TASUKI Holdings | 166A (TSE Growth)

Company Report
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Strategy Advisors Inc.
Keita Fujino

FY09/2025: Significant Outperformance in Q4 Leads to Earnings Beating Company Forecasts. The Market Has Yet to Fully Appreciate the True Value of TASUKI's Real Estate Operations and DX Integration

In April 2024, TASUKI and SHIN-NIHON TATEMONO merged to form TASUKI Holdings. For FY09/2025, the Company's results were driven by merger synergies, with net sales +56.8% YoY, EBITDA +66.2%, operating profit +116.8% and profit attributable to owners of the parent was +122.5%. While progress through Q3 had been sluggish, solid execution in Q4 and a successful catch-up of earlier delays led to profits exceeding company forecasts, despite sales falling slightly short.

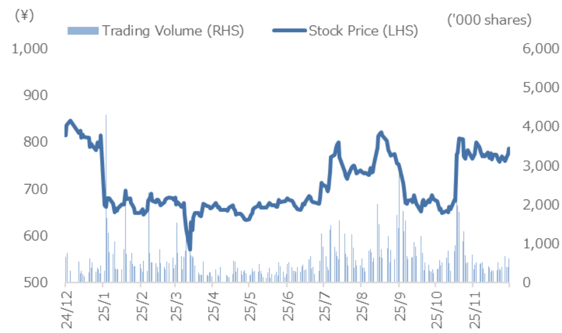
For FY09/2026, the Company forecasts double-digit growth across the board: net sales of ¥100.45 billion (+35.0% YoY), operating profit of ¥11.0 billion (+24.8% YoY) and profit attributable to owners of parent of ¥5.8 billion (+17.6% YoY).

Since the announcement in January 2025 of new stock acquisition rights (potentially diluting shares by over 19%), the Company's relative stock price has underperformed TOPIX. The Company's medium-term plan targets a 2.1x increase in sales and a 2.5x increase in EBITDA by FY09/2027 compared to FY09/2024. Going forward, the market will closely watch how effectively the Company deploys the capital raised through dilution to exceed these targets.

Despite these quantitative targets, the market has yet to fully recognize the true potential of the Company's real estate DX initiatives. Specifically, 3 key areas remain underappreciated:

1. The spread of TASUKI's expertise in real estate DX-driven operational efficiency and productivity improvements to SHIN-NIHON TATEMONO.
2. The full-scale rollout of AURA's vacant house information platform, which joined the group immediately after the business integration.
3. The future consolidation of ZISEDAI, a non-consolidated SaaS business, into group results.

Stock Price and Trading Volume (1 Year)



Source: Strategy Advisors

Key Indicators

Stock Price (12/25/25)	786
52-Week High (12/30/24)	845
52-Week Low (4/7/25)	570
All-Time High (12/30/24)	845
All-Time Low (8/5/24)	512
Shares on Issue (mn)	61.6
Market Capitalization (¥bn)	48.4
EV (¥bn)	70.3
Equity Ratio (09/25 Actual, %)	38.3
ROE (09/25 Actual, %)	18.5
PER (09/26 CoE, x)	8.4
PBR (09/25 Actual, x)	1.5
Dividend Yield (09/26 CoE, %)	5.1

CoE: Company estimates
Source: Strategy Advisors

As understanding of these underappreciated aspects deepens, we expect the market to properly value the Company's business model and see an upward re-rating in its valuation.

Japanese GAAP - Consolidated

FY	Net Sales (¥mn)	YoY (%)	Operating Profit (¥mn)	YoY (%)	Ordinary Profit (¥mn)	YoY (%)	Net Profit (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
[TASUKI]										
09/20 Parent	7,027	37.3	579	36.3	522	58.0	330	49.1	70.3	26.0
09/21 Parent	9,190	30.8	1,250	116.0	1,112	113.0	794	140.3	72.9	52.0
09/22	12,276	-	1,714	-	1,570	-	1,088	-	92.7	33.0
09/23	18,565	51.2	2,430	41.7	2,228	41.8	1,537	41.3	118.0	50.0
【TASUKI HD】										
09/24	47,455	-	4,065	-	3,560	-	2,217	-	53.4	16.0
09/25	74,412	56.8	8,815	116.8	7,808	119.3	4,933	122.5	91.0	36.0
09/26 CoE	100,450	35.0	11,000	24.8	9,300	19.1	5,800	17.6	94.1	40.0

Note: TASUKI will begin disclosing consolidated financial results from FY09/22. There are no year-on-year comparisons for FY09/22, when consolidated financial results were disclosed, or FY09/24, when the company became TASUKI Holdings. EPS for FY09/25 does not include the impact of the increase in the number of shares due to the exercise of stock acquisition rights issued in February 2025
Source: Company data, compiled by Strategy Advisors

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1. FY09/2025 Results: Q4 Outperformance Drives Exceeding Earnings Forecast

Full-Year Results Benefited from Merger Synergies, Delivering Significant Revenue & Profit Growth

For FY09/2025, TASUKI Holdings reported net sales of ¥74.41 billion (+56.8% YoY), EBITDA of ¥9.10 billion (+66.2% YoY), operating profit of ¥8.81 billion (+116.8% YoY), and profit attributable to owners of parent of ¥4.93 billion (+122.5% YoY). EBITDA is calculated as operating profit plus depreciation, amortization of goodwill, stock-based compensation, and reversal of PPA (purchase price allocation) adjustments.

The company was formed in April 2024 through the business integration of TASUKI and SHIN-NIHON TATEMONO, followed by the acquisition of AURA. For accounting purposes, TASUKI is treated as the acquiring entity, so prior-year comparisons reflect TASUKI's results for the full year, SHIN-NIHON TATEMONO's results for 6-months (April–September 2024), and AURA's results for 5-months (May–September 2024) on a consolidated basis.

Q4 Outperformance Led to Earnings Exceeding Company Forecasts

Achievement rates versus company forecasts for FY09/2025 were net sales 97.9%, EBITDA 102.3%, operating profit 101.9%, and profit attributable to owners of parent 103.9%. While progress through Q3 was sluggish, strong execution in Q4 enabled the company to exceed profit forecasts. This marks a solid start to the first year of the new medium-term management plan.

Figure 1. TASUKI Holdings: FY09/25 Financial Results Summary

(¥mn)	**FY09/25**	YoY	FY09/26 CoE (B)
Net Sales	**74,412**	56.8%	100,450
EBITDA	**9,102**	66.2%	11,500
Operating Profit	**8,815**	116.8%	11,000
Ordinary Profit	**7,808**	119.3%	9,300
Profit Attributable to Owners of Parent	**4,933**	122.5%	5,800

Source: Company data, compiled by Strategy Advisors

Significant Revenue Growth Driven by Business Integration

The increase in revenue compared to the previous year was largely due to the full-year contribution of SHIN-NIHON TATEMONO (from April 2024) and the acquisition of AURA (from May 2024).

Sales Recognition for IoT-enabled Residences Significantly Advanced in Q4

TASUKI Holdings' consolidated results are divided into 2 main segments: life platform business and Finance Consulting Business.

In the life platform business, there was a significant increase in the handover of IoT-enabled residences in Q4. Projects delayed from Q3 were successfully recognized as sales, and SHIN-NIHON TATEMONO also recorded large-scale project sales as planned. Sales from IoT-enabled residences alone in Q4 reached ¥23.42 billion, +56.9% increase YoY.

Additionally, demand for asset consulting services provided by AURA remained strong, with 7 deals closed in Q4.

As a result, quarterly sales were: Q1 – ¥16.95 billion, Q2 – ¥16.60 billion, Q3 – ¥8.98 billion, and Q4 – ¥31.85 billion, showing a significant expansion in Q4. This strong finish brought full-year sales close to the company's forecast.

Gross Profit and Margin Improvement

Gross profit for FY09/2025 increased by 85.5% YoY to ¥14.79 billion, with the gross profit margin rising by 3.1ppt to 19.9%. Within the life platform business, the overall gross profit margin rose by 2.9ppt to 19.9%. IoT-enabled residences improved by 2.1ppt to 18.2%, refurbishment/renovation by 2.3ppt to 17.6%, while asset consulting declined by 5.3ppt to 24.5%.

The company's gross profit margin fluctuates depending on the proportion of lower-margin SHIN-NIHON TATEMONO projects and higher-margin asset consulting deals. In Q4, SHIN-NIHON TATEMONO contributed with large, highly profitable projects, while asset consulting margins declined due to increased competition and deal volatility, though they remain relatively high.

Although SG&A Expenses Increased Significantly, the SG&A Expenses Ratio Decreased Slightly YoY

Selling, general, and administrative (SG&A) expenses increased by 53.0% YoY, but the SG&A expenses ratio fell by 0.2ppt to 8.0%. The increase was due to higher personnel costs from new hires and the consolidation of AURA, incentive payments in Q4, increased sales commissions, and higher taxes. However, the sales growth outpaced SG&A, resulting in a slight decrease in the SG&A ratio.

OP Margin &Operating Profit Increased

EBITDA rose by 66.2% YoY, operating profit by 116.8%, and the OP margin improved by 3.2ppt to 11.8%.

Interest expenses doubled due to increased debt from the business integration, and there were costs related to shareholder benefits. Special gains and losses were minimal. Profits attributable to owners of parent increased by 122.5%, and the net margin improved by 1.9ppt to 6.6%.

Figure 2. Net Sales and Profit by Segment (¥mn)

Net Sales		By Segment				
		Life Platform	Sales Comp.	Finance Consulting	Sales Comp.	Adjustment
09/21 Parent	9,190	–	–	–	–	–
09/22	12,276	12,212	99.5%	63	0.5%	–
09/23	18,565	18,430	99.3%	135	0.7%	–
09/24	47,455	47,251	99.6%	202	0.4%	1
09/25	74,412	74,211	99.7%	193	0.3%	6

Operating Profit		By Segment				
		Life Platform	Profit Margin	Finance Consulting	Profit Margin	Adjustment
09/21 Parent	1,250	–	–	–	–	–
09/22	1,714	1,701	13.9%	3	4.8%	9
09/23	2,430	2,373	12.9%	26	19.3%	30
09/24	4,065	4,084	8.6%	102	50.5%	-121
09/25	8,815	8,667	11.7%	108	56.0%	38

Note: The figures until FY09/23 are TASUKI and began disclosing consolidated results from FY09/22. Additionally, no segment disclosure was provided for FY09/21.
Source: Company data, compiled by Strategy Advisors

2. Life Platform Business: Significant Sales Recognition in Q4

Following the Business Integration, the Service Portfolio Diversified

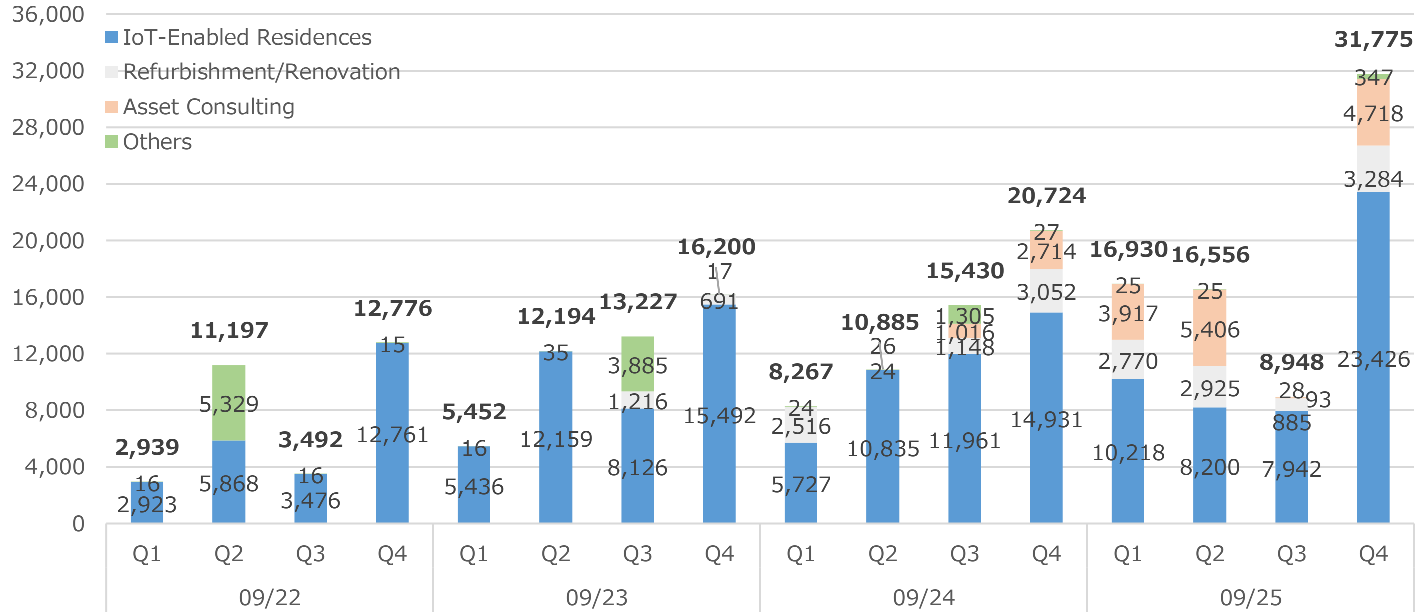
The life platform business continues to be centered on the sale of newly developed IoT-enabled residences for investment purposes. Since the business integration (Q3 FY09/2024), the portfolio has diversified to include refurbishment/renovation (value-up sales of acquired used properties) and asset consulting (provided by AURA, acquired in 2024).

A new “Vacant House Revitalization” category was added from Q3, handled by TASUKI Partners. Although still small and non-consolidated, this further demonstrates the diversification of the service portfolio.

Quarterly Sales Spiked in Q4

Quarterly sales in the life platform business surged in Q4, mainly due to ¥23.42 billion in IoT residence sales (+56.9% YoY). Delayed projects from Q3 were recognized, and SHIN-NIHON TATEMONO also recorded large-scale project sales. Asset consulting, which had almost no sales in Q3, recorded ¥4.71 billion in Q4 (-73.8% YoY). Volatility in quarterly sales recognition remains high.

Figure 3. Quarterly Trends in Net Sales- Life Platform Business (¥mn)



Note: FY09/22 Q1 to FY09/24 Q2 are the simple sum of TASUKI (TASUKI Proce consolidated) and SHIN-NIHON TATEMONO (non-consolidated). Past results for SHIN-NIHON TATEMONO and other companies are shown based on Sep. fiscal year endings.
Source: Company data, compiled by Strategy Advisors

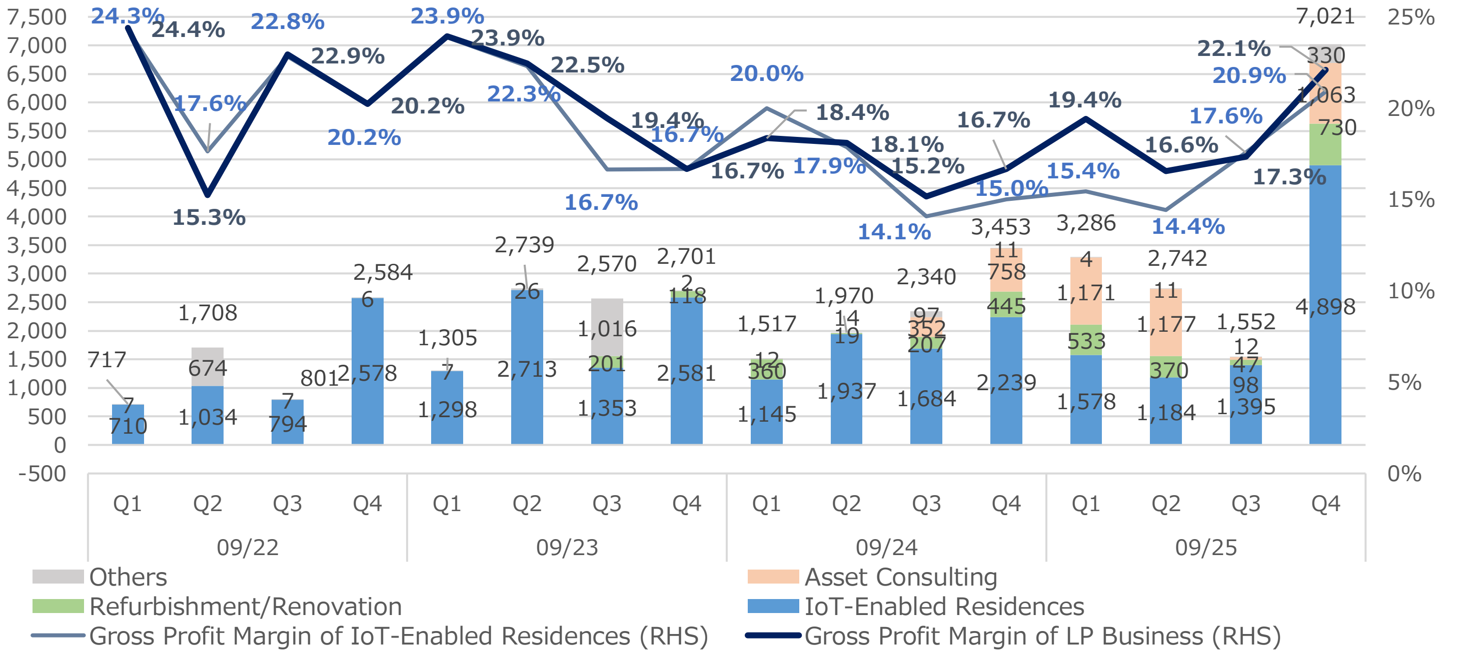
Gross Profit Also Made Significant Progress in Q4, Gross Profit Margin Rising Substantially

Gross profit in the life platform business also surged in Q4, mirroring the sales trend. As with sales, quarterly gross profit remains highly volatile. The main factors behind this volatility are:

1. Changes in the mix between high-margin projects handled by TASUKI and relatively lower-margin projects by SHIN-NIHON TATEMONO within IoT-enabled residences.
2. The presence or absence of large-scale projects in IoT-enabled residences.
3. Significant variation in gross profit margins for asset consulting and refurbishment/renovation, depending on the project.
4. The number of asset consulting deals recognized in each quarter.

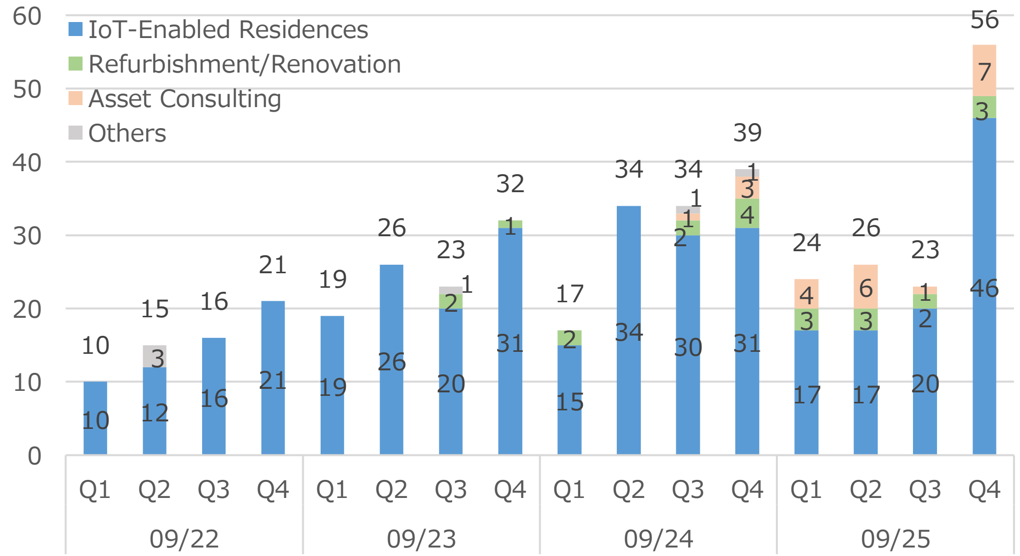
Gross profit margin declined between Q1 to Q2, recovered slightly in Q3, and then jumped to 22.1% in Q4. For IoT-enabled residences alone, the Q4 gross profit margin rose to 20.9%, indicating that improved profitability in this area contributed significantly to the overall margin improvement.

Figure 4. Quarterly Trends in Gross Profit for the Life Platform Business (¥mn)



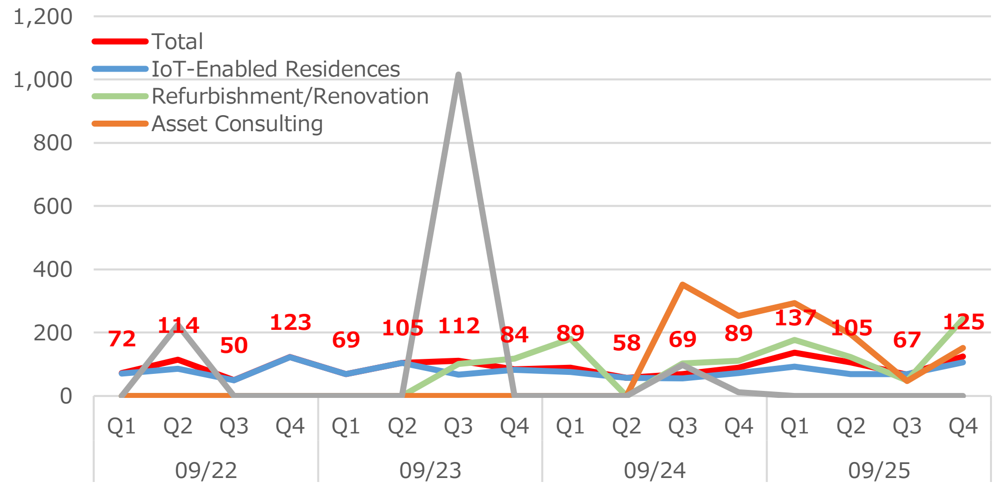
Note: FY09/22 Q1 to FY09/24 Q2 are the simple sum of TASUKI (TASUKI Proce consolidated) and SHIN-NIHON TATEMONO (non-consolidated). Past results for SHIN-NIHON TATEMONO and other companies are shown based on Sep. fiscal year endings.
Source: Company data, compiled by Strategy Advisors

Figure 5. Quarterly Trends in Sales Volume - Life Platform Business (# of Units)



Note: FY09/22 Q1 to FY09/24 Q2 are the simple sum of TASUKI (TASUKI Proce consolidated) and SHIN-NIHON TATEMONO (non-consolidated). Past results for SHIN-NIHON TATEMONO and other companies are shown based on Sep. fiscal year endings.
Source: Company data, compiled by Strategy Advisors

Figure 6. Quarterly Trends in Gross Profit Per Deal - Life Platform Business (¥mn)

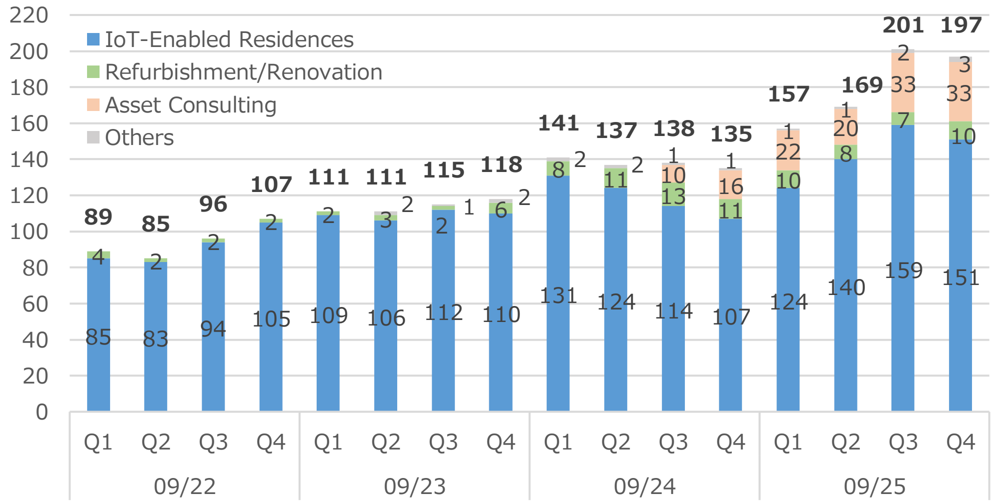


Note: FY09/22 Q1 to FY09/24 Q2 are the simple sum of TASUKI (TASUKI Proce consolidated) and SHIN-NIHON TATEMONO (non-consolidated). Past results for SHIN-NIHON TATEMONO and other companies are shown based on Sep. fiscal year endings.
Source: Company data, compiled by Strategy Advisors

Despite Significant Sales Recognition in Q4, Inventory Levels Have Steadily Increased

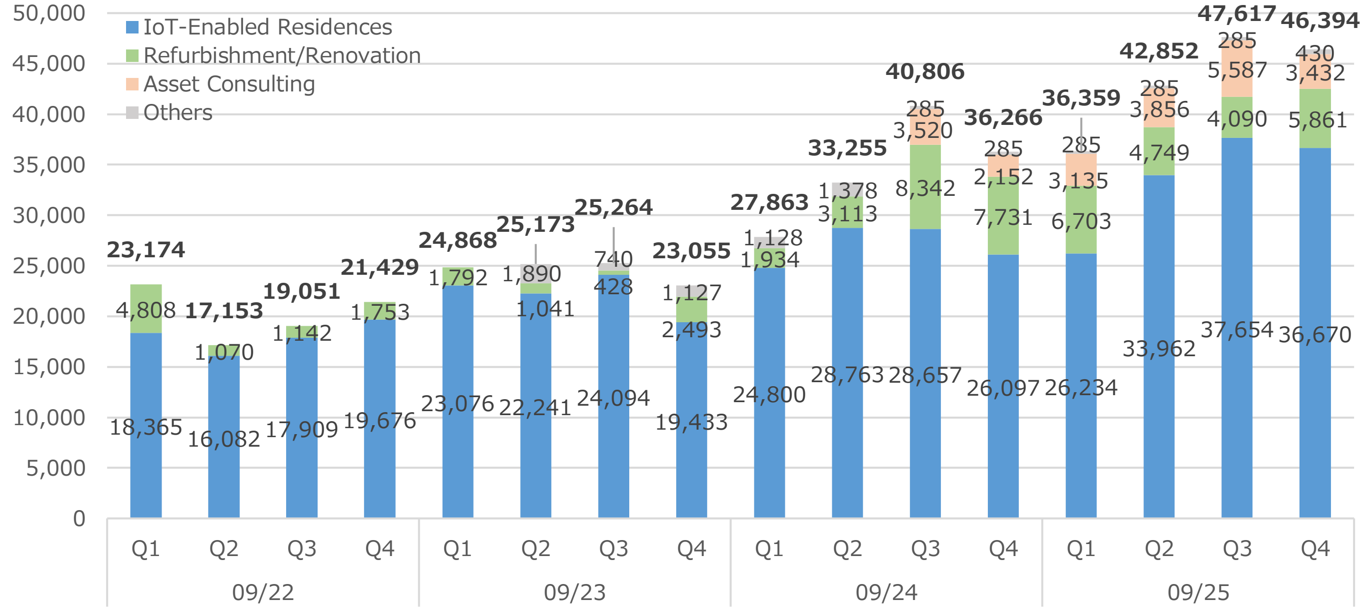
As of the end of Q4, the company held 197 inventory items totaling ¥48.39 billion. This indicates healthy accumulation in both the number and value of inventory, even after a strong sales quarter. The inventory balance per item at the end of Q4 was ¥240 million. Since reaching ¥240 million at the end of Q2 of FY09/2024, just before the integration, it has remained at levels in the mid-¥200 million range.

Figure 7. Quarterly Trends in Inventory Numbers - Life Platform Business (# of Units)



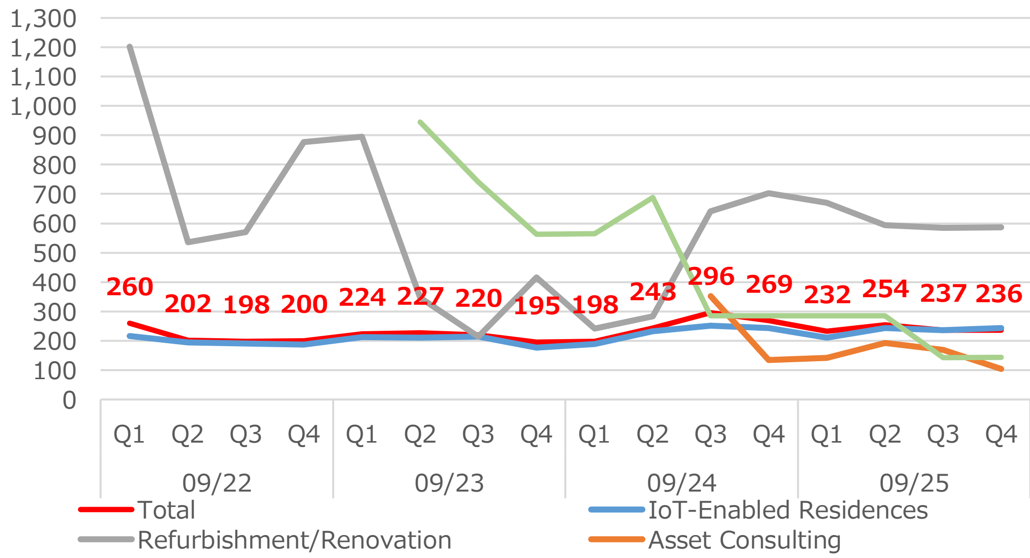
Note: FY09/22 Q1 to FY09/24 Q2 are the simple sum of TASUKI (TASUKI Proce consolidated) and SHIN-NIHON TATEMONO (non-consolidated). Past results for SHIN-NIHON TATEMONO and other companies are shown based on Sep. fiscal year endings.
Source: Company data, compiled by Strategy Advisors

Figure 8. Quarterly Changes in Inventory Balance - Life Platform Business (¥mn)



Note: FY09/22 Q1 to FY09/24 Q2 are the simple sum of TASUKI (TASUKI Proce consolidated) and SHIN-NIHON TATEMONO (non-consolidated). Past results for SHIN-NIHON TATEMONO and other companies are shown based on Sep. fiscal year endings. Inventory balance is the sum of real estate for sale, real estate for sale in progress, and advance payments.
Source: Company data, compiled by Strategy Advisors

Figure 9. Quarterly Trends in Inventory Balance Per Unit - Life Platform Business (¥mn)



Note: FY09/22 Q1 to FY09/24 Q2 are the simple sum of TASUKI (TASUKI Proce consolidated) and SHIN-NIHON TATEMONO (non-consolidated). Past results for SHIN-NIHON TATEMONO and other companies are shown based on Sep. fiscal year endings. Inventory balance is the sum of real estate for sale, real estate for sale in progress, and advance payments.
Source: Company data, compiled by Strategy Advisors

3. Finance Consulting Business: Steady Growth

TASUKI Pros: Business Lending Services

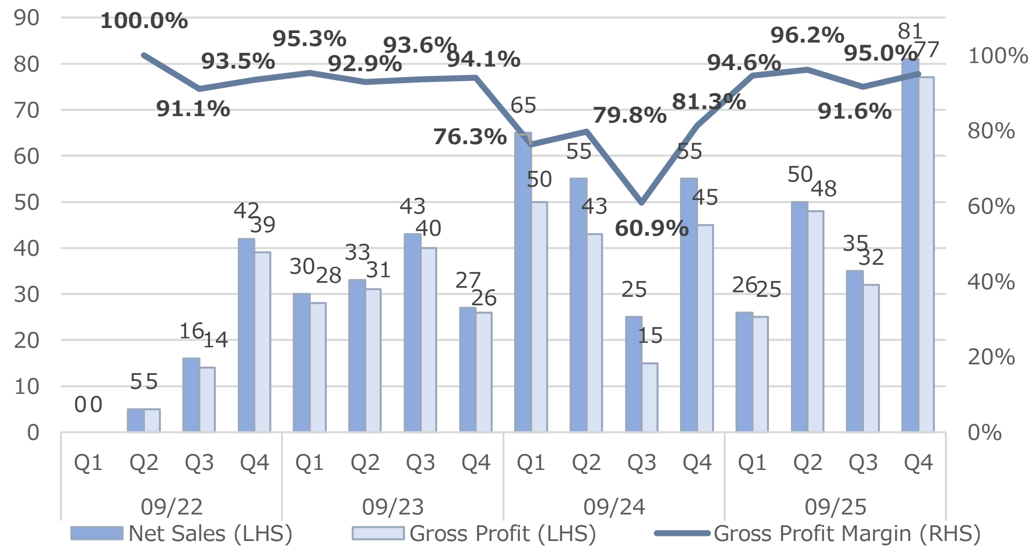
The Finance Consulting business is operated by TASUKI Pros, a consolidated subsidiary established in 2021. TASUKI Pros provides business loans to real estate companies and also engages in real estate brokerage.

Leveraging proprietary collateral evaluation methods developed as a real estate developer, TASUKI Pros is able to offer sound lending even to newly established or small- to mid-sized companies, within disciplined risk parameters.

As of Q4 FY09/2025, the cumulative amount of real estate loans executed by the Finance Consulting business had expanded to ¥10.887 billion.

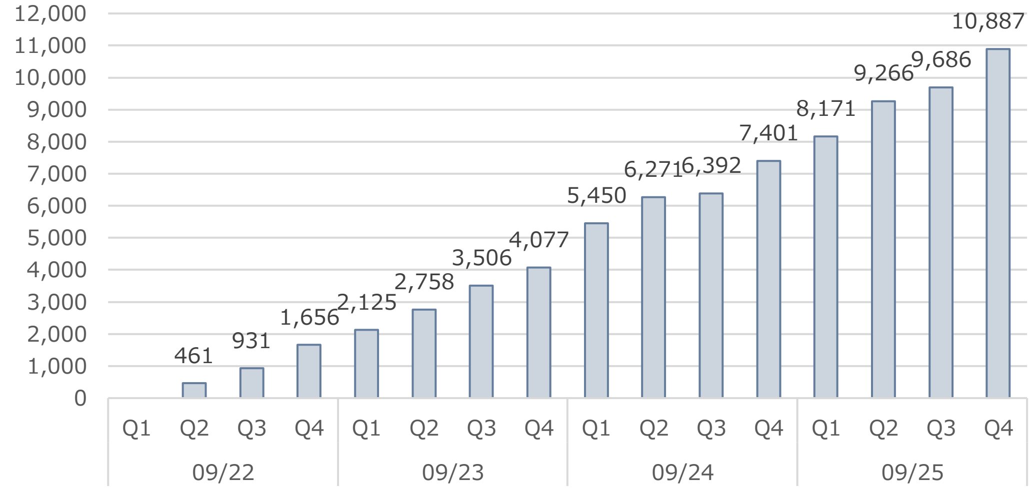
While direct profit contribution from this business remains modest, the relationships built with borrower real estate companies often lead to expanded business opportunities in other businesses, providing indirect but meaningful contributions to overall group performance.

Figure 10. Quarterly Trends in Net Sales& Gross Profit – Finance Consulting Business (¥mn)



Source: Company data, compiled by Strategy Advisors

Figure 11. Quarterly Trends in Cumulative Real Estate Loan Execution Amounts - Finance Consulting Business (¥mn)



Source: Company data、company interview, compiled by Strategy Advisors

4. SaaS Business: "ZISEDAI LAND" Exceeds Customer Growth Expectations

ZISEDAI: SaaS Solutions for Real Estate Efficiency

The SaaS business is led by ZISEDAI, a subsidiary that develops and sells DX products for the real estate industry. ZISEDAI's offerings focus on streamlining real estate acquisition and development operations for real estate businesses, delivering value primarily through operational efficiency. Currently, ZISEDAI's main products are the real estate value distribution platform "ZISEDAI LAND" and the AI-powered architectural planning service "ZISEDAI TOUCH & PLAN."

As of FY09/2025, the SaaS business remains non-consolidated due to its still modest revenue contribution.

1) "ZISEDAI LAND": Rapid Customer Growth

ZISEDAI LAND: Real Estate Value Circulation Platform

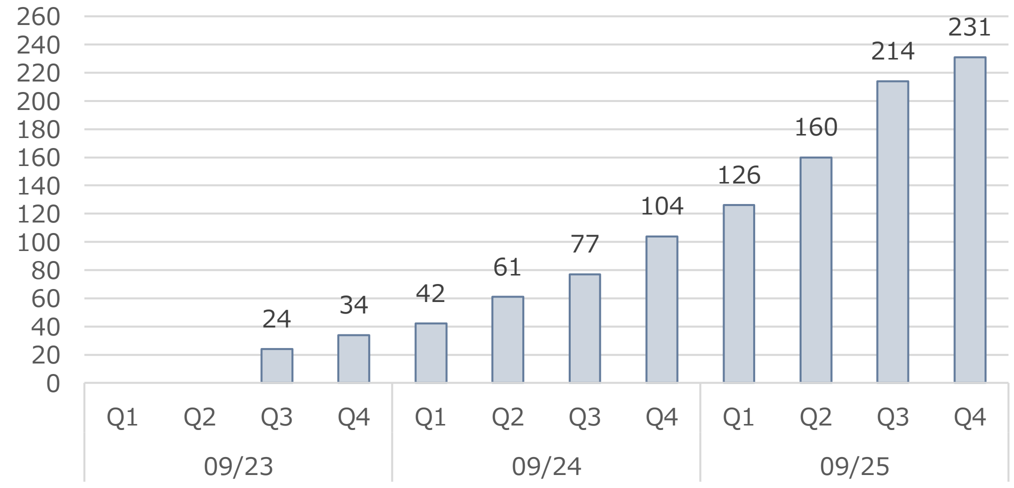
"ZISEDAI LAND" is a cloud-based property management service that enables real-time management and sharing of property information within companies. This allows for greater transparency in acquisition operations and significantly improves business speed.

# of Companies Adopting the System is Increasing Faster Than Expected

The number of client companies adopting the system has exceeded 100 within about a year and a half of launch, reaching 231 at the end of FY09/2025, comfortably above the company's forecast of 220.

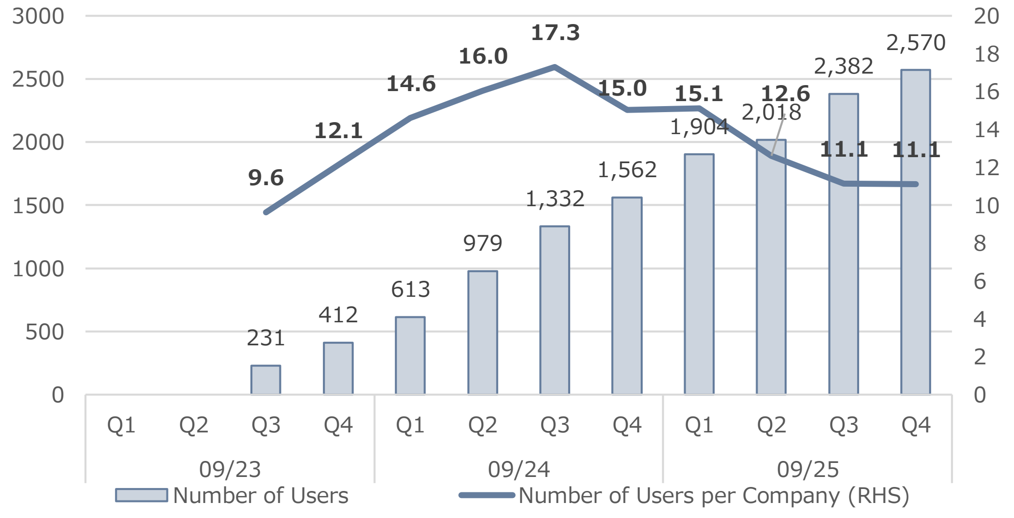
However, looking at the number of users per company, it increased through Q3 of FY09/2024, but then began to decline. It hovered around 15 users in Q4 of FY09/2024 and Q1 of FY09/2025, then decreased to 12.6 users in Q2 of FY09/2024, and further to 11.1 users in both Q3 and Q4, continuing the downward trend. The recent sustained decline in users per company is due to a strategic focus on rapidly capturing market share by intentionally targeting small and medium-sized businesses, which tend to make quicker adoption decisions.

Figure 12. Trends in the # of Companies That Have Adopted "ZISEDAI LAND"



Source: Company data, compiled by Strategy Advisors

Figure 13. Changes in # of "ZISEDAI LAND" Users (# of Users)



Source: Company data, compiled by Strategy Advisors

2) "ZISEDAI TOUCH & PLAN": AI-Driven Architectural Planning

ZISEDAI TOUCH & PLAN: AI Service for Automated Architectural Plan Generation

"ZISEDAI TOUCH & PLAN" is an AI service that automatically retrieves building regulations and generates optimal volume plans. This tool automates the essential volume check and related documentation processes for project feasibility, dramatically reducing both time and cost compared to traditional architectural firms.

5. FY09/2026 Outlook: Exceeds Medium-Term Plan Targets

TASUKI's FY09/2026 Forecasts Exceeds the Mid-Term Business Plan

For FY09/2026, the company forecasts net sales of ¥100.45 billion (+35.0% YoY), EBITDA of ¥11.5 billion (+26.3% YoY), operating profit of ¥11.0 billion (+24.8% YoY), and profit attributable to owners of parent of ¥5.8 billion (+17.6% YoY).

The mid-term management plan announced in November 2024 following the business integration set targets for FY09/2026: net sales of ¥87.0 billion, EBITDA of ¥10.95 billion, operating profit of ¥10.45 billion, and profit attributable to owners of parent of ¥5.70 billion. The new forecasts exceed the original mid-term management plan targets by 15.5% for sales, 5.3% for operating profit, and 1.8% for profit attributable to owners of the parent.

Figure 14. Net Sales & Profit Trends (¥mn)

FY	09/22	09/23		09/24	09/25	09/26 CoE
	(Pre-Integration)	(Pre-Integration)	*Ref	(Post)	(Post)	(Post)
Net Sales	12,276	18,565	36,308	47,455	74,412	100,450
% Change	33.6%	51.2%	–	30.7%	56.8%	35.0%
EBITDA	–	–	4,452	5,478	9,102	11,500
% Change	–	–	–	23.0%	66.2%	26.3%
EBITDA Margin	–	–	12.3%	11.5%	12.2%	11.4%
Operating Profit	1,714	2,430	4,415	4,065	8,815	11,000
% Change	37.1%	41.7%	–	-7.9%	116.8%	24.8%
OP Margin	14.0%	13.1%	12.2%	8.6%	11.8%	11.0%
Profit Attributable to Owners of Parent	1,088	1,537	2,866	2,217	4,933	5,800
% Change	37.0%	41.3%	–	-22.7%	122.5%	17.6%
NP Margin	8.9%	8.3%	7.9%	4.7%	6.6%	5.8%

Note: The figures for FY09/22, which consolidated results were disclosed, are comparisons with the non-consolidated results for FY09/21. "Reference" for FY09/23 is a simple sum of the full FY09/23 for TASUKI and TASUKI Proce and the first half of FY03/24 for SHIN-NIHON TATEMONO FY09/24, when TASUKI Holdings was established, shows a comparison with the "Reference" figures for FY09/23.
Source: Company data, compiled by Strategy Advisors

The Pipeline is Steadily Expanding

The company's pipeline for future revenue is expanding steadily. For IoT-enabled residences and refurbishment/renovation, 162 acquisitions were completed in Q4 against a plan of 137, achieving 118.2% of the target. Asset consulting pipelines also increased from 20 cases at the end of Q2 to 33 at the end of Q4. As a result, inventory at the end of FY09/2025 rose 27.9% YoY to ¥46.39 billion.

The Company is Assuming a Conservative OP Margin

The company expects the EBITDA margin to decline by 0.8ppt to 11.4% and the OP margin to fall by 0.8ppt to 11.0% in FY09/2026, mainly due to conservative assumptions for gross margins in refurbishment/renovation and asset consulting businesses, and higher assumed sales commission ratios.

The company anticipates a decline in gross profit margins for both the refurbishment/renovation and asset consulting businesses, primarily due to increased competition from new market entrants, which is expected to drive up procurement costs. In contrast, gross profit margins for the IoT-enabled residence business are projected to improve. This is because, within SHIN-NIHON TATEMONO—where margins have historically been lower—the diversification of the portfolio to include smaller properties and wooden-structure residences is expected to bring margins closer to those achieved by TASUKI.

Regarding sales commissions, the company's forecasts conservatively assume that commissions will be incurred on all property sales, even though some transactions will not actually require such fees.

However, if sales remain strong, there is potential for margins to outperform these conservative estimates.

Due to the Increase in the Dividend Payout Ratio Target, a Dividend Increase is Also Expected for FY09/2026

The company plans to increase its annual dividend per share by ¥4 to ¥40 in FY09/2026 (¥16 interim, ¥24 year-end).

The company's basic policy is to pursue a progressive dividend. Up to FY09/2025, the company aimed for a dividend payout ratio of at least 35% of EPS, excluding non-cash items such as goodwill amortization from M&A activity. Starting from FY09/2026, the company has raised its target to a payout ratio of at least 40% of EPS, without such exclusions. Additionally, while dividends were paid annually through FY09/2025, from FY09/2026 onward, the company will shift to a semi-annual dividend schedule, with both interim and year-end payments.

The decision to raise the payout ratio target reflects the company's strengthened financial foundation, which has been confirmed a year and a half after the business integration. As a result, the payout ratio based on EPS is expected to increase from 39.6% in FY09/2025 to 42.5% in FY09/2026.

6. Topics

1) Formation of the Group's First Off-Balance Sheet Development Fund

Currently, the Focus is on On-Balance Funds

Currently, the company primarily operates on-balance sheet funds, including the "TASUKI FUNDS" crowdfunding platform and private real estate funds for qualified investors. As of November 2025, the company had launched its 15th fund.

Established the Group's First Development Fund Through an Off-Balance-Sheet Scheme

Looking ahead, TASUKI Holdings is preparing to expand its off-balance sheet fund business. The company has already established 2 off-balance sheet private funds and one trust beneficiary-type private fund.

On August 1, 2025, the company announced the formation of its first off-balance sheet development fund. This fund will acquire development land owned by TASUKI through a special purpose company (SPC) funded by both investors and the company itself, develop new residential properties, and sell them after completion. The company is also considering forming holding-type funds to manage completed properties. In its development funds, the company not only provides construction management services for new residential developments, but also undertakes asset management operations for both development and holding-type funds. Through these activities, the company earns management fees as well as performance-based fees.

By shifting to off-balance sheet structures, the company expects to reduce real estate holding risk and improve capital efficiency, thereby strengthening its financial position.

2) Issuance and Exercise of Stock Acquisition Rights in February 2025

All Stock Acquisition Rights Issued in Feb. 2025 Were Exercised by Sep. 8

In February 2025, the company issued 100,000 stock acquisition rights (announced January 24). By September 8, all rights had been exercised, resulting in the issuance of 10 million new shares and a 19.4% dilution.

The capital raised (¥6.321 billion) will be used for future acquisitions and M&A. Notably, the company’s medium-term plan does not factor in growth investments funded by this capital, suggesting further upside potential.

3) Progress Toward Prime Market Listing

The Market Change to TSE Prime Market Is Proceeding According to Schedule

TASUKI Holdings has set a goal of transferring its listing to the Tokyo Stock Exchange Prime Market in FY09/2026. According to the company, preparations and reviews by securities firms are proceeding on schedule, with exchange review expected in Q3–Q4 of FY09/2026.

7. Peer Comparison

Comparison: Listed Companies Offering Urban Compact Apartments & Those Utilizing Real Estate Digital Transformation

For comparison purposes, we have selected listed companies that either provide urban compact condominiums or are characterized by their use of real estate DX (digital transformation) solutions. Among companies specializing in urban compact condominiums, we have included:

- **Hoosiers Holdings (3284)**, which primarily offers family-oriented properties under the “Duo Hills” brand.
- **Dear Life (3245)**, focused on investment properties with its “Dearest” brand.

- **FJ Next Holdings (8935)**, which also focuses on investment properties through its “Gala” series.
- **Meiwa Estate (8869)**, offering family-oriented properties under the “Clio” brand.
- **Properst (3236)**, with its “Crescent” brand.
- **Global Link Management (3486)**, known for the “Artesimo” brand.

In addition, for companies distinguished by their use of real estate DX, we have included GA technologies (3491), Migalo Holdings (5535), — the holding company of Property Agent —, and Open House Group (3288).

ROE & ROIC: Room for Improvement in Both Profitability & Expansion of Financial Leverage.

Compared to peers, TASUKI’s OP margin for FY09/2025 was 11.8%, among the highest in the group, and its ROE was 18.5%, also above average.

The equity ratio at the end of FY09/2025 was 38.3%, up 2.4ppt from the previous year, & in line with the company’s target of maintaining at least 30%.

Given its strong equity ratio and above-average ROIC, the company has room to further enhance profitability and leverage for growth.

Figure 15. Profitability Comparison with Other Real Estate Finance Companies

Company Name	Code	FY	Sales (¥mn)	Sales Growth Rate (%)	OP (¥mn)	OP Growth Rate (%)	OP Margin (%)	ROE (%)	ROIC (%)	Equity Ratio (%)
TASUKI Holdings	**166A**	**09/2025**	**74,412**	**60.3**	**8,815**	**72.4**	**11.8**	**18.5**	**9.4**	**38.3**
Hoosiers Holdings	3284	03/2025	92,153	1.6	9,227	6.6	10.0	13.5	4.5	23.4
Dear Life	3245	09/2025	78,505	23.2	7,726	24.3	9.8	20.2	12.1	59.3
FJ NEXT HOLDINGS	8935	03/2025	112,429	5.8	9,488	-1.8	8.4	9.2	7.6	69.1
Meiwa Estate	8869	03/2025	79,902	14.5	5,240	26.2	6.6	8.8	3.9	22.3
Properst	3236	05/2025	27,839	3.3	3,334	16.8	12.0	17.3	8.3	40.3
Global Link Management	3486	12/2024	64,482	20.8	5,732	29.6	8.9	33.3	12.5	31.9
GA Technology	3491	10/2025	248,947	31.6	7,095	30.3	2.9	14.5	8.1	37.4
Migaro Holdings	5535	03/2025	51,709	17.9	2,713	7.3	5.2	12.9	3.9	20.5
Open House Group	3288	09/2025	1,336,468	18.3	145,933	18.6	10.9	20.1	8.8	38.1
Average	-	-	-	19.7	-	23.0	8.7	16.8	7.9	38.1
Median	-	-	-	18.1	-	21.5	9.4	15.9	8.2	37.8

Company Name	Code	Net D/E ratio (x)	DCR (%)	Equity Ratio (%)
TASUKI Holdings	**166A**	**0.63**	**155.5**	**38.3**
Hoosiers Holdings	3284	1.63	210.9	23.4
Dear Life	3245	-0.42	53.5	59.3
FJ NEXT HOLDINGS	8935	-0.09	51.0	69.1
Meiwa Estate	8869	1.90	268.6	22.3
Properst	3236	0.81	240.0	40.3
Global Link Management	3486	0.86	163.4	31.9
GA Technology	3491	-0.05	85.0	37.4
Migaro Holdings	5535	2.79	524.9	20.5
Open House Group	3288	0.55	144.1	38.1
Average	–	0.86	189.7	38.1
Median	–	0.72	159.4	37.8

Note: Growth rate is the average of the past 5 fiscal years. TASUKI Holdings' figures for the 5 fiscal years prior are TASUKI's performance. Migaro Holdings' figures for the 5 fiscal years prior are property agent performance.
Source: Strategy Advisors

8. Stock Price Trends

To illustrate the company's stock price performance since becoming TASUKI Holdings in April 2024, Figure 16 shows an indexed comparison of major real estate finance companies and TOPIX (Tokyo Stock Price Index), with each company's stock price as of the end of March 2024 set to 100.

Since the Announcement of the Stock Acquisition Rights in January 2025, TASUKI Holdings' Stock

Since April 2024, TASUKI Holdings' stock price has continued to be influenced by short-term earnings results. There was a period when the company's relative stock price significantly outperformed TOPIX, following the announcement of an upward revision to its FY09/2033 targets after the business integration. However, after the disclosure of a large stock acquisition

Price Has Underperformed TOPIX

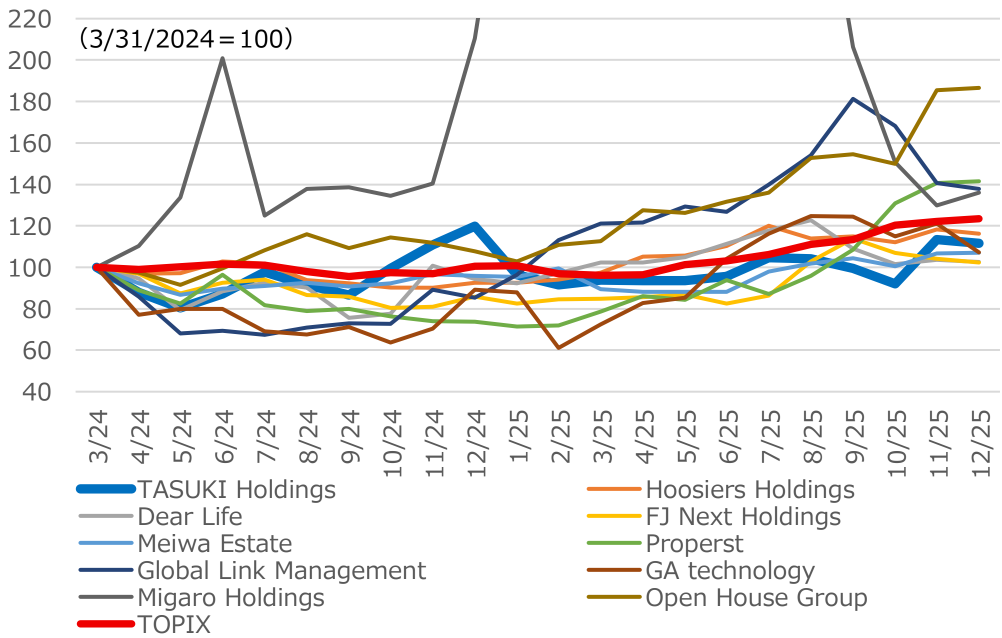
rights issuance on January 24, 2025, concerns over share dilution led to a decline in the company's stock price, causing it to fall relative to TOPIX once again. Although there were brief periods when the stock price returned to levels comparable to TOPIX, it has generally remained below the index.

It is also worth noting that one of the peer companies, Migalo Holdings, saw its stock price surge sharply after October 2024. This was driven not only by a significant increase in profits, but also by heightened expectations for a facial recognition platform developed and launched by one of its subsidiaries.

Since TASUKI's IPO in Oct 2020, its Valuation Corrected & Remains Moderate

Currently, the company's shares are trading at PER of 8.4x and a PBR of 1.5x. Since TASUKI's IPO in October 2020, its valuation has adjusted to levels that suggest the stock is relatively undervalued. Among its peers, lower PERs than the company are Hoosiers Holdings (3284, TSE Prime), Properst (3236 TSE Standard), and Global Link Management (3486 TSE Prime). In terms of PBR, Hoosiers Holdings, Dear Life (3245 TSE Prime), FJ Next Holdings (8935 TSE Prime), Meiwa Estate (8869 TSE Standard), and Properst are trading at lower multiples.

Figure 16. Stock Price Trends of Listed Companies Offering Urban Compact Apartments and Those Utilizing Real Estate Digital Transformation (From April 2024 Onwards)



Note: TASUKI Holdings' stock price at the end of March 2024 is substituted with the stock price on April 1, 2024. For Migaro Holdings, the portion exceeding 240 that does not fit on the chart is omitted.
Source: Strategy Advisors

Figure 17. Valuation Comparison with Other Real Estate Finance Companies

Company Name	Code	FY	Stock Price (12/25)	Market Cap. (¥mn)	PER CoE (x)	PBR Actual (x)	Dividend Yield CoE (%)	ROE Actual (%)
TASUKI Holdings	**166A**	**09/2025**	**786**	**48,435**	**8.4**	**1.5**	**5.1**	**18.5**
Hoosiers Holdings	3284	03/2025	1,311	53,622	7.8	1.1	5.6	13.5
Dear Life	3245	09/2025	1,115	48,521	-	1.7	5.7	20.2
FJ NEXT HOLDINGS	8935	03/2025	1,443	47,261	7.2	0.6	3.9	9.2
Meiwa Estate	8869	03/2025	1,139	26,707	9.2	0.8	4.0	8.8
Properst	3236	05/2025	317	10,591	9.5	0.9	1.9	17.3
Global Link Management	3486	12/2024	2,190	35,078	8.2	1.5	3.7	33.3
GA Technology	3491	10/2025	1,863	76,467	14.0	2.5	0.7	14.5
Migaro Holdings	5535	03/2025	416	24,347	18.6	2.2	2.0	12.9
Open House Group	3288	09/2025	9,234	1,039,147	9.3	1.9	2.0	20.1

Note: ROE is not applied to companies that posted a loss in their most recent fiscal year. Market capitalization is calculated using the number of issued shares excluding treasury stock.
Source: Strategy Advisors

9. Equity Story: 3 Underappreciated Aspects in the Market

Quantitative Progress Against Medium-Term Targets is Important, But…

Due to the equity financing and resulting dilution, TASUKI Holdings' relative stock price has struggled to outperform TOPIX. The company's medium-term plan maintains an EPS target of ¥140 for FY09/2027, even after the dilution from the exercise of stock acquisition rights. The market will be watching closely to see how much the company can exceed its original profit targets using the newly raised capital.

While quantitative progress is important, there are 3 key aspects of TASUKI's real estate DX business that remain underappreciated by the market:

Aspects That Have Not Been Fully Appreciated 1 : The Impact of TASUKI's Real Estate DX Expertise on SHIN-NIHON TATEMONO

The 2024 business integration between TASUKI and SHIN-NIHON TATEMONO has the potential to create significant competitive advantages by combining their respective strengths. In particular, applying TASUKI's expertise in real estate DX-driven operational efficiency and productivity improvements to SHIN-NIHON TATEMONO could lead to both scale expansion and improved profitability. The full impact of this synergy has yet to be fully reflected in current financial results, and future improvements in gross profit margin for IoT-enabled residences will be a key indicator to watch.

Aspects That Have Not Been Fully Appreciated 2 : The Value of AURA's Vacant House Platform

AURA, which joined the group around the time of the business integration, operates a vacant house information platform that could become a major competitive advantage in an industry where land acquisition is increasingly competitive. The market has yet to fully appreciate the additional value that could be created by integrating this platform with TASUKI and SHIN-NIHON TATEMONO's existing strengths.

Aspects That Have Not Been Fully Appreciated 3 : Consolidation of ZISEDAI's SaaS Business

"ZISEDAI LAND" platform continues to see strong growth in both customer numbers and users. While not yet a significant contributor to group earnings, its future consolidation could enhance the company's profile as a true real estate DX leader. Given the high gross margins typical of SaaS businesses, ZISEDAI's inclusion in consolidated results could further boost overall profitability.

Anticipating Valuation Increases as Market Understanding Deepens

As the market comes to better understand these underappreciated aspects, we expect TASUKI Holdings' business model and competitive advantages to be more accurately reflected in its valuation.

【Initiation Update】

10. Overview : DX Company Founded by a Real Estate Developer

Real Estate DX Company Founded by a Real Estate Developer

The company is a real estate DX company founded by a real estate developer, with TASUKI, SHIN-NIHON TATEMONO and AURA as its core subsidiaries.

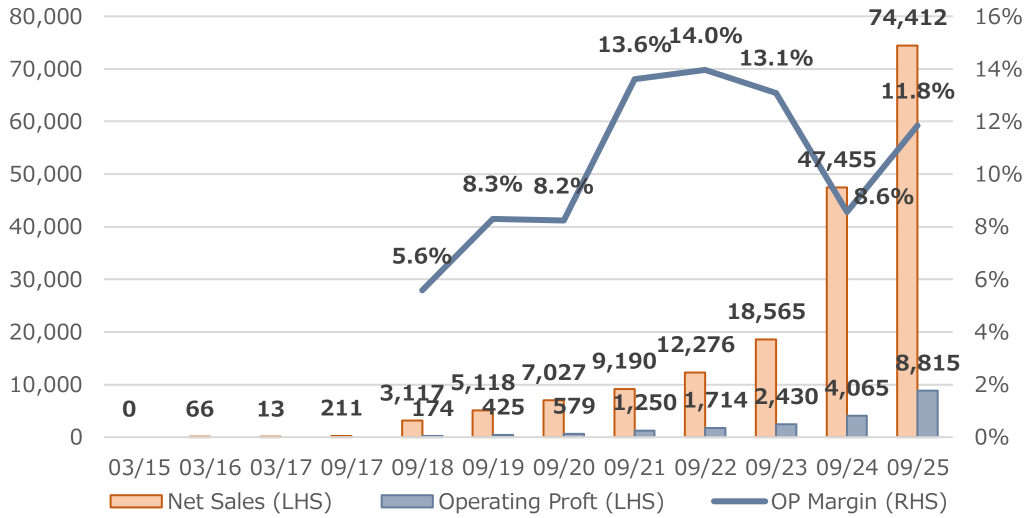
Formed by the Integration of TASUKI & SHIN-NIHON TATEMONO

TASUKI is a company that was spun off from SHIN-NIHON TATEMONO and has grown by specializing in newly built investment residences; but it has been developing its business with an awareness of utilizing DX from an early stage. On the other hand, SHIN-NIHON TATEMONO is a mid-sized developer with a long history and expertise in handling projects that major developers would not touch. TASUKI, which has an advantage in utilizing DX and SHIN-NIHON TATEMONO, which has an established reputation for its purchasing power, merged in 2024 to form TASUKI Holdings. The group has also been strengthened by acquiring AURA, a real estate consulting company, as a consolidated subsidiary.

Even after the business integration, real estate sales, which are mainly flow revenue, will remain the core business. The fact that should not be forgotten is that the two companies, which have the same origins and separated along the way to hone their respective unique characteristics and have then reunited. This is expected to accelerate business growth by combining the two companies' difficult-to-imitate characteristics: combining the real estate development know-how cultivated in the business of real estate developers with the know-how of improving operational efficiency and productivity through real estate DX.

TASUKI was listed on the Tokyo Stock Exchange Mothers Market in October 2020. At the time of listing, sales were ¥7.027 billion and operating profit was ¥579 million (FY09/2020). Since then, in the 3 years up to FY09/2023, sales increased by 2.6x and operating profit increased by 4.2x. Furthermore, the business scale expanded with the business integration with SHIN-NIHON TATEMONO in April 2024; and in FY09/2025, which was the second full-year financial results after the business integration, sales increased by 10.6x and operating profit increased by 15.2x versus FY09/2020.

Figure 18. Trends in Net Sales and Profit (¥mn)



Note: The figures until FY09/23 are TASUKI and began disclosing consolidated results from FY09/22. Figures for TASUKI Holdings from FY09/24 onwards.
Source: Company data, compiled by Strategy Advisors

The Majority of Revenue Comes from the Life Platform Business

The company's business is divided into 3 areas. Firstly, the life platform business, which sells real estate properties, mainly IoT residential properties. Secondly there is the finance consulting business, which provides real estate-related loans to small and medium-sized enterprises. Finally, the SaaS business, which develops and sells DX products for the real estate industry. Of these, the life platform business is handled by TASUKI, SHIN-NIHON TATEMONO and AURA, the finance consulting business by TASUKI Proce and the SaaS business by ZISEDAI.

Since ZISEDAI is a non-consolidated company, its securities reports are divided into two segments: the life platform business and the finance consulting business. Most of its revenue comes from the life platform business.

Figure 19. Net Sales and Profit by Segment (¥mn) (Reprint of Figure2)

Net Sales		By Segment				
		Life Platform	Sales Comp.	Finance Consulting	Sales Comp.	Adjustment
09/21 Parent	9,190	–	–	–	–	–
09/22	12,276	12,212	99.5%	63	0.5%	–
09/23	18,565	18,430	99.3%	135	0.7%	–
09/24	47,455	47,251	99.6%	202	0.4%	1
09/25	74,412	74,211	99.7%	193	0.3%	6

Operating Profit		By Segment				
		Life Platform	Profit Margin	Finance Consulting	Profit Margin	Adjustment
09/21 Parent	1,250	–	–	–	–	–
09/22	1,714	1,701	13.9%	3	4.8%	9
09/23	2,430	2,373	12.9%	26	19.3%	30
09/24	4,065	4,084	8.6%	102	50.5%	-121
09/25	8,815	8,667	11.7%	108	56.0%	38

Note: The figures until FY09/23 are TASUKI and began disclosing consolidated results from FY09/22. Additionally, no segment disclosure was provided for FY09/21.
Source: Company data, compiled by Strategy Advisors

Mission, Vision & Values

Before the business integration, TASUKI's corporate philosophy was "Connecting the world with TASUKI - becoming a social hub through groundbreaking innovation".

Taking advantage of this business integration, the company has defined its mission as "Learning from people, Digitizing real estate, Brightening the future" and its vision is "Connecting value will make the future better".

To that end, the company has set 6values to be shared throughout its organization: (1) TECHNOLOGY (cutting-edge technology for people), (2) ADVANCE (sharpening foresight to look to the future), (3) SUSTAINABLE (striving for a sustainable world), (4) USER FIRST (undertaking every effort for customers), (5) KEEN (continuing to take on challenges with a small but elite team) and (6) INNOVATION (transforming with a venture-style mindset).

Based on these missions, visions and values, the company aims to update what is considered "normative" in the real estate industry and use it to bring about change in people's lives and society.

Most of the Shareholders are Individuals

TASUKI was listed on the Tokyo Stock Exchange Mothers in October 2020 (later moving to the Tokyo Stock Exchange Growth in April 2022 following a review of the Tokyo Stock Exchange's market classifications). As of the end of September 2020, immediately prior to listing on Tokyo Stock Exchange Mothers, Mr. Saburo Murakami, the chairman of the board and founder of SHIN-NIHON TATEMONO, held 50.25% of the shares, with several other business companies also investing. Since then, his ownership ratio has declined and the company has merged with SHIN-NIHON TATEMONO, so as of the end of September 2024, Mr. Murakami's ownership ratio in TASUKI Holdings has fallen to 16.23%. In addition to Mr. Murakami's holdings, the business companies that invested in SHIN-NIHON TATEMONO and the business companies that invested in TASUKI are listed as major shareholders.

Nevertheless, as of the end of FY09/2025, the ownership ratio by category (after considering treasury stock) was 75.38% for individuals and others, 15.20% for other corporations, and 4.53% for foreign corporations. Even excluding the 16.23% stake held by the largest shareholder, Mr. Murakami, the shareholder composition, remains heavily weighted toward individuals and others.

Figure 20. TASUKI Holdings' Shareholder Composition

Classification	Ownership Ratio	
	FY09/25	(excl. Treasury Stock)
Individuals and Others	75.38%	75.37%
Foreign Corporations, etc.	4.53%	4.54%
Financial Institutions	1.72%	1.72%
Other Corporations	15.20%	15.20%
Others (Financial Instruments Traders)	3.17%	3.17%
o/w Directors (Titles Omitted)		
Hiroshi Murata	0.71%	0.71%
Yu Kashiwamura	0.67%	0.67%
Manabu Kondo	0.11%	0.11%
Outside Directors (excl. Audit and Supervisory Committee Members)	0.00%	0.00%

Note: The ownership ratio is calculated using the number of shares issued minus the number of treasury stocks.
Source: Company data

Figure 21. Major Shareholders Before and After the Business integration (Titles Omitted)

Post-Integration TASUKI Holdings	Ownership Ratio FY09/25 (Excl. Treasury Stock)
Saburo Murakami	16.23%
Tokyo Weld Co., Ltd.	5.22%
Unitex Co., Ltd.	2.10%
J.S.B. Co., Ltd.	1.70%
Kyoutou Co., Ltd.	1.51%
Custody Bank of Japan Ltd. (Trust Account)	1.20%
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN（CASHPB）(Standing Representative: Nomura Securites Co, Ltd.)	0.93%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE （Standing Representative: Mitsubishi UFJ Bank, Ltd.)	0.89%
BNY GCM CLIENT ACCOUNT JPRD AC ISG （FE-AC）（Standing Representative: Mitsubishi UFJ Bank, Ltd.)	0.85%
SBI Securities Co., Ltd.	0.76%

(Continued)

Before Integration TASUKI	Ownership Ratio FY03/23 (Excl. Treasury Stock)	Before Integration SHIN-NIHON TATEMONO	Ownership Ratio FY03/23 (Excl. Treasury Stock)
Saburo Murakami	19.41%	Unitex Co., Ltd.	11.42%
Tokyo Weld Co., Ltd.	6.24%	Tokyo Weld Co., Ltd.	6.25%
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	4.06%	Saburo Murakami	4.02%
MORGAN STANLEY & CO. LLC	2.03%	J.S.B Co., Ltd.	3.46%
Wedge Co., Ltd.	1.92%	Kyoutou Co., Ltd.	3.16%
Custody Bank of Japan Ltd. (Trust Account)	1.80%	Koichi Nakano	2.06%
SBI Securities Co., Ltd.	1.21%	SBI Securities Co., Ltd.	1.86%
Morgan Stanley MUFG Securities Co., Ltd.	0.91%	Ruden Holdings Co., Ltd.	1.61%
Kyoutou Co., Ltd.	0.80%	Daikatsu Co., Ltd.	1.51%
Takao Asai	0.79%	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	1.46%

Note: The ownership ratio is calculated using the number of shares issued minus the number of treasury shares.
Source: Company data

11. President Kashiwamura's View of the History of TASUKI Holdings

1) The Origins of SHIN-NIHON TATEMONO

The Only Real Estate Company that the Current CEO Applied to During His Job Search

Born in 1979, Mr. Yu Kashiwamura had wanted to work for a company where he could take on big projects since his student days. At the time, he was mainly looking for jobs at advertising agencies, and he didn't have any particular attachment to the real estate industry, so SHIN-NIHON TATEMONO was the only real estate company he applied to. He only knew about SHIN-NIHON TATEMONO because Mr. Saburo Murakami, the founder of SHIN-NIHON TATEMONO, was involved in real estate transactions conducted by the company where Mr. Kashiwamura's father worked.

SHIN-NIHON TATEMONO Emerged from Western Tokyo & Saitama

The de facto predecessor of SHIN-NIHON TATEMONO was Murakami Sogo Kikaku, which was established in 1984 in Fussa, Tokyo by Mr. Murakami Saburo (the largest shareholder of TASUKI Holdings) and sold detached houses. Murakami Sogo Kikaku changed its name to Shin-Nihon Kensetsu in 1987 and expanded its business operations by entering the liquidity business (apartment sales business, exclusive wholesale format) in 1990. In 1994, it merged with Shin-Nihon Jisho (originally Kanto Air Conditioning Service), which was established in 1975 in Ageo city, Saitama (the surviving company in theory was Shin-Nihon Jisho)

In 1995, the year after the business integrationr, the company entered the condominium sales business (sales), and in the second half of the 1990's, it continued to diversify by establishing a series of subsidiaries, including Shin-Nihon House, Shin-Nihon Home (later Athlete), Shin-Nihon Jisho and Shin-Nihon Tatemono Hanbai. Having expanded its business in this way, SHIN-NIHON TATEMONO went public in 2001.

SHIN-NIHON TATEMONO When the Current President Joined the Company

When SHIN-NIHON TATEMONO first went public, it was benefiting from the expansion of investor demand due to the real estate liquidation boom and the expansion of demand for urban compact apartments due to the boom in studio investment. With these booms as a tailwind, the company rapidly expanded its business by carrying out speedy developments utilizing small to medium-sized plots in urban areas where it was difficult for major developers to enter the market.

SHIN-NIHON TATEMONO was in the midst of this period of rapid business expansion when Mr. Kashiwamura joined the company in 2003. Mr. Kashiwamura recalls that when he joined the company, his impression of SHIN-NIHON TATEMONO was that it was a lively and aggressive company and that, as it had only recently gone public, he felt a strong sense of momentum for it to grow significantly in the future. Furthermore, the company's decision to establish subsidiaries as it diversified gave him the impression that it had a strong venture mind and in Mr. Kashiwamura's eyes, it seemed that even young people were being given a chance. In fact, SHIN-NIHON TATEMONO was adopting a policy of spinning off one company after another to become a de facto holding company and there seemed to be a strong culture of encouraging independence

Attracted by this culture, many former employees of companies such as Daikyo, Haseko and Recruit Cosmos gathered at SHIN-NIHON TATEMONO at that time, and it is believed that this fostered a corporate culture that was both rewarding and fast-paced. At that time, most employees were mid-career hires and only a few new graduates were hired each year, in 2003 the only new graduate hired was Mr. Kashiwamura.

After joining SHIN-NIHON TATEMONO, Mr. Kashiwamura was assigned to the detached house sales department, where he went to the construction site and constructed detached houses while communicating with the carpenters. After experiencing all the processes involved in completing a detached house, he was transferred to the Corporate Planning Department in 2006.

The Turning Point for SHIN-NIHON TATEMONO Was the Lehman Shock

The Lehman Shock of 2008 occurred whilst Kashiwamura was in the Corporate Planning Department. As a result of the Lehman Shock, financial institutions tightened lending to investors for real estate investments and sales of investment-use compact condominiums, SHIN-NIHON TATEMONO's mainstay, plummeted.

Not only did the investment real estate market collapse, but financial institutions also severely restricted lending to real estate-related companies and mid - level developers, whose creditworthiness was lower than that of major developers, all experienced a deterioration in their cash flow. Furthermore, the large amounts of borrowings incurred from aggressive land purchases in the past became a burden.

SHIN-NIHON TATEMONO Continues to Operate through Management Restructuring via ADR

Thus, SHIN-NIHON TATEMONO, which had fallen into a financial crisis and poor performance, filed for ADR (Alternative Dispute Resolution) in 2010 and attempted to rebuild its business by restructuring its debt with financial institutions. Mr. Kashiwamura, who was in the Corporate Planning Department, ended up working at the forefront of the business rebuilding through ADR. Looking back, it was also an opportunity for him to develop his management skills.

After debt restructuring through ADR, SHIN-NIHON TATEMONO's business scale was reduced to the point where it continued to develop compact apartment buildings in the city center on a small scale, so it can be said that it was successful by surviving.

2) How TASUKI Was Made

TN Estate, Which Will Later Become TASUKI, is a Non-Consolidated Subsidiary Established by SHIN-NIHON TATEMONO in 2013

For SHIN-NIHON TATEMONO, which had experienced debt restructuring through ADR, the early 2010’s was a time when the company prioritized risk-reducing business operations and waited for the real estate market to recover. This is why in 2013, SHIN-NIHON TATEMONO established two subsidiaries for the first time in a long while. As mentioned above, SHIN-NIHON TATEMONO's style when starting a new business is to establish subsidiaries, spin them off and encourage them to become independent; so the establishment of these subsidiaries in 2013 may have been a kind of signal fire for renewed growth.

One of the subsidiaries established at this time was TN Estate, the predecessor to TASUKI.

New Investment Residences for Sale as a Whole Building Was the De-Facto Start of the Business

When TN Estate was founded in 2013, its business was real estate brokerage and distribution. In 2015, the company began renovating and reselling detached houses, which led to the current refurbishment/renovation business, but it did not immediately take off. The situation changed when current director Mr. Koji Murata was seconded from SHIN-NIHON TATEMONO in October 2016 (Mr. Murata transferred to the company the following July 2017). Looking back, Mr. Murata's participation could be seen as the de facto founding of the company.

Mr. Murata focused on the implementation of the inheritance tax and gift tax reforms that came into effect in January 2015. Mr. Murata believed that the implementation of these reforms would increase the number of potential heirs and thus the demand for inheritance tax savings would increase. Taking advantage of the special provisions for small residential lots, etc., which lower the inheritance tax assessment value of rental commercial residential lots of less than 200m^2, he developed newly built investment residences as a real estate product to meet the demand for inheritance tax savings.

At the time, real estate investment products were limited to deals of ¥100 million to ¥150 million targeted at company employees, or ¥500 million to ¥600 million targeted at the wealthy. There were no real estate products in the ¥300 million range that featured inheritance tax measures at the forefront, so the company decided to specialize in this "vacant" zone.

The Beginning of DX Utilization is Making it Possible to Make Profits Even from Small, Newly Built Investment Residences

There is a reason why other companies had not touched the ¥300 million scale real estate product zone. The reason is that regardless of the size of the property, the amount of work required for land acquisition and construction inspections is the same, so they have been reluctant to do so on a ¥300 million scale, thinking that the profits would not be as high relative to the amount of work required. The company created development methods and business processes so that it could make sufficient profit even on projects of ¥300 million scale. To achieve this, DX was utilized in various areas. It is no exaggeration to say that the seeds of DX utilization, which is a characteristic of the company's business, were planted then.

Independent from SHIN-NIHON TATEMONO through MBO

In this way, the newly built investment residences, which put inheritance tax measures at the forefront, were developed into a product that could generate profits even for small-scale projects. Since there were few similar products from other companies, the company received many inquiries via financial institutions, tax accountant offices and accounting firms that came to consult about inheritance tax.

However, it was difficult for TN Estate to handle these numerous inquiries quickly under the umbrella of SHIN-NIHON TATEMONO, a general developer. As a result, in September 2017, TN Estate dissolved its capital relationship with SHIN-NIHON TATEMONO through a management buyout. This MBO was spearheaded by Mr. Saburo Murakami (founder of SHIN-NIHON TATEMONO), then Chairman of the Board, and Mr. Murata, then President and Representative Director, under the leadership of Mr. Kashiwamura, then General Manager of the Management Control Department.

Changing the Company Name Shows Flexibility

The October following the MBO, the company name was changed from "TN Estate" to "TASUKI”. In August 2018, the name was changed to "TASUKI" written in hiragana to give it a gentler feel and in October 2019, it was changed again to "TASUKI" written in katakana. The reason for changing from hiragana to katakana was that katakana looked more like a company name when featured in newspaper articles. The fact that the company name changes almost every year may be a sign of the company's mobility and flexibility.

3) TASUKI's Expansion after Independence through MBO

Post-MBO Goals

After becoming independent through an MBO, TASUKI's goals were to go public and to further utilize real estate DX to differentiate itself from other companies.

As Planned, the Company Was Listed on TSE Mothers in 2020

The company's IoT-enabled residences are a real estate product targeted at the wealthy. For that reason, the company believed it was essential for it to have credibility, and it had been conscious of going public from an early stage. Then, in October 2020, TASUKI was listed on Tokyo Stock Exchange Mothers board. The timing of the listing was exactly as the company had hoped.

Exploring Further Use of Real Estate DX

Further utilization of real estate DX was explored under the leadership of Mr. Murata and Mr. Kashiwamura. One major achievement was that their mainstay newly built investment residences were upgraded to IoT-enabled residences with IoT built into the living environment as standard in April 2019. The use of real estate DX has further increased the added value of real estate products and gave them a point of differentiation

In addition, in order to expand the scope of real estate DX, in October 2019, the company launched the salary advance payment platform "TASUKI DayPay " to deal with the increasing number of foreign workers in the construction industry. However, due to the sharp decline in employment opportunities for foreign workers caused by COVID-19 in 2020, demand for this service has disappeared and the company decided to transfer the business to another company in 2021.

Not everything goes smoothly, but continuing agile development amid challenges is the key to successful DX. After withdrawing from the salary advance payment service, the company decided to concentrate its management resources on planning and developing new investment IoT-enabled residences that utilize real estate DX and developing a real estate value distribution platform that utilizes smartphones. It is believed that this series of actions helped to establish a mindset of utilizing real estate DX within the organization.

In addition, the Group Digital Transformation Strategy Department is responsible for internal DX, which utilizes real estate DX to improve internal productivity; while the non-consolidated subsidiary ZISEDAI is responsible for external DX, which involves creating services that utilize the results of real estate DX and selling them externally.

Management Succession

In October 2021, the year after the listing, Mr. Kashiwamura was appointed as TASUKI's President and CEO, and Mr. Murata, who had served as President and CEO since the MBO, was appointed as Representative Director and Chairman. In this way, the succession of management is proceeding while the management structure is being changed.

4) Business Integration of TASUKI and SHIN-NIHON TATEMONO

SHIN-NIHON TATEMONO Post TASUKI Becoming Independent

Here, let's take a look at SHIN-NIHON TATEMONO after TASUKI became independent as a result of an MBO.

In 2013, when TN Estate that was to become TASUKI was spun off, SHIN-NIHON TATEMONO adopted a growth strategy for regrowth through diversification of asset types. In 2016, the company entered the investment apartment business and then moved into hotel development in 2018, office building development in 2021 and logistics facility development in 2022, thereby increasing the variety of asset types it handled.

The 2 Companies, with the Same Origins, but then Have Developed Their Own Unique Characteristics, & then Re-Merged

In this way, TASUKI and SHIN-NIHON TATEMONO, which sought different growth paths, honed their different strengths. If TASUKI's strength is its product development capabilities that utilize real estate DX, SHIN-NIHON TATEMONO's strength can be described as its purchasing power based on its community-based sales capabilities. Thus, the two companies, which have the same origins but have enhanced their respective uniqueness, re-merged in April 2024.

Originally, both TASUKI and SHIN-NIHON TATEMONO were characterized by their elite small team approach to business, but in order to strengthen their organizations in preparation for future business expansion, they needed to broaden their human resources. Furthermore, this combination is expected to produce many synergies, such as strengthening purchasing power by leveraging the characteristics of both companies, reducing fundraising costs and expanding the customer base by increasing the variety of real estate products handled.

AURA Also Joined the Group

Furthermore, in April 2024, the company acquired shares in AURA and incorporated it into its group. AURA is a real estate consulting company, but the company's group has had a long - standing relationship with the company, having supported AURA at the time of its founding. Therefore, it is expected that the addition of AURA to the company's group will further increase synergies. Thus, a new challenge has begun for the company group, which is made up of TASUKI, SHIN-NIHON TATEMONO & AURA.

5) Company DNA

Company DNA

Every company has its own DNA. A company's DNA is the unique values and management philosophy that are rooted in the organization and all employees, and they are often the source of a company's competitiveness. In the process of a company's growth, the founder's vision often evolves into the company's DNA, but there are also cases where management succession, such as a change in management, occurs along the way and the founding philosophy evolves or a new corporate culture is instilled. In any case, it is believed that creating a business strategy that utilizes the company's DNA and implementing it will increase the chances of success.

Core competence (the core capabilities of a company) is the result of resources that are difficult to imitate and the major factor that forms it is thought to be the company's DNA. Just as people can win by competing in their areas of expertise, the formula for success for companies is to expand their business in areas that are rooted in their DNA.

TASUKI’s Core Strength Lies in its Agility, Rapid Execution, & Adaptability

From its origins, the company has embraced a corporate DNA defined by agility, speed, and flexibility—qualities essential for pursuing development opportunities that major developers typically avoid. The company’s core

in Pursuing Development Opportunities That Major Developers Typically Overlook

subsidiary, TASUKI, was originally spun off from SHIN-NIHON TATEMONO, and both firms share a common foundation at the DNA level.

Around 2001, when SHIN-NIHON TATEMONO went public, Japan's real estate market was buoyed by strong growth prospects driven by the surge in demand for urban compact condominiums amid the one-room investment boom. During this favorable market environment, SHIN-NIHON TATEMONO continuously sought ways to compete against large developers with superior financial resources. Ultimately, the company succeeded in significantly expanding its business. One key factor behind this success was its ability to execute smaller-scale projects that were less attractive to major developers, combined with rapid decision-making in areas such as land acquisition. These attributes became deeply ingrained in SHIN-NIHON TATEMONO's corporate DNA.

TASUKI, having originated from SHIN-NIHON TATEMONO, inherited this agility, speed, and flexibility. This foundation enabled TASUKI to embed digital transformation (DX) initiatives into its organization at an early stage. Furthermore, SHIN-NIHON TATEMONO had long exhibited a strong inclination toward a holding company structure, favoring spin-offs as a means to launch new businesses. TASUKI itself was established through such a spin-off, reflecting a corporate culture that prioritizes organizational flexibility to accelerate business development. The subsequent reintegration of TASUKI with its former parent company further underscores the company's adaptability and willingness to reshape its organizational structure to achieve strategic objectives.

12. Business Strategy from the Perspective of Business Strategy Theory

1) An Approach Based on Michael Porter's Positioning Theory

The Company Has Adopted a Niche-Top Strategy That Combines Differentiation with a Focused Approach

Michael Porter asserts that, for a company to establish sustainable competitive advantage within an industry, it must select a clear strategic position and define the very playing field of competition. His positioning theory identifies three fundamental strategies for achieving competitive advantage: (1) cost leadership, (2) differentiation, and (3) focus—emphasizing that a decisive commitment to one of these is essential.

When analyzing TASUKI Holdings' strategic framework, the company distinguishes itself by adopting differentiation as its core corporate-level strategy, while rigorously applying a focus strategy at the business-unit level. This combination forms what the company refers to as its "niche-top strategy."

Differentiation Strategy Reflected in the Industry

Differentiation strategy seeks to establish superiority across a broad market not through low-cost competition, but by delivering unique value propositions that customers are willing to pay for. Through the integration of TASUKI and SHIN-NIHON TATEMONO, the company has combined decades of real estate

Position Secured Through the Business Integration

development expertise with advanced digital transformation (DX) capabilities. This synergy has enabled TASUKI Holdings to secure a distinctive position as a “Real Estate DX Developer”—a position that differentiates it from both traditional developers and standalone real estate tech firms. This structural uniqueness serves as the foundation of its differentiation advantage.

Concentrated Strategy for Creating Niche Markets: TASUKI’s IoT Residence Business as a ‘Niche Top Strategy’

Conversely, the focus strategy concentrates resources on specific markets, customers, and product domains to deepen competitive advantage. TASUKI exemplifies this approach through its IoT Residence business, which targets an exceptionally narrow set of conditions: (1) clients seeking inheritance tax solutions, (2) properties located within a five-minute walk of stations in Tokyo’s 23 wards, (3) new-build investment products priced between ¥300 million and ¥500 million—segments often avoided by competitors, and (4) development processes requiring specialized expertise and significant effort. By deliberately selecting these constraints, the company has created a deep niche market with high barriers to entry.

Niche Top Strategy Achieving Listing in a Short Period

The company's strength lies in its ability to achieve a niche top strategy in high-value-added, deep niche areas through a combination of differentiation and concentration strategies. Differentiation creates reasons to be chosen, while concentration forms a ring where competitors cannot enter. As a result, it generates a structural competitive advantage in the real estate × DX domain.

Through this accumulation of strategic choices, TASUKI has demonstrated high growth potential, including achieving a public listing within a short period after its establishment. This is the result of the company's niche top strategy permeating not just as a concept, but into its practical operations and revenue structure.

2) An Approach Based on the Resource-Based View (RBV)

The Company’s Core Competence: Optimizing Real Estate Development Through the Integration of Real Estate Development Expertise & Real Estate DX Capabilities

In contrast to Michael Porter’s positioning theory, which emphasizes selecting a clear competitive position, there is an alternative approach known as the Resource-Based View (RBV), which focuses on a firm’s internal resources. Within RBV, some perspectives prioritize core competencies—those unique, inimitable capabilities that enable a company to deliver distinctive value—while others emphasize organizational capabilities that span the entire value chain.

For TASUKI Holdings, its core competence lies in optimizing real estate development through the integration of SHIN-NIHON TATEMONO’s accumulated expertise in property development and TASUKI’s advanced real estate DX capabilities. Its organizational capability, on the other hand, is reflected in business processes driven by data-based decision-making and DX-enabled operations.

Jay Barney, a leading scholar of RBV, includes both core competencies and capabilities under the broader concept of resources. He introduced the VRIO framework as a tool for assessing the potential of these resources to create competitive advantage. VRIO stands for Value, Rarity, Inimitability, and

Organization—four dimensions that determine the strategic strength of a resource. Barney argues that resources which are difficult to imitate and supported by organizational structures are the most likely to sustain competitive advantage.

3) The Inimitable Strengths of TASUKI Holdings: A Key Driver of Sustainable Competitive Advantage

Inimitability: The Fusion of Practical Real Estate Development Expertise and DX-Driven Operational Efficiency and Productivity Enhancement

The degree of inimitability is assessed by whether imitation is fundamentally impossible or whether attempting to imitate would require prohibitive costs. For TASUKI Holdings, its inimitability stems from the integration achieved through the business integration of TASUKI and SHIN-NIHON TATEMONO—combining practical expertise in real estate development with advanced know-how in DX-driven operational efficiency and productivity enhancement. Strategy Advisors views this fusion as the foundation of the company's competitive advantage. The following section explores this in detail.

4) Inimitability of TASUKI and SHIN-NIHON TATEMONO Prior to Integration

Prior to integration, both TASUKI and SHIN-NIHON TATEMONO possessed their own sources of inimitability. However, through their business integration, these strengths have been combined to create a competitive position that is even more difficult for other companies to replicate.

Inimitability of SHIN-NIHON TATEMONO: Real Estate Development Expertise Cultivated Through Practical Operations, Including Capabilities in Land Acquisition

Prior to integration, SHIN-NIHON TATEMONO's inimitability lay in its real estate development expertise cultivated through years of practical operations as a developer— capabilities that directly enhanced its strength in land acquisition. Specifically, this included know-how in selecting sites for urban compact condominiums, design capabilities aimed at maximizing returns on investment properties, and the strong land acquisition power supported by community-based sales networks. These competencies enabled the company to effectively utilize small and mid-sized plots in central Tokyo, creating differentiation from major developers and further reinforcing its acquisition capabilities.

Inimitability of TASUKI: Expertise in Enhancing Operational Efficiency & Productivity through Real Estate DX

Prior to integration, TASUKI's inimitability lay in its expertise in enhancing operational efficiency and productivity through real estate DX. This strength was driven by three key factors: (1) data-driven site selection, (2) development processes that do not rely on staff experience or personal networks, and (3) automation of workflows supported by a robust DX implementation framework. These capabilities were established by designing the business model with DX as a core premise from the early stages of the company's founding and progressively advancing data utilization and process optimization over time.

Why Competitors Face Significant Barriers in

For competing firms, replicating TASUKI's real estate DX capabilities would require considerable time. Moreover, for established players — particularly large developers— their existing business models and entrenched operational processes often act as barriers to adopting DX-driven strategies. Building an

Catching Up with TASUKI's Real Estate DX Capabilities

organization suited for real estate DX would demand significant structural transformation. In this respect, TASUKI's relatively short corporate history has been an advantage, allowing it to design its organization with DX as a core premise from the outset, thereby reinforcing its inimitability.

How the Interaction Between 2 Companies Post-Integration Further Strengthens Inimitability

Through the integration of SHIN-NIHON TATEMONO and TASUKI, both companies' unique sources of inimitability have not only been combined but have begun to interact synergistically, creating even greater barriers to imitation. This synergy enables a virtuous cycle: leveraging practical development expertise to enhance the quality of real estate DX and applying DX-driven outcomes to improve operational efficiency and productivity. As these mutually reinforcing strengths compound, the overall level of inimitability continues to rise — further solidifying the company's structural competitive advantage.

5) Assessing the Heightened Inimitability Post-Integration: What Strategic Options Remain for Competitors?

Can Real Estate Development Expertise and Real Estate DX Be Integrated to a Level That Creates a True Source of Competitive Advantage?

Within the real estate industry, there are developers that possess real estate development know-how equal to or greater than TASUKI's, and likewise, numerous real estate tech companies that advocate for real estate DX. Viewed in isolation, either real estate development expertise or real estate DX may not appear highly inimitable. However, the picture changes materially when these two capabilities are fused to the point where they become the core source of competitive strength.

3 Strategic Options for Competing with TASUKI Holdings in the 'DX × Real Estate' Domain

Suppose a competitor aims to challenge the company in the "DX × real estate" domain. 3 strategic options are conceivable:

- Strategy 1: Leverage financial strength to make substantial IT investments and build a more advanced DX infrastructure.
- Strategy 2: Form alliances with real estate tech firms to accelerate DX enhancement over a short period.
- Strategy 3: Strengthen DX in market segments or business domains different from the company's.

While major developers or capital-rich tech firms could theoretically pursue these strategies, catching up in the short term would remain challenging. The company benefits from having embedded DX at an early stage of its organizational design, creating structural barriers to imitation that are reinforced by the integration of practical development know-how with DX-driven operational excellence.

Counter-Strategy 1: Leveraging Financial Strength to Make Large-Scale IT Investments & Build an Advanced DX Infrastructure

This is a strategy that major developers could pursue. By utilizing their superior financial resources, they could invest heavily in AI and data-driven DX development to create systems that surpass the company's capabilities in AI-based land selection and sales optimization, thereby achieving differentiation. Large developers may also possess deeper real estate development expertise and have access to larger volumes of data. In this scenario, they would likely accelerate hiring of data

scientists and engineers to drive in-house DX development.
However, even if a major developer adopts this strategy, know-how in AI and data utilization cannot be accumulated overnight, and development would require a long timeline. Furthermore, major developers already have established sales networks and business models, so making the decision to overhaul processes and organizations to pivot to a DX-first model could itself take considerable time. Therefore, while Strategy 1 is feasible for large developers, rapid catch-up is unlikely, giving the company a time advantage.

Counter-Strategy 2: Forming Alliances with Real Estate Tech Firms to Accelerate DX Enhancement in a Short Timeframe

This could involve (1) partnerships with real estate tech companies already advancing DX — such as GA Technologies or Leeways — to quickly build a DX foundation comparable to the company's, or (2) importing AI and data expertise from external sources and integrating it with real estate operations to achieve faster DX adoption.
Even if competitors pursue this route, the fusion of real estate business experience with technology typically requires time, and embedding DX at the cultural core—as the company has done — remains difficult. Simply introducing DX tools has inherent limitations. Additionally, the pace of progress can vary depending on whether the real estate developer or the tech partner holds the initiative.

Counter-Strategy 3: Strengthening DX in Markets or Business Domains Different from TASUKI Holdings

This strategy avoids direct competition by advancing real estate DX in domains other than the company's core areas—urban compact condominiums and investment properties. For example, Open House Group actively applies DX in detached housing sales, while Daito Trust Construction focuses on DX in rental property management.
Because direct competition is avoided, an immediate escalation of rivalry is unlikely. However, future competitive overlap may emerge as the company or other players expand their business domains. Moreover, even when domains differ, localized competition may arise in land sourcing, which warrants attention.

13. Current Business Status

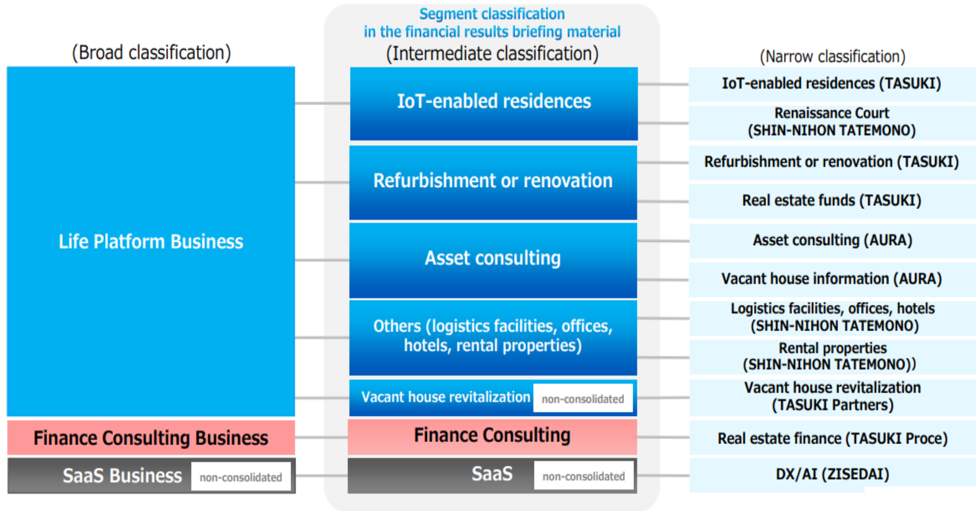
1) New Segment Classification Following the Business Integration

Post-Integration: Business Segments Classified into 3 Categories

The defining feature of the company's business model is its ability to position real estate operations as its core business while simultaneously leveraging on-the-ground experience accumulated in the real estate domain to develop and deliver highly practical SaaS products within the real estate tech and DX space.

The company's business segments are classified into 3 categories: life platform, finance consulting, and SaaS (non-consolidated). The core segment is the life platform business, which covers the real estate domain and is further divided into 5 subcategories: IoT-enabled residences, refurbishment/renovation, asset consulting, other, and vacant house revitalization (non-consolidated).

Figure 22. New Segment Classification Following Management Integration



Source: Company data

2) Revenue Model

Majority of Life Platform Revenue Comes from Flow Revenue

As evident from the subcategories within the segment classification, the life platform business encompasses a wide range of operations. While certain services within this segment generate recurring (stock) revenue, most earnings come from transactional (flow) revenue through property sales. Typically, after deducting approximately 80% for land and building costs and around 5% for selling expenses from the property's sale price, the OP margin on a project basis averages around 15%.

Finance Consulting & SaaS Businesses Generate Primarily Stock Revenue

In contrast, the Finance Consulting and SaaS businesses, although smaller in terms of overall sales scale, are primarily based on recurring revenue models, enabling stable income streams. The SaaS business, in particular, achieves an OP margin of approximately 50% after deducting costs associated with service delivery—such as server expenses, depreciation, and personnel costs—from service pricing.

3) Financial Trends

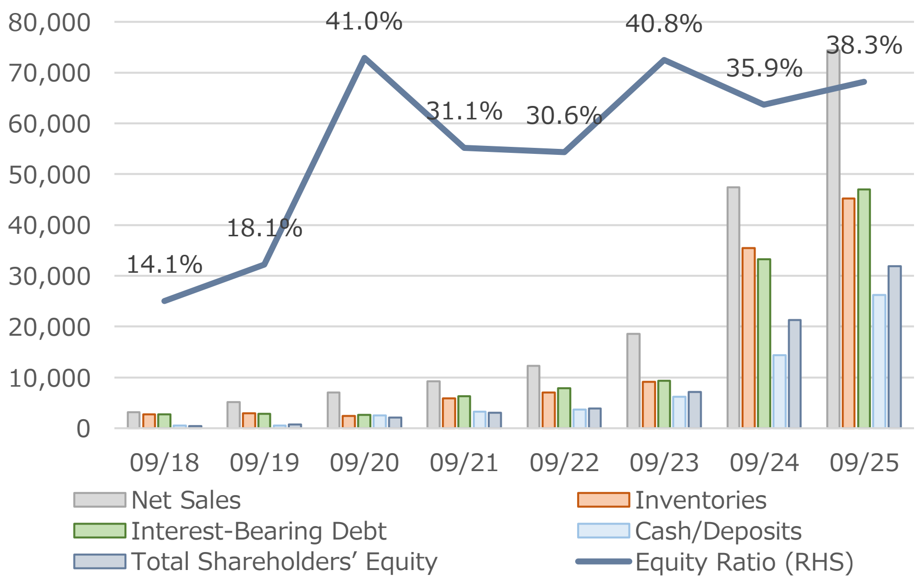
Maintaining a Relatively Strong Financial Position Amid Revenue Growth

Most the company's revenue is derived from transactional income through property sales, following a model of acquiring land, developing properties, and then selling them. Similar to other developers, this structure entails financial burdens, and during growth phases when land acquisition accelerates, funding requirements increase significantly.

Nevertheless, prior to the integration, TASUKI maintained a relatively strong financial position even amid sales growth. For example, before its IPO in 2020, the company's equity ratio was in the 10% range, but post-listing it has consistently remained above 30%. Although the ratio declined following the integration with SHIN-NIHON TATEMONO, it stood at 35.9% in FY09/2024 and 38.3% in FY09/2025, maintaining a level in the upper 30% range. The company's medium-term management plan sets a target of sustaining an equity ratio of at least 30%.

Additionally, most of the company's assets are current assets, with inventory management being a key factor. As sales have grown, inventories have increased; however, until FY09/2023 (prior to integration), interest-bearing debt was roughly equivalent to inventory levels.

Figure 23. Financial Status of TASUKI Before & After the Business integration



Note: Up until FY09/21, TASUKI's parent basis, FY09/22 to FY09/23, TASUKI's consolidated basis, and from FY09/24 onwards, TASUKI Holdings' consolidated basis.
Source: Company data, compiled by Strategy Advisors

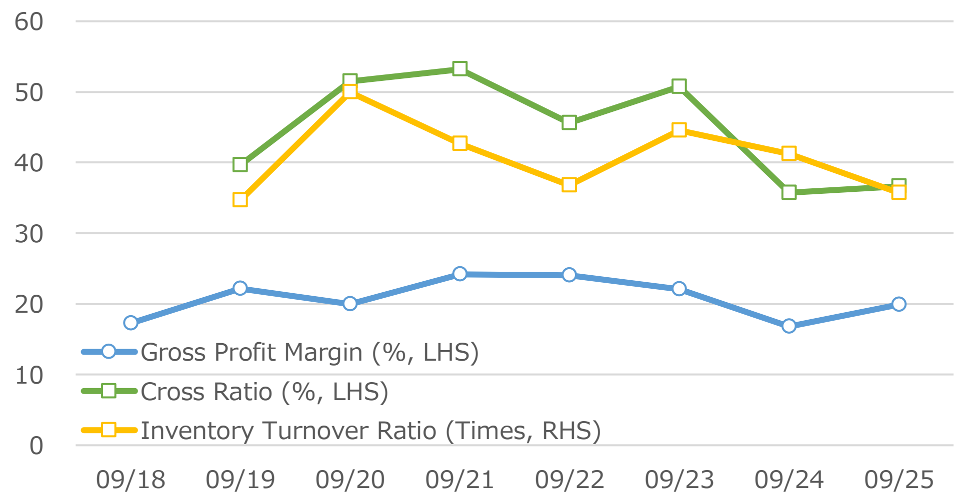
What an Exceptionally High Cross Ratio Reveals Compared to Industry Averages

Even amid top-line growth, the company's balance sheet has not faced undue stress — largely due, in our view, to its know-how in real estate DX that drives operational efficiency and productivity. This effect is captured in TASUKI's "cross ratio," defined as the product of the gross profit margin and the inventory turnover ratio.

For companies engaged in the sale of investment condominiums, the average range for gross profit margin is approximately 15–25%, and the average range for inventory turnover is roughly 0.4–1.0 times (equivalent to an inventory holding period of about 1.0–2.5 years). This implies a cross-ratio range of 6.0–25.0%. TASUKI's cross ratio significantly exceeds the upper bound of this range, primarily because its inventory turnover, at around 2.0 times, is well above the industry average — reflecting the benefits of the company's real estate DX initiatives.

That said, in FY09/2024, following the business integration with SHIN-NIHON TATEMONO, a precise cross ratio could not be computed due to discontinuity in the inventory turnover series. However, given the decline in the company's gross profit margin in FY09/2024 and the level of SHIN-NIHON TATEMONO's inventories as of FY09/2023, it is reasonable to infer that the cross ratio temporarily weakened upon integration. In FY09/2025, inventory turnover declined due to increased procurement, but this was offset by an improvement in gross profit margin, resulting in a recovery in the cross ratio. Going forward, a key point of focus will be whether the company's cross ratio returns to pre-integration levels.

Figure 24. Cross Ratio of TASUKI before Integration and TASUKI Holdings



Note: Up until FY09/21, TASUKI's parent basis, FY09/22 to FY09/23, TASUKI's consolidated basis, and from FY09/24 onwards, TASUKI Holdings' consolidated basis.
Cross ratio = Gross profit margin x Inventory turnover
The inventory turnover rate used to calculate the cross-ratio is calculated based on sales. The cross ratio for the first year of integration, FY09/24, is a reference value.
Source: Company data, compiled by Strategy Advisors

4) TASUKI's Real Estate DX

The Core of TASUKI's Real Estate DX: Designing its Business Model with DX as a Foundational Premise from the Early Stages

As noted earlier, TASUKI's inimitability prior to integration — its know-how in enhancing operational efficiency and productivity through real estate DX — stems from 3 key factors: (1) data-driven site selection, (2) development processes that do not rely on staff experience or personal networks, and (3) workflow automation supported by a robust DX implementation framework. These capabilities were established by designing the business model with DX as a core premise from the early stages of the company's founding and progressively advancing data utilization and process optimization.

Data-Driven Site Selection

One of the critical drivers of the company's competitive advantage in property development is its data-driven approach to site selection. Traditionally, land acquisition decisions in the real estate industry have relied heavily on staff experience, intuition, and personal networks, with risk analysis conducted subjectively based on past cases. TASUKI, however, has leveraged DX to integrate data, enabling objective site selection and real-time risk analysis. This has significantly improved both the accuracy and speed of land acquisition decisions.

Driving Holistic Optimization Across the Entire Real Estate Business — Beyond Site Selection

Beyond site selection, the company promotes DX across all corporate processes. Specifically, it applies data-driven practices to planning and design, marketing, sales, and after-sales services, ensuring that DX adoption is not limited to isolated functions but drives holistic optimization of the entire real estate business.

5) AURA: Vacant House Information Platform

The Strategic Potential of AURA's Vacant House Information Platform

AURA, acquired in May 2024, provides asset consulting services for property owners. In the course of delivering these services, AURA developed its Vacant House Information Platform.

As the name suggests, this platform aggregates data on vacant houses across various districts. Its foundation lies in information collected by "research partners" — gig workers who walk through neighborhoods, identify vacant properties, photograph them, and register the details. This database enables AURA to perform flexible valuations of land that includes vacant houses. In essence, AURA has applied DX-driven practices in asset consulting similar to what TASUKI has implemented in new-build investment residences.

The company aims to accumulate 200,000 data entries by 2026. At the same time, it plans to upgrade the platform into a seamless system using its DX and AI technologies, while leveraging the data for land acquisition by both TASUKI and SHIN-NIHON TATEMONO — expanding business opportunities for the entire group.

14. Business Details (1): Life Platform Business

1) IoT-enabled residences – TASUKI and SHIN-NIHON TATEMONO

Selling Newly Developed Residences Designed for Investment

At the core of the life platform business, the IoT-enabled residences business involves the sale of newly developed residential properties designed for investment purposes. These properties are equipped with IoT-enabled features as standard, delivering the value proposition of "a technologically advanced lifestyle."

Expanded Product Lineup Through Business Integration to Meet Diverse Buyer Needs

Both TASUKI and SHIN-NIHON TATEMONO have been engaged in this business, and following the integration, the product lineup now includes TASUKI's "TASUKI Smart" series alongside SHIN-NIHON TATEMONO's "Renaissance Court," "Renaissance Premium Court," and "Rena Court" series. All series target prime locations within Tokyo's 23 wards, specifically properties within a 5-minute walk of the nearest station. While all properties share this locational advantage, variations in price, size, and specifications allow the company to cater to a broad range of investor needs.

Figure 25. IoT Residences Lineup

Series	TASUKI Smart	Renaissance Court	Renaissance Premium Court	Rena Court
Operating Company	TASUKI	SHIN-NIHON TATEMONO	SHIN-NIHON TATEMONO	SHIN-NIHON TATEMONO
Sales Price	¥300 million to ¥500 million	¥600 million to ¥1 billion	¥1 billion to ¥2 billion	¥300 million to ¥600 million
Customer	Private Investors (Inheritance tax measures)	Private Investors Institutional Investors Business Company	Business Company Institutional Investors	Private investors Institutional Investors Business Company
Size of Land	60 ㎡~200 ㎡	150 ㎡~500 ㎡	150 ㎡~500 ㎡	130 ㎡～200 ㎡
Number of Houses	8 to 14 units	10 to 50 units	10 to 50 units	8 to 15 units
Building Type	Mid-to-low rise compact residence	Mid-to-high rise residences	Mid-to-high rise residences	Mid-to-high rise wooden residences
Location	Within a 5-minute walk from the nearest station in Tokyo's 23 wards	Within a 5-minute walk from the nearest station in Tokyo's 23 wards	Within a 5-minute walk from the nearest station in Tokyo's 23 wards	Within a 5-minute walk from the nearest station in Tokyo's 23 wards

Source: Company data, compiled by Strategy Advisors

The Mechanism Enabling Profitable Returns Even on Small-Scale Properties That Competitors Avoid

In real estate development, the effort required for property development does not vary significantly with property size. Consequently, major developers tend to avoid small-scale properties, as their gross rental income is limited and the profit contribution does not justify the effort. TASUKI's strength lies in its ability to differentiate itself by generating appropriate returns even from such small-scale properties.

Operational Innovations Beyond Real Estate DX

TASUKI's real estate DX initiatives have been designed to optimize workflows so that small-scale projects remain profitable. Beyond DX, the company has implemented several operational innovations, one of which is the standardization of plans and specifications.

While it is common practice in the industry to design buildings based on the characteristics of acquired land, TASUKI reverses this approach—designing buildings first and then sourcing land that fits the predefined plans and specifications.

Additionally, the company employs a dominant strategy by narrowing its acquisition areas and constructing multiple buildings simultaneously within the same or adjacent locations. This approach not only enhances operational efficiency but also improves profitability through joint procurement.

By rigorously pursuing such efficiencies, TASUKI has achieved construction timelines for condominiums comparable to those of single-family homes. In fact, the period from land acquisition to building completion is approximately one year—significantly shorter than similar projects by competitors.

The company also emphasizes a lean organizational structure. Its efficiency initiatives have been driven by the goal of enabling a small, highly skilled team to operate without excessive workload. Through a streamlined system that allows high-volume production with a compact team, the business consistently achieves a gross profit margin of around 20%.

Occasionally Selling Land Without Constructing Buildings

While the IoT Residence business primarily involves selling newly developed investment properties, the company also sells land acquired for development as-is. Buyers typically include individuals or corporations seeking to design and develop their own buildings. By selectively selling land, the company shortens inventory turnover compared to in-house development and mitigates market fluctuation risks — providing a strategic advantage in managing exposure to real estate cycles.

2) Refurbishment/Renovation – TASUKI

Refurbishment/Renovation: Enhancing Value of Pre-Owned Properties

To expand its service lineup for high-net-worth clients, TASUKI launched its refurbishment/renovation business in 2023. This involves acquiring pre-owned properties, enhancing their value, and reselling them. The scope includes not only residential properties but also commercial buildings housing restaurants and offices. In addition to renovation work aimed at restoring functionality and performance in aging buildings, the company negotiates with existing tenants to optimize rental income — ultimately improving the overall asset value of the property.

3) Asset Consulting – AURA

Asset Consulting: AURA's Expertise in Unlocking Property Potential

AURA, acquired in 2024, provides consulting services to property owners seeking solutions for underutilized real estate. Given the nature of client inquiries, the properties involved often include small or irregular plots in urban areas, inherited land, or land that is difficult to sell. In practice, this business is best described as small-lot utilization consulting.

AURA's revenue model combines consulting fees for maximizing property value with income from selling properties acquired during the consulting process.

AURA's Vacant House Information Platform: A Key Competitive Advantage

While advising on the utilization of small urban plots, AURA identified 2 key insights: (1) even in metropolitan areas, there is a significant number of vacant houses and unused land, and (2) many owners of such properties do not know whom to consult.

To address this, AURA developed its Vacant House Information Platform, which visualizes vacant property data and enables smooth asset diagnostics and utilization proposals. This platform has become a major source of AURA's competitive advantage.

4) Vacant House Revitalization – TASUKI Partners

TASUKI Partners Enters Vacant House Revitalization Business

Recognizing the nationwide increase in vacant houses, the company has long approached this market through IoT-enabled residences and asset consulting. Recently, TASUKI Partners entered the vacant house revitalization business.

Unlike IoT-enabled residences and asset consulting, which involve demolition after acquisition, this business renovates properties without demolition.

Key features include a short project cycle of 3–4 months, significantly higher turnover compared to IoT-enabled residences, and attractive returns: while IoT-enabled residences sell for ¥300–500 million with yields of 3.0–4.5%, vacant house revitalization projects sell for ¥5–50 million with yields of 10.0–15.0%.

Furthermore, while IoT-enabled residences and asset consulting focus on Tokyo's 23 wards, vacant house revitalization begins in the Greater Tokyo area with plans for nationwide expansion.

Although TASUKI Partners currently has a minor impact on consolidated earnings and remains non-consolidated, it is expected to contribute meaningfully to the company's business domain expansion going forward.

5) Others (Logistics Facilities, Offices, Hotels, Rentals) – SHIN-NIHON TATEMONO

Others: Logistics Facilities, Offices, Hotels & Rentals

The "Other" category within the life platform business is managed by SHIN-NIHON TATEMONO. Since entering the investment condominium business in 2016, the company has expanded into hotel development (2018), office buildings (2021), and logistics facilities (2022), diversifying its asset portfolio. All asset types other than investment condominiums fall under this category.

Logistics facilities developed by SHIN-NIHON TATEMONO are typically located about two hours from central Tokyo, priced between ¥2–5 billion, and exceed 2,000 m² in size. By incorporating IoT features—originally adopted in residential development — the company enhances property value.

Recently, driven by a return-to-office trend and rising inbound tourism demand, the company has also actively pursued office and hotel development.

15. Business Details (2): Finance Consulting Business

The finance consulting business is operated by TASUKI Pros, a consolidated subsidiary established in 2021, and provides business financing services to real estate operators.

Leveraging expertise accumulated as a real estate developer, the company conducts proprietary collateral evaluations, enabling loans even to newly established or small-to-medium-sized firms—a key differentiator.

The cumulative amount of real estate loans executed under this business has grown from less than ¥500 million in its early stages to ¥10.8 billion as of the end of Q4 FY09/2025.

Revenue is generated from fees and interest payments by borrower real estate operators. While the direct contribution to earnings remains modest, the relationships built with borrowers often lead to expanded transactions in other business areas, creating indirect benefits that cannot be overlooked.

16. Business Details (3): SaaS Business

1) Overview

SaaS Business by Subsidiary ZISEDAI: Delivering Operational Efficiency for Real Estate Companies

This business develops and sells proprietary DX products for the real estate industry and is managed by ZISEDAI, a subsidiary established in 2022. The services offered are SaaS solutions for property acquisition and development, delivering value primarily through operational efficiency for real estate operators.

In November 2020, the company announced its "TASUKI DX Vision," aiming to drive digital transformation across the real estate industry through advanced technologies such as AI. Combining this with practical experience in real estate operations, the company has built an environment for developing a real estate value distribution platform that enhances efficiency and reduces costs.

These innovations are deployed internally via the Group DX Strategy Division to improve productivity and sales across group companies (referred to as "internal DX"), while also being commercialized for external clients ("external DX"). The SaaS business, led by ZISEDAI, spearheads external DX initiatives, addressing industry challenges such as operational dependency on individuals and chronic long working hours.

Currently, ZISEDAI offers 2 key services:

- ZISEDAI LAND: A real estate value distribution platform
- ZISEDAI TOUCH & PLAN: An AI-powered automated building plan generation service

As of FY09/2025, the business remains non-consolidated due to its relatively small revenue scale.

2) ZISEDAI LAND

Real Estate Value Distribution Platform: ZISEDAI LAND

ZISEDAI LAND is a cloud-based service that manages property acquisition data and enables internal sharing. By allowing access to property information from anywhere, the platform significantly improves visibility and accelerates acquisition workflows.

Traditionally, acquisition tasks have been cumbersome, involving manual note-taking on-site and subsequent data entry into spreadsheets—creating inefficiencies and risks such as duplicate handling of the same property.

ZISEDAI LAND eliminates these issues by centralizing data in the cloud and enriching it through AI-driven integration of real-time urban planning data with historical records.

Feature Enhancements Driving Evolution Toward a Platform with Sales Promotion Capabilities

As a cloud-based platform, ZISEDAI LAND can easily incorporate new features. For example, on June 25, 2025, the company introduced "Sales Z," an AI sales agent that analyzes registered property data to selectively provide information to high-interest buyers, along with a "Direct Transaction" feature that matches sellers and buyers—enhancing transaction volume while reducing sales costs.

These upgrades position ZISEDAI LAND as not only an efficiency tool but also a sales promotion platform.

The service has grown to over 231 client companies as of FY09/2025, up from 100 companies just 18 months after launch. Average users per company declined from 15 in FY09/2024 Q4 to 11.1 in FY09/2025, reflecting adoption by smaller firms with fewer employees.

3) ZISEDAI TOUCH＆PLAN

AI-Powered Automated Building Plan Service: ZISEDAI TOUCH & PLAN

ZISEDAI TOUCH & PLAN is an AI-powered service that automatically retrieves building regulations and generates optimal volume plans. Developed through industry-academia collaboration with the University of Electro-communications.

The service automates volume checks and related documentation—tasks that traditionally require 5–10 days and cost approximately ¥100,000 per case when outsourced to design firms.

By automating these processes, the service standardizes skills, reduces human error, and significantly cuts time and costs for project feasibility assessments.

Futhermore, the company released "ZISEDAI TOUCH＆PLAN Ver.2.0" on December 23, 2025. An update to the volume plan generation algorithm has significantly increased the variety of plans that can be generated. In addition to enabling the generation of new unit layouts and common area configurations, the update now complies with Tokyo Metropolitan Safety Ordinance requirements for window-front open spaces and the one-room apartment ordinances of various Tokyo wards. It also allows for the generation of plans accommodating multi-sided roads. This further improvement in the accuracy of volume plan generation for condominium development is expected to accelerate the acquisition of new customers and boost upselling to existing customers.

17. Historical Performance Trends

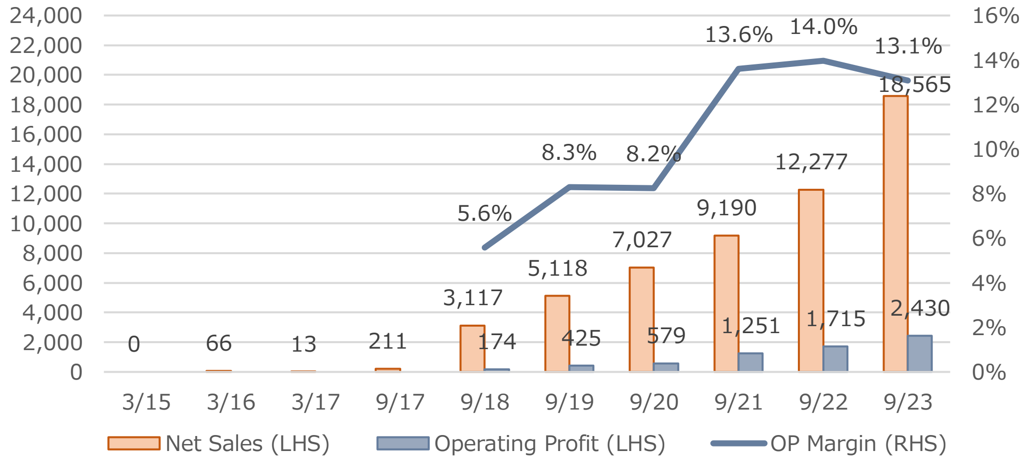
1) TASUKI's Historical Performance (Through FY09/2023)

TASUKI's Sales Surged from FY09/2018 Following the Start of New-Build Investment Residence Deliveries

TASUKI's securities registration statement at the time of its 2020 IPO disclosed performance data from FY03/2015 (its second fiscal year). The company launched its new-build investment residence development business in November 2016, and sales surged to ¥3.11 billion in FY09/2018 when property handovers began. Thereafter, sales continued to grow in line with an increase in property sales, achieving CAGR of 42.9% through FY09/2023.

The sharp rise in OP margin in FY09/2021 was primarily driven by a significant improvement in cost ratios for IoT-enabled residences. This was due to the cost-efficiency benefits of the "dominant strategy," which concentrated multiple pipelines within a narrow target area in Tokyo's 23 wards. As a result, from FY09/2021 onward, the company maintained an OP margin in the 13–14% range while continuing to expand revenue.

Figure 26. TASUKI: Trends in Net Sales and Profit (FY03/15-FY09/23, ¥mn)



Note: Due to a change in accounting period, FY09/17 is a six-month period. Operating profit is disclosed from FY09/18.
Source: Company data, compiled by Strategy Advisors

2) SHIN-NIHON TATEMONO's Historical Performance (Through Till FY09/2024)

Since its public listing in 2001, SHIN-NIHON TATEMONO's performance trends can be divided into three phases:

(1) Expansion phase through FY03/2008

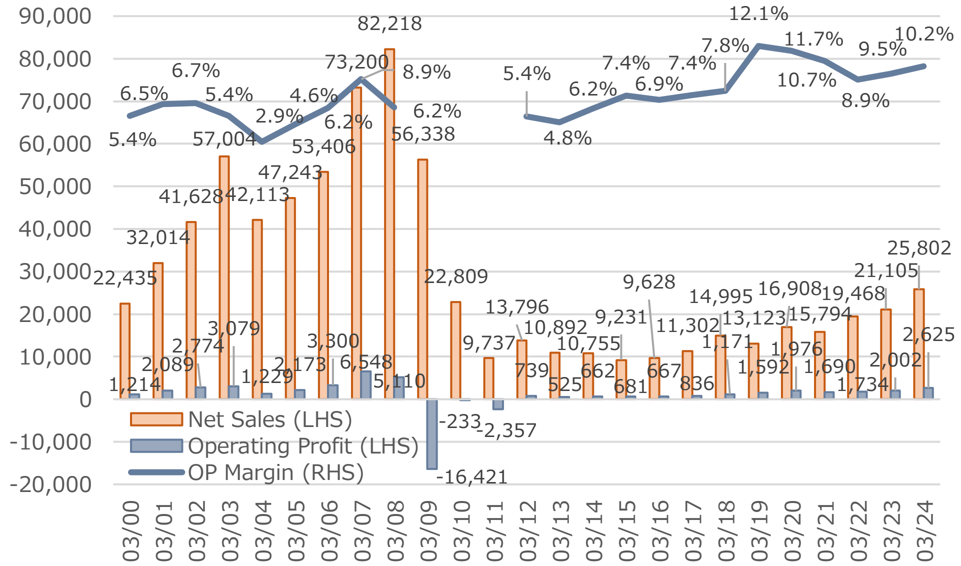
(2) Performance downturn through the early 2010's triggered by the Lehman Shock and subsequent credit contraction

(3) Gradual recovery during the late 2010's

The expansion phase up to FY03/2008 benefited from robust investor demand during Japan's real estate securitization boom, with sales reaching ¥82.2 billion in FY03/2008. However, the collapse of the investment real estate market following the 2008 Lehman Shock and tightening credit conditions led to severe liquidity challenges. In 2010, the company filed for ADR (Alternative Dispute Resolution) and pursued debt restructuring with financial institutions as part of its turnaround strategy.

After completing debt restructuring, the company maintained operations while awaiting market recovery. In the latter half of the 2010s, it gradually shifted toward renewed growth, accompanied by improvements in profitability—at times achieving OP margins exceeding 10%.

Figure 27. SHIN-NIHON TATEMONO: Trends in Net Sales and Profit (FY03/00-FY03/24, ¥mn)



Source: Company data, compiled by Strategy Advisors

3) FY09/2024 Results: First Financial Report Post-Business Integration

FY09/2024 — First Financial Results Post-Integration

FY09/2024 marked the first fiscal year following the integration of TASUKI and SHIN-NIHON TATEMONO on April 1, 2024. Sales increased 30.7% YoY to ¥47.45 billion, EBITDA rose 23.0% to ¥5.47 billion, while operating profit declined 7.9% to ¥4.06 billion, and net profit attributable to parent shareholders fell 22.7% to ¥2.21 billion. (The prior-year comparison is based on the simple sum of TASUKI/TASUKI Pros' FY09/2023 results and SHIN-NIHON TATEMONO's first-half FY09/2024 results.)

The FY09/2024 figures include 12 months for TASUKI and TASUKI Pros, 6 months for SHIN-NIHON TATEMONO (April–September 2024), and 5 months for AURA (May–September 2024).

EBITDA is calculated as operating profit plus depreciation, goodwill amortization, stock-based compensation, and reversal of PPA adjustments.

Operating Profit & Net Profit Missed Post-Integration Guidance Due to the Effects of PPA

Against the company's post-integration guidance (sales: ¥47.1 billion, EBITDA: ¥5.25 billion, operating profit: ¥5.0 billion, profit attributable to owners parent: ¥2.85 billion), sales and EBITDA exceeded targets by 0.8% and 4.4%, respectively, while operating profit and profit attributable to owners parent fell short by 18.7% and 22.2%.　The shortfall was primarily due to PPA (Purchase Price Allocation) adjustments.PPA refers to the allocation of acquisition cost based on fair value at the time of business combination. Following integration, the company revalued SHIN-NIHON TATEMONO's inventories and fixed assets. The incremental valuation was allocated to these assets and subsequently expensed through inventory disposal and depreciation. As a result, approximately ¥1.17 billion was added to cost of sales.

Since PPA-related expenses are non-cash and one-off, they do not affect EBITDA — explaining why EBITDA increased while operating profit declined. The company noted that most PPA-related expenses were completed in FY09/2024.

Strong Performance in TASUKI's IoT Residence Business Drove Overall Results

Within the life platform business, TASUKI's IoT-enabled residences sales performed strongly, improving gross margin. Conversely, SHIN-NIHON TATEMONO's strategic sale of low-margin properties and PPA adjustments weighed on profitability. Consequently, gross margin declined from TASUKI's 19.8% in FY09/2023 to 16.8% in FY09/2024.

Operating Profit Declined, Yet EBITDA Increased

Selling, general, and administrative expenses (SG&A) rose 40.5% YoY, driven by goodwill amortization of ¥165 million (SHIN-NIHON TATEMONO: ¥117 million; AURA: ¥48 million), M&A-related costs of ¥224 million, and incremental expenses from AURA's consolidation (including personnel costs) totaling ¥343 million.

As a result, OP margin fell to 8.6% (vs. TASUKI's 12.2% in FY09/2023). However, EBITDA—unaffected by PPA—grew 23.0% to ¥5.47 billion, compared to TASUKI's ¥4.45 billion in FY09/2023.

18. Medium- to Long-Term Outlook

1) Market Environment for Investment Condominiums in Tokyo

Given that the company's primary battlefield is new-build investment residences in Tokyo, it is essential to review the surrounding market conditions.

Supply of Investment Condominiums in Greater Tokyo Declined Sharply in 2023 and 2024

According to research by the Real Estate Economic Institute, condominium supply in the Tokyo metropolitan area hovered around 6,000 units annually from 2011 to 2022 but fell sharply to 4,796 units in 2023 and 4,241 units in 2024 — marking two consecutive years below 5,000 units.

Key factors behind this decline include:

(1) Overheated land prices, making some projects unfeasible at the acquisition stage

(2) Persistently high construction costs due to chronic labor shortages and selective bidding by general contractors

(3) Tightened lending conditions amid rising interest rates

Land Acquisition Becoming Increasingly Challenging

Land acquisition has become increasingly challenging under these conditions. While COVID-19 temporarily eased procurement in 2020–2021 due to hotel and retail sell-offs, the trend reversed from 2022 onward as condominium demand recovered, land prices rose, and competition intensified with REITs and new entrants.

Tightening Supply Shifts Focus Toward Revaluation of Vacant Houses

Amid this competitive landscape, urban vacant houses are gaining renewed attention — particularly those with land suitable for redevelopment or aging apartment buildings.

According to the Ministry of Internal Affairs and Communications, Tokyo's vacant housing stock stood at approximately 810,000 units (13.7%) in 2013, 810,000 units (11.1%) in 2018, and 890,000 units (10.9%) in 2023. Forecasts by the Ministry of Land, Infrastructure, Transport and Tourism and Nomura Research Institute project further increases about 870,000 units (11.8%) by 2025, 940,000 units (12.5%) by 2030, and 1.1 million units (14.5%) by 2040.

Acquiring vacant houses as land requires strong assessment and negotiation capabilities—areas where DX utilization offers significant potential.

2) Long-Term Vision: BEYOND2033

Long-Term Vision: Aiming for ¥200 Billion in Sales by FY09/2033, in "BEYOND2033"

The company has announced its long-term vision, "BEYOND2033." Initially disclosed by TASUKI on September 19, 2023, the plan targeted sales of ¥123 billion by FY09/2033, including ¥110 billion from the life platform business.

Following the integration with SHIN-NIHON TATEMONO, the updated vision released on November 12, 2024 raised the FY09/2033 sales target to ¥200 billion.

In conjunction with this vision, the company also published a medium-term management plan through FY09/2027.

While the plan originally expected sales of ¥87 billion for FY09/2026 and ¥100 billion for FY09/2027, the latest forecast for FY09/2026 now exceeds ¥100 billion, suggesting upward revisions ahead.

Key Strategic Initiatives in the Medium-Term Plan

The company has identified 3 key strategic initiatives in its Medium-Term Business Plan.

・Initiative 1: Strengthen management structure
・Initiative 2: Accelerate ARR growth in the SaaS business
・Initiative 3: Expand existing businesses

Key Initiative 1: Strengthening Management Structure

Management structure initiatives include reinforcing corporate functions and leveraging group synergies, with particular emphasis on enhancing financing capabilities to support land acquisition.

Integration has already improved credit strength: the number of banking relationships increased from 38 pre-integration to 51 post-integration, while borrowing costs declined from 1.91% to 1.73%.

Key Initiative 2 : Increasing ARR for SaaS Business

For the SaaS business, the company aims to boost ARR through contract expansion and higher customer value via upselling and cross-selling. Client count grew from 104 in FY09/2024 to 231 in FY09/2025, with a target of 470 by FY09/2027 and ARR of ¥1.2 billion.

Key Initiative 3 : Expansion of Existing Business

This initiative centers on the company's core life platform business and is further structured around 3 priority measures:

(1) Strengthening Real Estate DX
(2) Organizational Expansion
(3) Diversification and Multi-Layered Growth

3 Initiatives for Expanding Existing Business

Among these, initiative (1) — Strengthening Real Estate DX — represents a strategy unique to the group's in-house digital capabilities.

The company's real estate DX initiatives are divided into 2 categories: **Internal DX** and **External DX**.

- **Internal DX**, led by the Group DX Strategy Division, focuses on leveraging digital solutions to enhance the company's own operations. Key measures include reducing travel costs through mobile access enabled by LAND, automating document preparation, and accumulating real estate transaction data to improve productivity and lower operational costs.

- **External DX**, managed by subsidiary ZISEDAI, aims to commercialize these digital innovations and expand product sales to external clients.

Initiative (2) — Organizational Expansion — centers on increasing headcount, particularly strengthening procurement capabilities through hiring experienced professionals. The company plans to grow its procurement team from 48 members at the end of FY09/2024 to 100 by FY09/2027, with progress already evident—75 members as of FY09/2025.

Regarding initiative (3) — Diversification and Multi-Layered Growth —, the company intends to pursue a roll-up strategy through M&A, targeting small real estate firms operating in Tokyo's 23 wards with sales of ¥2–3 billion and headcount of 10–20 employees.

Figure 28. Half-Year/Quarterly Performance Trends

(¥mn)	TASUKI	TASUKI HD		
	09/24 H1	H2	09/25 H1	H2
Income Statement				
Net Sales	11,216	-	33,567	40,844
Cost of Sales	9,102	-	27,461	32,158
Gross Profit	2,114	-	6,105	8,686
Gross Profit Margin	18.8%	-	18.2%	21.3%
SG&A Expenses	843	-	2,600	3,376
SG&A Expenses Ratio	7.5%	-	7.7%	8.3%
Operating Profit	1,271	-	3,505	5,310
OP Margin	11.3%	-	10.4%	13.0%
Non-Operating Income/Losses	-123	-	-371	-636
Ordinary Profit	1,147	-	3,134	4,674
Ordinary Profit Margin	10.2%	-	9.3%	11.4%
Extraordinary Profit/Losses	0	-	1	6
Profit before Income Taxes	1,147	-	3,136	4,681
Total Income Taxes	330	-	986	1,445
(Corporate Tax Rate)	28.8%	-	31.4%	30.9%
Profit Attributable to Owners of Parent	817	-	1,806	3,127
Net Profit Margin	7.3%	-	5.4%	7.7%

(¥mn)	TASUKI		TASUKI HD					
	09/24 Q1	Q2	09/24 Q3	Q4	09/25 Q1	Q2	Q3	Q4
Income Statement								
Net Sales	5,426	5,790	-	20,781	16,959	16,608	8,985	31,859
Cost of Sales	4,518	4,584	-	17,281	13,645	13,815	7,399	24,759
Gross Profit	908	1,206	-	3,499	3,313	2,792	1,586	7,099
Gross Profit Margin	16.7%	20.8%	-	16.8%	19.5%	16.8%	17.7%	22.3%
SG&A Expenses	425	418	-	1,558	1,176	1,423	1,157	2,218
SG&A Expenses Ratio	7.8%	7.2%	-	7.5%	6.9%	8.6%	12.9%	7.0%
Operating Profit	482	788	-	1,941	2,136	1,368	428	4,881
OP Margin	8.9%	13.6%	-	9.3%	12.6%	8.2%	4.8%	15.3%
Non-Operating Income/Losses	-57	-66	-	-148	-155	-215	-326	-310
Ordinary Profit	425	722	-	1,793	1,981	1,153	102	4,571
Ordinary Profit Margin	7.8%	12.5%	-	8.6%	11.7%	6.9%	1.1%	14.3%
Extraordinary Profit/Losses	0	0	-	2	0	1	6	0
Profit before Income Taxes	425	722	-	1,795	1,981	1,155	109	4,571
Total Income Taxes	134	197	-	666	600	386	101	1,343
(Corporate Tax Rate)	31.5%	27.3%	-	37.1%	30.3%	33.4%	92.7%	29.4%
Profit Attributable to Owners of Parent	291	525	-	1,129	1,197	608	53	3,073
Net Profit Margin	5.4%	9.1%	-	5.4%	7.1%	3.7%	0.6%	9.6%

Note: Due to business integration in April 2024, figures for TASUKI Holdings are from FY09/24H2 onwards or FY09/24Q3 onwards. Due to business integration during the period, figures for FY09/24H2 and FY09/24Q3 are not available.
Source: Company data, compiled by Strategy Advisors

Figure 29. Income Statement（Full-Year Base, ¥mn）

FY	TASUKI (P)	TASUKI (P)	TASUKI (P)	TASUKI (C)	TASUKI (C)	TASUKI HD	TASUKI HD	TASUKI HD
	09/19	09/20	09/21	09/22	09/23	09/24	09/25	09/26 CoE
Net Sales	**5,118**	**7,027**	**9,190**	**12,276**	**18,565**	**47,455**	**74,412**	**100,450**
Cost Of Sales	3,983	5,623	6,967	9,321	14,466	39,482	59,620	
Gross Profit	1,135	1,404	2,222	2,955	4,099	7,972	14,792	
Gross Profit Margin	22.2%	20.0%	24.2%	24.1%	22.1%	16.8%	19.9%	
SG&A Expenses	710	825	972	1,241	1,669	3,907	5,976	
Operating Profit	**424**	**579**	**1,250**	**1,714**	**2,430**	**4,065**	**8,815**	**11,000**
OP Margin	8.3%	8.2%	13.6%	14.0%	13.1%	8.6%	11.8%	11.0%
Non-Operating Income	2	31	1	6	13	29	97	
Non-Operating Expenses	96	88	140	150	215	534	1,103	
Ordinary Profit	**330**	**522**	**1,112**	**1,570**	**2,228**	**3,560**	**7,808**	**9,300**
Ordinary Profit Margin	6.4%	7.4%	12.1%	12.8%	12.0%	7.5%	10.5%	9.3%
Extraordinary Profit	-	-	26	14	-	1	8	
Extraordinary Losses	0	-	2	14	22	0	0	
Profit Before Income Taxes	329	522	1,135	1,570	2,206	3,561	7,817	
Income Taxes (Current)	108	191	341	482	668	1,200	2,431	
Income Taxes (Deferred)	32.7%	36.6%	30.0%	30.7%	30.3%	33.7%	31.1%	
Total Corporate Tax, etc.	221	330	794	1,088	1,537	2,360	5,385	
(Corporate Tax Rate)	-	-	-	-	-	143	451	
Profit Attributable to Owners of Parent	**221**	**330**	**794**	**1,088**	**1,537**	**2,217**	**4,933**	**5,800**
Net Profit Margin	4.3%	4.7%	8.6%	8.9%	8.3%	4.7%	6.6%	5.8%
EPS（円）	**69.32**	**70.25**	**72.94**	**92.69**	**117.98**	**53.39**	**90.99**	**94.12**
ROE	37.7%	23.2%	30.4%	-	28.0%	-	18.5%	
ROIC (Invested Capital)	9.3%	9.2%	12.7%	-	12.5%	-	9.4%	
ROIC (Business Assets)	10.8%	13.6%	21.1%	-	21.6%	-	13.9%	
DPS (¥)	0.0	26.0	52.0	33.0	50.0	16.0	36.0	40.0
Average Number of Shares During the Period (mn shares)	3.2	4.7	5.4	11.7	13.0	41.5	54.2	
End of Period Shares (mn shares)	8.0	5.0	5.9	11.7	14.1	51.5	61.6	

Note: Up until FY09/19, TASUKI's parent results are disclosed, FY09/22 to FY09/23 are TASUKI's consolidated results, and from FY09/24 onwards, TASUKI Holdings' consolidated results are disclosed. The company conducted a 2.5:1 reverse stock split on June 12, 2020 and a 1:2 stock split on December 10, 2021. EPS and other figures have been adjusted retroactively.
Source: Company data, compiled by Strategy Advisors

Figure 30. Balance Sheet (Full-Year Base, ¥mn)

FY	TASUKI (P)	TASUKI (P)	TASUKI (P)	TASUKI (C)	TASUKI (C)	TASUKI HD	TASUKI HD
	09/19	09/20	09/21	09/22	09/23	09/24	09/25
Current Assets	**3,684**	**5,068**	**9,412**	**12,072**	**16,925**	**53,172**	**75,577**
Cash and Deposits	574	2,485	3,253	3,711	6,228	14,430	26,203
Accounts Receivable	-	-	-	-	-	-	-
Inventories	2,996	2,458	5,896	7,052	9,114	35,496	45,225
Short-Term Loans	-	-	-	1,145	1,289	1,964	2,021
Others	112	124	262	163	293	1,280	2,127
Fixed Assets	**170**	**186**	**496**	**548**	**561**	**6,223**	**7,656**
Tangible Fixed Assets	84	91	85	15	21	1,546	2,897
Intangible Fixed Assets	32	39	35	98	4	3,352	3,075
Investments and Other Assets	52	54	375	433	535	1,325	1,683
Investment Securities	-	-	300	319	355	844	1,137
Deferred Tax Assets	18	19	38	61	86	232	218
Others	33	35	37	53	93	247	327
Total Assets	**3,854**	**5,255**	**9,909**	**12,621**	**17,487**	**59,415**	**83,248**
Current Liabilities	**2,567**	**1,543**	**2,101**	**5,459**	**3,855**	**16,139**	**19,745**
Accounts Payable for Construction Contracts	34	79	41	84	137	477	368
Accounts Payable - Other	46	57	65	141	82	1,018	319
Interest-Bearing Debt	2,305	1,186	1,622	4,615	2,946	12,189	16,893
Short-Term Borrowings	604	326	194	1,261	1,059	5,801	10,477
Current Portion of Long-Term Borrowings	1,700	860	1,428	3,354	1,887	6,387	6,416
Income Taxes Payable	115	156	283	345	480	1,453	1,153
Others	66	62	88	271	209	1,000	1,009
Non-Current Liabilities	**586**	**1,556**	**4,728**	**3,299**	**6,504**	**21,346**	**30,498**
Interest-Bearing Debt	547	1,495	4,700	3,255	6,422	21,031	30,112
Others	12	16	9	12	14	140	144
Retirement Benefit Liability	26	44	17	31	67	174	240
Total Net Assets	**699**	**2,155**	**3,079**	**3,862**	**7,127**	**21,929**	**33,005**
Shareholders' Equity	699	2,155	3,079	3,862	7,127	21,306	31,849
Share Capital	300	920	1,049	1,049	2,254	3,024	6,242
Capital Surplus	100	605	734	734	1,939	13,913	17,131
Retained Earnings	299	630	1,294	2,078	2,932	4,375	8,484
Treasury Shares	-	-	-	-0	-0	-7	-9
Accumulated Other Comprehensive Income	-	-	-	-	-	-5	76
Stock Acquisition Rights	-	-	-	-	-	-	-
Non-Controlling Interests	-	-	-	-	-	628	1,079
Total Liabilities and Net Assets	**3,854**	**5,255**	**9,909**	**12,621**	**17,487**	**59,415**	**83,248**
Interest-Bearing Debt	2,853	2,682	6,323	7,871	9,369	33,220	47,005
Equity Ratio	18.2%	41.0%	31.1%	30.6%	40.8%	35.9%	38.3%
D/E Ratio	4.10	1.27	2.06	2.04	1.31	1.56	1.47

Note: Up until FY09/19, TASUKI's parent results are disclosed, FY09/22 to FY09/23 are TASUKI's consolidated results, and from FY09/24 onwards, TASUKI Holdings' consolidated results are disclosed.
Source: Company data, compiled by Strategy Advisors

Figure 31. Cash Flow Statement（Full-Year Base, ¥mn）

FY	TASUKI (P)	TASUKI (P)	TASUKI (P)	TASUKI (C)	TASUKI (C)	TASUKI HD	TASUKI HD
	09/19	**09/20**	**09/21**	**09/22**	**09/23**	**09/24**	**09/25**
Cash Flows from Operating Activities							
Profit Before Taxes	329	522	1,135	1,570	2,206	3,561	7,817
Depreciation	6	11	8	9	8	195	423
Working Capital	-287	583	-3,476	-1,112	-2,009	-3,624	-9,838
Others	3	-162	-313	-160	-652	-1,480	-4,173
Total	**52**	**955**	**-2,646**	**307**	**-448**	**-1,348**	**-5,770**
Cash Flows from Investing Activities							
Purchase of Tangible Assets	-59	-11	0	72	-13	-6	-1,421
Purchase of Intangible Assets	-19	-18	-30	-84	-24	-5	-60
Purchase of Investment Securities	-	-	-288	0	53	-29	-152
Others	-36	33	42	-1,159	-159	-2,583	-84
Total	**-115**	**3**	**-276**	**-1,172**	**-144**	**-2,624**	**-1,718**
Cash Flows from Financing Activities							
Net Increase/Decrease in Short-Term Borrowings	432	-241	-44	1,245	27	798	5,325
Net Increase/Decrease in Long-Term Borrowings	-288	73	3,678	306	1,470	7,548	8,459
Issuance of Shares	-	1,110	256	0	2,349	-	6,274
Expenditures for Acquisition of Treasury Stock	-	-	0	-	-	-7	-2
Dividends Paid	-	-	-130	-303	-683	-1,371	-823
Others	-21	10	-70	76	-54	-124	25
Total	**122**	**952**	**3,690**	**1,323**	**3,109**	**6,844**	**19,260**
Exchange Differences on Cash	-	-	-	-	-	-	-
Cash Increase/Decrease	58	1,910	768	457	2,516	8,202	11,770
Cash at Beginning Balance	515	574	2,485	3,253	3,711	6,228	14,430
Ending Cash Balance	574	2,485	3,253	3,711	6,228	14,430	26,201

Note: Up until FY09/19, TASUKI's parent results are disclosed, FY09/22 to FY09/23 are TASUKI's consolidated results, and from FY09/24 onwards, TASUKI Holdings' consolidated results are disclosed. The cash increase/decrease for FY09/24 includes an increase in cash and cash equivalents resulting from the share transfer.
Source: Company data, compiled by Strategy Advisors

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Strategy Advisors

Central Building 703, 1-27-8 Ginza, Chuo-Ku, Tokyo 104-0061, Japan