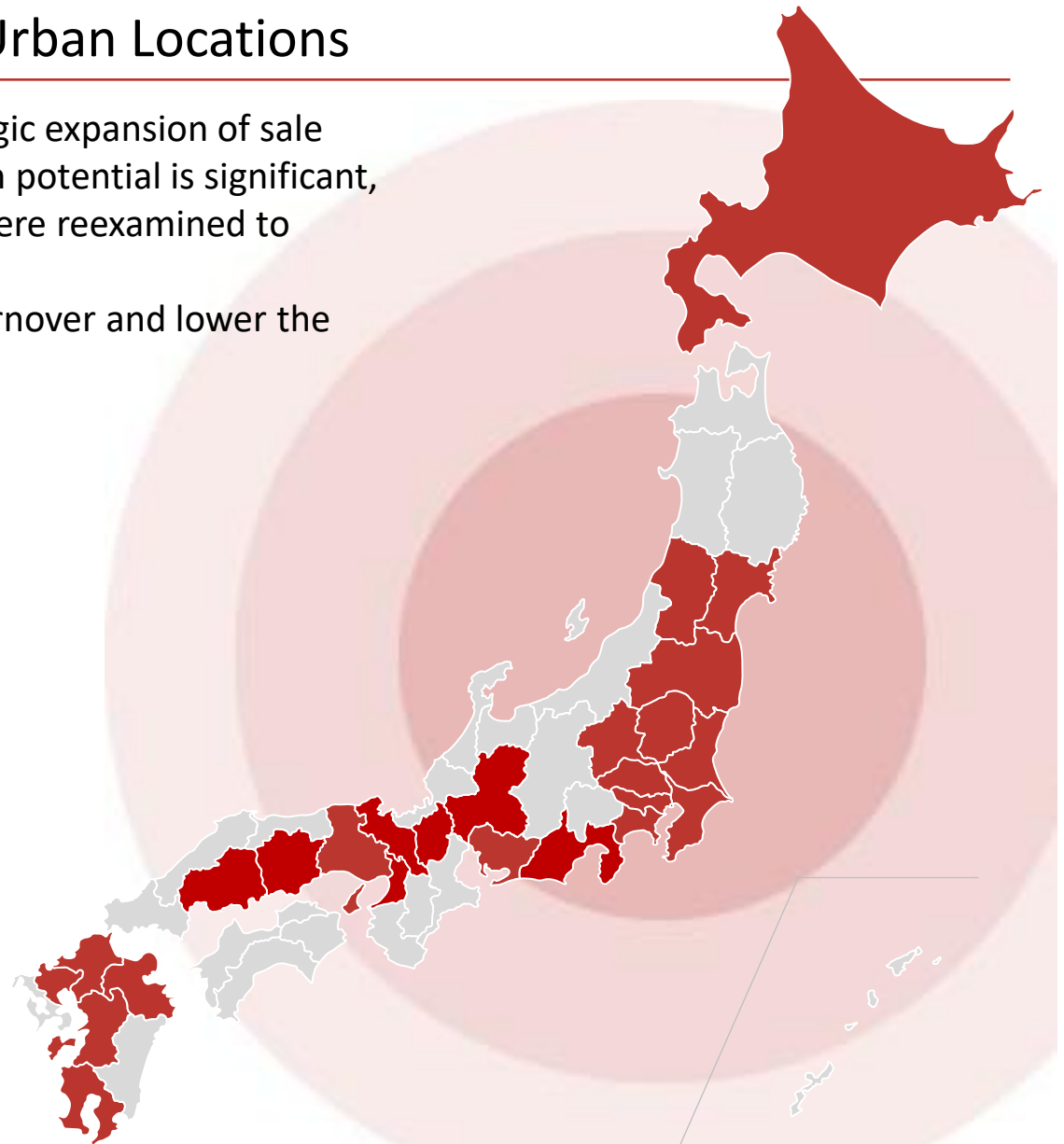
No change in the number of sales offices as the strategic expansion of sale offices continued, mainly in urban areas where growth potential is significant, for market share growth while sales office locations were reexamined to make the network more effective.

Continue actions for higher productivity to shorten turnover and lower the manufacturing costs

■ No. of New Sales Offices in Primarily Areas in FY3/25

Hokkaido (1)	Aichi (1)
Saitama (4)	Osaka (3)
Tokyo (3)	Hyogo (1)
Kanagawa (3)	Yamagata (1)

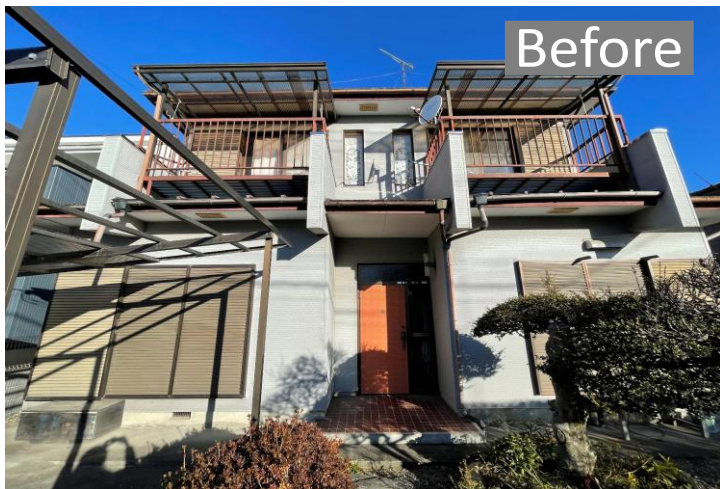
➔ **Planning on more sales offices in urban areas, primarily Tokyo and the three neighboring prefectures**



Business Portfolio Optimization: House Purchasing and Reselling Business

In January 2025, KEIAI started the operation of the house purchasing and reselling business for pre-owned houses. This new business is purchasing many properties while adding locations mainly in suburban areas of the northern Kanto, Tohoku and Kyushu regions. Existing houses are purchased, undergo major renovations and are then sold. The aim is to increase interest in purchasing houses as inflation and other events negatively affect sentiment about buying a home. This new business is also linked to the SDGs by helping solve the problem of abandoned houses in Japan. The initial goals are to become the leader in this business quickly in the northern Kanto area and to reach cumulative sales of 1,000 houses.

KEIAI renovation example in Tochigi



Business Portfolio Optimization: House Purchasing and Reselling Business



KEIAI renovation example in Tochigi prefecture

Business Portfolio Optimization: Custom-built Housing Business

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

KEIAI Semi Custom-built Housing

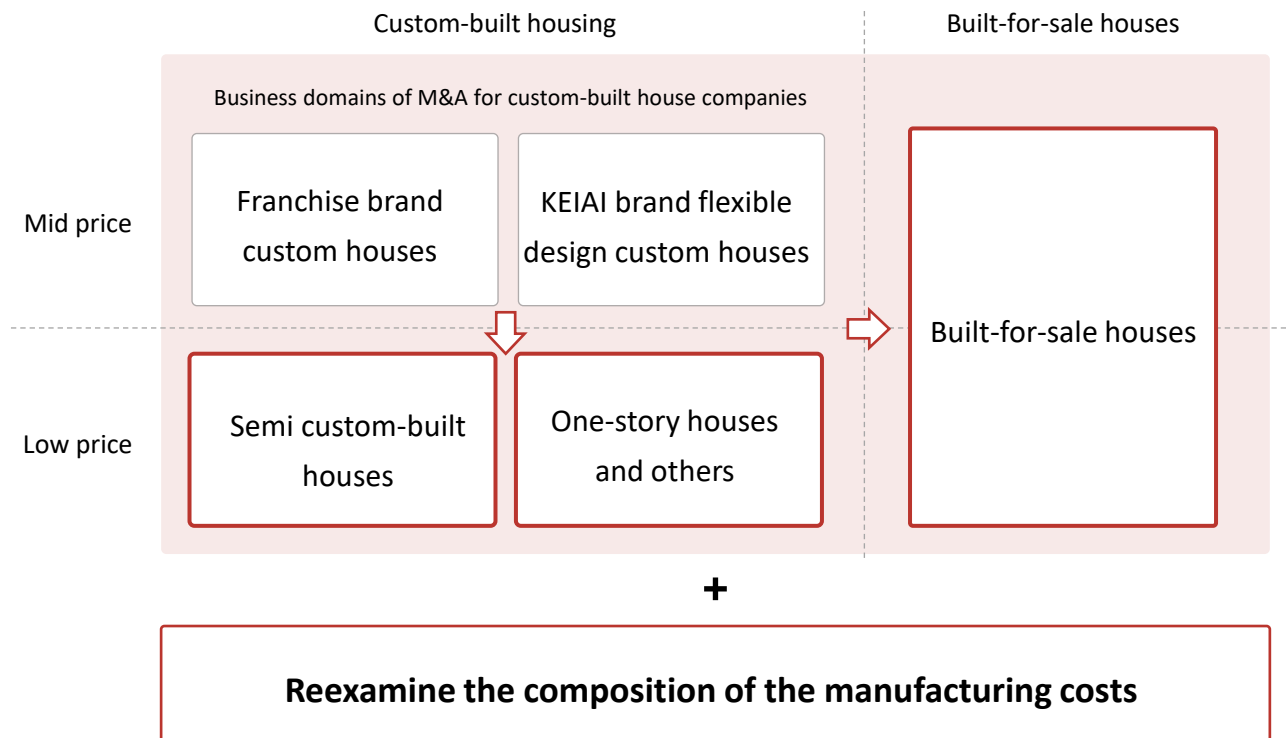
Companies acquired by the custom-built housing business will benefit from KEIAI's expertise involving the standardized design custom business.

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



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

A larger product lineup for coverage of more customer segments



Growth of custom-built housing sales and earnings

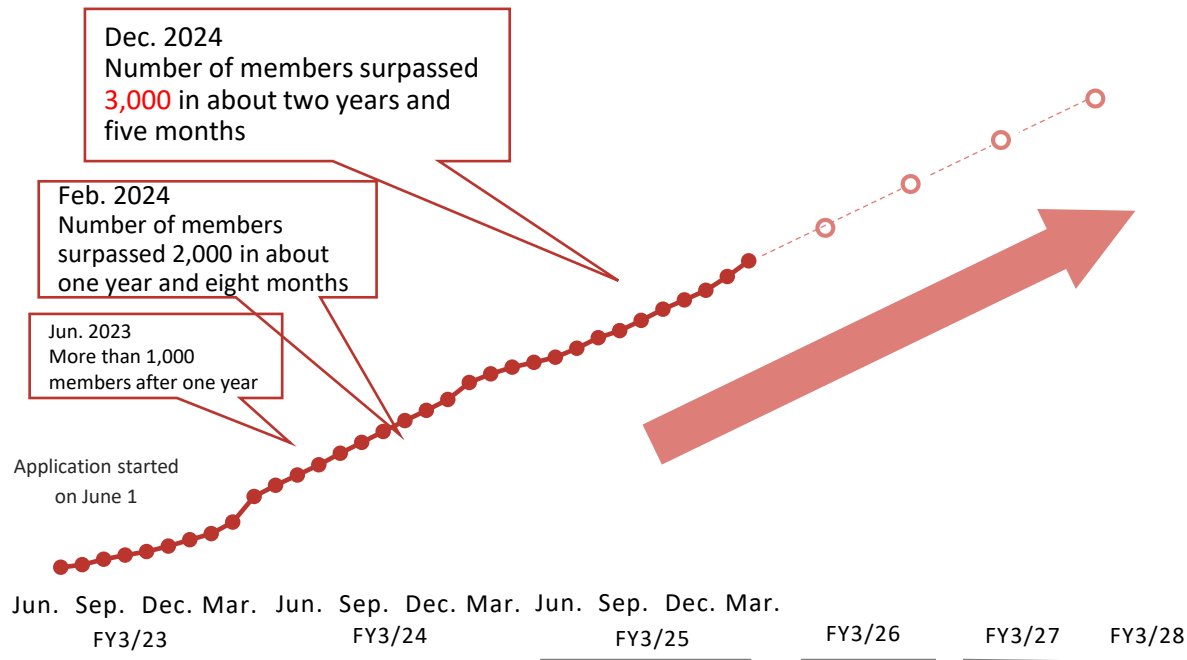
Recent acquisitions of the custom-built housing business



Business Portfolio Optimization: Recurring Revenue Business

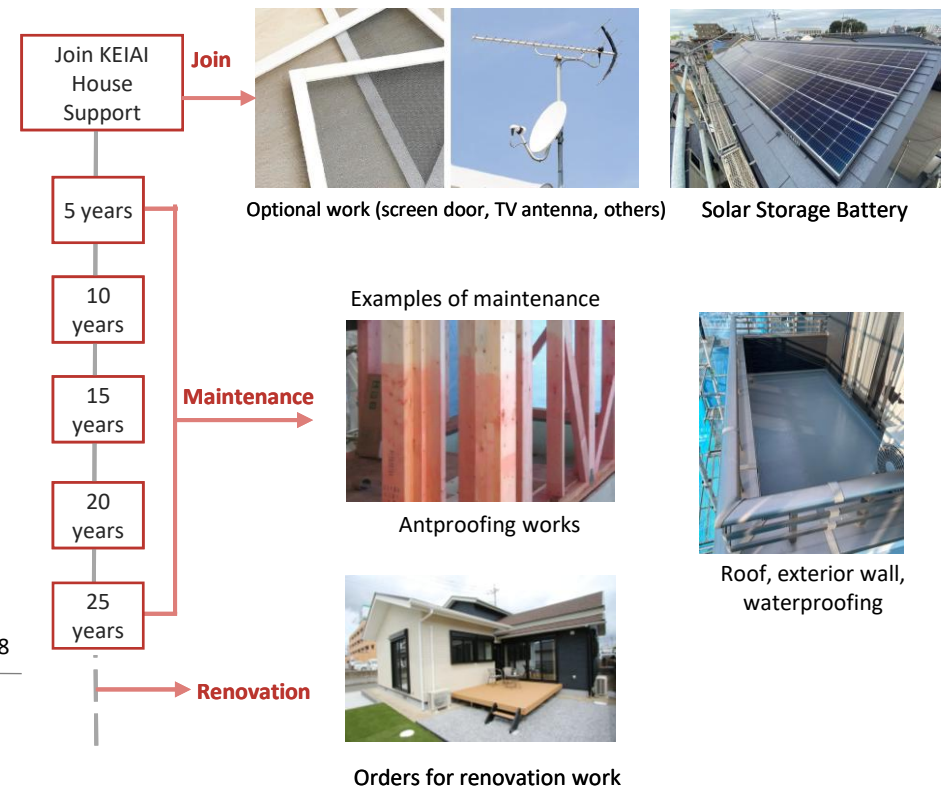
Customers who have purchased a KEIAI Group home or used the KEIAI Group to build a home are eligible to become a member of KEIAI House Support. The number of feepaying members has been increasing in proportion to the increase in the number of houses supplied by the KEIAI Group. The goal is to make the number of these members at least half of the total number of eligible customers by the end of FY3/28. KEIAI House Support is growing as a stable, long-term source of earnings with the growth of other services that generate recurring revenue.

Number of the KEIAI House Support paying members



* Calculated from the KEIAI House Support service start date.

Recurring Revenue Businesses (Mainly KEIAI House Support)



Business Portfolio Expansion: Apartment Business/Income-producing Real Estate Business

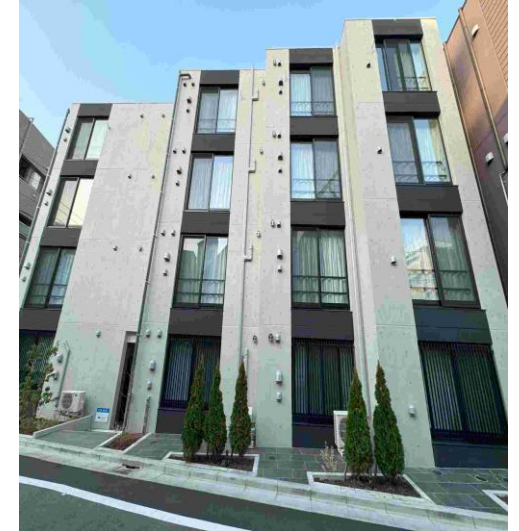
In the real estate investment category, the apartment business and income-producing real estate business are growing steadily. Sales of newly constructed apartment buildings to investors are strong, primarily in Tokyo and three neighboring prefectures. Orders received since starting this apartment business are now more than 10 billion JPY. There are also many purchases and sales of income-producing real estate, mainly in urban areas.



Example of an apartment building for investment: KLEIS Kobuchi II



Purchased property in Oshiage



Purchased property in Ogikubo

Business Portfolio Optimization: Condominium Sales Business

KEIAI started a condominium development business in September 2024. Projects take place at carefully selected prime locations in Tokyo and three neighboring prefectures. Several projects are now underway. At condominiums in urban locations, prices are climbing as demand remains firm. Substantial investments are planned to make this one of KEIAI's new businesses.



Under development
Perspective drawing of condominium project

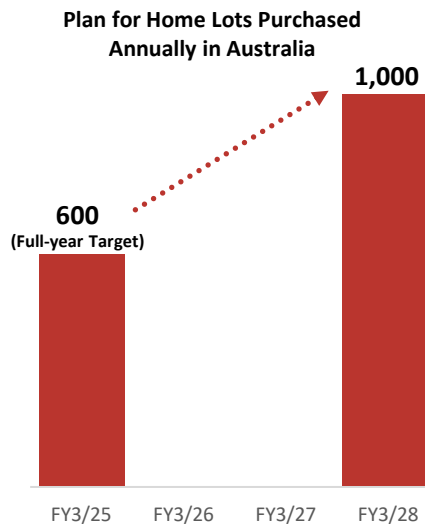


Business Portfolio Optimization: Overseas (Australia)

Progress as planned at the development project in Australia

- There are currently 10 development projects underway, including investment projects, with a total of more than 800 home lots.
- Sales of the first sector have been completed as business operations progress as planned.
- In FY3/26, substantial land purchasing activities will continue and sales activities at existing projects will increase.

Land for housing development and renderings of residences of the site



Land purchasing target for FY3/28

1,000 home lots

Business phase starting in FY3/27

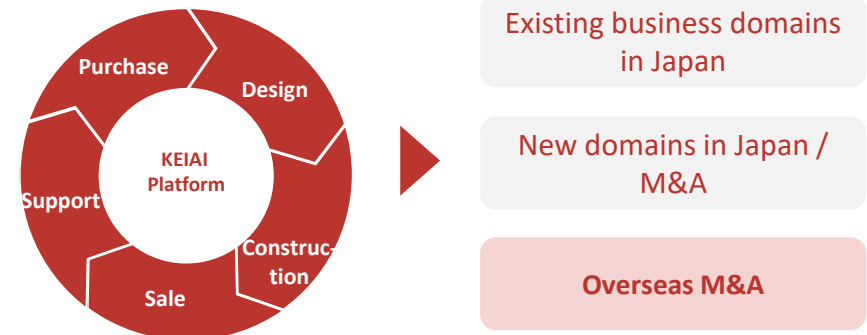
Advance to the profitability phase

Business Portfolio Expansion: Overseas (U.S.)

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



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



Shareholder Distributions

Dividends and Shareholder Benefits

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

	FY3/24 results (consolidated)	FY3/25 results (consolidated)	FY3/26 forecast (consolidated)
Net income per share (yen)	427.74	570.44	775.09
Dividend per share (yen)	180.00	151.00	200.00
Interim dividend per share (yen)	118.00	65.00	100.00
Payout ratio (%)	42.1%	26.5%	25.8%

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

Shareholder Benefits

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

News Topics

Integrated Report 2024 – KEIAI’s First Integrated Report

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



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

Gathering to Discuss Issues for Working Mothers

An event took place that brought together working mothers at companies in different business sectors. The objective was to create opportunities for determining career plans that matched their needs and goals. Fifteen women participated, including three each who are employed at KEIAI and four other companies. Participants talked about doing their jobs while caring for children, various products they use and other subjects.



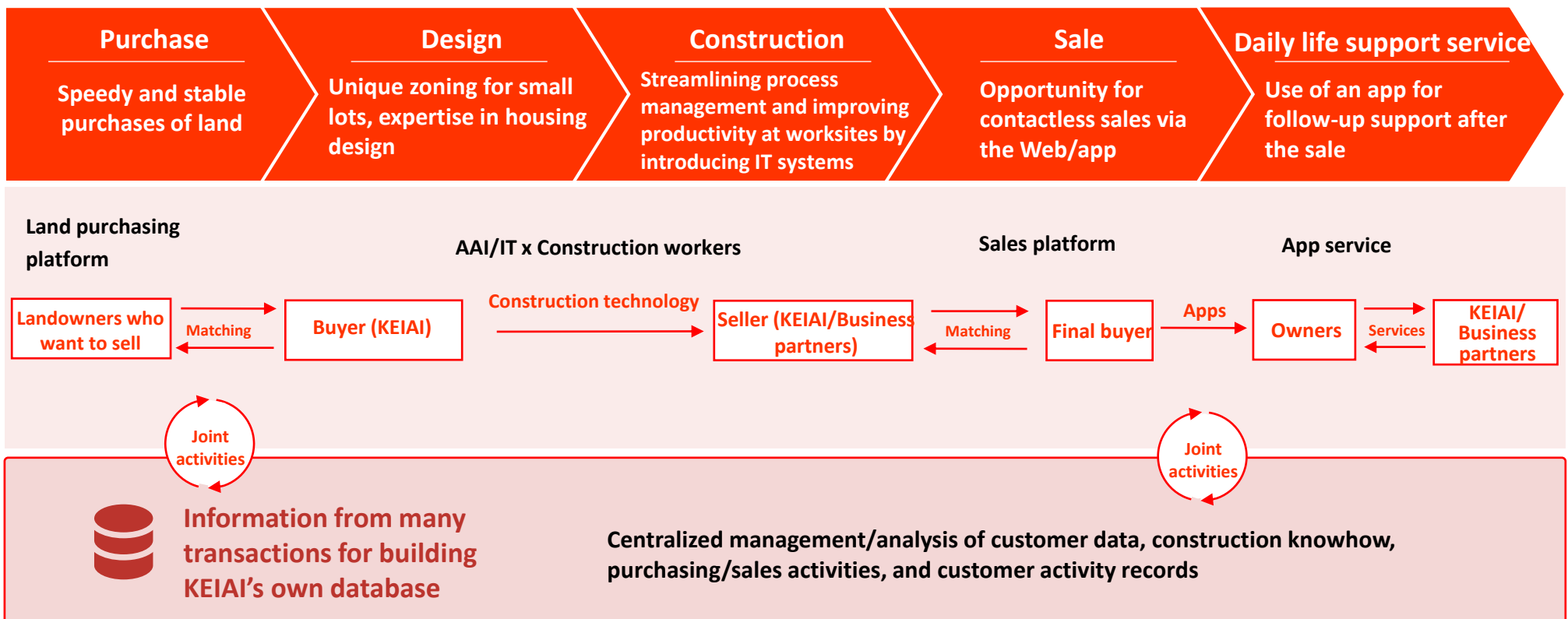
Participants: Saitama Resona Bank, Limited, Belluna Co., Ltd. , Mitsui Home Co., Ltd. , rhythm Co., LTD., KI-STAR REAL ESTATE CO.,LTD
KEIAI press release: https://ki-group.co.jp/wp/wp-content/uploads/2025/03/2026.3.14_mamasan_kouryukai.pdf

Business Model

A Fully Integrated “Real x Technology” Platform

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

● The “Real x Technology” KEIAI Platform



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

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

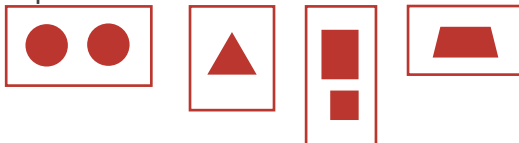
Conventional ready-built houses

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



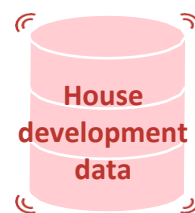
Compact ready-built houses

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

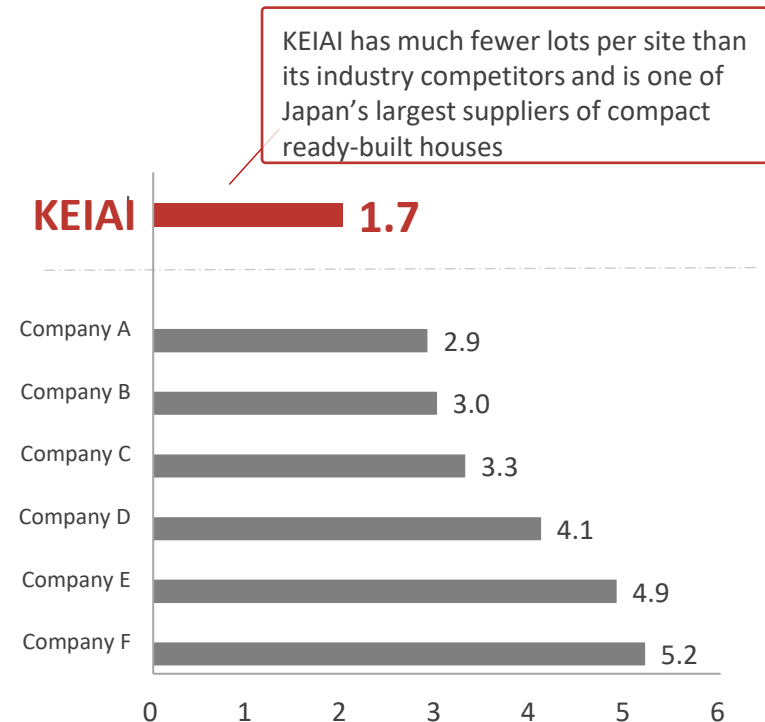


Increase in the number of land data entries

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



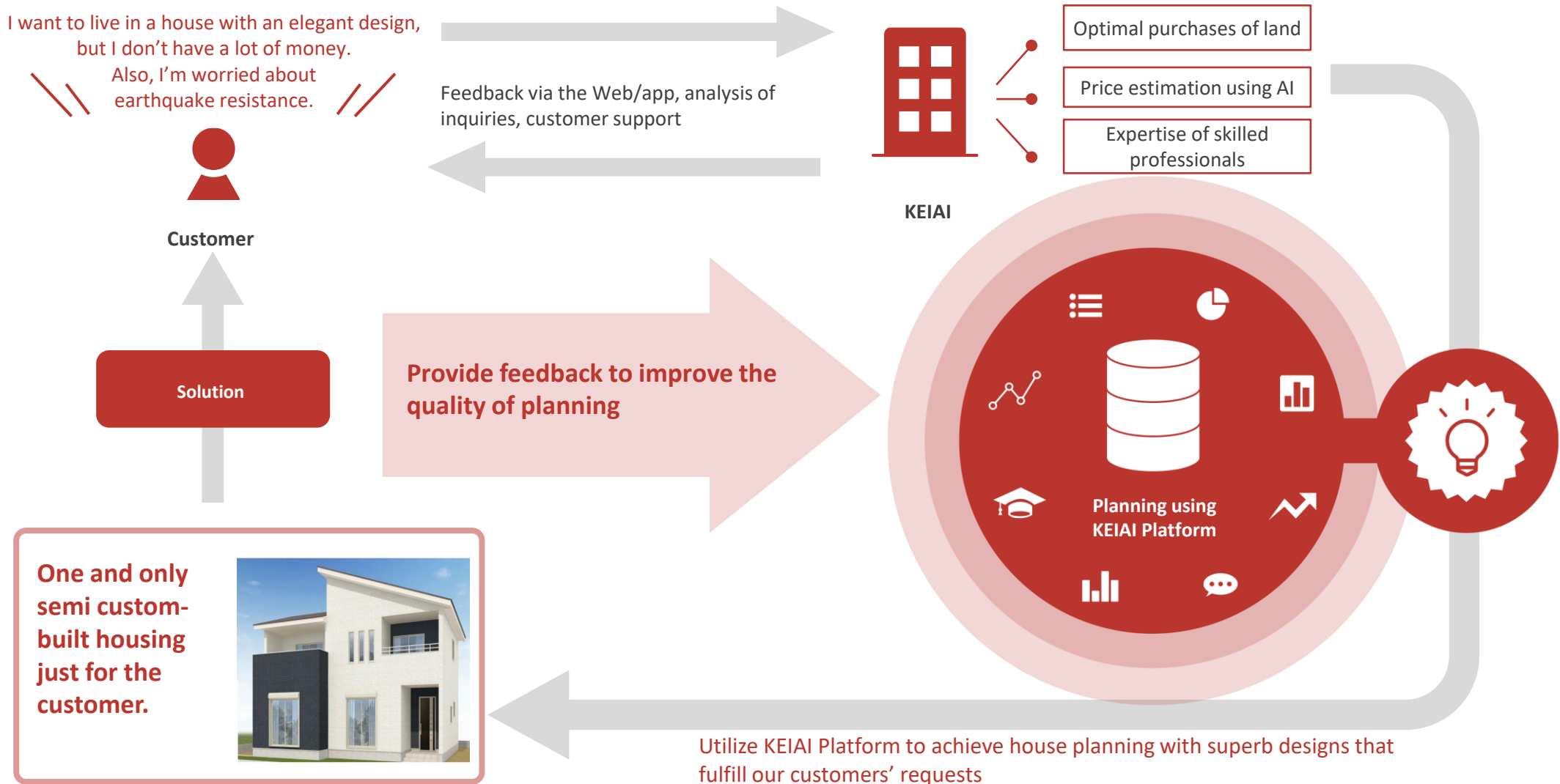
Avg. number of lots*1 in housing developments



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

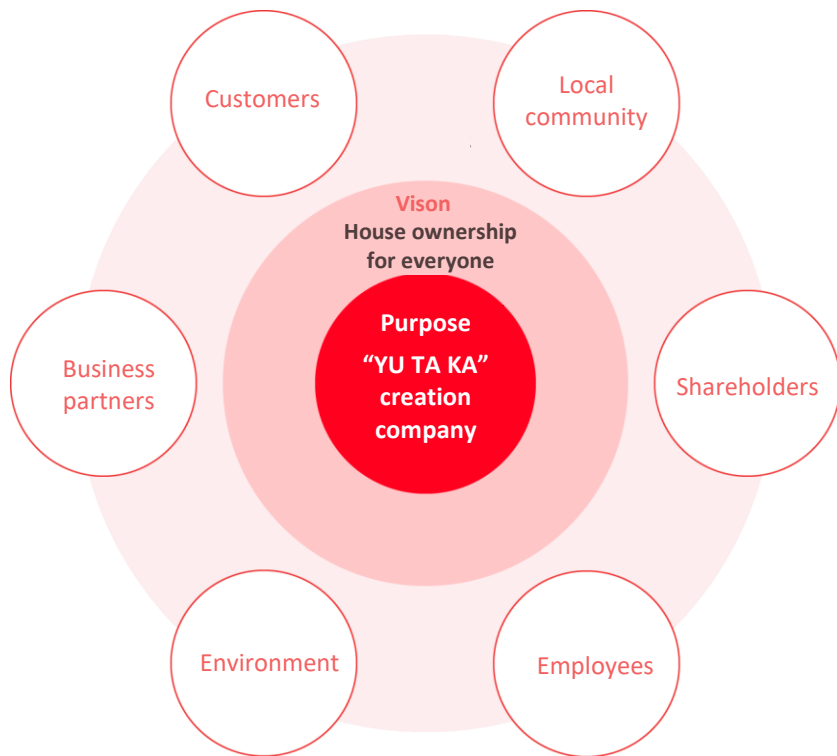
The KEIAI Group has many activities for helping solve social issues in Japan and other countries. By supplying homes where people can lead happy and fulfilling lives, we are dedicated to playing a role in creating a sustainable and affluent society. We believe these activities will contribute to the 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.



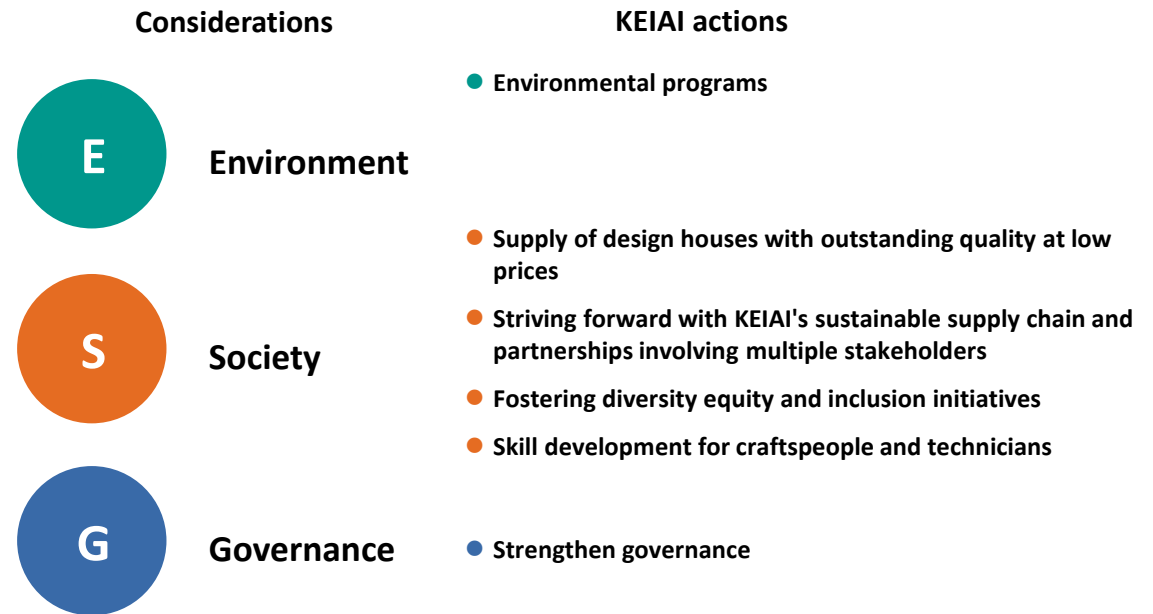
Sustainability Policy and Determination of ESG Materiality

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

- KEIAI provided a panelist for an SDGs panel discussion that assists women at Mukogawa Women's University and its junior college with finding jobs after graduation.
- KEIAI was a total support member for the Tokyo 2025 Deaflympics.
- KEIAI held a work experience class at a Saitama prefecture event to give children realistic experience with different jobs.



Children perform tasks similar to an actual job

- Received scores of “B” for Climate Changes and “B-” for Forests at CDP2024.
- The “B” score is the third highest of eight scores and the “B-” score is the fourth highest. Both are management level evaluations.



KEIAI press release:

- KEIAI Participates in Panel Discussion as a Company Dedicated to the SDGs
- KEIAI Backs the 25th Summer Deaflympics Tokyo 2025 as a Total Support Member
- KEIAI Building Design Class at Work Experience Event for Children
- KEIAI Receives “B” for Climate Change as in 2023 and the First “B-” for Forests at CDP2024

https://ki-group.co.jp/wp/wp-content/uploads/2025/01/2025.1.14_mukogawajyoshi_sdgs_gaidansu.pdf

https://ki-group.co.jp/wp/wp-content/uploads/2025/01/2025.1.24_25th_summer_deaflympics.pdf

https://ki-group.co.jp/wp/wp-content/uploads/2025/01/2025.01.28_realtaiken.pdf

https://ki-group.co.jp/wp/wp-content/uploads/2025/02/2025.02.13_CDP2024_score.pdf

Sustainable Finance Activities for Help Achieve a Sustainable Society

As one step for helping achieve a sustainable society, KEIAI signed in March 2025 a Positive Impact Finance loan with The Gunma Bank, Ltd. KEIAI started using sustainable finance in September 2023 and now has sustainability loan agreements with eight banks.

KEIAI will continue to reinforce its commitment to ESG and the SDGs in order to play a role in solving environmental and social issues.



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



- [September 2023] Information about Chiba Bank Sustainability Link Loan: https://ki-group.co.jp/wp/wp-content/uploads/2023/10/2023.10.02_chibaginkou.pdf
- [November 2023] Information about Kagawa Bank Sustainability Link Loan: https://ki-group.co.jp/wp/wp-content/uploads/2023/11/2023.11.30_kagawabank_SSL.pdf
- [March 2024] Information about Aozora Bank Positive Impact Finance: https://ki-group.co.jp/wp/wp-content/uploads/2024/03/2024.3.25_aozorabank_PIF.pdf
- [September 2024] Information about Saitama Resona Bank Sustainability Link Loan: https://ki-group.co.jp/wp/wp-content/uploads/2024/09/2024.09.27_saitamarisonabank_SLL.pdf
- [March 2025] Information about Gunma Bank Positive Impact Finance: https://ki-group.co.jp/wp/wp-content/uploads/2024/09/2024.09.27_saitamarisonabank_SLL.pdf

Building Energy Efficient Houses to Help Achieve a Sustainable Society

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



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

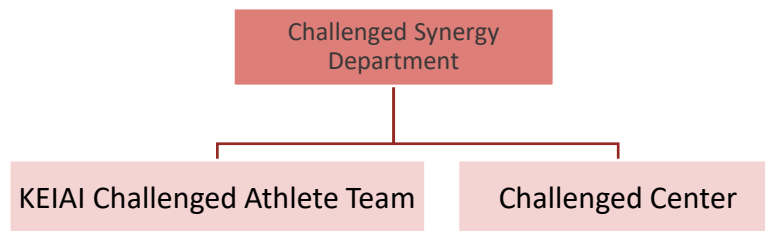
- Change to all-ZEH in the homebuilding and sales business: https://ki-group.co.jp/wp/wp-content/uploads/2024/04/2024.04.25_bunjyo_zehsuiyun.pdf
- Upgrade to ZEH of all plans for the single-story IKI semi custom-built houses: https://ki-group.co.jp/wp/wp-content/uploads/2024/04/2024.4.3_IKI_ZEH.pdf

Activities for Diversity; Employees with Disabilities 2.66% of Workforce

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

■ Activities

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



The KEIAI Athlete Team (left) and KEIAI Challenged Center (right)

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

*2 As of June 1, 2024

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

The KEIAI Challenged Athlete Team

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

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



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

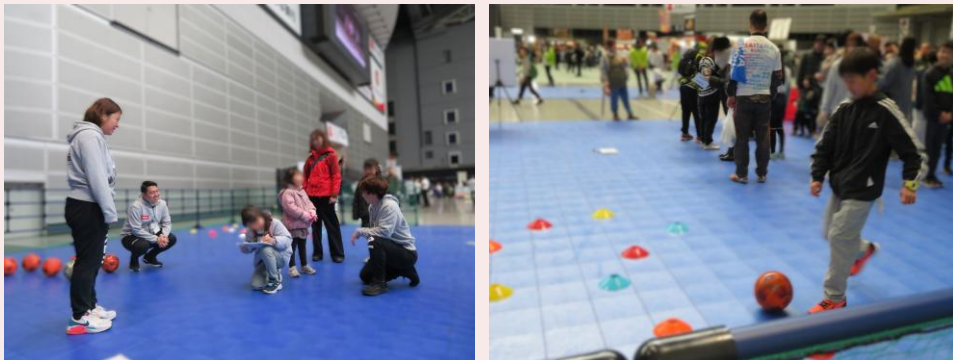


KEIAI Challenged Athlete Team official website: <https://www.athlete.ki-group.co.jp/>

Activities of the KEIAI Challenged Athlete Team (1)

KEIAI Booth at the Saitama Marathon Festival 2025

- Location: Community arena in Saitama Super Arena (Saitama city)
- The KEIAI booth was at the Saitama Marathon Festival 2025, which was part of the Saitama Marathon 2025.
- Visitors had the opportunity to try deaf futsal, a game played by many deaf and hard of hearing people.
- The booth gave visitors a better understanding of people with hearing problems and raised awareness of the Tokyo 2025 Deaflympics that will take place in November 2025.



Visitors play deaf futsal at the KEIAI booth

Presentation at a School about Understanding People with Disabilities for a Coexisting Society

- Instructors: Yoshiki Yamamoto, Nana Kawabata, Ai Iwabuchi, Kana Nakai
- At Ebara Daiichi Junior High School in Tokyo, Yoshiki Yamamoto, team manager, talked about how deaf futsal was used for communications with physically challenged athletes and other benefits.
- Participants enjoyed a lipreading game and other activities for participants to communicate with each other by using only gestures.
- The junior high school asked for this presentation and 154 students attended.



Students listen to the lecture and try to learn lipreading

Activities of the KEIAI Challenged Athlete Team (2)

Classes by Deaf Athletes at Three Elementary Schools in the city of Chofu, Tokyo

- With the Tokyo 2025 Deaflympics approaching, three elementary schools in the city of Chofu asked KEIAI to hold classes led by deaf athletes.
- The manager and a few members of the KEIAI Challenged Athlete Team went to three schools to lead these lessons.
- These classes were structured to give students an understanding of the Deaflympics, deaf sports and deaf athletes and an interest in learning more.



Students learned about deaf sports and athletes

The 8th KEIAI Cup Championship for Junior Soccer

- The 8th KEIAI Cup championship for junior soccer teams took place in the city of Honjo in Saitama prefecture.
- Games were held at the Koyamagawa athletic field in Honjo.
- In addition to soccer games and a penalty kick competition, participants received gifts and all money donated by players and spectators was given to the Honjo Social Welfare Council.



Participants of the KEIAI Cup received gifts

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

(Reference) Medium-term Plan 2028

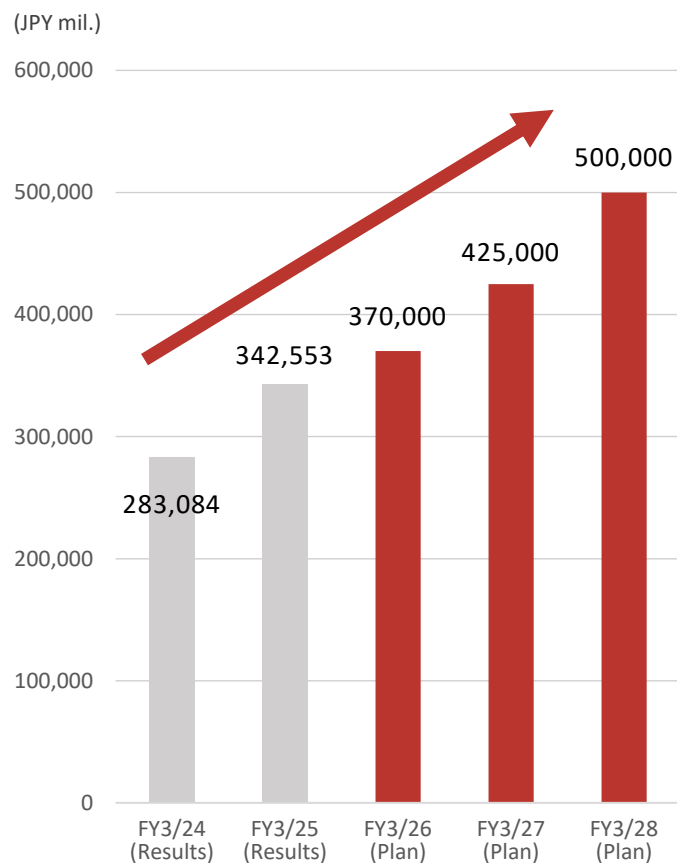
Medium-term Plan 2028

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

	FY3/24	FY3/25	FY3/26	FY3/27	FY3/28
	Results	Results	Plan	Plan	Plan
Net sales	283,084	342,553 (121%)	370,000 (108%)	425,000 (115%)	500,000 (118%)
Ordinary profit	10,130	15,124 (149%)	20,000 (132%)	25,000 (125%)	30,000 (120%)
Profit attributable to owners of parent	6,743	8,862 (131%)	12,000 (135%)	15,000 (125%)	18,000 (120%)
Net income per share (Yen)	427.74	570.44 (133%)	775.09 (135%)	968.86 (125%)	1,162.63 (120%)

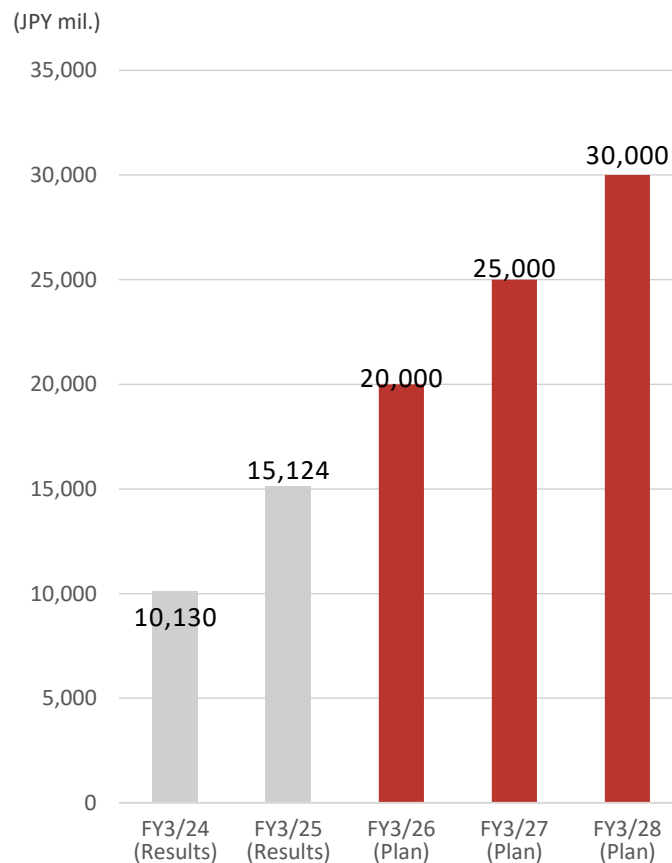
Medium-term Plan 2028

Net sales



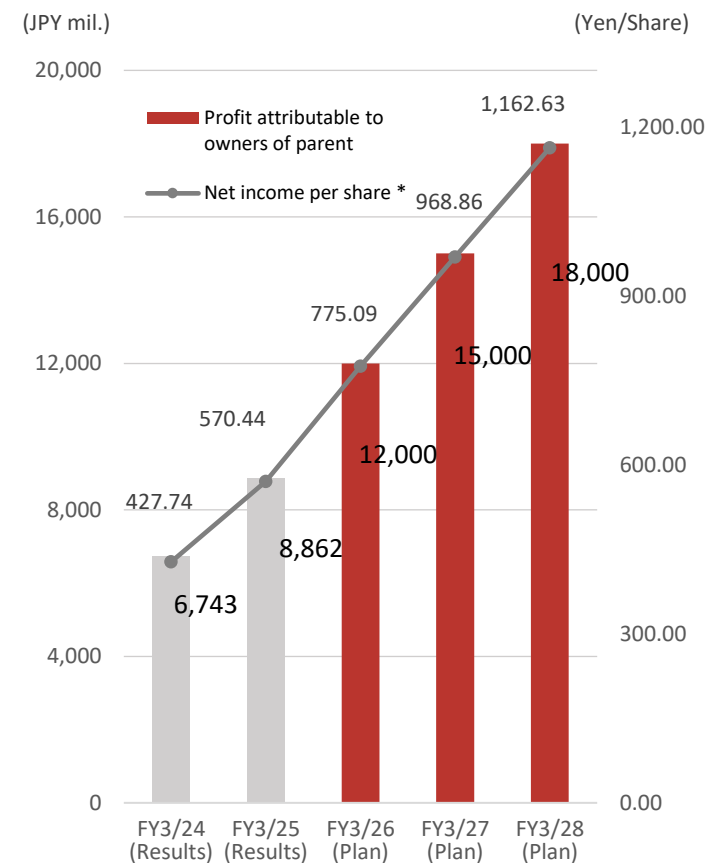
3-year CAGR **16%**

Ordinary profit



3-year CAGR **22%**

Profit



3-year CAGR **22%**

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

Sales Plan by Segment

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

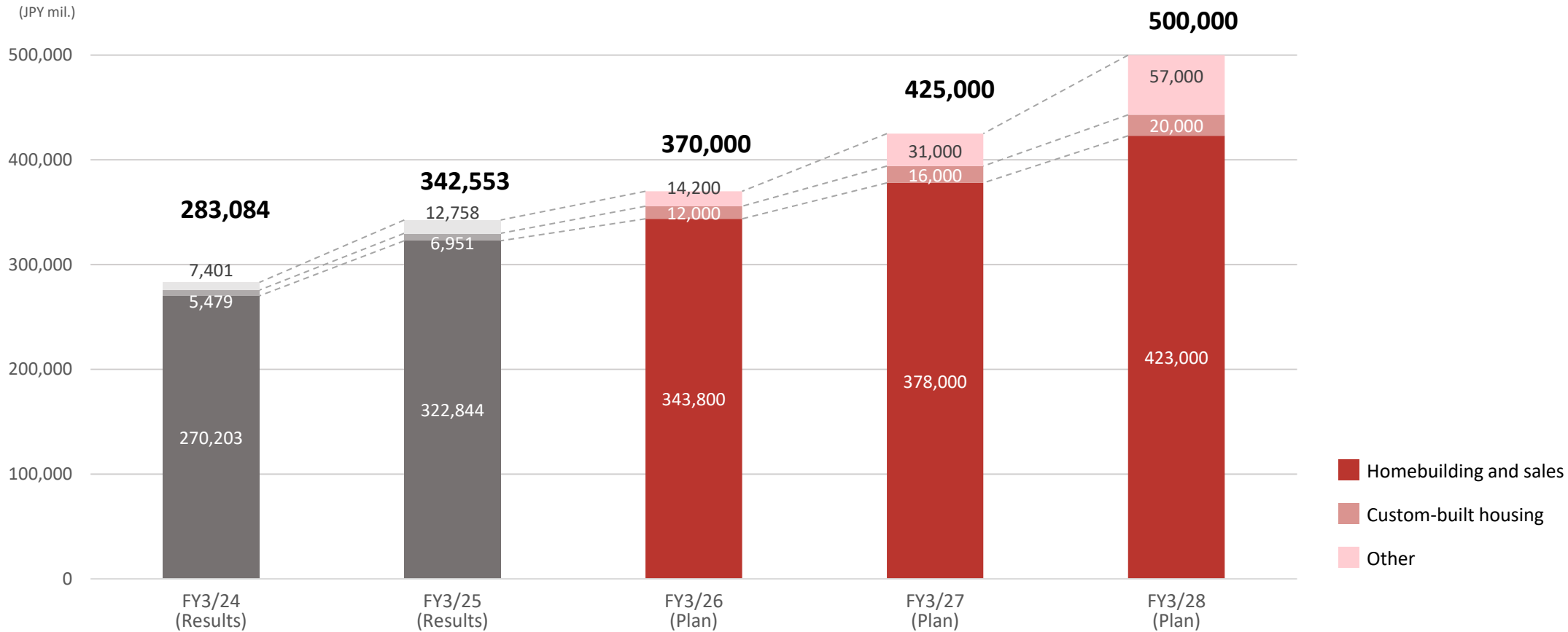
	FY3/24	FY3/25	FY3/26	FY3/27	FY3/28
	Results	Results	Plan	Plan	Plan
Homebuilding and sales	270,203	322,844 (119%)	343,800 (106%)	378,000 (110%)	423,000 (111%)
Custom-built housing	5,479	6,951 (127%)	12,000 (173%)	16,000 (133%)	20,000 (125%)
Other *	7,401	12,758 (166%)	14,200 (111%)	31,000 (218%)	57,000 (183%)
Total sales	283,084	342,553 (121%)	370,000 (108%)	425,000 (114%)	500,000 (117%)

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

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

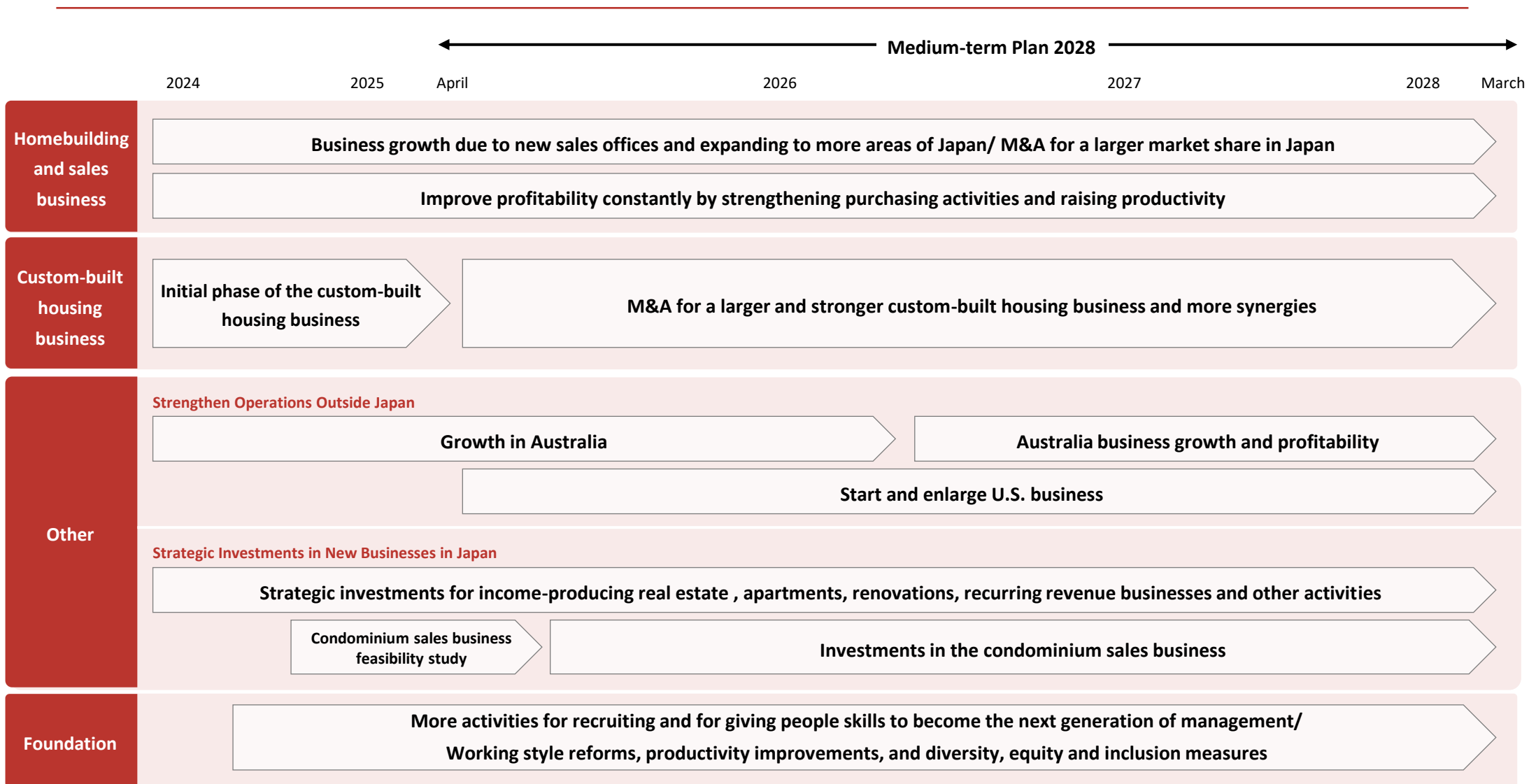
Sales Plan by Segment

Sales Plan by Segment



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

Roadmap for Accomplishing the Medium-term Plan Goals



Human Resources Strategy

HR Strategy 1

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

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

HR Strategy 2

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

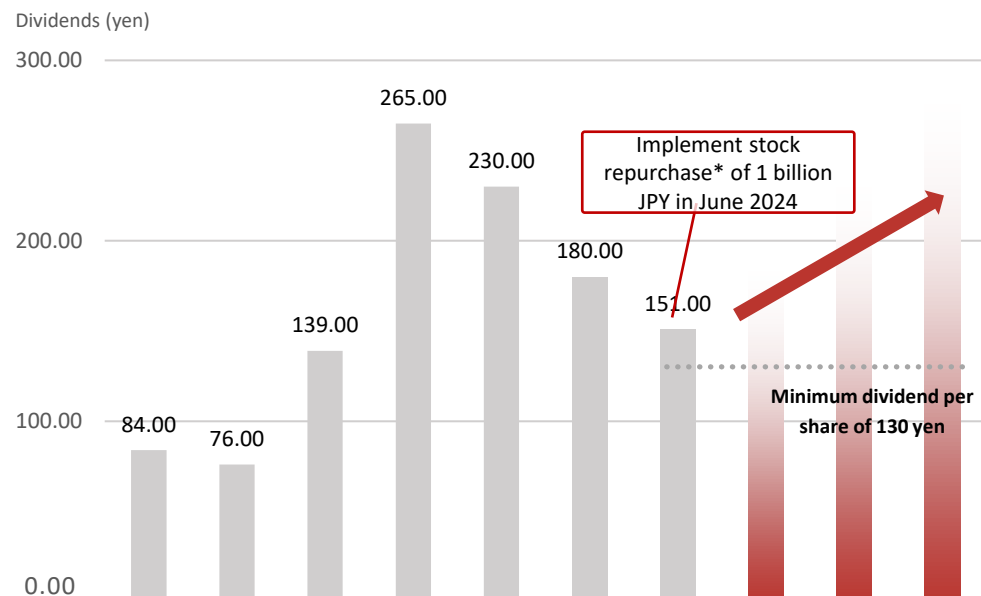
- Eliminate wasted time by closely managing working hours
- Use the digital transformation in a broad range of frontline operations
- Time off/reduced working hours for child care and caring for an elderly parent
- Recruit and train people from countries other than Japan (for diversity)
- Recruit and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

Policy for Capital

Shareholder Distributions

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

Dividend per Share



	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26 (forecast)	FY3/27 (plan)	FY3/28 (plan)
Payout ratio (incl. stock repurchases)	34.4%	30.1%	25.9%	27.1%	30.6%	42.1%	27.1%	27.1%	27.1%	27.1%

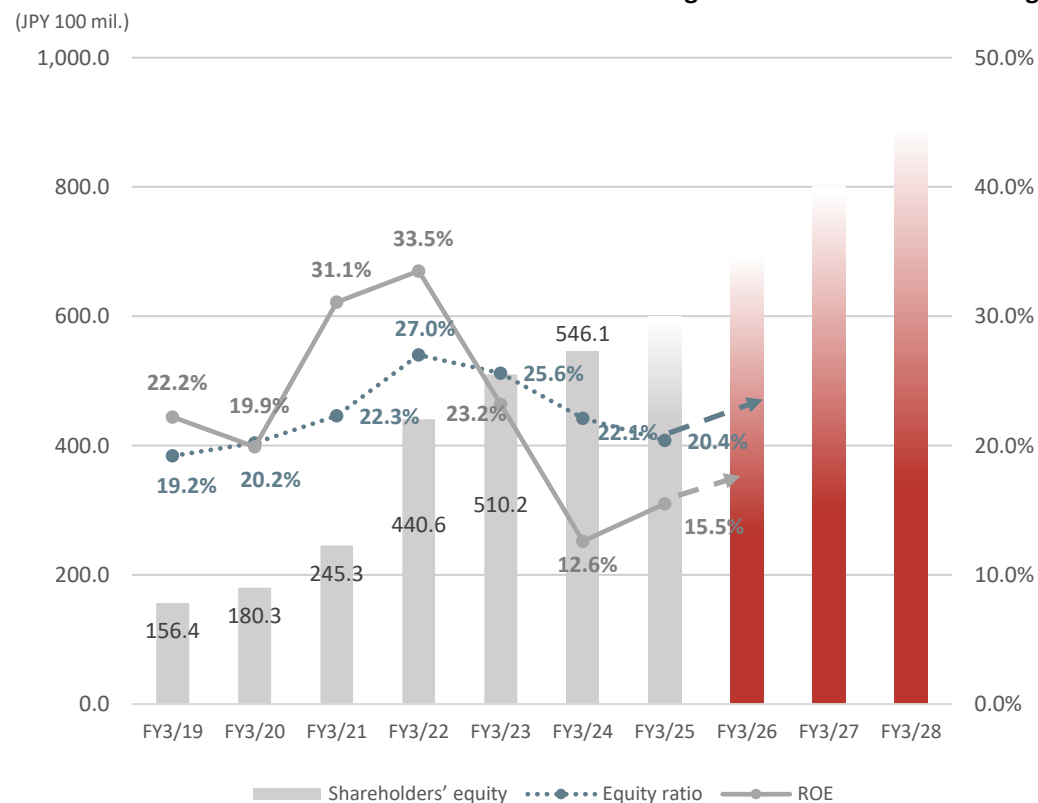
Implement stock repurchase* of 1 billion JPY in June 2024

Minimum dividend per share of 130 yen

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

Capital Efficiency / Financial Soundness

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



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

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

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

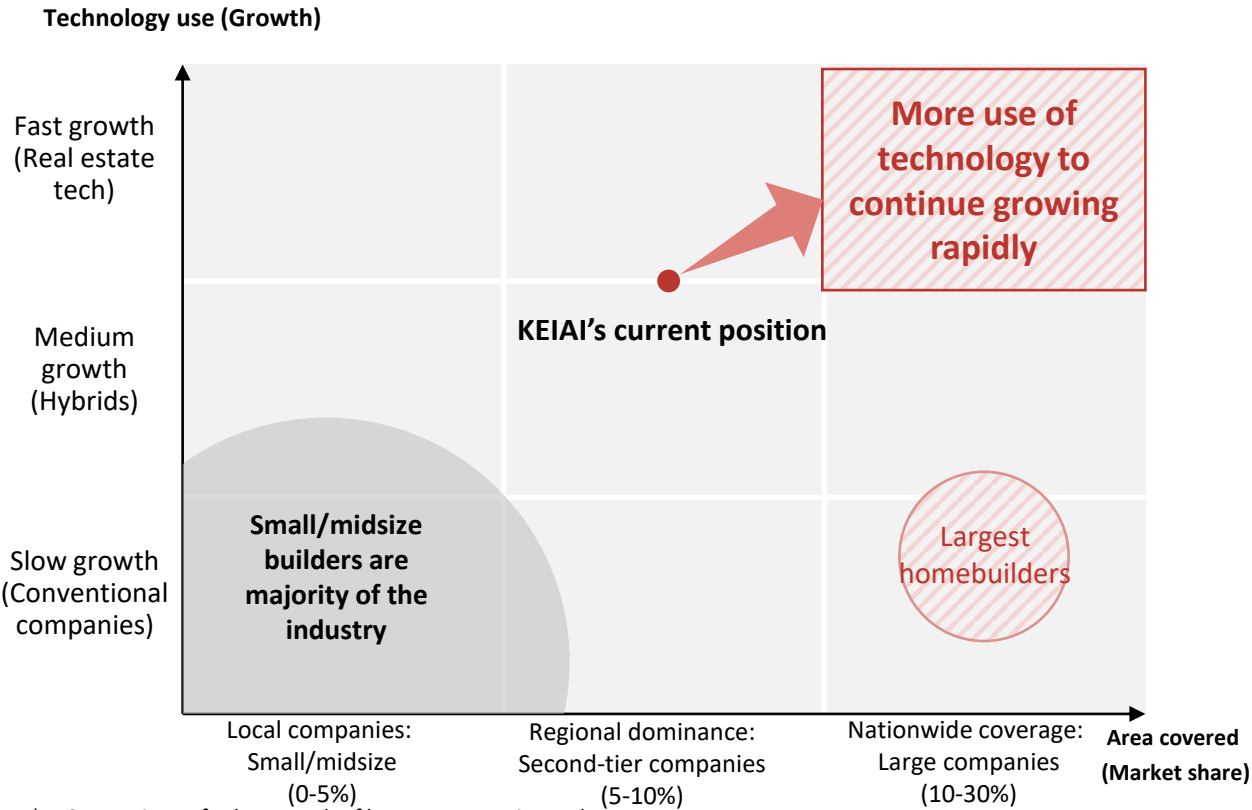
Increase our share of Japan's built-for-sale house market

*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.

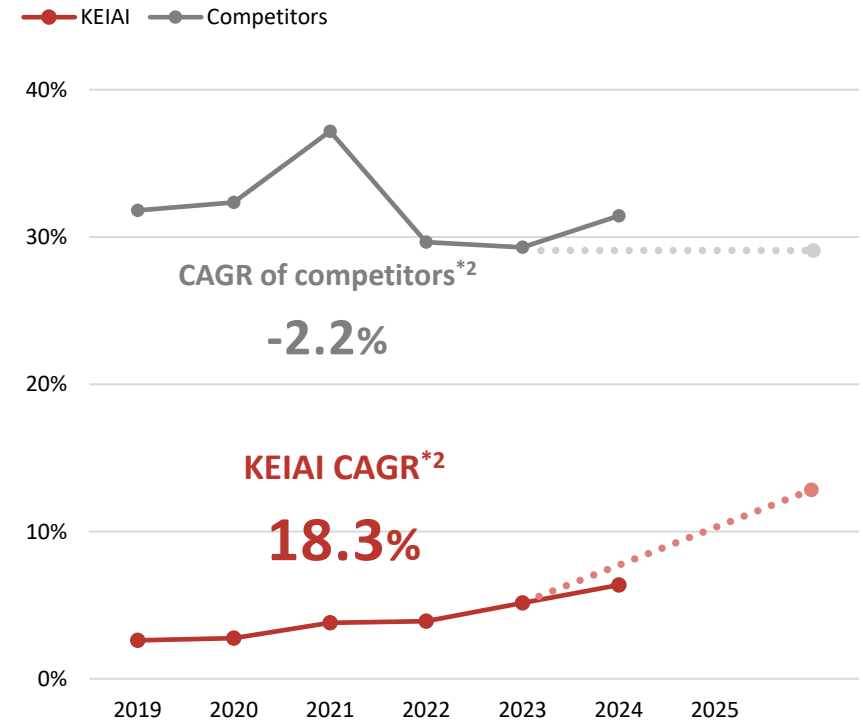
The Built-for Sale House Industry and KEIAI's Position

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



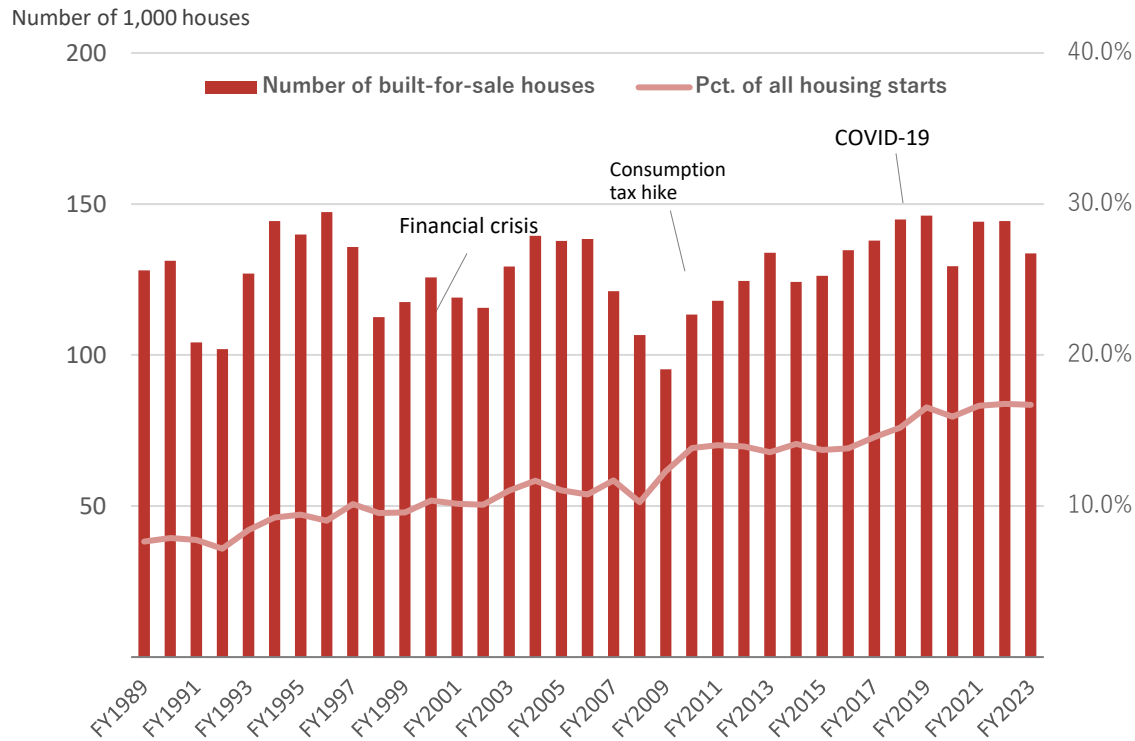
*1. Comparison of sales growth of largest companies and KEIAI

*2. CAGR : Compound Annual Growth Rate

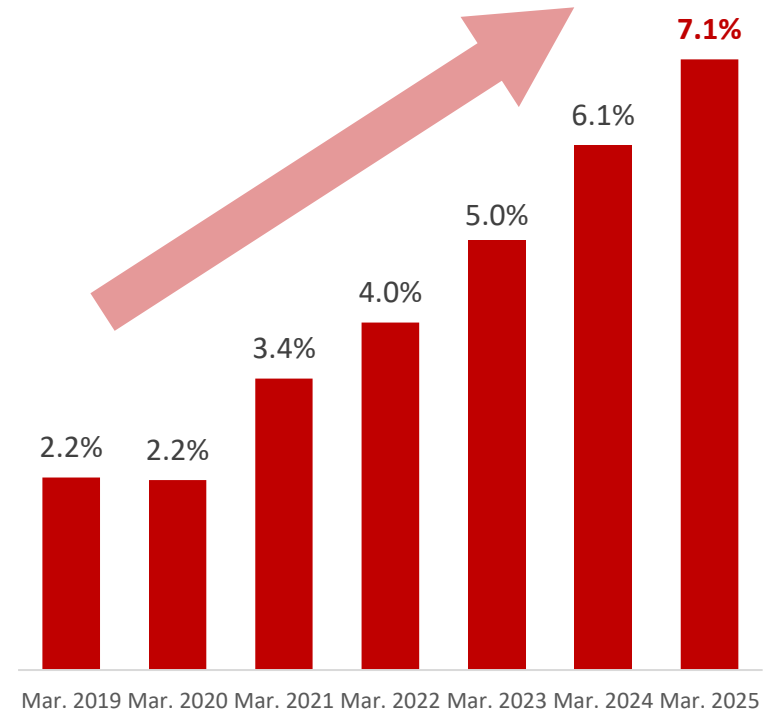
KEIAI's Market – Built-for-Sale Houses

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

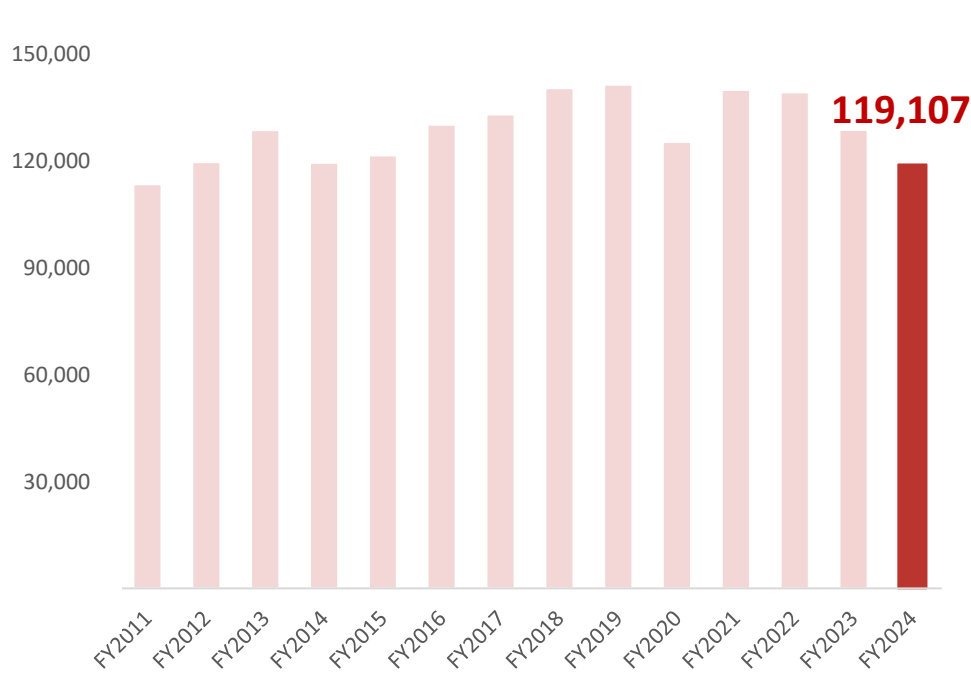


Source: Housing Start Statistics, Ministry of Land, Infrastructure, Transport and Tourism

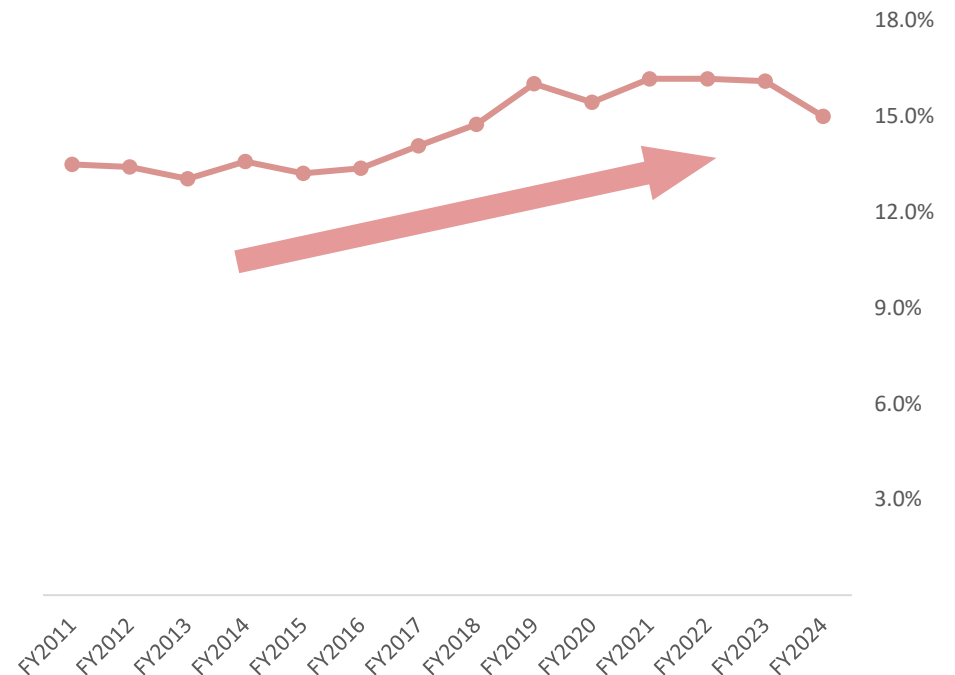
Market Growth: The Steady Increase of the Popularity of Built-for-Sale Detached Houses

Construction starts for built-for-sale houses are declining because of inventory reductions following the end of the pandemic. The number of starts is expected to stay at about the current level as built-for-sale houses remain unchanged as a percentage of all housing starts.

Construction Starts for Wooden Built-for-Sale Detached Houses



Wooden Built-for-Sale Detached House Share of All Housing Starts



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

Benefits of KEIAI's Semi Custom-Built Housing

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

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

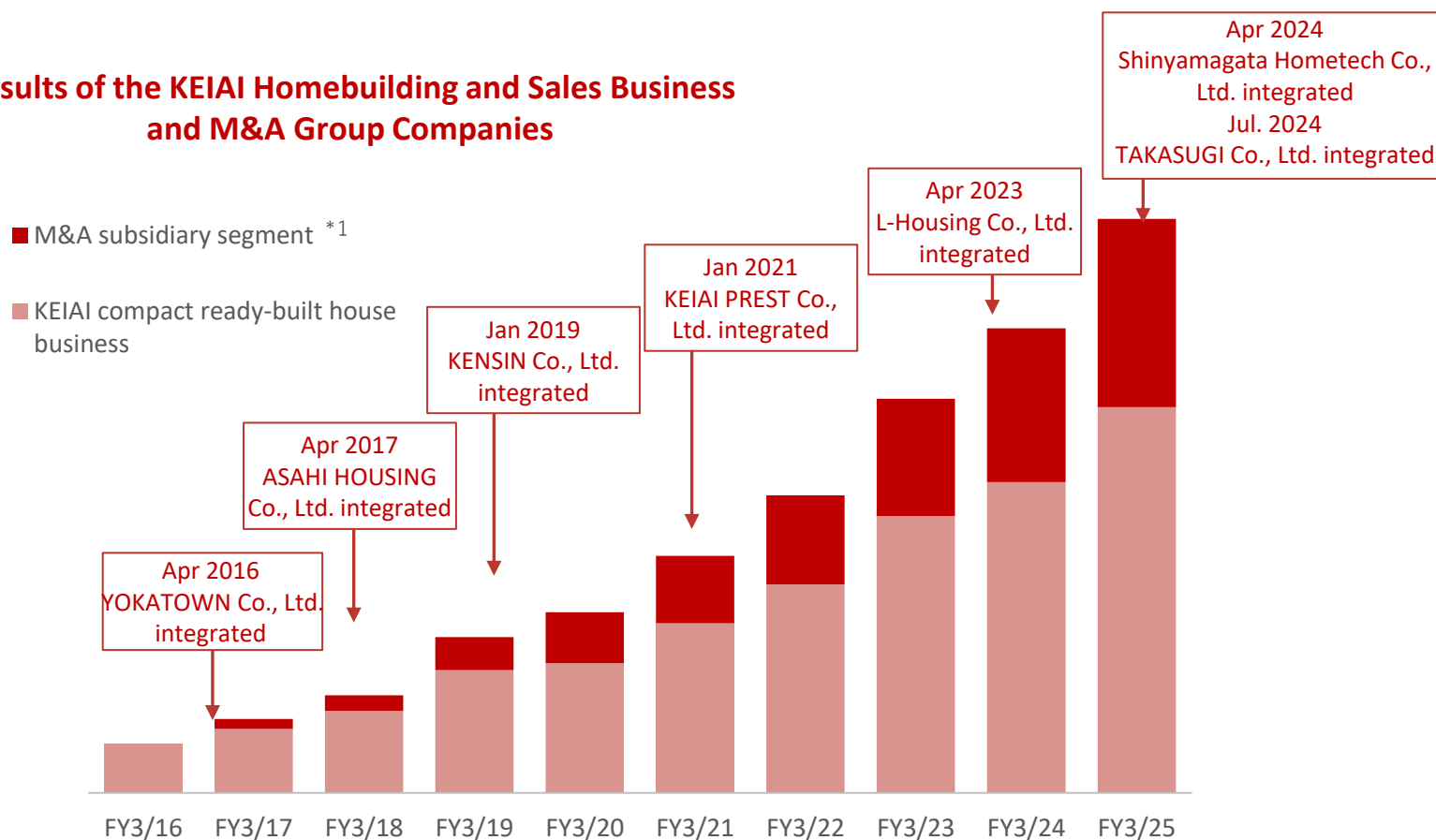
Six Strengths Backing the KEIAI Group's Growth



M&A –Sales of Subsidiaries after the Acquisition

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

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



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

Forward-looking Statements

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

This presentation was prepared for the purpose of providing general IR information for giving people a better understanding of the KI-Star Group and is not a solicitation to invest in KI-Star. Individuals who use the information in this presentation should reach investment decisions on their own.

Although KI-Star has exercised care concerning the information in this presentation, the company makes no guarantee whatsoever regarding this information. Furthermore, KI-Star assumes no responsibility at all for any losses or other damages that may result from the use of the information in this presentation.

Inquiries

KI-STAR REAL ESTATE Co., Ltd.

IR Office / IR section

URL: www.ki-group.co.jp

Please contact us by filling in the necessary information from the "IR Inquiries" page of our website.