# CREAL | 2998 (TSE Growth)

**Company Report**

June 5, 2026

Strategy Advisors Co., Ltd.
Takao Kanai

# A Leader in Real Estate Crowdfunding. Entering a New Phase of Growth Through the Application of FTK 3 & 4 to Security Tokens

An asset management platform provider leveraging digital transformation (DX). Creal seizes the opportunity presented by the 2017 amendment to the Act on Specified Joint Real Estate Ventures (Known as the "FTK"), which enabled electronic transactions. The company pioneered real estate crowdfunding in 2018, ahead of its competitors. Today, it stands as the undisputed industry leader.

President Daizo Yokota has a unique career background, having gained experience in IT, finance and real estate at multiple companies. Deeply aware of the real estate industry's lag in digital transformation and the inefficiency of its fundraising processes, he questioned why real estate - which is routinely included in the portfolios of institutional and other professional investors and is inherently attractive - was not being adopted as an investment option by individual investors. This led him to conceive the real estate crowdfunding business. He started Bridge C (now Creal Inc.) in 2017 and joined "CREAL", a real estate crowdfunding platform where individuals can invest starting from ¥10,000.

In addition to "CREAL", the company also operates "CREAL PRO", a private fund business for institutional investors, and "CREAL PB", which provides management services for condominiums and other properties to individual investors with investment experience. Furthermore, the company plans to enter the hotel management business in 2024, a venture that holds significant synergy with its existing operations.

Strategy Advisors views the company's corporate DNA as "a strong motivation to contribute to society by leveraging digital transformation (DX) to evolve real estate investment into a personal asset management tool and making asset management as commonplace as electricity or water". The company has attracted a team of members who share President Yokota's vision, embodied in the mission statement: "Change real estate, change society". The company's competitive advantage lies in its ability to "leverage a solid base of individual investors in real estate crowdfunding, along with the strength of handling all system development, product development and marketing in-house, to offer a diverse range of investment products".

In 2025, the company obtained licenses under FTK3&4, enabling it to establish funds on an off-balance-sheet basis and this scheme will be fully implemented. This offers benefits such as the ability to scale up fund sizes and improve the company's financial position through off-balance-sheet accounting. The company also plans to launch a real estate security token (ST) business in FY3/27.

### Stock Price & Trading Volume


Source: Strategy Advisors.

### Key Indicators

| | |
|---|---|
| Stock Price (6/4/26) | 420 |
| 52-Week High (8/29/25) | 1,474 |
| 52-Week Low (6/4/26) | 420 |
| All-Time High (6/30/23) | 1,744 |
| All-Time Low (6/20/22) | 197 |
| Shares on Issue (mn) | 36.1 |
| Market Capitalization (¥bn) | 15.1 |
| EV (¥bn)* | 23.8 |
| Equity Ratio (3/26 Actual, %) | 25.5 |
| ROE (3/26 Actual, %) | 23.2 |
| PER (3/27 CoE, x) | 7.2 |
| PBR (3/26 Actual, x) | 1.3 |
| Dividend Yield (3/27 CoE, %) | 1.9 |

Note＊ : Gross basis.
Source: Strategy Advisors.

While revenue growth is expected to slow temporarily in FY3/27 due to the shift from flow-based to stock-based revenue and upfront investments associated with commercializing new products, the company is set to enter a new growth phase starting in FY3/28.

We believe the company's equity story is that "as a leading platform provider for fractional real estate investment, it will enter a new growth phase through the full-scale rollout of FTK 3 & 4 schemes and STs".

The stock price fell following the announcement of the FY3/26 results, and with the forward P/E ratio based on FY3/27 forecasts standing at 7.2x, below the average for comparable companies. If the FTK 3 & 4 schemes under the FTK Act and the ST business gain traction, and an expansion in fund raising volume (GMV) is confirmed, the stock price is likely to recover alongside an improvement in valuation.

**Japanese GAAP - Consolidated**

| FY | Gross Profit (¥) | YoY (%) | Operating Profit (¥) | YoY (%) | Ordinary Profit (¥) | YoY (%) | Net Income (¥) | YoY (%) | EPS (¥) | DPS (¥) |
|---|---|---|---|---|---|---|---|---|---|---|
| FY3/22 | 1,554 | 33.4 | 313 | 71.0 | 256 | 143.8 | 172 | 244.0 | 8.1 | 0.0 |
| FY3/23 | 2,206 | 42.0 | 547 | 74.8 | 496 | 93.8 | 336 | 95.3 | 13.2 | 0.0 |
| FY3/24 | 3,562 | 61.5 | 980 | 79.2 | 941 | 89.7 | 647 | 92.6 | 22.3 | 0.0 |
| FY3/25 | 5,666 | 59.1 | 1,968 | 100.8 | 1,830 | 94.5 | 1,351 | 108.7 | 45.5 | 6.0 |
| FY3/26 | 7,799 | 37.6 | 2,941 | 49.5 | 2,784 | 52.1 | 1,938 | 43.5 | 60.6 | 8.0 |
| FY3/27 CoE | 8,890 | 14.0 | 3,290 | 11.8 | 3,050 | 9.6 | 2,100 | 8.3 | 58.2 | 8.0 |

Note: A 1:5 stock split was conducted in October 2025.
EPS and DPS are adjusted. Net income refers to net income attributable to owners of the parent.
Source: Company Data. Compiled by Strategy Advisors.

## Table of Contents

## Executive Summary

**The Leading Company in Real Estate Crowdfunding**

Creal is an asset management platform provider that leverages digital transformation (DX) to develop and sell its own real estate investment products. Taking advantage of the 2017 amendment to the FTK, which permitted electronic transactions, the Company launched its real estate crowdfunding business in 2018, ahead of its competitors. Today, it has become the undisputed leader in the real estate crowdfunding sector in terms of track record, scale and reliability.

**Commercialization Driven by the Desire to Make Real Estate a Viable Investment Option for Individuals**

President Daizo Yokota developed a desire to live a life different from others and achieve something significant while attending Azabu Junior and Senior High School, where he was exposed to a liberal school culture. After graduating from Waseda University, he built a unique career spanning IT, finance and real estate at multiple companies. He keenly felt the lag in digital transformation (DX) and the inefficiency of fundraising within the real estate industry. He also questioned why real estate - which is inherently an attractive investment product offering moderate risk and moderate returns, and is routinely included in the portfolios of professional investors such as institutional investors - had not become a major investment target for individuals? This led him to conceive a crowdfunding business that would enable easy, small-scale online investments. He joined Bridge C (now Creal Inc.) in 2017 and founded the real estate crowdfunding platform “CREAL”. Advocating for the democratization of real estate investment, he built a platform that enhances transparency and allows for easy investment starting at just ¥10,000.

**The Company Also Manages Private Placement Funds for Institutional Investors & Provides Management Services for Condominium Units for Individual Investors**

The company also operates “CREAL PRO”, a private fund business for institutional investors and “CREAL PB”, which provides management services for fractional ownership properties and other assets to experienced individual investors. Although both are relatively new entrants to the market, “CREAL PRO” serves as an exit strategy and pipeline source for “CREAL” while “CREAL PB” aims to cross-sell “CREAL” to investors in addition to leveraging commonalities in managed assets, resulting in significant synergy between the businesses. In addition, “CREAL PARTNERS” which provides rental management services for owners of “CREAL” and “CREAL PB” properties, is steadily expanding. In 2024, the company entered the hotel management business under the brand “CREAL HOTELS”.

**Corporate DNA & Difficulty of Imitation**

Strategy Advisors views the company’s corporate DNA as “a strong motivation to contribute to society by leveraging digital transformation (DX) to evolve real estate investment into a personal investment tool and making asset management as commonplace as electricity or water”. The company has attracted members who resonate with its mission - “Changing real estate, changing society” - which reflects President Yokota’s vision. The company’s competitive advantage lies in its ability to “leverage a robust base of individual investors built through real estate crowdfunding, along with the strength of handling system development, product development and marketing entirely in-house, to offer a diverse range of investment products”. The company’s strength lies in its robust investor base - with a cumulative total of 138,000 investors - achieved through first-mover advantage and the establishment of trust, built over time. Additionally, having in-house professionals in IT, real estate, finance and marketing services serves as a source of competitive advantage.

**FTK 3 & 4 Schemes Under the FTK Act: Security Tokens as Growth Drivers**

In June 2025, the company obtained licenses under FTK 3 & 4 of the Specialized Investment Trust Act, which allow for the off-balance-sheet structuring of crowdfunding funds, and operations under this scheme will begin in earnest in the second half of FY3/26. Benefits for investors include the ability to increase expected returns through the use of leverage. For Creal, this will enable accelerated growth and lead to improved financial health through off-balance-sheet structuring. The company also plans to launch a real estate security token (ST) business in FY3/27.

**The Medium-Term Business Plan Targets Net Profit of ¥10 bn**

In the 5-year Medium-Term Business Plan announced in May 2025, covering the period starting from FY3/26, the company plans to expand GMV (fundraising volume) from actual figures in FY3/25 of ¥25.7 billion to ¥250 billion FY3/30. The plan also calls for net profit attributable to owners of the parent to grow from ¥1.35 billion to ¥10 billion with no changes to the targets for FY3/30.

**Equity Story**

We believe the company's equity story is that "as a leading platform provider for fractional real estate investment, it is entering a new phase of growth through the full-scale rollout of FTK 3 & 4 schemes under the FTK Act and the expansion into STs". Given Japan's challenge of shifting from savings to investment, the spread of real estate investment among individual investors is likely to provide a tailwind for Creal.

**Stock Price Decline Following the Earnings Has Significantly Lowered the Valuation. Focus on GMV Growth**

In FY3/26 results announced on May 15, although actual profits exceeded the company's forecast, the stock price fell due to factors such as GMV falling short of the plan and the company's forecast for FY3/27 falling below market expectations. For FY3/27, the company is intentionally shifting from flow-based revenue to stock-based revenue. While the pace of revenue growth is expected to slow temporarily due to upfront investment costs for launching ST and expanding the hotel business, these initiatives are expected to gain traction starting in FY3/28, marking the beginning of a new growth phase. Following the post-earnings stock price decline, the P/E ratio based on FY3/27 forecasts has fallen to 7.2x, below the average for comparable companies. If monthly growth in GMV is confirmed through the expansion of businesses due to application of FTK 3 & 4 of the Special Measures Act and the ST business, and expectations for earnings growth also rise, the stock price is likely to recover along with an improvement in valuation.

## 1. Company Overview

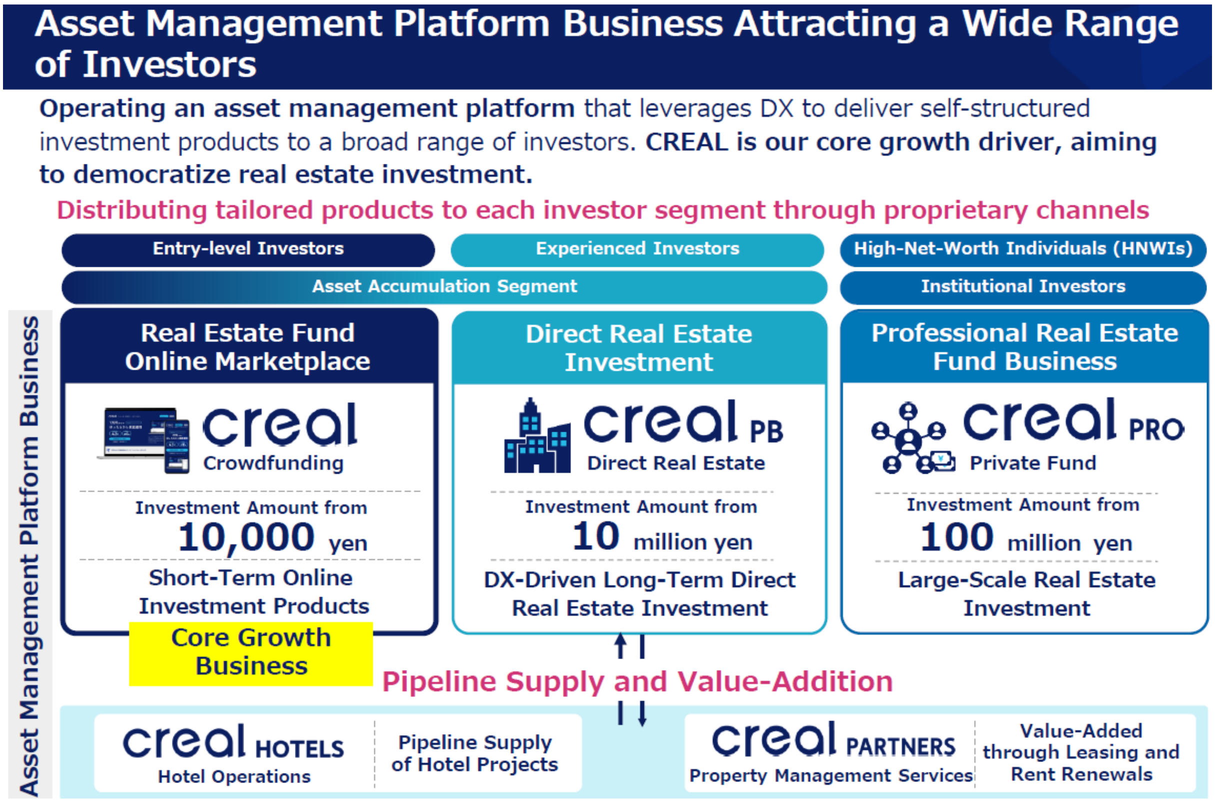
**Real Estate Asset Management Platform Provider**

Creal is an asset management platform that leverages digital transformation (DX) to develop and sell its own real estate investment products. The Company's flagship business, the real estate crowdfunding platform "CREAL" is driving its growth. President Daizo Yokota noted that, since investing in physical real estate generally requires substantial capital and involves time-consuming procedures, real estate remains an untapped avenue for individuals to manage their financial assets. Real estate investment is a so-called "moderate-risk, moderate-return" investment vehicle, as prices do not fluctuate dramatically over short periods like in the stock market; and risks can be limited to some extent by carefully selecting property locations and conditions. The Company aims to popularize this as an investment option for individuals, in other words, to democratize real estate investment. The company name "CREAL" derives from "Clear" & "Real Estate", signifying highly transparent real estate investment. It embodies President Yokota's vision to dispel individual distrust toward real estate and establish it as a mainstream investment option.

**Real Estate Crowdfunding "CREAL" is an Industry Leader**

"CREAL" can be considered a pioneer in real estate crowdfunding and is a platform where investments start as low as ¥10,000. Using funds raised primarily from individual investors, the company acquires and manages a variety of real estate properties, including residential properties (such as condominiums), hotels, offices and healthcare facilities. Most "CREAL" funds have a term of 2 to 3 years and an average yield of 4% to 6%. In terms of scale - including cumulative investment amounts and the number of investors - it ranks among at the top end in the real estate crowdfunding industry and its track record and reliability make it a dominant force in the sector.

**Figure 1. Creal's Business Overview**




Source: Company Materials.

**"CREAL PRO": A Private Fund for Professionals**

"CREAL PRO", which is a real estate fund designed for professional investors such as institutional investors, is a private placement fund formed by raising at least ¥100 million from each investor. Because the fund size is larger than that of crowdfunding, which is primarily composed of individual investors, it can handle large-scale properties. The company receives fees associated with fund formation and property transactions, as well as rental income and asset management fees.

**"CREAL PB": Real Estate Investment Management Service**

The company also offers "CREAL PB", a real estate investment management service primarily targeting experienced individual investors. Individual investors can invest starting at ¥10 million and they actually own a specific unit, such as a single apartment. As the company boasts a vast portfolio of properties through "CREAL", it has access to a wealth of real estate information, enabling it to secure properties with favorable terms. Additionally, since its proprietary service, "CREAL PARTNERS" handles rental management and leasing, investors - as owners - generally face minimal hassle, with the process offering high transparency and reliability regarding distributions to investors.

**"CREAL HOTELS" Leverages Group Synergies**

The company is currently focusing on the hotel business as well. To use funds raised through “CREAL” and “CREAL PRO” for hotel value enhancement and development, it established a subsidiary, CREAL Hotels, to manage hotel operations in-house and is rolling out the “CREAL HOTELS” service. A key feature is the ability to handle everything in-house, from development to operations. The company leverages synergies within the group to manage its business, such as utilizing "CREAL" or "CREAL PRO" funds depending on the development stage or level of risk.

**Real Estate Crowdfunding "CREAL" Enters a New Growth Stage**

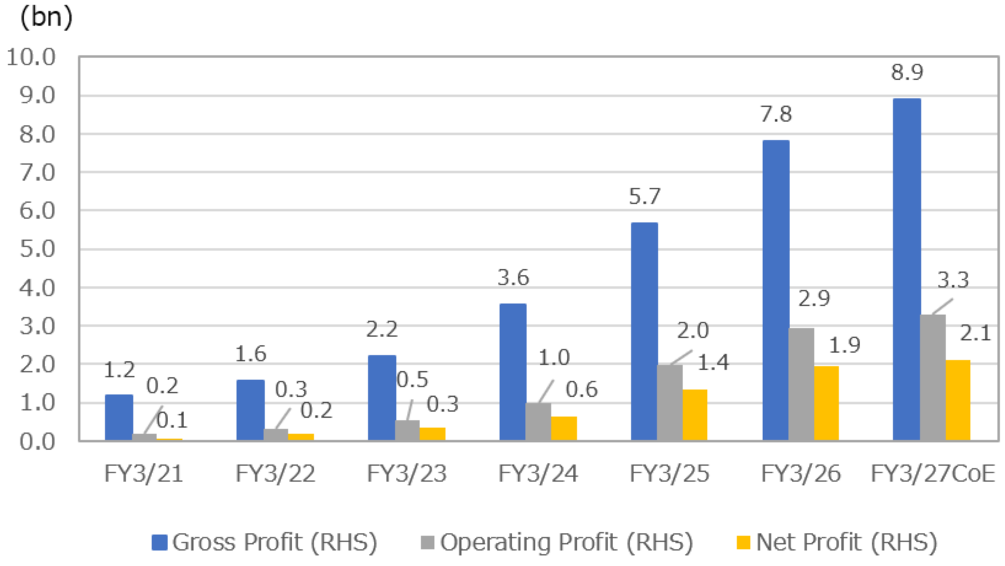
Across the 3 business segments, revenues from “CREAL” and “CREAL PRO” are on an upward trend, accounting for 56% and 24% of gross profit, respectively (FY3/26). In June 2025, “CREAL” obtained licenses for FTK 3 & 4 projects under the Act on Specified Joint Real Estate Ventures, enabling it to handle large-scale properties on an off-balance-sheet basis. GMV (funds raised) per property has increased significantly and the business is expected to accelerate its growth.

**Figure 2. Financial Summary**

| (mn) | FY3/25 | FY3/26 | YoY | FY3/27 CoE | YoY |
|---|---|---|---|---|---|
| Net Sales | 41,823 | 37,795 | -9.6% | NA | NA |
| Gross Profit | 5,666 | 7,799 | 37.6% | 8,890 | 14.0% |
| CREAL | 2,219 | 4,396 | 98.1% | 3,370 | -23.3% |
| PRO | 2,492 | 1,864 | -25.2% | 3,530 | 89.4% |
| PB | 718 | 900 | 25.3% | 1,040 | 15.6% |
| Others | 236 | 638 | 170.3% | 950 | 48.9% |
| SG&A Expenses | 3,698 | 4,857 | 31.3% | 5,600 | 15.3% |
| Operating Profit | 1,968 | 2,941 | 49.5% | 3,290 | 11.8% |
| Ordinary Profit | 1,830 | 2,784 | 52.1% | 3,050 | 9.6% |
| Net Income | 1,351 | 1,938 | 43.5% | 2,100 | 8.3% |
| EPS (¥) | 45.5 | 60.6 | 33.2% | 58.2 | -3.8% |
| DPS (¥) | 6.0 | 8.0 | 0.0% | 8.0 | 0.0% |

Note: Profit margin is calculated based on gross profit, as revenue is reported differently by business segment.
Source: Company Data. Compiled by Strategy Advisors.

**Figure 3. Creal's Earnings Trends**




Source: Company Data. Compiled by Strategy Advisors.

**Figure 4. Summary of Creal's History**

| Year-Month | Summary |
|---|---|
| 2011-May | Established Bridge C Inc. (now Creal Inc.) in Konan, Minato-ku, Tokyo, for the purpose of providing asset management services |
| 2013-Oct | Acquired 100% of the shares of Japan Real Estate Initiative Inc. (now Creal Partners Inc.) |
| 2016-Jan | Registered as a Type II Financial Instruments Business, Advisor and Agency |
| 2017-Jul | Acquired a Real Estate Business License |
| 2017-Oct | Changed the company name to Bridge C Capital Inc. (now Creal Inc.)<br>Japan Real Estate Initiative Inc. has changed its trade name to Bridge C Estate Inc. (now Creal Partners Inc.) |
| 2018-Oct | Obtained a License for Specific Real Estate Joint Ventures (Electronic Transactions) |
| 2018-Nov | Launched an online real estate fund marketplace service under the brand name "CREAL" |
| 2021-Mar | Changed the company name to Creal Inc.<br>Bridge C Estate Inc. has changed its name to Creal Partners Inc. |
| 2022-Apr | Listed on the Tokyo Stock Exchange Growth Market |
| 2023-Jan | Signed a Capital and Business Alliance Agreement with SBI Holdings |
| 2023-Feb | Completed a third-party allotment of new shares to SBI Holdings |
| 2024-Jul | Established Creal Hotels Inc. as a wholly owned subsidiary |
| 2024-Dec | Acquired a 22.22% stake in TAT Co., Ltd. (now PIECE Co., Ltd.) |
| 2025-Jan | Acquisition of 100% of the shares of Usuki Securities |
| 2025-Jun | Obtaining Permits for Projects Under FTK 3 & 4 of the Special Measures Act |
| 2025-Decr | SBI Holdings Conducts Third-Party Allotment of New Shares to Five Entities, Including JICVGI Opportunity Fund No. 1 Limited Partnership<br>Become an equity-method affiliate of SBI Holdings |

Source: Company Data. Compiled by Strategy Advisors.

## Creal's History

Creal Inc. traces its origins to 2011, when Akinari Tokuyama, the company's current Chairman of the Board, founded Bridge C Inc. as a firm engaged in asset management and other businesses. As will be described later, Daizo Yokota, the current President and CEO, was looking to launch a real estate crowdfunding business. At the time, Bridge C was seeking a president, and after Yokota proposed his crowdfunding idea and reached an agreement, it was decided that he would join the company. Subsequently, the company obtained a license for specific real estate joint ventures and launched the real estate crowdfunding platform "CREAL" in November 2018. In March 2021, the company changed its name from Bridge C Capital to Creal. Under President Yokota's leadership, the company transformed into an asset management platform focused on real estate crowdfunding.

## Partnership with SBI Holdings

In January 2023, the company conducted a third-party allotment of new shares to SBI Holdings (TSE Prime: 8473) and entered into a business alliance agreement with the company. Furthermore, in December 2025, the company conducted a third-party allotment to 4 companies, including SBI Holdings, making SBI Holdings the largest shareholder and transforming Creal into an equity-method affiliate of SBI Holdings (Creal had become an equity-method affiliate following the January 2023 third-party allotment, but had subsequently lost that status due to a decrease in SBI Holdings' stake). As a result, the relationship between the two companies has been strengthened and synergies are expected to emerge in many areas.

**Figure 5. Major shareholder of Creal**

| Shareholder Name | Shares Held (%) |
|---|---|
| SBI Holdings, Inc. | 20.65 |
| Akinari Tokuyama | 20.10 |
| JICVGI Opportunity Fund No.1 Investment Limited Partnership | 7.43 |
| Daizo Yokota | 5.50 |
| Custody Bank of Japan, Ltd. (Trust Account) | 4.40 |
| Masahito Sakurai | 4.30 |
| Yoshihiro Kaneko | 3.66 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 2.85 |
| Chuo-Nittochi Co., Ltd. | 1.86 |
| Kiraboshi Capital Tokyo Sparkle LLP | 1.86 |

Note: The held ratio is calculated using the number of shares outstanding minus the number of treasury shares.
Source: Company Materials.

## 2. Profile of President Daizo Yokota

**Frequent School Transfers During Elementary School**

President Daizo Yokota was born in 1976 and is 50 years old. His father worked for a major manufacturer and was frequently transferred, so President Yokota moved frequently during his elementary school years. He notes that this may have unconsciously fostered his flexibility in adapting to new environments. As will be discussed later, he worked at several different companies after entering the workforce. His ability to adapt to new environments each time, gain diverse experiences and use them as a foundation for growth may well be influenced by his childhood experiences.

**Inspired by His Time at Azabu Junior & Senior High School**

It appears that President Yokota's time at Azabu Junior and Senior High School had a profound influence on his outlook on life and way of thinking. Azabu Junior and Senior High School is known for its free-spirited atmosphere and respect for individuality - is said to have no uniforms and virtually no school rules. While teachers treat students as adults and adopt a laissez-faire approach, the school's education is grounded in a spirit of self-discipline, emphasizing that students must take responsibility for their own actions. Mr. Yokota notes that in this environment, seeing seniors and classmates living cool, unconventional lives may have sparked a longing within him to emulate that lifestyle and try living that way himself.

**Served As Leader of a Tennis Club in College**

He went on to study at Waseda University's School of Political Science and Economics. There, he joined a tennis club with a competitive spirit and served as its leader. It was a club dedicated to tennis and with a membership of around 100 people, he faced many challenges in uniting members with diverse values and perspectives. This experience appears to have laid the groundwork for his subsequent career in corporate management.

**Gained IT Consulting Experience at Accenture**

He graduated from university in 2000 and joined Accenture, a leading consulting firm. Although he reportedly did not have a Creal direction for his future at that time, he had a desire to acquire specialized expertise in the consulting industry. At Accenture, despite having a liberal arts background, he took on IT consulting work and acquired knowledge in areas such as programming. This experience undoubtedly contributed to his later concept of "Real Estate × DX". He was also involved in real estate securitization projects, which sparked his interest in this field.

**Working in the Real Estate Sector**

He then moved to Orix, where he worked in real estate finance and related fields. He also gained experience in real estate investment while working at the foreign-affiliated firm LaSalle Investment Management. In 2011, Shinsei Bank (as it was then known) was recruiting for a department tasked with launching a REIT focused on healthcare facilities, including nursing homes. Intrigued by the opportunity, he joined Shinsei Bank. There, he established both the healthcare facility REIT and its management company. For the REIT, he worked hard to secure investments from institutional investors. Afterward, he moved directly to the REIT's management company, where he gained hands-on experience in investment management.

**Conceiving Real Estate Crowdfunding**

It appears that his experience launching that REIT had a significant influence on the founding of Creal's business. Through his many years of involvement in the real estate fund business, he noticed that the Japanese real estate industry was lagging behind in terms of IT-driven evolution and innovation. In particular, he observed inefficiencies, such as the fact that raising funds took an extremely long time. Mr. Yokota reasoned that if there were a way to raise funds from individuals using IT, the process of forming funds could be dramatically accelerated. It was through this line of thinking that his desire to pursue real estate crowdfunding grew stronger.

**Joined Creal's Predecessor, Bridge C & Succeeded Launching Rapidly**

At that time, President Yokota had considered founding his own company to launch the business, but it so happened that the asset management firm Bridge C (now Creal) was looking for a candidate to serve as president. Wanting to launch the real estate crowdfunding business as quickly as possible, Mr. Yokota presented his vision to Bridge C, reached an agreement, and decided to join the company. He joined Bridge C as president in May 2017, just before the Act on Specified Joint Real Estate Ventures made online contracts possible. Looking back on that time, President Yokota notes that having Bridge C as a foundation was crucial in enabling him to launch the business quickly. He explains that while other companies attempted to build real estate crowdfunding platforms from scratch around the same time, some took too long to launch their funds and ultimately failed. The company's real estate crowdfunding platform, "CREAL" got off to a strong start and solidified its position as a leader in Japan.

## 3. Mission, Values & Corporate DNA

### 1) Mission, Values

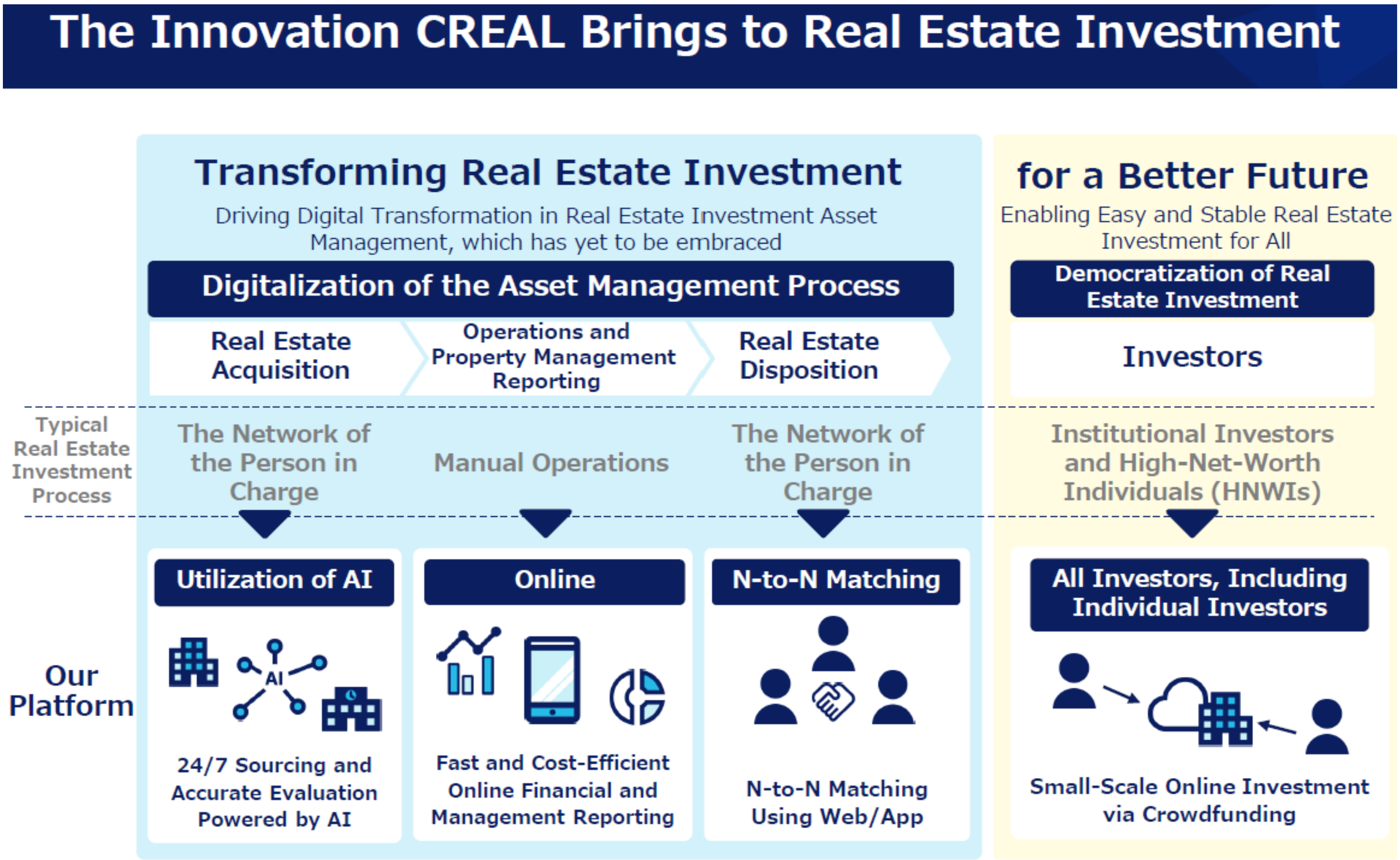
**"Transforming Real Estate, Transforming Society"**

Creal's mission is "To transform real estate investment and change society". According to the company, this means promoting the digital transformation (DX) of asset management processes in the real estate investment sector - where digitalization has lagged - and realizing a society where anyone can easily begin stable asset management through real estate investment.

**Aiming to Democratize Real Estate Investment**

Through his own experience in real estate investment and the formation and management of REITs, President Yokota keenly realized that digital transformation (DX) had not progressed in Japan's real estate industry, and conversely, he believed there was a significant opportunity to change this. Furthermore, he felt strongly that while much of an individuals' financial assets are directed toward either low-risk, low-return bank deposits or high-risk, high-return stocks, real estate - which offers medium risk and medium returns - was not being utilized as an investment option for individuals. By providing a real estate crowdfunding platform, individuals gain access to real estate as a new investment vehicle. The company states that it aims to democratize real estate investment through "CREAL".

Figure 6. Creal's Mission




Source: Company Materials.

**A Desire to Contribute to Society**

President Yokota's worldview of changing society seems to have been largely shaped by his experience after entering the workforce. While he gained valuable experience at several companies, he began to question whether he was truly contributing to society and what the purpose of his work was. His desire to contribute to Japanese society led to the idea of establishing real estate investment as a means of personal asset management, ultimately resulting in the launch of "CREAL".

**The Importance of Providing New Value**

While generating profits is essential for any private company, President Yokota believes that a company's true purpose lies in the contributions it makes to society. A company is considered significant if it serves as a necessary piece of the social puzzle and cannot be easily replaced. President Yokota sees great importance in providing new value that is currently lacking in society and finds strong fulfillment in offering innovative investment options in Japan.

**Employees Are United by the Company's Mission, Fostering a Sense of Unity Within the Organization**

One of Creal's strengths is that it employs talented professionals in IT, product development and marketing. President Yokota believes that the more talented an individual is, the more likely they are to resonate with a vision that serves the public good and Creal places great importance on this. He notes that while taking on new challenges inevitably leads to various difficulties, the team finds fulfillment in providing unique value, which drives them to persevere and see projects through to the end. President Yokota attributes this internal momentum to the fact that employees are united by the mission to "transform real estate and change society".

**Values: "GIFT" (Grit, Imagination, Fairness & Team)**

Creal's values (code of conduct) consist of the following 4 principles: "Grit: Aim to be the No. 1 real estate investment platform and see it through to the end". "Imagination: Constantly think and realize new value that only we can create". "Fairness: Act fairly and sincerely toward employees, customers, and society". And finally "Team: Work with colleagues to achieve great results while having fun". Taking the initials of these, they are collectively called "GIFT".

**Essential Elements for Achieving The Company Mission**

It can be said that these principles reflect President Yokota's management philosophy. He believes that to shape a new entity like an asset management platform, a spirit of seeing things through to the very end is essential. Furthermore, to create something that does not yet exist, imagination, the ability to envision and actually bring ideas to life - is crucial. Additionally, since asset management involves frequent interactions with investors and other companies, and may involve conflicts of interest, the company places a high priority on fairness. This is because earning the trust of investors is the key to attracting investment. Furthermore, in real estate management, collaboration with various experts - such as those in finance and law - is necessary and projects cannot move forward without cooperation among team members, making teamwork extremely important.

## 2) Creal's Corporate DNA

**Corporate DNA**

A company's DNA is the unique values and management philosophy that are rooted in the organization and all employees and they often become the source of a company's competitiveness. The firm believes that creating a business strategy that utilizes the company's DNA and putting it into practice increases the probability of success. Corporate DNA is often heavily influenced by a company's origins. Generally, it is thought to strongly reflect the founder's original purpose and vision at the time of establishment. Furthermore, corporate culture and values can sometimes undergo significant changes under a new leader. At Strategy Advisors, we place great importance on focusing on corporate DNA, as we believe this allows us to identify the source of a company's competitiveness and determine whether its strategies and policies are appropriate.

**Creal's DNA is "a Strong Motivation to Contribute to Society by Leveraging Digital Transformation (DX) to Evolve Real Estate Investment into a Personal Investment Tool"**

Since President Yokota joined the company in 2017, Creal has launched its real estate crowdfunding platform "CREAL" and grown into a real estate investment management platform provider. As reflected in the company's mission and values, President Yokota's philosophy appears to be deeply ingrained in its corporate culture and work environment. At Strategy Advisors, we view the company's DNA as "a strong motivation to contribute to society by leveraging digital transformation to evolve real estate investment into a personal investment tool".

The experience and skills President Yokota acquired at multiple companies - in fields such as IT, real estate, finance and marketing - form the foundation of Creal's management, and a shared sense of social responsibility is also deeply ingrained within the company.

**Making Real Estate Investment Accessible**

Real estate investment is generally perceived as difficult for individuals to understand and associated with high risk. Creal is committed to dispelling this image and making real estate investment more accessible. Through its real estate crowdfunding platform "CREAL", the company focuses on medium-risk, medium-return products with expected returns centered around 4–6%. While some other real estate crowdfunding services manage higher-risk, higher-return funds, Creal does not structure such funds, believing they pose too great a risk for individual investors. Furthermore, the company provides detailed and easy-to-understand information about fund properties via its app and website.

**Contributing to the Industry's Credibility**

Furthermore, President Yokota serves as the Representative Director of the Real Estate Crowdfunding Association, a general incorporated association. Creal acts as the secretariat for this association, and within the industry, Creal is widely recognized as a leader. As will be discussed later, the real estate crowdfunding sector has faced issues that could undermine industry trust. The association plays a leading role in spearheading industry-wide efforts to address and improve these issues. This is because even if Creal operates its business in a sound and trustworthy manner, problems at other companies in the same industry could undermine the credibility of the entire real estate crowdfunding sector. This aspect also reflects Creal's desire to contribute to the development of the industry and society.

## 4. Real Estate Crowdfunding "CREAL"

### 1 ) The Real Estate Crowdfunding Market is Growing Significantly

**Enabling Small-Scale Online Investments in Individual Properties**

Real estate crowdfunding is a system in which funds are raised online from a large number of investors for specific real estate properties and professional operators like Creal manage these funds to pay dividends to investors. The minimum investment amount is typically a small sum, such as ¥10,000 or ¥100,000; in the case of Creal, investments start at ¥10,000. The real estate assets available for investment include residential properties (such as condominiums), hotels, offices, commercial facilities and healthcare facilities. Funds are generally established for individual properties, with details such as the investment period and expected yield provided. Popular properties may reach their funding target within a few dozen minutes of the offering opening. Investors review the details of each property and the fund's terms disclosed by the operator to make their investment decisions.

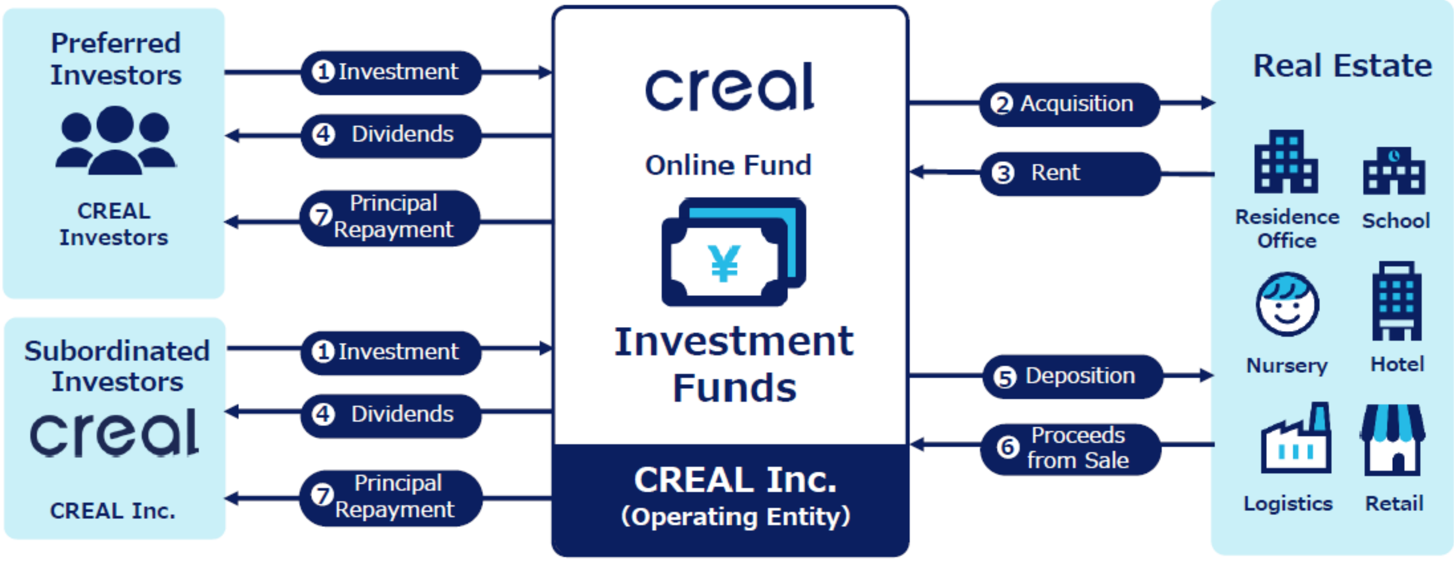
**The Level of Risk Varies Depending on the Balance Between Both Income & Capital Gains**

In real estate crowdfunding, an expected yield is set in advance, which consists of income gains and capital gains. Generally, funds that rely primarily on income gains, such as rent, offer relatively lower returns to investors but also carry lower risk. Conversely, funds with a higher proportion of capital gains tend to offer higher returns to investors, but also carry higher risk. Many "CREAL" funds focus on income gains while also including capital gains, with most projected yields falling within the 4% to 6% range. For real estate crowdfunding operators, revenue is generated by paying dividends to investors, as well as through fees related to property acquisition and fund formation, a portion of rental income, transaction fees and a portion of capital gains from sales.

**The Investment Period for "CREAL" is 2 to 3 Years**

In the case of "CREAL", the investment period for most of its existing funds falls within the 2 to 3-year range. Since launching its service in 2018, the cumulative number of investors as of FY3/26 has reached 138,000. Cumulative funds raised (GMV) has expanded to ¥104.7 billion and never incurred a loss of principal. GMV stands for Gross Merchandise Value and refers to the total amount of funds raised for fund formation in the Creal business.

**Figure 7. How the Real Estate Crowdfunding Platform “CREAL” Works**




Source: Company Materials.

**Act on Specified Joint Real Estate Ventures (FTK)**

The law regulating real estate crowdfunding is the Act on Specified Joint Real Estate Ventures (“FTK”), which falls under the jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism and was enacted in 1994. It was enacted to prevent the widespread losses suffered by investors following the collapse of the bubble economy in the 1980s, during which many real estate fractional ownership products were sold. Under FTK, only licensed operators may conduct business. They are required to issue documents providing detailed explanations of the properties and associated risks, manage funds collected from investors separately from the operator’s own capital, and must submit regular reports to the government and undergo audits.

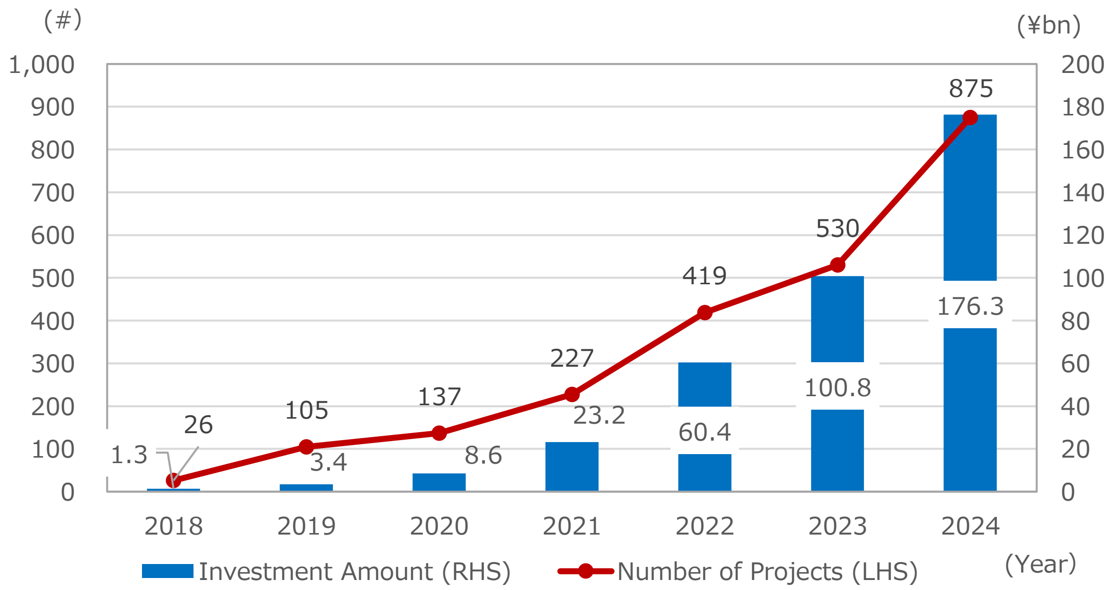
**Real Estate Crowdfunding Expanded Rapidly in 2017 When Online Contracts Became Possible**

The real estate crowdfunding market took off in December 2017, when amendments to the FTK came into effect. Previously, companies were required to provide documents to investors in hard copy; however, these amendments made it possible to provide documents and execute contracts online. However, since digitization was already well underway in the financial industry and it was widely anticipated that real estate investment would follow suit, it appears that President Yokota had been preparing for the real estate crowdfunding business even before the amendments took effect. As a result, “CREAL” obtained its license as early as October 2018 and launched its service in November. This demonstrates how quickly the business was launched. As will be discussed later, numerous real estate crowdfunding operators have emerged since then, each with its own characteristics, but “CREAL” is a frontrunner in terms of track record and reliability.

### Real Estate Investment Becomes Accessible to Individuals

According to data from the Ministry of Land, Infrastructure, Transport and Tourism, the amount of investment in new real estate crowdfunding projects has expanded rapidly up to the present, reaching¥176.3 billion FY3/24. Since "CREAL's" gross merchandise value (GMV) for that fiscal year was ¥25.6 billion Company's market share is calculated to be 14.5%. This growth can be attributed to factors such as the "From Savings to Investment" initiative promoted under the Kishida administration at the time, as well as the growing interest in alternative investments - such as real estate - as a complement to stocks and bonds amid years of low interest rates. Historically, real estate investment was not a common choice for individual investors due to the large transaction amounts per deal and the cumbersome procedures involved. However, with the advent of crowdfunding, which allows for small-scale investments, real estate is becoming more accessible to individuals.

**Figure 8. New Real Estate Crowdfunding Projects under the SJREV Act**




Source: Company Data. Compiled by Strategy Advisors.

## 2) Category-Specific License under the Act on Specified Joint Real Estate Ventures

Under the FTK, permits are granted to businesses in the following categories.

**FTK1 & 2 Operators**

FTK1 operators acquire and manage real estate under a specific real estate joint venture agreement and distribute the resulting profits to investors. FTK1 operators handle the operation and management of the real estate and investors receive dividends proportional to their investment amount. FTK2 operators conduct marketing and fundraising activities for investors. Additionally, when contracts are concluded, they act as agents or intermediaries between FTK1 operators and investors. Major real estate crowdfunding platform operators often hold both FTK1 & 2 licenses as a set.

**FTK3 & 4 Operators**

FTK3 operators conduct transaction-related operations, such as real estate management and sales, under commission from special-purpose entities (SPCs). The Type 3 license is required to implement so-called bankruptcy isolation schemes. Under these schemes, real estate is held by an SPC, thereby separating it from the operator's balance sheet. Borrowings from financial institutions are primarily non-recourse loans based on the evaluation of the project itself, rather than the operator's creditworthiness. Even if the operator were to go bankrupt, the SPC would remain intact, so this does not pose a risk to investors. FTK4 operators engage in marketing and fundraising between the SPC and investors, or act as agents or intermediaries in the conclusion of contracts. This license is typically obtained in conjunction with the Type 3 license.

**The Bar for Obtaining FTK3 & 4 Operator Licenses is High**

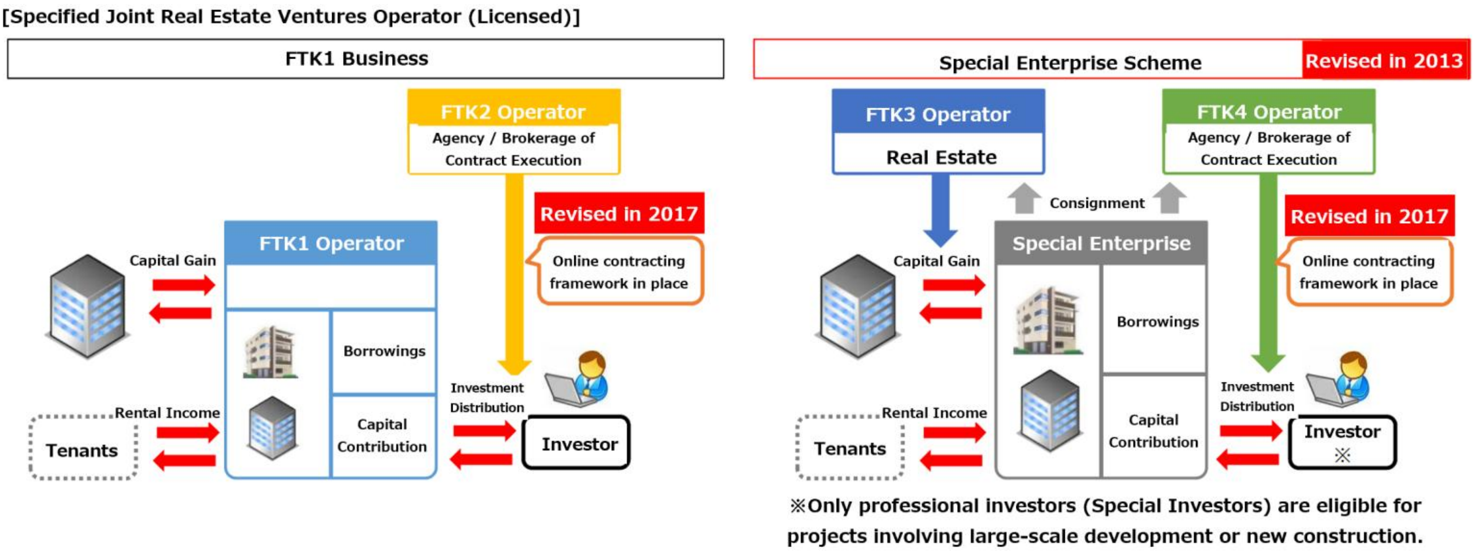
Since FTK 3 & 4 operator licenses are jointly supervised by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Financial Services Agency (FSA), obtaining them requires meeting numerous requirements, including a solid financial foundation, staff with specialized qualifications and experience, the establishment of a bankruptcy isolation framework and the establishment of a compliance framework, making the bar very high. Among companies operating real estate crowdfunding platforms, aside from Creal, the list is limited to major developers such as TOSEI (TSE Prime 8923) and Anabuki Kosan (TSE Standard 8928), as well as LEVECHY (unlisted), which launched real estate crowdfunding under FTK 3 & 4 licenses. Additionally, GA Technologies (TSE Growth 3491) has announced its entry into real estate crowdfunding by making SPC Securities - which holds licenses as both a FTK 3&4 operator and a FTK1 Financial Instruments Business Operator - a wholly owned subsidiary. As evidenced by the fact that even Creal, a pioneer in real estate crowdfunding with a strong reputation, took time to obtain its license and was finally approved in June 2025, it can be inferred that the hurdles are high for other companies.

**The Benefits of Being a FTK 3 & 4 Operator Are Significant**

The greatest advantage of being an FTK 3 & 4 operator is the ability to establish a special-purpose company (SPC) as a special-status entity to hold properties. For the operator, this allows assets to be separated from its own balance sheet, enabling a more streamlined balance sheet and leading to a higher equity ratio. Furthermore, operators can secure non-recourse loans from financial institutions for properties and projects held by the SPC.

Since these loans are isolated from the operator's creditworthiness (bankruptcy isolation), this enables the handling of large-scale properties. Additionally, since borrowing costs from banks and other lenders are generally lower than the expected rate of return on investment, leveraging this structure allows operators to offer products with higher investment yields to investors. The potential for higher expected returns and bankruptcy isolation represent significant benefits for investors.

**Figure 9. Specified Joint Real Estate Venture (SJREV) Scheme**




Source: Ministry of Land, Infrastructure, Transport and Tourism.

**Figure 10. Differences Between FTK 1 & 2 Operator and a FTK 3 & 4 Operator**

| | FTK 1 & 2 | FTK 3 & 4 |
|---|---|---|
| Ownership | FTK1 Business Operator | Special Purpose Company (SPC) |
| Fund Formation / Liquidation | Relatively simple to establish and liquidate | More complex to establish and liquidate (due to the need to set up an SPC) |
| Accounting | On-balance sheet | Off-balance sheet |
| Bankruptcy Remoteness | None | Available |
| Institutional Investor Participation | Generally not eligible for institutional investment | Capable of attracting substantial institutional investment |
| (Larger Fund Size) | (making large-scale fundraising difficult) | (allowing larger fund sizes) |
| Use of Financial Institution Financing (Leverage Effect) | Generally not eligible for non-recourse loans* *Corporate loans may be available in some cases, but lender credit assessment focuses on the operator's creditworthiness. | Non-recourse financing available (Leverage can enhance investor returns) |

Source: Company Data. Compiled by Strategy Advisors.

## 3) Competitive Landscape of Real Estate Crowdfunding & Creal's Position

**Many Crowdfunding Operators Have Emerged**

Following the amendment of the Act on Specified Joint Real Estate Ventures in December 2017, which clarified guidelines for electronic transactions and enabled online contract execution, companies engaged in real estate crowdfunding began to emerge. Creal (then known as Bridge C) was the first to launch "CREAL". Since then, numerous real estate crowdfunding platforms have been established. Today, the Real Estate Crowdfunding Association's chaos map lists 78 services, though the actual number of funds exceeds this figure.

**Figure 11. Real Estate Crowdfunding Industry Landscape Map (11th Edition)**


Source: Real Estate Crowdfunding Association for Japan.

**"CREAL" is Amongst the Largest**

As of March 2026, "CREAL" had a cumulative gross merchandise value (GMV) of ¥104.7 billion and a total of 138,000 investors. While this is only a reference figure - as criteria are presumed to vary by company - it ranks second in cumulative GMV, trailing only "COZUCHI". In real estate crowdfunding, while all funds are regulated as small-scale real estate investments under the FTK, in practice, each operator has distinct business policies and property portfolios. Consequently, there are differences in expected returns, risk profiles, investment periods, asset classes, subordinated capital ratios and the type of license granted under the FTK. The main differences between operators are outlined below.

**Risk Profile**

First is the risk profile. While some funds focused on income gains, such as rent, may offer expected returns of around 3%, development-type funds that anticipate significant value appreciation may offer expected returns exceeding 10%, primarily driven by capital gains. Naturally, funds with high expected returns based on capital gains carry a relatively higher risk of falling short of expectations or suffering a loss of principal, depending on market conditions at the time of sale. Risk and return are fundamentally positively correlated.

**Investment Period**

Second is the difference in investment duration. Durations range from as short as about 3-months to as long as 5-years. Since real estate crowdfunding often cannot be terminated early, this is an important factor for investors to consider.

**Asset Class**

Third, there are differences in asset classes. While "CREAL" handles properties across a wide range of sectors - including residential, hotel, office and logistics - there are also funds that specialize in pre-owned condominiums or those with a high proportion of overseas properties.

**Permit under the FTK Act**

Fourth, there are differences in the types of licenses granted under the FTK Act. "CREAL" obtained FTK 3 & 4 licenses in June 2025. Currently, very few other companies hold these licenses. Since FTK 3 & 4 licenses are granted only to operators with a proven track record and robust management systems, this also translates to a difference in credibility. At the same time, for investors, this offers significant benefits, such as eliminating the risk of bankruptcy and enabling them to enhance returns through the use of leverage.

**Figure 12. Key Features of Major Real Estate Crowdfunding Platforms**

| | **CREAL** | COZUCHI | Rimawari-kun | Joint α | Rimple |
|---|---|---|---|---|---|
| Operator<br><br>(Relationship with Listed Company) | **Creal Inc.**<br><br>**(2998 TSE Growth)** | TRIAD / LAETOLI | SYLA Co., Ltd.<br><br>Subsidiary of SYLA Holdings (8887 TSE Standard) | Anabuki Kosan<br><br>(8928 TSE Standard) | Property Agent Inc.<br>Subsidiary of MIGALO Holdings (5535 TSE Prime) |
| SJREV License Type | **FTK1,2,3,4** | FTK1&2 | FTK1&2 | FTK1,2,3,4 | FTK1&2 |
| Target Yield | **4–6%** | Avg. 7% (4–10%)<br>(as of Apr. 2026) | 4.4%<br><br>(as of Apr. 2024) | 2.5-3.5% | 2.7-5.0% |
| Minimum<br><br>Investment | **2–3 years**<br><br>**JPY10,000** | 9 months–3 years<br>JPY10,000 | 3 months–1 year<br><br>JPY10,000 | 6 months–1 year<br><br>JPY100,000 | Mainly around 6 months<br>JPY10,000 |
| Property Characteristics | **Diversified portfolio including residential, office, and hotels** | Redevelopment projects and properties requiring rights adjustments | Mainly residential properties with income-gain focus | Mainly residential properties with income-gain focus | Condominium units in the Tokyo metropolitan area |
| GMV (¥bn)<br><br>(¥bn) | **104.7**<br><br>**(as of Mar. 2026)** | 136.5<br><br>(as of Apr. 2026) | 12.5<br><br>(2025) | 13.2 | NA |
| # of Investors ('000) | **138.5**<br><br>**(as of Mar. 2026)** | Over 90<br><br>(as of Aug. 2025) | 280<br><br>(2025) | NA | NA |
| # of Funds | **143**<br><br>**(as of May 2026)** | 145<br><br>(as of Apr. 2026) | 124<br><br>(2025) | 44<br><br>(as of May 2026) | 121<br><br>(as of May 2026) |
| Subordinated Investment Ratio | **0-5%** | Depends on property | 5-10% | 10-15% | 30% |

Note: For "CREAL," the cumulative fundraising amount under FTK 3 & 4 scheme is the sum of preferred equity and non-recourse loans. For other funds, the cumulative fundraising amount refers only to preferred equity. Since disclosure definitions are presumed to vary by company, comparisons of cumulative fundraising amounts across companies are for reference only.

Source: Strategy Advisors. Based on Several Company Websites, Financial Statements & Materials from the Japan Real Estate Crowdfunding Association.

### "CREAL" is a Leader in Real Estate Crowdfunding from a Comprehensive Perspective

"CREAL" can be said to be a leader in the industry from a comprehensive perspective.

1) First, consider its track record. Since launching its service in 2018, it has never suffered a loss of principal and ranks among the top in terms of both the number of investors and cumulative funding raised.

2) Disclosure of property information is exceptionally thorough. Since real estate crowdfunding involves investing in individual properties, the key factor is how detailed and accurate the information provided to investors is. Creal's property listings offer highly detailed information, including video introductions, comments from account managers and trends in the local real estate market.

3) Creal is one of the few publicly listed companies among those specializing in real estate crowdfunding and because it discloses detailed information about the company itself, it inspires a high level of trust. This trust is backed by solid figures, such as steady earnings and a healthy balance sheet.

4) By leveraging digital transformation (DX), the company is able to acquire properties on favorable terms. Furthermore, it employs personnel capable of enhancing property value through measures such as improving occupancy rates for condominiums and hotels, as well as adjusting rent and accommodation rates. Consequently, the company handles reliable properties that offer a high probability of generating returns.

5) The company has obtained permits under FTK 3 & 4, offering investors significant benefits such as protection against bankruptcy and higher yields.

**High Repeat Investor Rate**

Thanks to these advantages, both the funding raised by "CREAL" and the number of investors have been steadily increasing. Furthermore, because we have earned the trust of their investors, the repeat investment rate (the percentage of investors who have invested within the past year out of the total investment amount for the current period) has consistently remained around 90% over the years. It is believed that many investors continue to invest in "CREAL" repeatedly based on their positive experiences.

**President Yokota also Serves as a Representative on the Industry Association**

President Yokota of Creal serves as the representative director of the Real Estate Crowdfunding Association, the industry’s sole trade association. Given that Creal also manages the association’s secretariat, the company is considered to have a very strong presence within the industry as a leader.

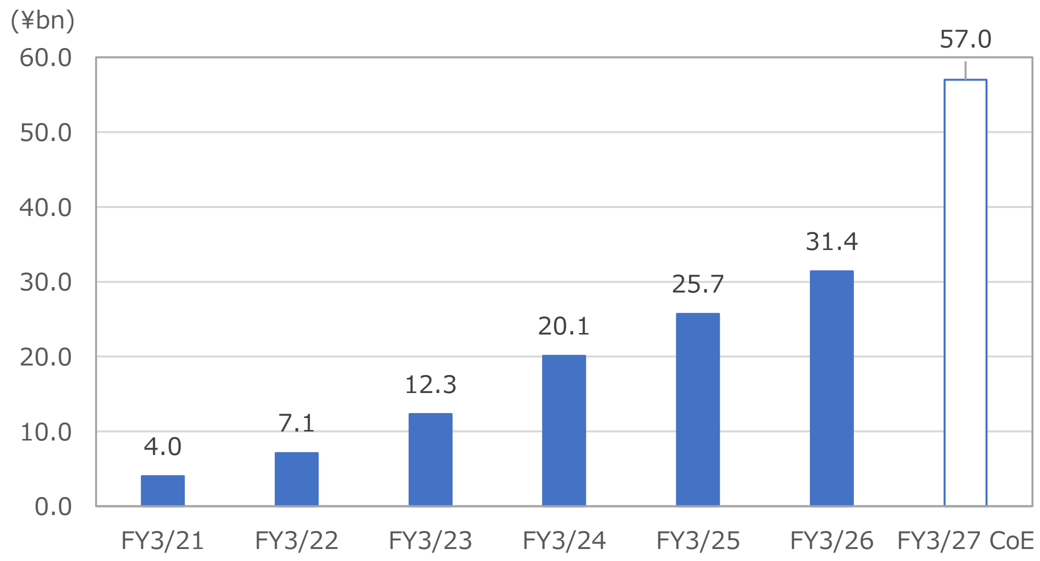
**Issues that Undermine Investor Trust have Arisen Within the Industry**

Meanwhile, in the real estate crowdfunding industry, Yamatake Estate (a subsidiary of REVOLUTION (TSE Standard: 8894)) received administrative sanctions in February 2026 for violations such as failing to comply with the obligation to segregate funds (funds raised for a specific fund must not be used for other purposes). Looking back, there was also the case of Daimler Corporation filing for bankruptcy in July 2025. Both incidents have resulted in losses and a loss of trust among investors.

**Ministry of Land, Infrastructure, Transport & Tourism is Aiming to Enhance Information Disclosure**

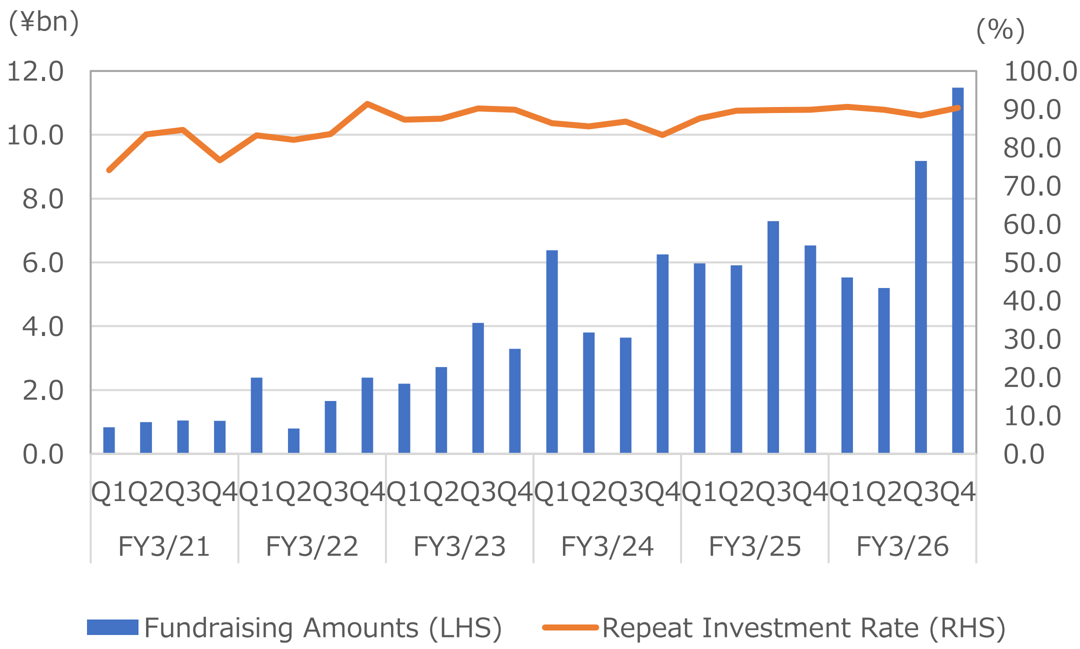
There have been concerns that investor protection in real estate crowdfunding - which is regulated by the FTK under the jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) - is insufficient compared to securities and other financial instruments regulated by the Financial Instruments and Exchange Act under the jurisdiction of the Financial Services Agency (FSA). Consequently, it appears that the MLIT is considering requiring detailed disclosure of information to support projected rates of return. Such regulatory tightening is likely to enhance the credibility of the industry as a whole. Furthermore, this will likely benefit real estate crowdfunding platforms, such as “CREAL”, that are already making progress in information disclosure. The Real Estate Crowdfunding Association is working to foster trust in the industry by establishing self-regulatory rules to enhance information disclosure and management systems.

**Figure 13. Annual Fundraising Amount (GMV) of "CREAL"**



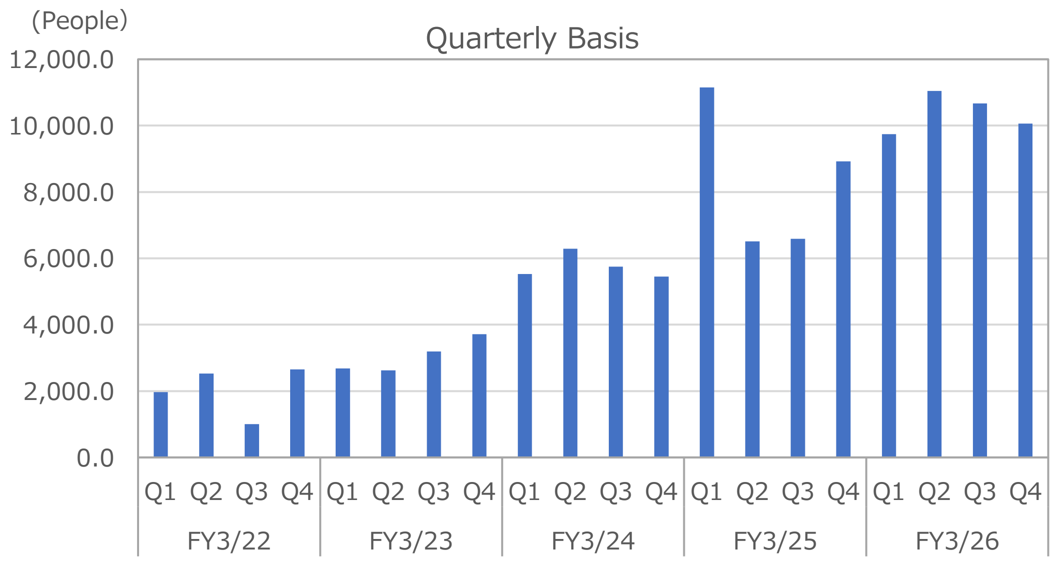

Source: Company Materials. Compiled by Strategy Advisors.

**Figure 14. "CREAL" Quarterly Fundraising Amounts & Repeat Investment Rate**




Note: The repeat investment rate is the percentage of the total investment amount for the relevant quarter accounted for by investors who have made investments within the past year.
Source: Company Data. Compiled by Strategy Advisors.

**Figure 15. Trends in the Number of Investors Acquired by "CREAL"**




Source: Company Data. Compiled by Strategy Advisors.

### 4 ) The "CREAL" Business: A Shift in Phases with FTK 3 & 4

**Phased-In: FTK 3 & 4 Are Now Fully Operational**

In June 2025, Creal became a FTK 3 & 4 operator under the FTK Act, and in September, it began managing funds under the FTK 3 & 4 schemes. As of the end of May 2026, the company had established and was managing 10 funds (comprising 15 properties). The average amount raised per fund (including borrowings from financial institutions) for these 10 funds was ¥2.73 billion. Given that the average fundraising amount for the FTK 1 & 2 in FY3/25 and FY3/26 was ¥1.17 billion, the scale of operations per fund has increased significantly. Under Creal's FTK 3 & 4, the SPCs secure approximately 50% of their funding through loans from financial institutions, and the expected return for crowdfunding investors is 5.5% to 6.0%, which is higher than the approximately 5% offered under FTK 1 & 2.

**Driving Growth**

As the size per project increases in this way, participation by institutional investors is expected to grow and the options for acquiring properties in the future are likely to expand.

**Timely Revenue Recognition**

Additionally, the timing of revenue recognition for accounting purposes will be accelerated. Under FTK 1 & 2 scheme, acquisition, interim and sale fees could not be recognized until the time of sale. However, since the SPCs in FTK 3 & 4 scheme are off-balance-sheet entities separate from the project operators, Creal will be able to recognize these as revenue at the respective points of acquisition, during the project period and also at the time of sale.

**Improved Efficiency Through Larger Fund Sizes**

On the other hand, tasks such as forming SPCs and arranging bank loans are time-consuming and labor-intensive and are considered less efficient compared to the FTK 1 & 2 schemes. Furthermore, if property prices have risen at the time of sale, under the Scheme 1 and Scheme 2 structures, the operator providing subordinated capital may be able to capture all profits exceeding the expected yield. However, under Creal's current Scheme 3 and Scheme 4 structures, the success fee is generally set at 20% of the capital gains realized upon the sale of the property, meaning there is a cap on the share received by Creal, the operator. However, even considering these disadvantages, overall profitability is expected to improve significantly due to efficiencies resulting from larger fund sizes per project and the dilution of fixed costs per project. Furthermore, larger property sizes offer the advantage of increasing the volume of recurring income generated at the time of formation and during the investment period.

**Improved Balance Sheet**

The balance sheet will also improve as a result of the expansion of FTK 3 & 4 scheme. In the balance sheet as of FY3/25, prior to the launch of FTK 3 & 4, assets related to crowdfunding amounted to ¥39.9 billion and liabilities related to crowdfunding amounted to ¥37.6 billion out of total assets of ¥51.1 billion. Consequently, the equity ratio was low at 10.2%. On the other hand, with the launch of FTK 3 & 4 scheme, by FY3/26, assets related to crowdfunding had decreased significantly to ¥20.9 billion, and related liabilities had decreased to ¥19.9 billion. Combined with the effect of a ¥4.3 billion capital increase through a third-party allotment, the equity ratio jumped to 25.5%. Even without the capital increase, it is estimated that the equity ratio would have risen from 10.2% to 17.9% over the 9-month period due to the scheme change and the increase in retained earnings.

**Positive Impact on Future Growth**

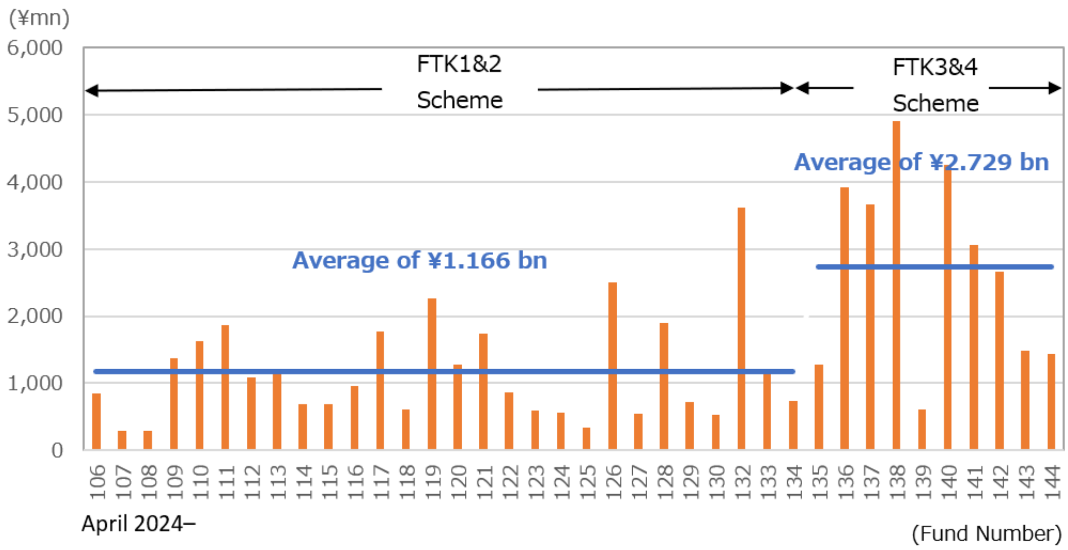
Going forward, as the FTK 3 & 4 scheme becomes the main focus, the company's balance sheet is expected to improve further. An improved equity ratio will make it easier to secure bank loans on favorable terms, for example, when the company establishes a bridge fund as a temporary stop-gap measure. Furthermore, although the FTK 3 & 4 scheme is isolated from the operator's bankruptcy, the reliability of the operator's balance sheet will be an advantage in attracting investor capital. Furthermore, even if the company takes on debt to expand its business operations in the future, the shift toward FTK 3 & 4 scheme is expected to allow it to maintain a sound financial structure, which should also contribute to the company's growth potential.

**Figure 16. Overview of the 10 Most Recent "CREAL" Funds**

| Property Name | Asset Type | Amount Raised | -Fundraising Target | -Loan Amount | Expected Yield | -Income Gain | -Capital Gain | Expected Operational Period |
|---|---|---|---|---|---|---|---|---|
| Abiko Healthcare | Healthcare | 1,278 | 638 | 640 | 6.0% | 3.6% | 2.4% | 3 years |
| Gotanda Office | Office | 3,920 | 1,890 | 2,030 | 6.5% | 3.4% | 3.1% | 3 years |
| Hotel in Akasaka | Hotel | 3,663 | 1,823 | 1,840 | 6.0% | 3.4% | 2.6% | 3 years |
| Osaka Residence | Residence | 4,910 | 2,410 | 2,500 | 6.0% | 3.9% | 2.1% | 3 years |
| Tokyo Residence Ⅰ | Residence | 602 | 602 | 0 | 5.0% | 2.3% | 2.7% | 2 years |
| Hanzomon Office | Office | 4,257 | 2,117 | 2,140 | 5.9% | 0.2% | 5.7% | 3 years |
| Hotel in Kamakura | Hotel | 3,067 | 1,467 | 1,600 | 6.0% | 5.1% | 0.9% | 3 years |
| Tokyo Residence Ⅱ | Residence | 2,665 | 1,335 | 1,330 | 5.9% | 1.7% | 4.2% | 3 years |
| Tokyo Residence Ⅲ | Residence | 1,487 | 1,487 | 0 | 5.5% | 2.4% | 2.1% | 2 years |
| Bunkyo Sengoku Residence | Residence | 1,443 | 1,443 | 0 | 5.3% | 2.5% | 2.8% | 2 years |

Source: Strategy Advisors. Based on Data from the "CREAL" Website, etc.

**Figure 17. Trends in Average Fundraising Amount per Fund for "CREAL"**




Note: The amount raised under FTK 3 & 4 includes loans. Fund No. 135 adopted FTK 3 & 4.
Source: Company Materials. Compiled by Strategy Advisors.

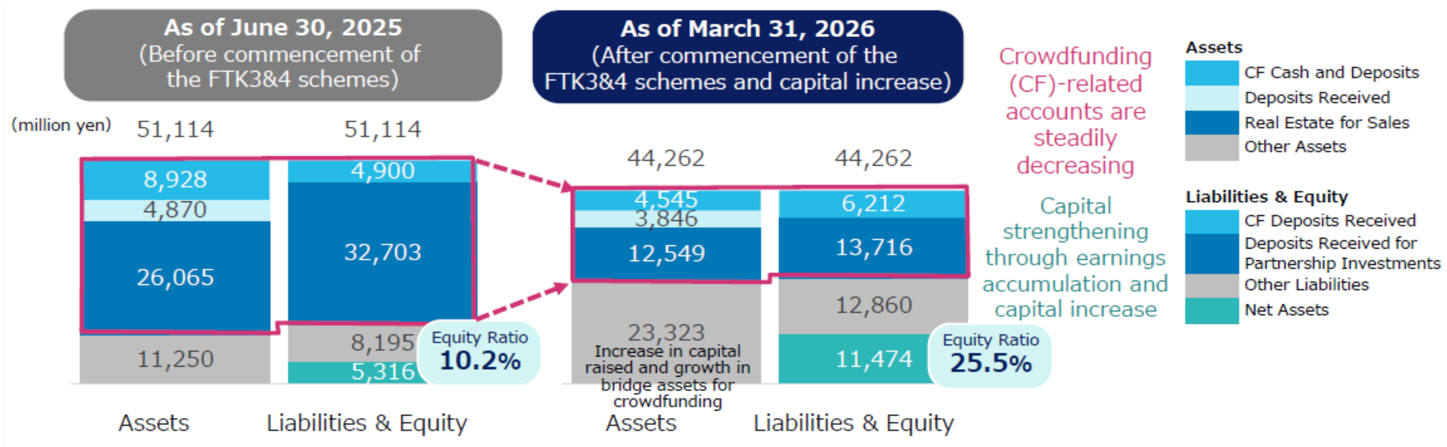
**Figure 18. Changes in Revenue Recognition Under FTK 3 & 4**

Changes in Revenue Recognition under FTK3&4

| | | FTK1&2 (Current) | | FTK3&4 (Newly Stared) | |
|---|---|---|---|---|---|
| | | Profit Rate (vs Property Transaction Price) | Revenue Recognition Timing | Profit Rate (vs Property Transaction Price) | Revenue Recognition Timing |
| Fixed Profit | Acquisition | 3% | Upon Sale | 3% | At Fund Arrangement |
| | Operation | 1% | Upon Sale | 0.5% | During Operation |
| | Disposition | 1% | Upon Sale | 1% | Upon Sale |
| Variable Profit | Subordinated Profit | 3-5%*1 | Upon Sale | – | – |
| | Success Fee | – | – | A fixed percentage of property sale profits | Upon Sale |
| | Subordinated Investment | 5% | | Generally None (flexibly respond by project types) | |

Source: Company Materials.

**Figure 19. Improvement in the Balance Sheet Following the Introduction of FTK 3 & 4**




Source: Company Materials.

## 5. "CREAL PRO"

**A Private Placement Fund Targeting Institutional Investors & High-Net-Worth (HNW) Individuals**

"CREAL PRO" is a real estate fund business targeting institutional investors and high-net-worth individuals. The company raises investments starting at ¥100 million from funds built on private investors funds. By sector, these include hotels, residential properties, and healthcare facilities; however, collaboration with hotel management operations is expanding and the number of hotel investments is expected to increase in the future.

**Revenue is Primarily Derived from Fees Such as Transaction Fees & Ongoing Management Fees**

"CREAL PRO" has the following 3 revenue streams: First, transaction revenues. This consists of fees associated with the sale and purchase of properties, including brokerage commissions between the property seller and buyer (the private fund), upfront fees incurred during fund formation (such as property sourcing, due diligence, scheme design and financial institution arrangements), and exit fees upon property sale (such as success fees). Since these are fee-based revenues and sales are reported on a net basis, the majority of these amounts constitute net profit.

Secondly, there is income recognized during the period. When a fund entrusts Creal with asset management, Creal receives regular compensation in the form of management fees. Additionally, when Creal participates in an investment as a fund partner, it can generate rental income from tenants.

**In Cases Where Capital Gains are Realized**

Thirdly, there is revenue from property sales. Compared to the first two categories, this occurs only for a limited number of properties. There are instances where Creal owns properties on its own account, such as when it owns a property to enhance its value or when it establishes a short-term bridge fund with the intention of transferring it to a private fund. In such cases, a capital gain is realized when the property is sold to the fund.

**Long-Term, Large-Scale Development Projects Are Also Included**

Since “CREAL PRO” is a private fund, disclosures regarding specific properties are limited. The financial results presentation materials for FY3/26 introduced the Kyoto Higashi Kujo Hotel Development Project. Construction on this project began in April 2026, and the fund has secured Matsuoka Co., Ltd., Showa Lease, and the Chugoku Bank as senior lenders. Creal is generating asset management revenue and capital gains and plans to record hotel operating revenue once operations commence.

**Prospects for an Increase in Hotel Properties**

Figure 20 shows the pipeline for FY3/27. It includes several hotel development projects, some of which involve investments well in excess of ¥10 billion per project. As discussed later, synergies with “CREAL HOTELS” are expected to grow.

**Figure 20. "CREAL PRO" Project Pipeline (As of the end of March 2026)**

| No | Location | Asset Type | PJ Type | Expected AUM (million yen) | Target Schedule |
|---|---|---|---|---|---|
| **FY2027 Pipeline** | | | | | |
| 1 | Tokyo | Residence | AM | Approx. 992 | April. 2026 Completed |
| 2 | Tokyo | Residence | AM | Approx. 6,900 | June. 2026 |
| 3 | Osaka | Hotel | AM | Approx. 2,450 | 1H FY2027 |
| 4 | Okinawa | Hotel (Development) | AM | Approx. 18,800 | 1H FY2027 |
| 5 | Tokyo | Residence | AM | Approx. 3,980 | 2H FY2027 |
| 6 | Okinawa | Hotel (Development) | AM | Approx. 32,000 | 2H FY2027 |
| 7 | Tokyo | Hotel | AM etc. | Approx. 3,533 | 2H FY2027 |

Note: For development projects, the estimated total project cost is shown.
Source: Company Materials.

## 6. "CREAL PB"

**Sale of Physical Real Estate, Such as Condominiums, to Individual Investors**

"CREAL PB" is a real estate investment management service designed for individuals with prior investment experience. Through this service, individuals own specific residential units - such as studio apartments - for investment purposes. Thanks to comprehensive digital transformation, the entire process is handled online. Post-acquisition consultations, explanations of important matters and contract signing are all conducted online. "CREAL PARTNERS" operated by the subsidiary Creal Partners, handles rental management. Investor-owners receive reports on income and expenses, tenant information and more via an online app called "CREAL CONCIERGE". Creal Partners also maintains a back-office system called "CREAL MANAGER" for managing rental operations.

**Significant Synergy with "CREAL"**

While the market for investment products such as condominium units is mature and highly competitive, the company is able to provide value-added services to owners by supporting property management through its collaboration with Creal Partners. In particular, amid the recent inflationary environment where residential rents are rising significantly, the company is actively working to increase rents.

Furthermore, in terms of attracting investors, cross-selling with “CREAL PB” is possible thanks to “CREAL’s” extensive customer base. Since “CREAL” has many repeat customers and is viewed by many as a trustworthy platform, it appears that experienced individuals who wish to own physical properties themselves often utilize “CREAL PB”. Additionally, the company leverages its relationships with financial institutions to arrange loans for investors.

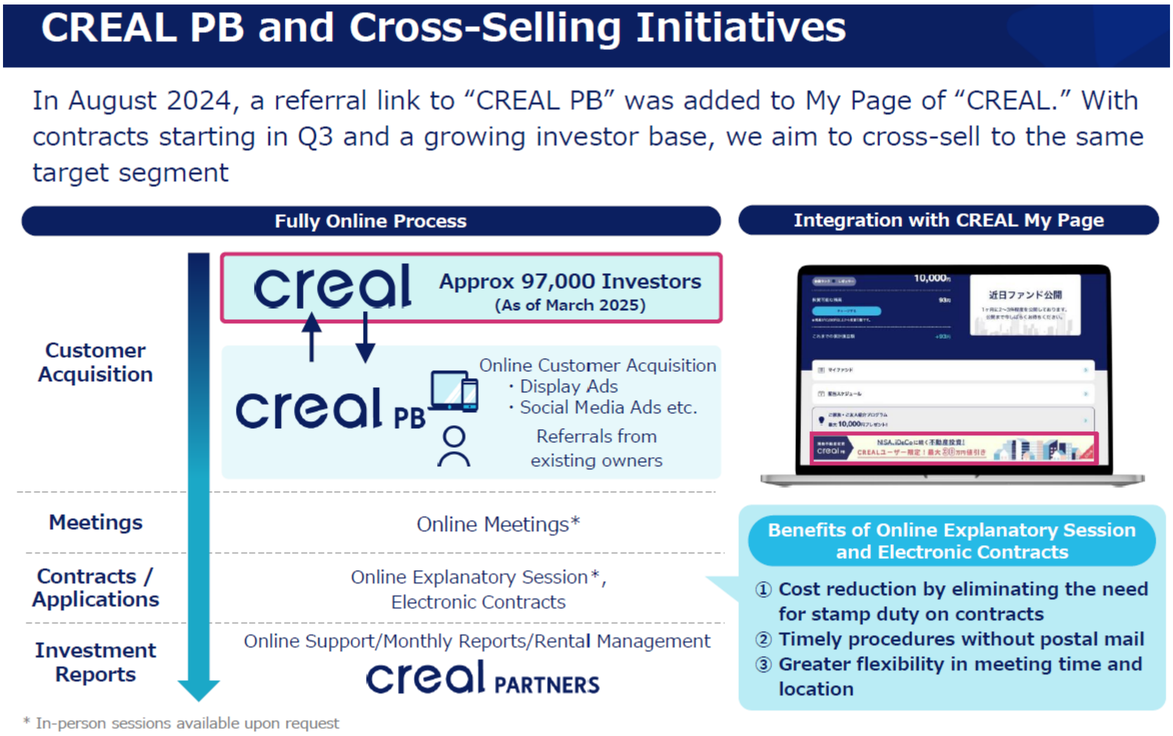
**Steady Expansion**

Although the business scale is smaller compared to "CREAL" and "CREAL PRO", it is growing steadily. For FY3/26, net sales for this business segment increased by 10.4% YoY to ¥9.14 billion profit margin improved by 1.2% YoY to 9.8%. In addition to the Tokyo metropolitan area, the company is strengthening its handling of condominium units in Osaka and Fukuoka, which is contributing to improved profitability.

**Despite Strong Competition, the Large Market Size Points to Steady Growth**

The sale of condominium units is a business undertaken by many real estate companies and the market size is enormous. According to the company, the annual market size for the used condominium market in the Tokyo metropolitan area is approximately ¥1.7 trillion, whereas Creal's market share is only 0.4%. Although competition is fierce, thanks to synergies with the real estate crowdfunding platform "CREAL", this can be considered a business with steady growth potential for the company.

**Figure 21. "CREAL PB" Business Flow**




Source: Company Materials.

## 7. "CREAL HOTELS"

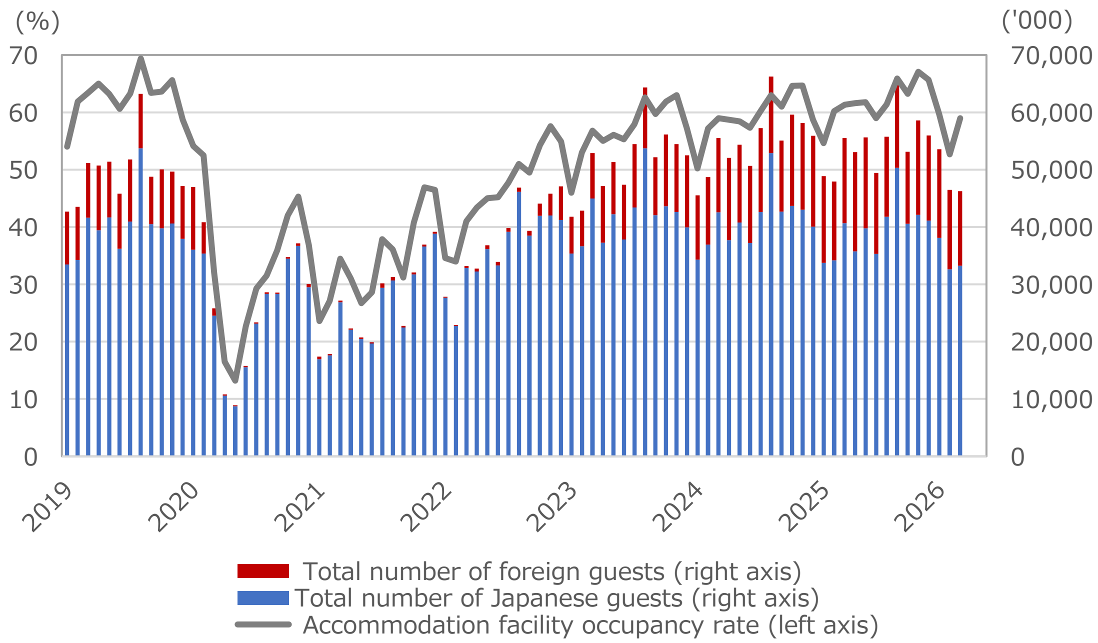
**Announced Entry into the Hotel Business in May 2024**

In May 2024, Creal announced its entry into the hotel management business. In July of the same year the firm established a subsidiary, Creal Hotels. This move was driven by strong hotel demand, particularly from inbound tourists; and the expectation of market growth, as well as the potential for synergies with "CREAL" and "CREAL PRO". While the real estate crowdfunding platform "CREAL" and the private fund business "CREAL PRO" had already handled many hotel properties, "CREAL HOTELS" will now manage operations directly. Currently, development-type projects are also on the rise, creating an integrated business model that spans the entire value chain from upstream to downstream.

**Focusing Primarily on Apartment Hotels and Villas**

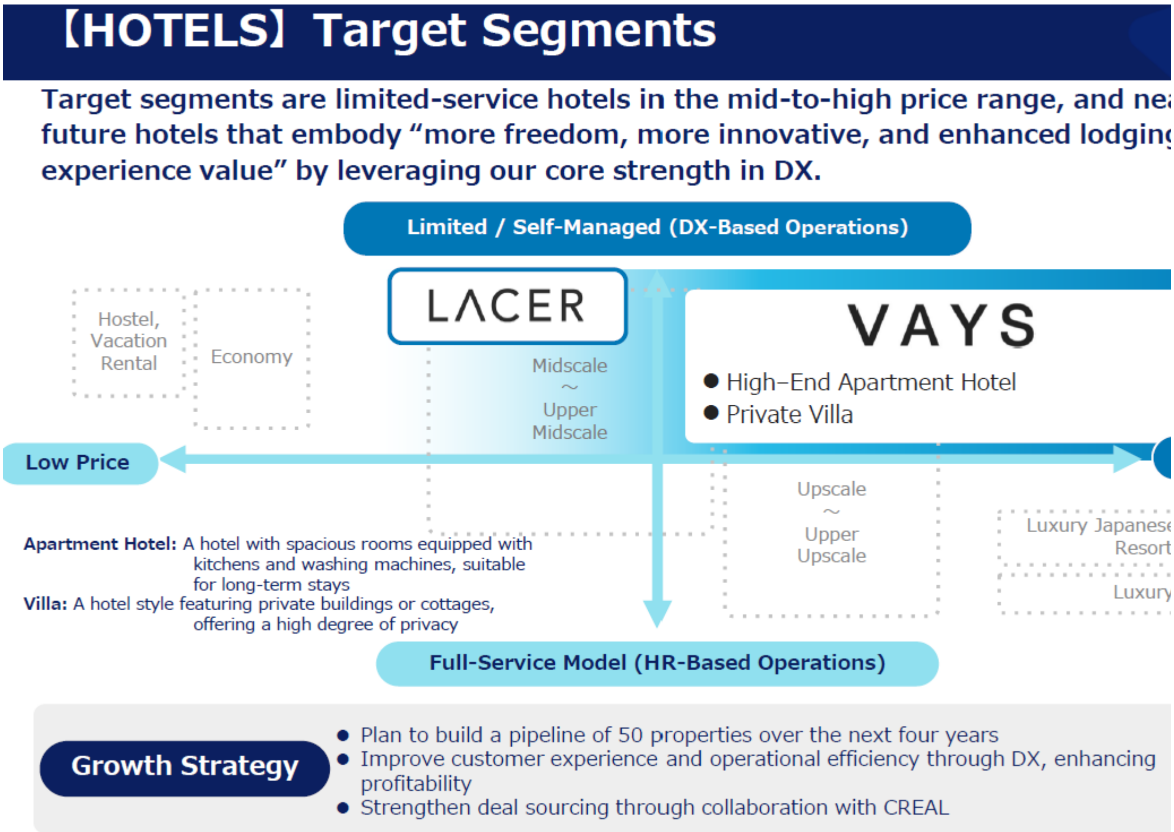
The target segments include apartment hotels (which allow groups to stay for extended periods) and villas (which prioritize privacy in standalone buildings), both of which are in high demand among international travelers. The company leverages its expertise in digital transformation (DX) to offer a system where check-in, check-out, and purchases can all be completed online. The company states that its concept for the hotel business is to create futuristic hotels that embody “a more free and innovative accommodation experience” within the “limited-service, mid to high-price range” segment.

**Figure 22. Number of Domestic Guests and Accommodation Facility Occupancy Rates**




Source: Strategy Advisors based on the Japan Tourism Agency’s “Survey on Accommodation Travel Statistics”

Figure 23. "CREAL HOTELS" Brand Strategy




Source: Company Materials.

**The Company's Own Brands Are "LACER" and "VAYS"**

**Became the Operator of Two "LACER" Properties in Okinawa and Rebranded Them**

First, "LACER Okinawa Naha Tomari Pier" and "LACER Okinawa Naha Miebashi" were rebranded and reopened in January 2025. Both properties were originally owned by Creal and operated by Rakuten STAY Co., Ltd., under the "Rakuten STAY" brand. With the launch of "CREAL HOTELS," operations were transferred to Creal Hotels and the brand was changed to "LACER". Value-enhancement measures were implemented, such as increasing the number of beds per room to accommodate larger groups. As a result, net sales for "LACER Okinawa Naha Tomari Pier" in 2025 increased 2.15x YoY, while net sales for "LACER Okinawa Naha Miebashi" rose by 80% YoY.

**For Properties in Osaka, The Company Handles All Aspects, Including Fund Formation, Asset Management & Operations**

Additionally, regarding the "Holiday Inn & Suites Shin-Osaka", in November 2024, we were entrusted with sub-asset management duties, while a subsidiary took over operational management. This was achieved through an arrangement by our subsidiary, Creal Asia, which facilitated an investment by an affiliate of a Singaporean ultra-high-net-worth individual. In that sense, this became the first project to consistently integrate fund management, asset management and operations. While the hotel retained its global brand name, the change in operator led to value enhancement. As a result, despite the impact of a decline in Chinese tourists, net sales in 2025 increased by 20% YoY.

**Kamakura Hotel Opens**

In May 2026, "LACER SUITES Kamakura" opened its doors. This property is currently managed under FTK 3 & 4 of the crowdfunding platform "CREAL", with the fund having raised ¥3.06 billion.

**High Profitable ¥3.06 billion**

These operating hotels appear to have established a highly profitable structure through efficiency gains driven by digital transformation (DX) and expertise in maximizing RevPAR (Revenue Per Available Room). The break-even occupancy rate is estimated to be around 30%, suggesting that the efficient management by “CREAL HOTELS” results in exceptionally high profitability.

**Factors Contributing to Value Enhancement: (1) Human Resources**

There are two main factors contributing to the value enhancement of hotels under Creal Hotels’ management. The first is human resources. In preparation for entering the hotel business, Creal recruited Keita Kurachi (Executive Officer) to serve as the person in charge. Mr. Kurachi has extensive experience in hotel operations and value enhancement, having worked for many years at companies such as Candeo Hospitality Management (which operates Candeo Hotels) and First Brothers (TSE Standard: 3454), and joined Creal in 2024. A team was formed centered around Mr. Kurachi, which is believed to have led to the rapid launch of the business.

**② Digital Transformation (DX)**

The second point is the full utilization of Creal’s strength in DX (Digital Transformation). Specifically, this involves maximizing revenue through AI and reducing labor and operational costs via DX. Self-service options actually enhance comfort for today’s guests, who prioritize cost-effectiveness and time efficiency, leading to increased demand and higher occupancy rates. Furthermore, reducing labor requirements in hotel operations helps lower costs.

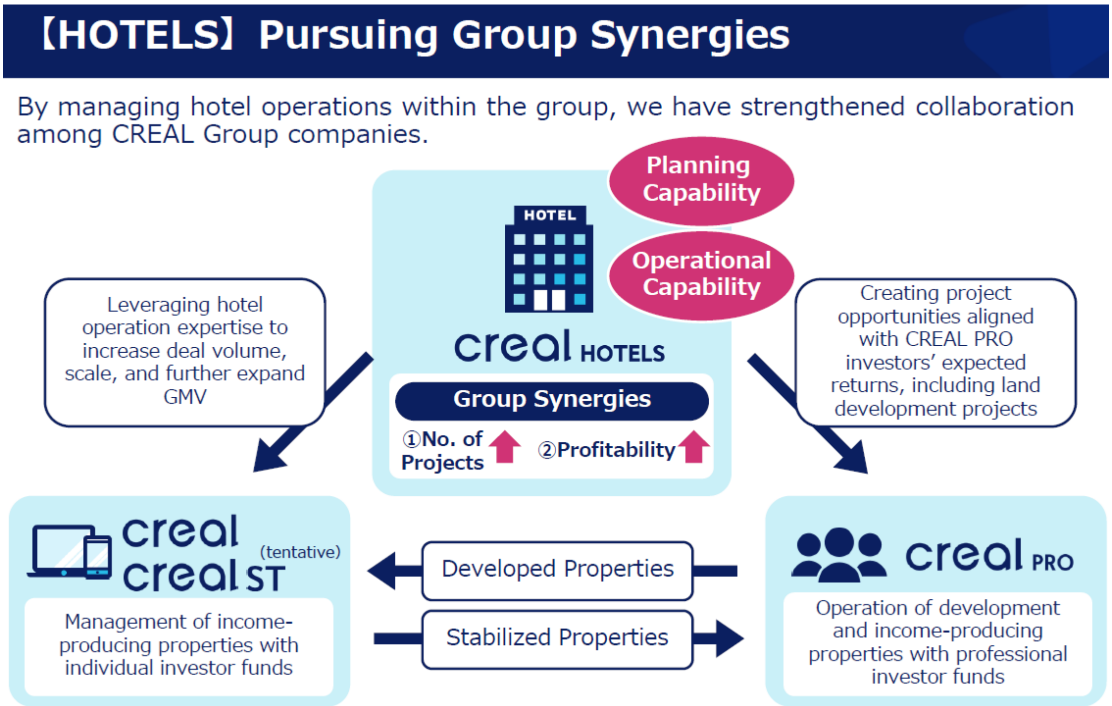
**Significant Synergy with "CREAL" & "CREAL PRO"**

One key factor in the smooth launch of the “CREAL HOTELS” business is the strong synergy with our existing businesses, “CREAL” and “CREAL PRO.” Historically, "CREAL" and "CREAL PRO" have handled many hotel properties and have consistently worked to enhance their value by improving occupancy rates and maximizing room rates. With the launch of the "CREAL HOTELS" business, operations will be brought in-house, allowing the company to capture downstream value-added opportunities and leading to an increase in stable recurring income.

**A Key Strength Lies in the Ability to Leverage Individual Investors’ Funds**

Furthermore, the number of hotel projects involving land acquisition and development is expected to increase in the future. In such cases, from a risk management perspective, it will be possible to form a private fund composed of institutional investors through “CREAL PRO” to carry out the development, sell the property to “CREAL” upon completion, and then, once the hotel is fully operational, sell it to a longer-term fund managed by “CREAL PRO”. Other companies, such as Kasumigaseki Capital (TSE Prime 3498) have also focused on the hotel business with success, and while there are similarities to the business model, Creal is distinguished by its ability to leverage individual investors. By utilizing the "CREAL PRO" and "CREAL" FTK 3 & 4 schemes, the company can promote hotel development and operations without heavily relying on its own balance sheet.

**Figure 24. Synergies between the Hotel Business, "CREAL" & "CREAL PRO"**




Source: Company Materials.

### Aiming for Rapid Expansion of the Hotel Business

Currently, in addition to the 4 hotels in operation mentioned above, Creal has a pipeline of 10 properties. The company plans to build a pipeline of 50 properties over the next 4 years. The majority of these are expected to be under the new "VAYS" brand. The shortage of hotels, particularly for inbound tourists, is expected to continue. On the other hand, as many real estate companies are entering the hotel business, competition is expected to intensify to some extent. The company views the hotel business as a race against time over the next one to two years and plans to aggressively acquire properties. Since this is a race against time, the company will likely utilize its balance sheet to a certain extent to move projects forward.

**Figure 25. List of Creal's Hotel**

| No | Project Name | Opening Date | Rooms |
|---|---|---|---|
| [Currently Operating] | | | |
| | LACER Okinawa Naha Tomari Pier | January 23,2025 | 25 |
| | LACER Okinawa Naha Miebashi | January 23,2025 | 27 |
| | Holiday Inn & Suites | October 2020 | 185 |
| | LACER SUITES Kamakura | May 2026 | 36 |
| [Pipeline] | | | |
| 1 | Ginza Hotel Project ① | April 2027 | 12 |
| 2 | Hakone Sengokuhara Project | April 2027 | 11 |
| 3 | Hatchobori Hotel Project | December 2026 | 16 |
| 4 | Ginza Hotel Project ② | January 2027 | 18 |
| 5 | Hakata Hotel Project | June 2027 | 28 |
| 6 | Shimbashi Hotel Project | April 2027 | 36 |
| 7 | Nishi-Azabu Hotel Project | August 2027 | 36 |
| 8 | Sapporo Hotel Project | September 2027 | 27 |
| 9 | Kyoto Hachijoguchi Hotel Project | September 2027 | 24 |
| 10 | Kumamoto Hotel Project | April 2028 | 154 |

Note: LACER Okinawa Naha Tomari Pier and LACER Okinawa Naha Miebashi have reopened following a rebranding, and Holiday Inn & Suites Shin-Osaka changed management companies in December 2025. LACER SUITES Kamakura has reopened following a rebranding.
Source: Company Data. Compiled by Strategy Advisors.

## 8. Plans for Next-Generation Businesses

### 1) Security Tokens

**Preparing the Real Estate Security Token "CREAL ST" (Tentative Name)**

As a new growth area, Creal is developing a next-generation real estate security token platform tentatively named "CREAL ST". A real estate security token (hereinafter "real estate ST") is a digital security issued and managed using blockchain technology, backed by real estate assets.

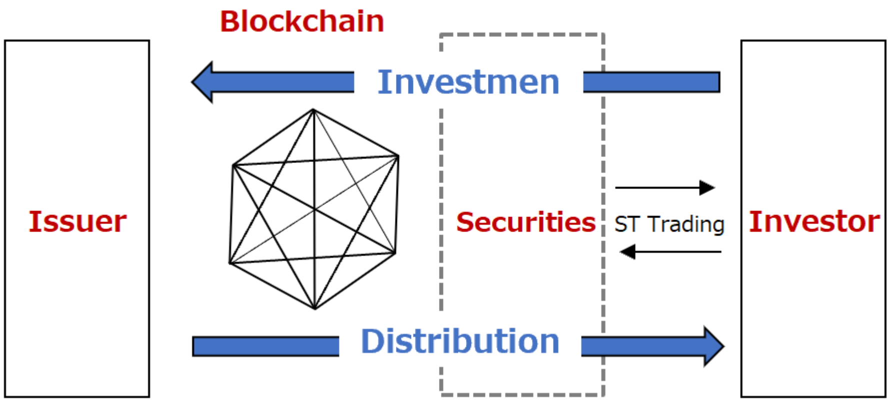
**Small-Scale Investment in Individual Properties, Similar to Real Estate Crowdfunding**

Real estate STs are issued by entities such as real estate companies, with one ST issued per property. Since they are securities, investors purchase them through securities firms. Because they are divided into small units, individuals can invest and institutional investors can also invest substantial amounts. In terms of purchasing small-denomination STs for individual properties, there are similarities with real estate crowdfunding. However, because the initial costs of issuing STs are high, the primary targets are large-scale properties valued at several billion yen or more.

**The Market Launched in 2021 and is Currently Expanding Rapidly**

The ST market emerged following the amendment to the Financial Instruments and Exchange Act, which took effect in May 2020 and defined STs as digital securities. The market began to expand in 2021, and according to Progmat, which is building the ST infrastructure, the value of new issuances in 2025 reached ¥120.7 billion, an 83% increase from the previous year (excluding loans). Cumulative investment has reached ¥253.4 billion. This scale is becoming comparable to the ¥176.3 billion in new investments in real estate crowdfunding for the 2024 fiscal year.

**Figure 26. Mechanism of Security Tokens**



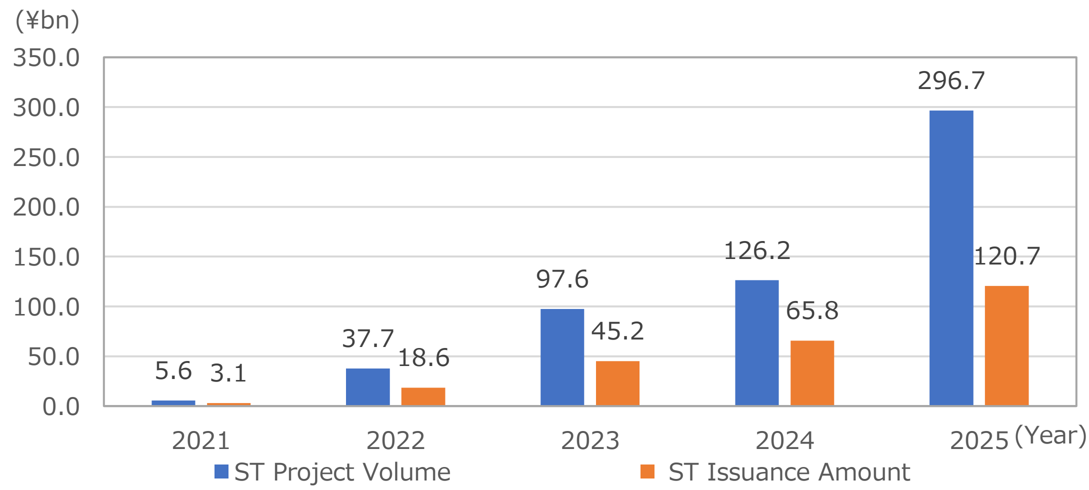

Source: Strategy Advisors.

**Figure 27. Positioning of Real Estate Security Tokens**

| | Real Estate Crowdfunding (FTK1&2 Schemes) | Real Estate Crowdfunding (FTK3&4 Schemes) | Real Estate ST |
|---|---|---|---|
| Target (Underlying Asset) | Real Estate | Real Estate | Real Estate |
| Yield | 4-6% | 5-6% | 4%～ |
| Investment Period | 1～3 Years | 1～5 Years | 5 Years～ |
| Investor Segment | From Entry-Level Investors to a Broad Range of Asset-Building Individuals | From a Broad Range of Individual Investors to Corporate and Institutional Investors | Individual, high-net-worth, corporate, and institutional investors |
| Key Applicable Laws | Real Estate Specified Joint Enterprise Act | Real Estate Specified Joint Enterprise Act | Financial Instruments and Exchange Act |
| Taxation | Comprehensive Taxation | Comprehensive Taxation | "Separate taxation |
| Secondary Market | (beneficiary certificate issuing trust type)" | | |
| Fund Characteristics | None | None | Available |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 28. Market Trends for Real Estate Security Tokens**




Source: Strategy Advisors. Based on Progmat Materials.

### In-House Engineers Are a Strength

In January 2025, Creal made Usuki Securities, a local securities firm in Ibaraki Prefecture, a wholly owned subsidiary. As a result, the group obtained a Type I Financial Instruments Business license. Creal plans to establish real estate funds for STs in-house and handle sales directly. Leveraging its in-house engineering team, the company develops blockchain systems, securities systems and other infrastructure internally. This approach allows Creal to control development costs and through the use of AI and other technologies, reduce development time from the typical 2–3 years to approximately one year.

### Significant Synergy with Existing Businesses

"CREAL ST" is expected to generate significant synergy with the real estate crowdfunding platform "CREAL". While investors must open a securities account—making it less convenient than crowdfunding, both platforms share the common feature of enabling small-scale investments. The investor base overlaps with that of "CREAL", including individuals focused on asset accumulation, high-net-worth individuals and institutional investors. Participation from entry-level investors is also expected to increase in the future. Consequently, marketing to investors is likely to benefit significantly from synergies with "CREAL". Furthermore, in terms of property sourcing, the company can leverage the networks established through "CREAL" and "CREAL PRO".

### Significant Tax Benefits for Investors

For investors, income earned through real estate crowdfunding is classified as miscellaneous income and is subject to comprehensive taxation. Consequently, high-income earners may face income and resident taxes of up to 55.9%. In contrast, Real Estate STs are regulated under the Financial Instruments and Exchange Act and like stocks, are eligible for separate taxation, resulting in a tax rate of just 20.3%. This aspect is likely to be attractive to investors.

**Early Withdrawal is Possible**

Since most real estate crowdfunding funds do not allow early redemption, their investment periods are typically set to be relatively short, with the aim of minimizing the amount of time investors' funds are tied up. In contrast, with STs, investors can sell their holdings through private transactions or, if the STs are listed on the Osaka Digital Exchange (ODX), sell them on the ODX. While liquidity is not yet particularly high, the existence of a secondary market is a clear advantage for investors.

**However, There Are Also Constraints Leading to A Creal Distinction**

On the other hand, since real estate STs cannot include capital gains in their offering documents - unlike real estate crowdfunding - their projected yields are typically stated as income gains only, which tend to appear lower than those of crowdfunding, at around 4%. As a result, real estate STs tend to have relatively fewer projects that pursue capital gains compared to real estate crowdfunding. Consequently, real estate STs and real estate crowdfunding are expected to develop as distinct products with their own unique characteristics, each carving out its own niche in the market.

**Plans To Establish a Business That Supports Mid-Term Growth**

Creal plans to launch its real estate ST business in FY3/27 and expects it to become a key growth driver alongside real estate crowdfunding in its medium-term management plan. The company projects that annual investment raised through real estate ST will reach ¥120 billion in FY3/30, up from the ¥7 billion target for FY3/27; and anticipates that this figure will approach the ¥130 billion in annual investment raised through real estate crowdfunding at that time.

**KENEDIX & Others Lead the Way**

The companies currently playing a major role in asset management for the real estate ST market include KENEDIX (unlisted), Mitsui & Co. Digital Asset Management (an equity-method affiliate of Mitsui & Co., Ltd. (TSE Prime 8031)), and KJRM (KKR Japan Realty Management), a subsidiary of the U.S.-based KKR. Of these, KENEDIX is estimated to be the market leader, holding a share of approximately 40%. KENEDIX does not have its own sales function and entrusts the sale of STs to securities firms such as Nomura Securities and SBI Securities.

**Competing with Mitsui & Co. Digital Asset Management and Others**

Mitsui & Co. Digital Asset Management handles the entire process - from procurement to securitization and sales - in-house, a business model similar to the one Creal plans to adopt. Although Creal is a latecomer to the real estate ST market, it intends to catch up by leveraging its core strength: the "CREAL" customer base. Additionally, the emerging company Digital Securities Co., Ltd. (unlisted) also functions as a securities firm and operates a similar ST business. Among non-established players, GA Technologies (TSE Growth 3491) made SPC Securities a wholly owned subsidiary in April 2026. Since the SPC Securities Group holds licenses such as FTK 3 & 4 under the FTK Act and Type 1 Financial Instruments Business, it plans to expand into FTK 3 & 4 real estate crowdfunding schemes and real estate ST in the future.

## 2 ) Alternative Investment Platform

**Plans to Handle Digital Securities Such as Corporate Bonds**

At Creal, the company is also considering using STs to handle products other than real estate and is exploring the sale of digital corporate bonds. Digital corporate bonds are a type of bond issued and managed electronically via blockchain. This allows companies to sell directly to individual investors. The investment period is 5-years or longer and the expected yield ranges from 4% to 8%, covering a somewhat broad range.

**Alternative Investments on a Single Platform**

As part of its medium-term plans, Creal intends to develop an alternative investment platform tentatively named “CREAL Fund”. The company plans to sell stocks, bonds, and alternative products on a single platform. Regarding risk profiles, it envisions a variety of options, including stable-yield products, medium-risk/medium-return products and high-risk/high-return products.

## 9. Financial Performance Trends

### 1) FY3/26 Results

**Results Exceeded Company Forecasts**

On May 15, the company announced its FY3/26 financial results. Gross profit increased 37.6% YoY to ¥7.8 billion and operating profit rose 49.5% to ¥2.94 billion Gross profit exceeded the company’s prior forecast by ¥390 million and operating profit exceeded it by ¥280 million. Overall, the results were solid, exceeding the company’s forecasts.

**"CREAL" Gross Profit Significantly Exceeded Expectations**

By business segment, gross profit from the real estate crowdfunding platform “CREAL” significantly exceeded the company’s prior forecast of ¥3.0 billion, reaching ¥4.4 billion and grew robustly by 98.1% YoY. A key factor in the substantial profit increase was the sharp rise in incentive compensation, which totaled ¥2.91 billion in gross profit for FY3/26, up from ¥1.08 billion in FY3/25. Incentive compensation represents the portion of profits generated by Creal’s subordinated investments under FTK 1 & 2 scheme structures that exceeds the projected yield for investors. In FY3/26, the sale of fund properties generated capital gains that significantly exceeded projections due to favorable market conditions and successful value-enhancement efforts. Fee income, including fees associated with fund formation and rental income, also increased steadily to ¥1.49 billion in FY3/26, up from ¥1.14 billion in FY3/25.

**There Also Appeared to Be Temporary Factors Associated with the Shift from FTK 1 & 2 to FTK 3 & 4**

Another reason for the increase in Creal’s gross profit is the difference in the timing of revenue recognition between FTK 1 & 2 and FTK 3 & 4. In FY3/26, while fee income from FTK1 & 2 was recognized in a lump sum at the time of sale, income from FTK 3 & 4 is recognized for accounting purposes simultaneously with the receipt of cash. Consequently, as the company transitioned from FTK1 & 2 to FTK 3 & 4, there appears to have been a technical factor resulting in the concentrated recognition of revenue from both categories.

**GMV Fell Short of the Plan**

However, looking at GMV, the actual figure was ¥31.39 billion to the company’s previous forecast of ¥40 billion, which represents a 22.2% increase from YoY, yet fell short of the company’s target. This was reportedly due to delays caused by factors such as the fact that arranging bank loans for the formation of funds under FTK 3 & 4 took longer than expected.

**"CREAL PRO" Fell Significantly Short Due to Project Delays**

Meanwhile, gross profit for the professional private placement fund “CREAL PRO” came in at ¥1.86 billion, falling significantly short of the company’s forecast of ¥3 billion. This represented a substantial 25.2% YoY decline. This appears to have been largely due to delays in fund formation, which had originally been expected to be concentrated in the 2H, particularly in Q4.

In particular, the company had planned several projects involving a scheme where it would purchase hotel sites itself, develop plans, and then sell them to private placement funds. However, delays in fund formation caused some of these projects to fall behind schedule. Since hotel development projects were expected to generate substantial profits, it is estimated that this had a significant impact on gross profit.

### "CREAL PB" Performs Steadily

Gross profit for "CREAL PB" rose steadily by 25.3% YoY to ¥900 million, slightly exceeding the company's previous forecast of ¥860 million. Net sales increased by 10.4% YoY and gross profit margin rose to 9.8% from 8.7% YoY. This is believed to be due to a steady increase in the number of units sold in the residential segment. In other segments, both "CREAL PARTNERS" and "CREAL HOTELS" are believed to have steadily increased their gross profit.

### Announcement of Share Buyback

Concurrently with the earnings announcement, the company announced a share buyback of up to 410,000 shares. This represents 1.1% of the outstanding shares. The decision was made based on several factors, including the fact that stock options are issued annually, resulting in 459,000 potential shares as of the end of FY3/26, and the company's ongoing assessment that the stock price remains undervalued.

**Figure 29. Summary of FY3/26 Financial Results**

| (mn) | FY3/25 | FY3/26 | YoY | FY3/27 CoE | YoY |
|---|---|---|---|---|---|
| Net Sales | **37,795** | -9.6% | NA | NA | 41,823 |
| Gross Profit | **7,799** | 37.6% | 5.3% | 7,410 | 5,666 |
| CREAL | **4,396** | 98.1% | 46.5% | 3,000 | 2,219 |
| PRO | **1,864** | -25.2% | -37.9% | 3,000 | 2,492 |
| PB | **900** | 25.3% | 4.7% | 860 | 718 |
| Others | **638** | 170.3% | 16.0% | 550 | 236 |
| SG&A Expenses | **4,857** | 31.3% | 2.3% | 4,750 | 3,698 |
| Operating Profit | **2,941** | 49.5% | 10.5% | 2,660 | 1,968 |
| Ordinary Profit | **2,784** | 52.1% | 11.2% | 2,500 | 1,830 |
| Net Income | **1,938** | 43.5% | 7.8% | 1,800 | 1,351 |
| EPS (¥) | **60.6** | 33.2% | 1.3% | 59.8 | 45.5 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 30. Quarterly Performance Trends by Business Segment**

| | FY3/24 | | | | FY3/25 | | | | FY3/26 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (mn) | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| **Net Sales** | **5,616** | **3,719** | **4,738** | **6,971** | **13,827** | **7,845** | **4,968** | **15,182** | **10,069** | **6,724** | **12,790** | **8,210** |
| CREAL | 3,949 | 1,206 | 1,529 | 4,290 | 2,406 | 5,143 | 1,999 | 11,837 | 7,723 | 3,746 | 9,877 | 2,036 |
| CREAL PRO | 163 | 819 | 1,320 | 280 | 9,577 | 434 | 988 | 689 | 102 | 241 | 407 | 3,039 |
| CREAL PB | 1,428 | 1,626 | 1,807 | 2,302 | 1,747 | 2,170 | 1,876 | 2,487 | 2,011 | 2,348 | 2,109 | 2,672 |
| Others | 75 | 68 | 81 | 100 | 96 | 96 | 104 | 167 | 231 | 388 | 394 | 461 |
| **Gross Profit** | **904** | **835** | **723** | **1,100** | **1,588** | **1,063** | **950** | **2,064** | **1,334** | **1,651** | **2,284** | **2,528** |
| CREAL | 603 | 130 | 159 | 545 | 137 | 504 | 412 | 1,165 | 1,013 | 1,046 | 1,779 | 557 |
| CREAL PRO | 114 | 520 | 369 | 269 | 1,239 | 309 | 324 | 618 | 47 | 164 | 127 | 1,525 |
| CREAL PB | 132 | 146 | 142 | 217 | 151 | 189 | 158 | 217 | 173 | 238 | 216 | 270 |
| Others | 54 | 38 | 54 | 68 | 60 | 59 | 53 | 63 | 99 | 202 | 161 | 174 |

Source: Company Materials.

## 2) FY3/27 Earnings Forecast

**Growth Pace Expected to Slow**

According to the company's forecast for FY3/27, gross profit is expected to increase by 14.0% YoY to ¥8.89 billion and operating profit is expected to increase by 11.8% to ¥3.29 billion Additionally, EPS is projected to decrease by 3.8% due to an increase in the number of outstanding shares resulting from a third-party allotment of new shares in December 2025. On a company-wide basis, the pace of profit growth is expected to slow.

**"CREAL" Gross Profit Set to Decline**

By business segment, gross profit for "CREAL" is expected to decline significantly in FY3/27, falling 23.3% YoY to ¥3.37 billion. This is because while incentive compensation for FY3/26 was exceptionally high at ¥2.91 billion (consisting solely of gains from the sale of subordinated equity in FTK1 & 2 scheme for that period), incentive compensation for FY3/27 is expected to decrease to approximately ¥700 million. The company recognizes that while incentive compensation is temporary, fee income can be expected to be generated continuously based on its extensive member base; therefore, the company is working to increase the proportion of fee income. Consequently, the company is expected to adopt a policy of not rushing to sell properties prior to fund redemption in FY3/27. The prospect of a significant increase in fee income - a recurring revenue stream - can be viewed as a positive development, as it mitigates the impact of volatile flow-based revenue and establishes a revenue structure that is less susceptible to fluctuations in the real estate market.

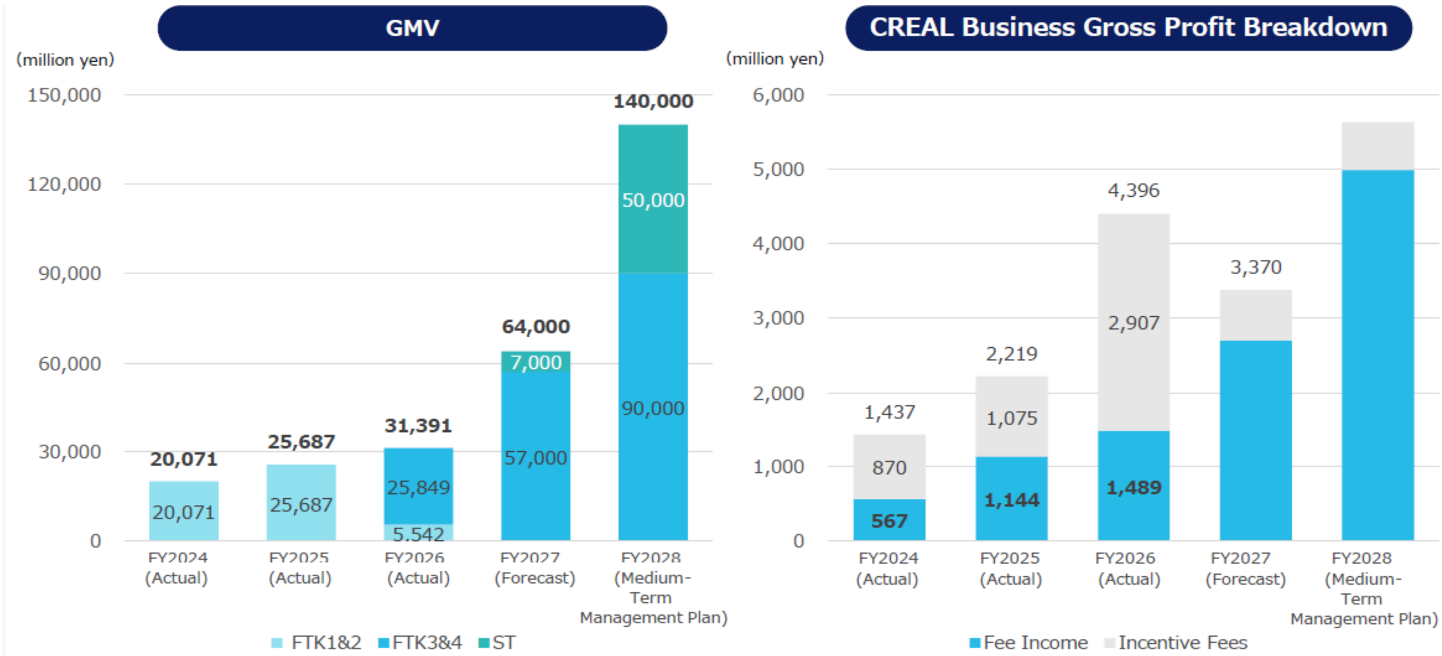
In fact, as shown in Figure 33, the current pipeline of properties under management stands at ¥39.1 billion. If the company were to actively sell properties to secure incentive fees, there is a strong possibility that earnings could exceed the company's forecast announced this time. However, it appears that the company is currently prioritizing the growth of recurring revenue, which offers greater predictability.

**Figure 31. Company Forecast for FY3/27**

| (mn) | FY3/27 CoE | FY3/27 YoY | FY3/26 Actual | FY3/26 YoY |
|---|---|---|---|---|
| Net Sales | **NA** | NA | 37,795 | -9.6% |
| Gross Profit | **8,890** | 14.0% | 7,799 | 37.6% |
| CREAL | **3,370** | -23.3% | 4,396 | 98.1% |
| CREAL PRO | **3,530** | 89.4% | 1,864 | -25.2% |
| CREAL PB | **1,040** | 15.6% | 900 | 25.3% |
| Others | **950** | 48.9% | 638 | 170.3% |
| SG&A expenses | **5,600** | 15.3% | 4,857 | 31.3% |
| Operating Profit | **3,290** | 11.8% | 2,941 | 49.5% |
| Ordinary Profit | **3,050** | 9.6% | 2,784 | 52.1% |
| Profit Attributable to Owners of Parent | **2,100** | 8.3% | 1,938 | 43.5% |
| EPS (¥) | **58.2** | -3.8% | 60.6 | 33.2% |
| GMV | **64,000** | 103.9% | 31,391 | 22.2% |
| # of Investors Acquired | **30,000** | -27.7% | 41,522 | 25.1% |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 32. CREAL's GMV & Gross Profit**

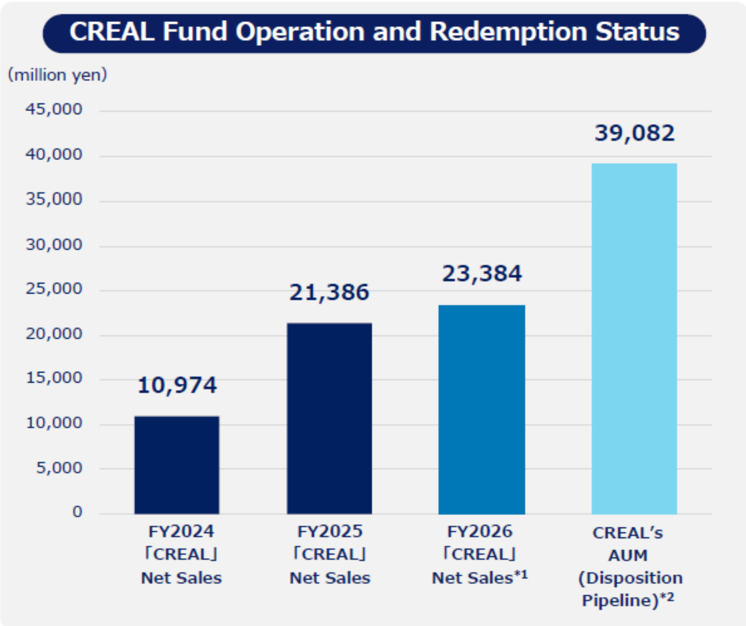



Source: Company Materials.

**Figure 33. CREAL's Property Sales Pipeline**

## 【CREAL】Property Sales Pipelines

In FY2026, **15 assets (9 residences, 4 hotels, 1 retails and 1 logistics) under the FTK1&2 schemes were sold at a high take rate. Approximately 39 billion yen of AUM (FTK1&2: approx. 13 billion yen; FTK3&4: approx. 26 billion yen)** remains as a pipeline for future profit realization through asset sales.




| No of Properties | FY2024 Sales | FY2025 Sales | FY2026 Sales | AUM |
|---|---|---|---|---|
| Residence | 10 | 18 | 9 | 8 |
| Hotel | – | 1 | 4 | 3 |
| Healthcare | – | – | – | 5 |
| Office | – | – | – | 4 |
| Retail | 1 | 1 | 1 | 1 |
| Logistics | 2 | 1 | 1 | 1 |
| Nursery | 1 | – | – | 1 |
| Others | – | 1 | – | 0 |
| Total | 14 | 22 | 15 | 23 |

Note:
*1 Includes acquisition fees from the FTK 3 & 4 schemes in addition to revenue from the FTK1 &2 schemes.
*2 Total CREAL fund amount raised or under management as of March 31, 2026 (preferred and subordinated equity), including signed sales contracts.
Source: Company Materials.

**GMV is Projected to Be Significantly Higher YoY, Despite A Downward Revision from The Original Plan**

CREAL's GMV for FY3/27 is projected to total ¥64 billion, comprising ¥57 billion from real estate crowdfunding and ¥7 billion from real estate ST. Although this represents a downward revision from the ¥80 billion target outlined in the Medium-Term Business Plan one year ago, it is expected to more than double YoY. The downward revision is believed to reflect a cautious adjustment for the FY3/27 period, as the launch of FTK 3 & 4 scheme in FY3/26 caused some delays in fund formation, leading to a slight overall slowdown. However, the trend of rapid YoY growth is expected to continue. The ST figure has also been slightly revised downward from the previous estimate of ¥10 billion to ¥7 billion.

**High Probability of Achievement Based on the Pipeline**

As shown in Figure 34, as of May 15, 2026, there are 10 properties with a high probability of acquisition, totaling approximately ¥42.4 billion. This means that 74% of the current fiscal year's target of ¥57 billion has already been secured. Given that future acquisitions are expected to add to this figure, achieving the GMV target for FY3/27 is now within reach.

**A Major Turning Point Due to Scheme Changes**

As of the end of FY3/26, the total amount of "CREAL" funds under management was ¥39.1 billion the addition of the new GMV mentioned above, actual sales proceeds and associated fees may exceed the company’s current projections. Even with the possibility of such fluctuations, the period from the second half of FY3/26 through FY3/27 represents a major turning point for the “CREAL” business, marked by the transition from real estate crowdfunding FTK1 & 2 scheme to FTK 3 & 4 scheme, as well as the launch of ST. For the company, it will be crucial to steadily get these new businesses up and running in order to achieve significant growth in performance starting from FY3/28.

**Figure 34. CREAL Property Acquisition Pipeline**

## 【CREAL】Acquisition Pipeline

**Pipeline build-up toward the FY2027 GMV target is progressing steadily, with further accumulation targeted going forward. In addition, the Company also accumulating pipeline projects for FY2028 and beyond.**

* Includes only properties with a high probability of acquisition as of May 15, 2026

| No | Location | Asset Type | GMV(million yen) | Target Schedule |
|---|---|---|---|---|
| **FY2027 Pipeline** | | | | |
| 1 | Osaka | Hotel | Approx. 7,000 | FY2027 |
| 2 | Osaka | Hotel | Approx. 7,000 | FY2027 |
| 3 | Osaka | Hotel | Approx. 8,800 | FY2027 |
| 4 | Tokyo | Hotel | Approx. 1,600 | FY2027 |
| 5 | Tokyo | Hotel | Approx. 2,700 | FY2027 |
| 6 | Tokyo | Hotel | Approx. 3,400 | FY2027 |
| 7 | Tokyo | Hotel | Approx. 3,000 | FY2027 |
| 8 | Tokyo | Residence | Approx. 6,500 | FY2027 |
| 9 | Saitama | Residence | Approx. 1,100 | FY2027 |
| 10 | Saitama | Residence | Approx. 1,300 | FY2027 |
| | | | Total Amount: Approx. 42,400 | |
| **FY2028 Pipeline** | | | | |
| 1 | Fukuoka | Hotel | Approx. 2,300 | FY2028 |
| 2 | Kyoto | Hotel | Approx. 2,600 | FY2028 |
| 3 | Tokyo | Hotel | Approx. 5,700 | FY2028 |
| 4 | Tokyo | Hotel | Approx. 3,200 | FY2028 |
| 5 | Hokkaido | Hotel | Approx. 2,800 | FY2028 |
| | | | Total Amount: Approx. 16,600 | |

Source: Company Materials.

**"CREAL PRO" is on the Road to Recovery**

"CREAL PRO" is projected to post gross profit of ¥3.53 billion for FY3/27, an 89.4% increase YoY. The pipeline shown in Figure 35 totals approximately ¥68.6 billion. This figure includes projects that were originally scheduled to be recognized as revenue in FY3/26 but have been delayed. In addition to these, gross profit is expected to increase further as the company acquires more land for hotel development using its own funds. Furthermore, for land held on the company's own account, capital gains from value-added sales are expected at the stage when the land is sold to funds after development plans have been established. Consequently, gross profit for "CREAL PRO" in FY3/27 is expected to recover steadily.

**"CREAL PB" Set for Steady Growth**

Gross profit for "CREAL PB" is projected to reach ¥1.04 billion 15.6% increase YoY. As the number of "CREAL" investors and GMV grow, revenue is expected to increase steadily through the strengthening of sales systems utilizing digital transformation (DX). "CREAL PARTNERS" is also expected to continue growing. As mentioned earlier, the number of hotels operated by "CREAL HOTELS" is expected to increase rapidly, and fee income is expected to expand steadily.

**Figure 35. "CREAL PRO" Pipeline (Reprinted)**

## 【PRO】Project Pipeline

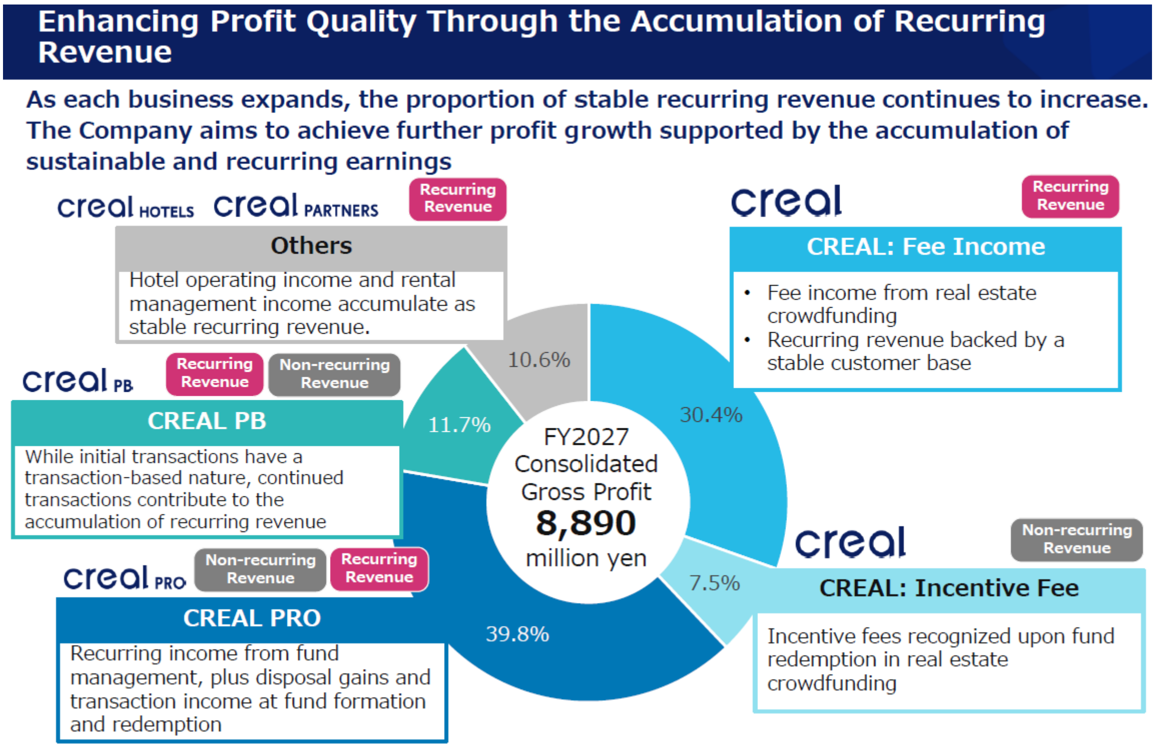
**CREAL PRO has secured a solid pipeline, primarily consisting of projects for which asset management mandates were obtained in the previous fiscal year. In addition to the projects below, the Company is also promoting the acquisition of development sites for apartment hotels on its own account.**

| No | Location | Asset Type | PJ Type | Expected AUM (million yen) | Target Schedule |
|---|---|---|---|---|---|
| **FY2027 Pipeline** | | | | | |
| 1 | Tokyo | Residence | AM | Approx. 992 | April. 2026 Completed |
| 2 | Tokyo | Residence | AM | Approx. 6,900 | June. 2026 |
| 3 | Osaka | Hotel | AM | Approx. 2,450 | 1H FY2027 |
| 4 | Okinawa | Hotel (Development) | AM | Approx. 18,800 | 1H FY2027 |
| 5 | Tokyo | Residence | AM | Approx. 3,980 | 2H FY2027 |
| 6 | Okinawa | Hotel (Development) | AM | Approx. 32,000 | 2H FY2027 |
| 7 | Tokyo | Hotel | AM etc. | Approx. 3,533 | 2H FY2027 |

* For development projects, the estimated total project cost is shown.

Source: Company Materials.

**Figure 36. Recurring Revenue and One-Time Revenue**

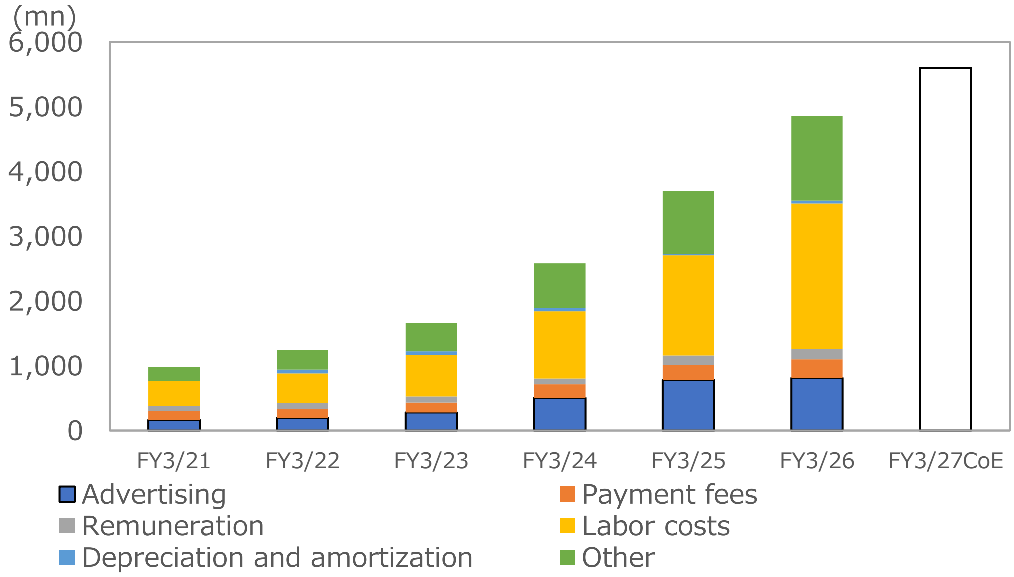



Source: Company Materials.

### SG&A Expenses to Rise due to Upfront Investments in ST & Hotels

Selling, general, and administrative expenses (SG&A) for FY3/27 are expected to increase from ¥4.86 billion in the previous year to ¥5.6 billion. FY3/27 is positioned as a phase of upfront investment, with a focus on investments in the newly launched real estate ST business and the hotel business, where openings are accelerating. The increase is expected to be driven primarily by higher personnel expenses resulting from hiring.

**Figure 37. Trends in Selling, General, and Administrative Expenses**




Source: Company Data. Compiled by Strategy Advisors.

**Increasing Proportion of Recurring Revenue**

The company aims to accumulate repeatable recurring revenue and improve the quality of its profits - not only for "CREAL" but across the entire business - to ensure stable and sustainable growth in the future. In the "CREAL" business, incentive-based compensation - a flow-type revenue - accounted for 66% of the segment's gross profit of ¥4.40 billion in FY3/26. However, for FY3/27, incentive-based compensation is projected to account for only 20% of the segment's estimated gross profit of ¥3.37 billion while fee income—a recurring revenue stream - is expected to account for 80%.

**Stable And Sustainable Growth is Expected Through the Accumulation of Recurring Revenue**

On a company-wide basis, for FY3/27, "CREAL HOTELS" and "CREAL PARTNERS" - both recurring revenue streams - are projected to account for 10.6% of total gross profit. These can be described as typical recurring revenue streams, as they are expected to generate continuous revenue once acquired. "CREAL's" recurring revenue is projected to constitute 30.4% of total gross profit. Although "CREAL's" fee income is limited to the property's operational period, since repeat customers account for approximately 90% of its client base, this can be viewed as a recurring business. "CREAL PB" also relies primarily on recurring revenue due to the expansion of ongoing transactions and "CREAL PRO" includes recurring revenue such as fund management; consequently, recurring revenue is expected to account for well over 50% of total company revenue.

## 3 ) Market Environment

**Residential Market Environment**

Since Creal does not hold properties for long periods, its business is not directly and significantly affected by real estate market conditions. However, it is still impacted in terms of fund formation and the terms of property sales. While the company invests in a wide range of asset classes, including residential, office, hotel and healthcare facilities; the following section discusses trends in the Tokyo metropolitan area's condominium and office markets, which account for a large share of its funding by asset class.

**Rents for Rental Condominiums Continue to Rise**

Rents for rental apartments remain steady. According to the Apartment Rent Index (based on actual transactions) published by At Home and the Sumitomo Mitsui Trust Research Institute, the index for studio apartments (18 m² or larger, but less than 30 m²) in Tokyo's 23 wards for the October–December 2025 quarter stood at 128.80, up 1.29 (1.0%) from QoQ and 6.74 (5.5%) from YoY. Furthermore, according to monthly rent data published by LIFULL HOME'S, the response rent (the average rent for properties that received a certain number of inquiries) for studio apartments in Tokyo's 23 wards rose by 4.3% year-on-year in May 2026, setting a new record high since data collection began in 2020.

**Prices for Investment Condos Also Remain Firm**

Sales prices for investment condominiums are also holding up well. According to data from the Real Estate Economic Research Institute, while the average price of investment condominiums in the Greater Tokyo Area fell by 4.6% YoY in 1H of 2025, the price per square meter remained flat, indicating that prices have stabilized at a high level. Given that rents continue to rise, rental residences are being favored as inflation-resistant assets, and sales prices are expected to remain firm.

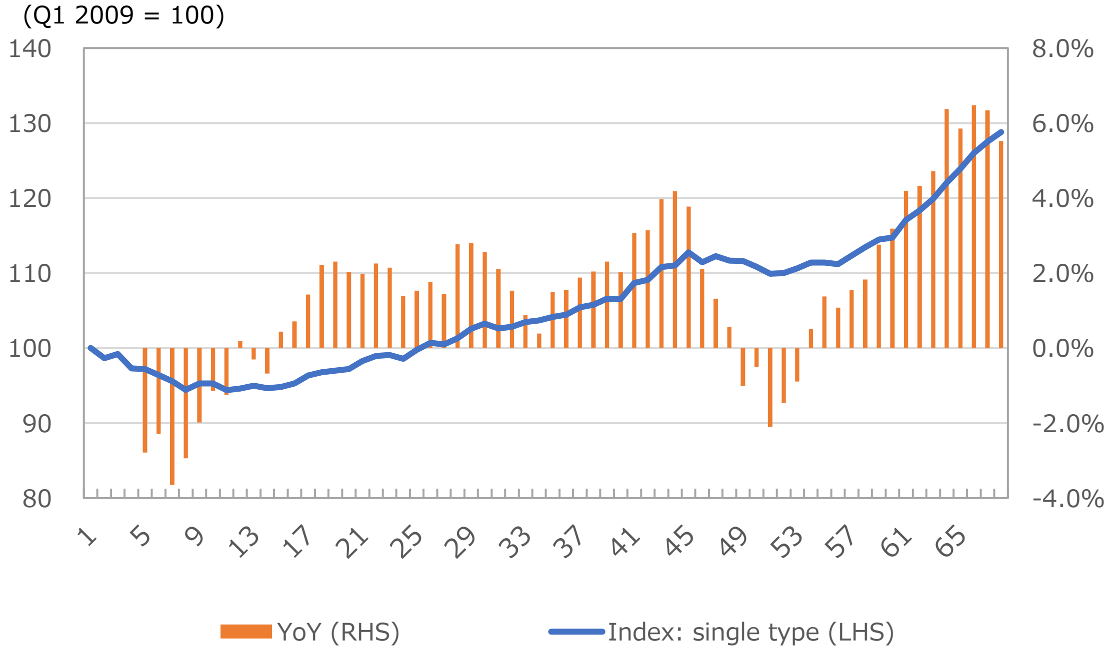
**Office Rents Also on an Upward Trend**

The Tokyo office market continues to see low vacancy rates due to rising demand, and rents are trending upward. According to data from Miki Shoji, the office vacancy rate in Tokyo's 5 central wards stood at a low 2.2% in April 2026, placing it near the bottom of historical trends. Rents have been on a consistent upward trajectory since 2024, following the end of the pandemic. Reflecting current inflationary trends, rent revisions are expected to continue and office rents are likely to remain firm.

**Market Conditions Expected to Remain Favorable for the Time Being**

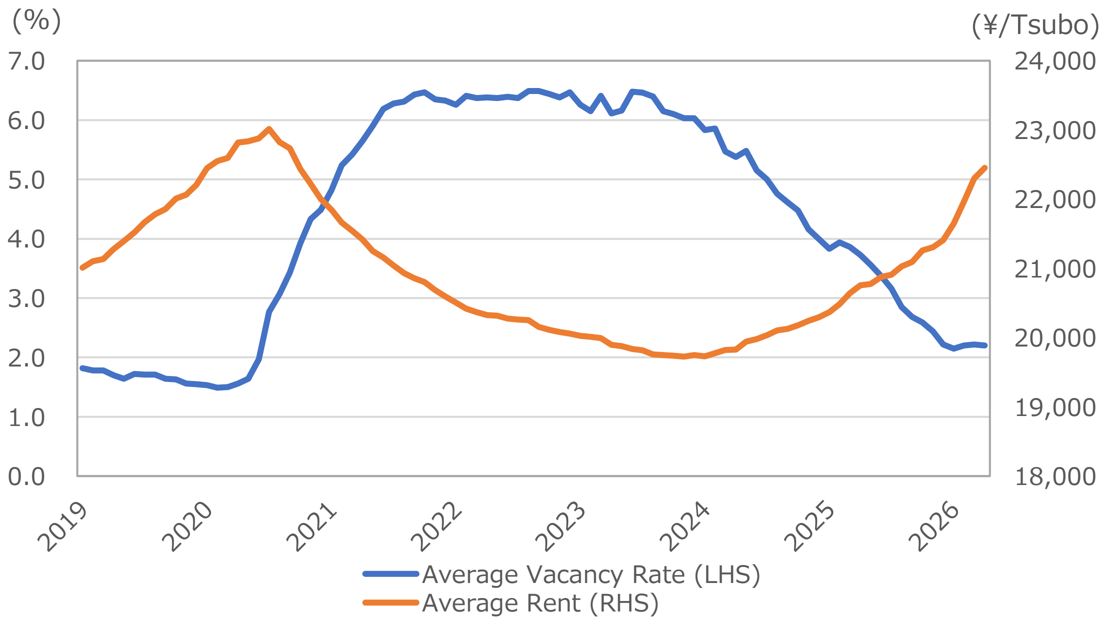
Based on the above, rents for both residential and office properties continue to trend upward, and transaction prices for investment real estate are likely to remain generally firm. Consequently, Creal's business environment is expected to remain favorable for the time being. Furthermore, the company is capable of enhancing the value of its residential, office, and hotel properties without relying on rising market conditions. As discussed above, Creal possesses the personnel and organizational structure necessary for value enhancement, and is expected to maintain a relative competitive advantage in this regard. Furthermore, in pursuit of sustained growth, the company is seeking to shift its revenue structure from flow-based to stock-based revenue, which is expected to result in a revenue model less susceptible to external market fluctuations.

**Figure 38. Condominium Rent Index**
**(Tokyo 23 Wards, Studio Units 18 m² or larger but less than 30 m²)**




Source: Strategy Advisors based on the "Apartment Rent Index" (At Home Co., Ltd. and Sumitomo Mitsui Trust Research Institute Co., Ltd.).

**Figure 39. Office Vacancy Rates and Rents in Tokyo's Five Central Wards**




Source: Strategy Advisors. Based on Data from Miki Shoji.

## 4) Medium-Term Business Plan

**"Game Changer 2030"**

In May 2025, the company announced, "Game Changer 2030", a 5-years Medium-Term Business Plan covering from FY3/26 to FY3/30.The plan was named "Game Changer" because the company was on track to obtain permits under FTK 3 & 4 in 2025 and planned to launch its real estate ST business in 2026, aiming to further expand its presence in the online real estate investment market. Furthermore, the company plans to develop innovative products targeting alternative assets in the future.

**Figure 40. Financial Targets of the Medium-Term Business Plan**

| (bn) | Act on FY3/25 | Target on FY3/30 |
|---|---|---|
| GMV | 25.69 | 250.00 |
| Gross Profit | 5.67 | 27.00 |
| Net Profit Attributable to The Parent Company | 1.35 | 10.00 |
| ROE | 30.2% | 40.0% |
| Equity Ratio | 9.8% | 40.0% |
| Dividend Payout Ratio | As a preliminary target, approximately 15%. Importance on the total payout ratio, which includes shareholder benefits and the repurchase of treasury stock. | |

Note: GMV refers to the amount of funds raised for fund formation on "CREAL" and "CREAL ST".
Source: Company Data. Compiled by Strategy Advisors.

**"CREAL" & "CREAL ST" are Driving Growth**

"CREAL" and "CREAL ST" are expected to drive growth through FY3/30. As shown in Figure 41, the combined annual GMV for "CREAL" and "CREAL ST" is projected to reach ¥250 billion in FY3/30, up from ¥25.7 billion in FY3/25. Since GMV for FY3/26 fell short of expectations, the full-year GMV forecast for FY3/27 was revised downward from ¥80 billion to ¥64 billion, as mentioned earlier. However, targets for subsequent periods remain unchanged. With "CREAL" now operating as a FTK 3 & 4 operator under the FTK Act, it is able to form larger funds and "CREAL ST" is expected to be capable of handling even larger projects.

**Gross Profit is Projected to Increase 4.8x, Over 5 Years**

Figure 42 shows the trends in gross profit and net profit. The company plans to increase gross profit 4.8x, from ¥5.6 billion in FY3/25 to ¥27.0 billion and net profit 7.7x, from ¥1.3 billion to ¥10.0 billion. As expected, "CREAL" and "CREAL ST" will be the key drivers of this growth. At the same time, the contribution to net profit from "CREAL PRO", which is primarily aimed at institutional investors, is also expected to grow.

The company anticipates a steady increase in stable revenue streams such as trading commissions and asset management fees. While selling, general and administrative expenses (SG&A), including personnel and other costs, are expected to rise significantly in the near term due to the expansion of the business's scale and scope, the plan is for net profit to grow steadily through FY3/30.

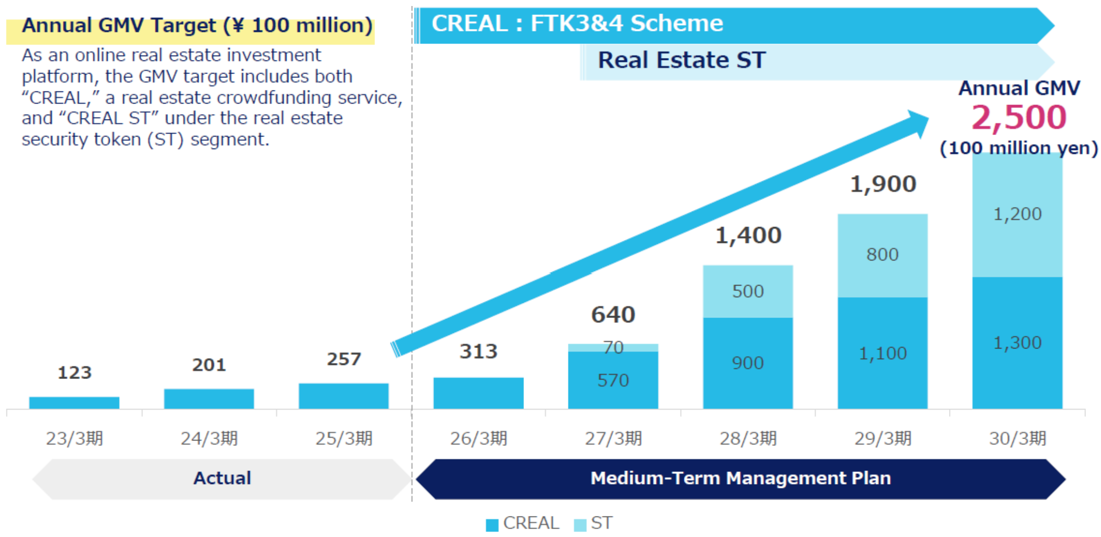
## Shareholder Returns

Regarding shareholder returns, the company will prioritize investment in growth for the time being, targeting a dividend payout ratio of 15%. However, management also states that it is mindful of the total return ratio, which includes shareholder benefits and share buybacks. Currently, shareholder benefits consist of a ¥10,000 QUO card distributed annually for each unit of shares (500 shares). For investors holding a unit of shares, this equates to a benefit yield of 4.4%. The dividend yield, calculated based on the projected dividend of ¥8 for FY3/27, is 1.8%, bringing the total return to 6.2% (calculated using the closing price of ¥453 on May 29). Furthermore, with the announcement of a share buyback on May 15, the company is paying closer attention to shareholder returns than ever before.

## Balance Sheet Expected to Improve

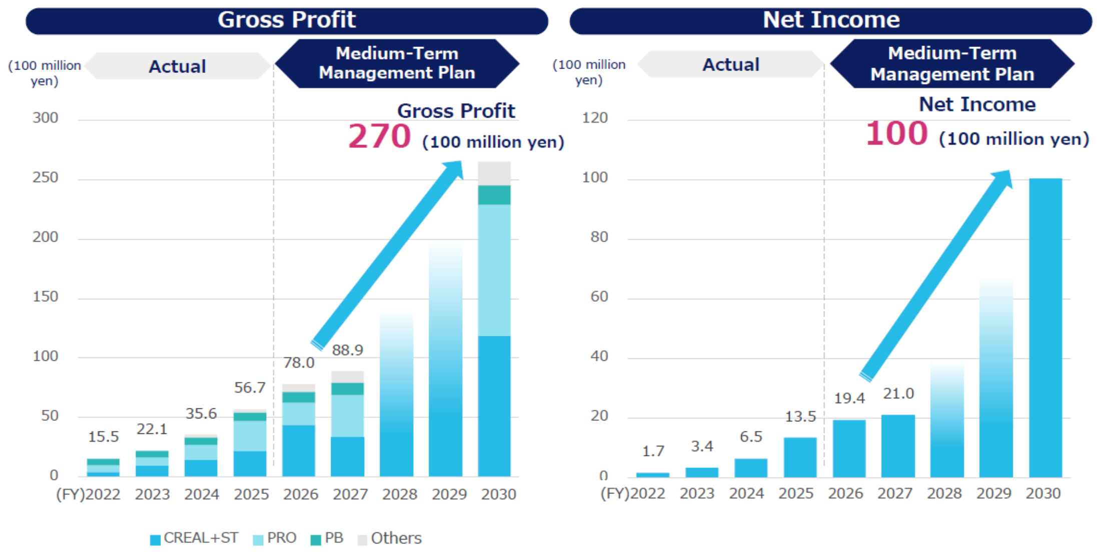
Under the medium-term management plan, ROE is projected to rise from 30.2% in FY3/25 to 40.0% in FY3/30, while the equity ratio is expected to increase from 9.8% to 40%. Based on the most recent results, the equity ratio had risen to 25.5% as of the end of FY3/26. Going forward, as FTK 3 & 4 become the mainstay of "CREAL", the off-balance-sheet treatment of funds is expected to progress and the balance sheet is projected to continue improving. While interest-bearing debt has been limited to date, as real estate crowdfunding shifts to FTK 3 & 4 and the number of STs increases, the equity ratio is expected to continue improving, making it easier to secure loans for upfront investments aimed at future growth.

**Figure 41. Annual GMV Target**




Source: Company Materials.

**Figure 42. Gross Profit and Net Profit Targets**




Source: Company Materials.

## 5) Third-Party Allotment and Business Alliance

**¥4.3 billion Third-Party Allotment**

In December 2025, Creal conducted a third-party allotment of new shares to 5 companies. The amount raised was ¥4.3 billion. This resulted in a 19.0% dilution. The allottees were SBI Holdings, JICVGI Opportunity Fund No. 1 Limited Partnership, Chuo Nippon Land & Building, Kiraboshi Capital Tokyo Sparkle Limited Partnership and Japan Airlines (TSE Prime 9201).

**Became an Equity-Method Affiliate of SBI Holdings**

As a result, SBI Holdings' ownership stake increased from 19.27% to 20.65%, making Creal an equity-method affiliate of SBI Holdings. Additionally, SBI Holdings became the largest shareholder, surpassing the company's founder, Akinari Tokuyama. Previously, the company had become an equity-method affiliate of SBI Holdings following a third-party allotment of new shares announced in January 2023. Although it had temporarily lost that status, it has now once again become an equity-method affiliate.

**To Be Used as Short-Term Working Capital for Property Acquisitions**

Of the ¥4.3 billion raised, the largest portion - ¥3.63 billion - will be allocated as working capital to strengthen "CREAL" and "CREAL ST". This funding will be used to acquire real estate properties with the company's own funds in order to expand GMV. Since acquiring high-quality properties requires acting quickly, this funding ensures the company has the necessary capital to make purchases without waiting for funds to be raised. Next, ¥350 million will be allocated to building organizational infrastructure for business growth. This funding will be used to establish the necessary framework in preparation for expanding into real estate ST and alternative funds. Finally, ¥300 million will be allocated to the development of DX and AI systems. This funding will be used for system development for "CREAL ST" and other business operations.

**Partnerships with SBI Holdings, Chuo Nippon Land & Building & Japan Airlines**

Through this third-party allotment, the company has agreed to form capital and business alliances with Chuo Nippon Land & Building and Japan Airlines, in addition to its existing partnership with SBI Holdings. The company has long collaborated with SBI Holdings across a wide range of fields, with a track record that includes SBI Shinsei Bank (TSE Prime 8303) providing loans for funds organized by "CREAL". Going forward, partnerships are expected in areas such as ST, where SBI Holdings is a pioneer. Additionally, Chuo Nippon Land & Building is a real estate company with ties to Mizuho Financial Group (TSE Prime 8411), and partnerships such as investing in fund formations for "CREAL PRO" are conceivable. In fact, in the Yodoyabashi Hotel Fund, which closed in March 2026, Chuo Nippon Land & Building invested alongside Taisei Corporation (TSE Prime 1801) and Creal. Japan Airlines is expected to contribute by directing mileage program members to Creal's real estate crowdfunding and hotel businesses.

## 10. An Approach from the Perspective of Management Strategy

### 1 ) 5 Forces Analysis

**Analyzing Real Estate Crowdfunding Using Michael Porter's Five Forces Analysis**

Michael E. Porter argues that the key to developing a competitive strategy is "viewing a company in relation to its environment", emphasizing the importance of analyzing industry structure. Here, based on Porter's Five Forces analysis, we will examine the business environment surrounding Creal's core real estate crowdfunding business. According to Porter, the 5 competitive forces are: (1) the threat of new entrants, (2) the bargaining power of suppliers, (3) the bargaining power of buyers, (4) the threat of substitute products (or services) and (5) competition among existing firms.

**Threat Of New Entrants**

The barriers to entry for real estate crowdfunding are relatively low (particularly for FTK 1 & 2 operators under the FTK Act) and there are currently 78 funds affiliated with the Real Estate Crowdfunding Association alone. However, the landscape varies widely, with some funds dealing in high-risk, high-return products such as development projects and overseas properties, while others operate on a small scale with a strong local presence. While new entrants will likely continue to emerge, it is extremely difficult for them to catch up with established industry leaders like Creal in terms of customer acquisition.

**Suppliers' Bargaining Power**

There are a large number of real estate agents nationwide selling properties through real estate crowdfunding, and since many of these businesses are small in scale, suppliers generally do not have strong bargaining power in terms of market share or size. On the other hand, when limited to high-quality properties that can secure sufficient yields, competition is fierce not only in crowdfunding; but also with REITs and private funds and suppliers' bargaining power tends to increase. However, sellers often prioritize providing information to companies like Creal, which have a strong investor base and the ability to market a wide range of properties across various asset classes to investors; as a result, Creal's bargaining power with sellers is considered relatively strong.

**Buyer Bargaining Power**

Investors in real estate crowdfunding are primarily individuals, so no single buyer holds particularly strong bargaining power. However, investors can easily switch to other crowdfunding platforms based on the attractiveness of the offerings, so it is essential to improve and maintain the appeal of the products. While the pool of institutional investors selling properties is broad, they are actively seeking properties with favorable terms, so the conditions must naturally be attractive.

**Threat of Substitutes**

Listed REITs and real estate STs are examples of real estate investment products that allow individuals to invest in small amounts. Listed REITs are structured such that a special purpose company (SPC) holds a basket of multiple real estate properties, rather than investing in individual properties. Furthermore, listed REITs are subject to stock market volatility, causing their prices to fluctuate significantly more than the value of the underlying properties, which makes them fundamentally different as investment products. Furthermore, while real estate STs are structured around individual properties and thus share some similarities with real estate crowdfunding, they offer tax advantages. However, they are subject to strict business regulations and involve high initial costs. Consequently, they can be seen as complementary to real estate crowdfunding, catering to different investor preferences.

**Competition Among Existing Companies**

The real estate crowdfunding industry is highly competitive, with many operators vying for market share. Operators are under constant pressure to continue offering products that are attractive to investors. However, each operator differs in terms of business scale and target assets, and there are only a limited number of operators - such as Creal - that handle a wide range of asset classes on a large scale. For example, while the business scale of “COZUCHI”, operated by LATOLIE (unlisted), is similar to that of “Creal”, it offers many high-risk, high-return products - such as properties where securing development rights is difficult - and thus has a significantly different product concept compared to Creal.

## 2 ) Competitive Strategy

**"Differentiation Strategy"**

Based on the analysis of industry structure described above, Porter’s theory of competitive strategy advocates that companies should select one of three strategies - (1) cost leadership, (2) differentiation or (3) focus - and implement the strategy chosen accordingly. Of these, it can be said that the most critical strategy for Creal is (2) differentiation. As an asset management platform focused on real estate, the company advocates for real estate investment as a powerful tool for individual asset management. To this end, it consistently expands its business ahead of competitors, taking the initiative to achieve differentiation.

**High-Quality Properties & Information Disclosure**

The company’s real estate crowdfunding platform, “CREAL” differentiates itself by carefully selecting high-quality properties with moderate risk and moderate returns, while providing comprehensive disclosure to investors. To achieve this, it makes full use of digital transformation (DX) across property acquisition, marketing, and operations, thereby maximizing efficiency. In terms of property sourcing, Creal reportedly receives up to 600 leads per month from sellers attracted by its strong fund formation capabilities, resulting in a high probability of creating attractive investment opportunities.

**Always a Step Ahead Among Crowdfunding Operators**

The company was the first to launch a crowdfunding business following the 2017 amendment to the FTK, and it was also the first company whose primary business is crowdfunding to obtain licenses as a FTK 3 & 4 operator under the FTK. Furthermore, the company plans to launch its real estate ST business in September 2026, becoming the first operator with crowdfunding as its core business to enter this market. In addition to its solid base of individual investors, the company has been quick to expand into businesses targeting corporate investors as well as individuals, such as "CREAL PRO", FTK 3 & 4 businesses and ST.

## 3) Difficulty of Imitation

**Focus On the Resource-Based View**

As can be seen from Porter's Five Forces analysis and other competitive strategy analyses, Creal holds a strong position in the real estate crowdfunding industry, and it is currently considered unlikely that any company within the industry will emerge to pose a threat to Creal. However, both the real estate crowdfunding industry and the real estate ST industry, into which Creal is about to enter, are still new and undergoing rapid growth; therefore, both player dynamics and the industry landscape are subject to change. In this context, to assess whether Creal can maintain its current competitive advantage, we will examine the situation from the perspective of the Resource-Based View proposed by Jay B. Barney and others.

**Focusing on the Difficulty of Imitation**

The resource-based view is an approach that focuses on a company's management resources and capabilities. The VRIO framework provides a concrete illustration of this concept. It posits that 4 factors should be examined: Value (economic value), Rarity (scarcity), Inimitability (Difficulty of imitation) and Organization (organizational structure). At Strategy Advisors, we place particular emphasis on Difficulty of imitation. Our concept of Difficulty of imitation is a broader one that encompasses Economic Value, Rarity and Organization. We place special importance on it as an indicator of a company's sustainable competitiveness and growth potential.

**"The Difficulty of Imitation Lies in the Ability to Leverage a Strong Base of Individual Investors in Real Estate Crowdfunding to Offer a Diverse Range of Investment Products"**

We believe that Creal's difficulty of imitation lies in its ability to offer a diverse range of investment products by leveraging its strong base of individual investors in real estate crowdfunding and its in-house capabilities in system development, product development and marketing. With a large investor base behind it, the company is well-positioned to attract real estate property listings. In particular, information on properties valued between ¥500 million and ¥2 billion - which are too expensive for individuals to own but too small for funds to acquire - is expected to flow to Creal on a priority basis. This advantage is likely to be significant. Furthermore, Creal currently offers a diverse range of products, including "CREAL", "CREAL PB", "CREAL PRO" and "CREAL HOTELS" and the synergies between these offerings are substantial.

**An Overwhelming Position in the Retail Investor Market**

Having established a track record and earned trust in real estate crowdfunding while building an overwhelming customer base, it is considered extremely difficult for competitors or future entrants to catch up with the company. Furthermore, in the real estate ST market, which the company plans to enter, Creal has the advantage of direct sales compared to companies that rely on securities firms for distribution. While there may be direct competition with vertically integrated companies, Creal's existing customer base in real estate crowdfunding should give it an edge in st sales as well.

How was Creal able to establish such a high difficulty of imitation?

**President Yokota's Vision**

First and foremost, President Yokota's vision and execution capabilities stand out. When he joined Bridge C (now Creal Inc.) in 2017, he had already envisioned the real estate crowdfunding business and mapped out a roadmap leading to an IPO. Rather than building the company from scratch, he saved significant time by leveraging the existing resources and management structure of bridge c at the time, enabling him to rapidly establish the real estate crowdfunding business - including the launch of "CREAL" as early as November 2018.furthermore, it is believed that president Yokota's own extensive experience in it, finance, and real estate - and the resulting expertise required for real estate crowdfunding - played a significant role. Companies in the real estate management industry where the top executive possesses such broad expertise, as President Yokota does, are likely rare. To democratize real estate investment, the company adopted a mainstream strategy of moderate risk and moderate returns capable of attracting a wide range of investors, which is also seen as having contributed to the expansion of its customer base.

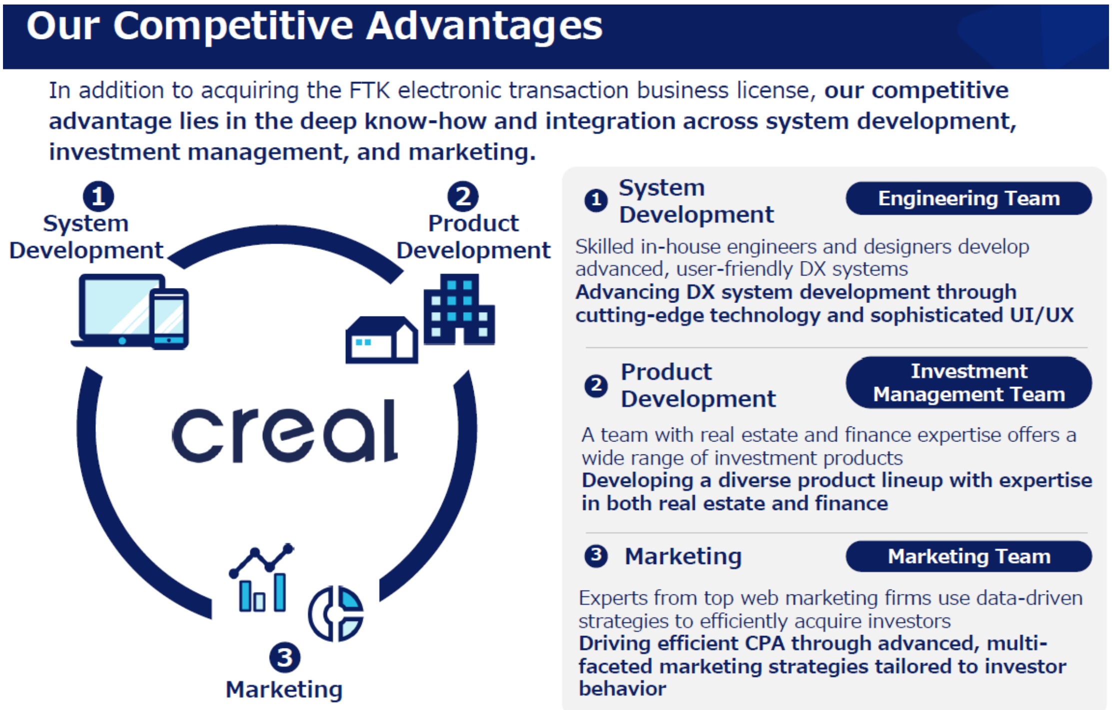
**Significant First-Mover Advantage**

Creal launched its business ahead of the real estate crowdfunding boom and has built trust by offering an intuitive UI/UX, comprehensive disclosure and a track record free of principal losses or repayment delays. This first-mover advantage is considered to be significant. While the industry as a whole has faced issues such as repayment delays and is still in the process of building trust, Creal's track record and the credibility that comes with being a publicly listed company are overwhelming.

**In-House Expertise in IT, Product Development & Marketing**

At Creal, all system development, product development, and marketing are handled in-house, and the company employs the necessary talent internally. According to President Yokota, highly talented individuals tend to resonate with a sense of public service - a desire to contribute to society - and those who share Creal's mission of "changing real estate investment to change society" have been drawn to the company. The company's "strong motivation to contribute to society by leveraging digital transformation to evolve real estate investment into a personal investment tool" has also been fostered within this environment. President Yokota notes that since top talent dislikes micromanagement, he manages the company using Konosuke Matsushita's "delegate but do not relinquish control" approach. This stance is considered one of the factors contributing to the company's strong sense of unity.

**Figure 43. In-House Handling of System Development, Product Development, & Marketing**




Source: Company Materials.

## 11. Equity Story

**"From Savings to Investment" is a National Policy**

Japan's personal financial assets are projected to reach ¥2,350 trillion by the end of 2025, with cash and deposits accounting for a massive ¥1,140 trillion of that total. Amid Japan's national policy of shifting from savings to investment, redirecting these cash and deposit funds toward attractive investment opportunities has become a national challenge. Although real estate investment is an attractive option offering moderate risk and moderate returns compared to high-risk, high-return assets like stocks, there were previously no appealing products available for individual investors.

**The Rise of Real Estate Investment Products for Individuals Since 2017**

President Yokota was skeptical of this situation and wanted to find a way to break the deadlock himself. Coincidentally, the December 2017 amendment to the FTK gave rise to the real estate crowdfunding market, and the May 2020 amendment to the Financial Instruments and Exchange Act launched the real estate ST market, leading to a sudden expansion in the range of real estate investment products available to individual investors.

**Leading the Way in Crowdfunding & Expanding into ST**

Seeing this as an opportunity, Creal aimed to open up real estate investment to individuals and was the first in the industry to launch the real estate crowdfunding platform “CREAL”. Furthermore, the company plans to launch “CREAL ST”, a real estate ST platform, in September 2026. Although a latecomer to the ST market, Creal possesses a loyal customer base of 120,000 from its crowdfunding operations and competitive strengths in IT and real estate product development that rival those of major corporations, enabling it to pursue a unique growth strategy.

**Equity Story**

At Strategy Advisors, we view Creal’s equity story as follows: “As a leading platform provider in the real estate fractional investment sector, the company is entering a new phase of growth through the full-scale rollout of its FTK 3 & 4 schemes under the FTK Act and its expansion into ST”.

In crowdfunding, while the FTK 1 & 2 Schemes imposed limits on the size of individual funds, the FTK 3 & 4 Schemes allow for borrowing. Furthermore, as participation by institutional investors is expected to increase, fund sizes are also expected to grow. At ST, the outlook is that the company will be able to handle larger properties than before, so growth in GMV is expected to accelerate. Furthermore, under FTK1 & 2, real estate for sale and deposits are recorded on the company’s balance sheet. However, under FTK 3 & 4, since the Special Purpose Company (SPC) owns the properties, they are excluded from Creal’s balance sheet, which will result in a significant improvement in the equity ratio.

**Individual Real Estate Investment is Still in its Infancy**

It is estimated that real estate investment in Japan exceeded ¥6 trillion in 2025, but of that total, investment in real estate crowdfunding and real estate STs is estimated to have amounted to between ¥500 and ¥600 billion. In other ¥600 billion primarily targeted at individual investors account for only about 10% of the total investment. Furthermore, only 2.3% of Japanese households have experience investing in real estate, significantly lower than the 21.5% who invest in stocks (as of 2023). Given these facts, it can be said that individual investment in the real estate market is still in its infancy, and there is tremendous room for future growth. As a company that launched its business ahead of this trend and has continued to grow, Creal is well-positioned to benefit from this expansion.

**It Holds Business Segments That Are Expected to Generate Synergies with Its Consumer-Facing Operations**

Furthermore, as a complement to its retail-focused “CREAL” and “CREAL ST” platforms, the company offers a range of products - including “CREAL PRO”, a private placement fund for institutional investors; “CREAL PB,” a direct real estate investment service for individuals and “CREAL HOTELS”, a vertically integrated business - all of which can generate synergies with “CREAL” and “CREAL ST”.

## 12. Comparison with Peer Companies

### 1) Domestic Companies

While there is no company with a business model identical to Creal's, we list below listed companies that share commonalities in areas such as real estate tech, real estate finance and hotel development as points of comparison to clarify Creal's unique characteristics.

**Roadstar Capital**

Roadstar Capital (TSE Prime 3482) operates a corporate funding business that uses its own balance sheet for investments and leasing, an asset management business that manages real estate, and "OwnersBook", a crowdfunding platform for individual investors. "OwnersBook" primarily offers a "lending-based" model where individual investors make loans secured by real estate properties. Although its model differs from the equity-based "CREAL", they share the commonality of being real estate investment products for individual investors. Additionally, Roadstar Capital announced that it will make Hash Dash Holdings - which owns a securities firm specializing in digital securities - a wholly-owned subsidiary in December 2025, signaling its entry into the ST market.

**GA Technologies**

GA technologies (TSE Growth 3491) focus primarily on its RENOSY Marketplace business. This service matches sellers and buyers of real estate properties - primarily pre-owned condominiums - online for individual investors and currently has over 600,000 users. It enables all processes, including purchase, property management, and sales to be conducted entirely online. The company also operates the ITANDI business, which provides SaaS solutions for rental property management to real estate firms. In April 2026, the company made SPC Securities Co., Ltd. a wholly owned subsidiary. As an operator under Articles 3 and 4 of the Act on Specified Financial Instruments and Exchange and holding licenses for FTK1 & 2 Financial Instruments Business, SPC Securities is now able to enter the real estate crowdfunding and real estate ST markets.

**MIGALO Holdings**

MIGALO Holdings (TSE Prime 5535) has Property Agent as its flagship subsidiary. Property Agent is a developer that handles everything from the development to the sale of investment condominiums for individual investors, utilizing digital transformation (DX) for sales and rental management. As one of its exit strategies, the company operates the real estate crowdfunding platform "Rimple". This platform aims to appeal to investors who prefer small-scale investments rather than large-scale investments in physical condominium properties. Since the company sells properties it has developed itself, it is not expected to compete directly with Creal.

**SYLA Holdings**

SYLA Holdings (TSE Standard 8887) also develops investment condominiums for individual investors, but it handles everything in-house, including construction, resulting in a more vertically integrated business model. As one of its exit strategies, the company operates the crowdfunding platform "Rimawari-kun". While it develops many of its own properties, some of them compete with Creal's "CREAL".

**Kasumigaseki Capital**

Kasumigaseki Capital (TSE Prime 3498) forms funds for institutional investors and uses those funds to develop hotels, logistics facilities, hospices and other properties. The company uses its own capital for the initial property purchase and sells the asset to the fund once the development plan is finalized. Regarding the hotel business - one of Kasumigaseki Capital's key growth pillars - its focus on apartment hotels (long-stay hotels operated by the group) and its efforts to improve efficiency through digital transformation (DX) make its business model similar to Creal's. While Creal operates its own properties under the Creal Hotels brand, Kasumigaseki Capital outsources operations to external partners. However, Kasumigaseki Capital often possesses its own hotel management expertise and handles the planning process. Additionally, Kasumigaseki Capital utilizes the Kasumigaseki Hotel REIT (TSE REIT 401A) as one of the exit strategies for properties it has developed.

**Ichigo**

Ichigo (TSE Prime 2337) primarily engages in a business model where it purchases offices and hotels to enhance their value through renovation, or acquires land to develop condominiums and other properties, which it then sells to its own listed J-REIT or funds managed by institutional investors. Even after the sale, the company provides asset management services and earns fee income. It also handles clean energy assets such as solar and wind power generation. Additionally, it conducts small-lot sales of residential properties through ST.

**TASUKI Holdings**

TASUKI Holdings (TSE Growth: 166A) is a digital transformation (DX) company originating from the real estate development sector, formed in 2024 through the merger of TASUKI and Shin Nippon Bldg. Its core Life Platform business focuses on developing IoT-enabled residences and renovating pre-owned properties, primarily for sale to large institutional investors and high-net-worth individuals. Additionally, as part of its real estate DX offerings, the company utilizes proprietary tools to streamline processes such as land acquisition, while also selling these tools to other developers. Furthermore, the company operates the crowdfunding platform "TASUKI FUNDS", which allows investments starting at ¥100,000 and focuses primarily on residential properties, including development projects.

**SRE Holdings**

SRE Holdings (TSE Prime 2980) is a company focused on AI and IT in the real estate sector. Its core business involves using proprietary software - such as AI-powered property valuation and cloud-based contract drafting tools - in-house, as well as selling these solutions as SaaS to other real estate firms. The company also engages in real estate brokerage, development, and asset management. Its primary target investors for property sales are corporations and institutional investors.

**TOSEI**

TOSEI (TSE Prime 8923) is engaged in the revitalization of older office buildings and condominiums, as well as development projects. Its primary buyers are professional corporate investors and it sells properties to private funds and TOSEI REIT Investment Corporation (TSE REIT 3451). It also operates "TOSEI Real Estate Crowd", a platform partially aimed at individual investors. Additionally, the company engages in hotel revitalization and management, which overlaps in part with Creal's business model.

**Figure 44. Trends in Profit Attributable to Owners of Peers**

(FY/mn)

| 2998 | Creal | 3/23 | 3/24 | 3/25 | 3/26 | 3/27 CoE | 3-Year CAGR |
|---|---|---|---|---|---|---|---|
| | | **336** | **647** | **1,351** | **1,939** | **2,100** | **48.1%** |
| 166A | TASUKI Holdings | | 9/23 | 9/24 | 9/25 | 9/26 CoE | |
| | | | - | 2,217 | 4,933 | 5,800 | NA |
| 2337 | Ichigo | 2/23 | 2/24 | 2/25 | 2/26 | 2/27 CoE | |
| | | 9,409 | 12,108 | 15,187 | 16,628 | 18,000 | 14.1% |
| 2980 | SRE Holdings | 3/23 | 3/24 | 3/25 | 3/26 | 3/27 CoE | |
| | | 1,148 | 1,388 | 1,697 | 1,840 | 2,830 | 26.8% |
| 3482 | Roadster Capital | 12/22 | 12/23 | 12/24 | 12/25 | 12/26 CoE | |
| | | 4,843 | 4,883 | 6,871 | 7,976 | 9,178 | 23.4% |
| 3491 | GA Technologies | 10/22 | 10/23 | 10/24 | 10/25 | 10/26 CoE | |
| | | 384 | 1,010 | 1,702 | 3,890 | 5,460 | 75.5% |
| 3498 | Kasumigaseki Capital | 8/22 | 8/23 | 8/24 | 8/25 | 8/26 CoE | |
| | | 1,018 | 2,050 | 5,020 | 10,250 | 16,500 | 100.4% |
| 5535 | MIGALO Holdings | 3/23 | 3/24 | 3/25 | 3/26 | 3/27 CoE | |
| | | 1,576 | 1,112 | 1,390 | 1,434 | 1,500 | 10.5% |
| 8887 | SYLA Holdings | 5/22 | 5/23 | 5/24 | 5/25 | 5/26 CoE | |
| | | 835 | 765 | 212 | -657 | 6,513 | 104.2% |
| 8923 | TOSEI | 11/22 | 11/23 | 11/24 | 11/25 | 11/26 CoE | |
| | | 8,607 | 10,508 | 11,985 | 14,754 | 15,157 | 13.0% |

Note: 3-year CAGR represents the growth rate for the 3-years leading up to the company's current forecast.
Source: Company Materials. Compiled by Strategy Advisors.

### Creal's Metrics are Set to Improve Due to Changes in its Business Model

When comparing Creal's profitability and financial health with those of other companies, a direct comparison is not appropriate because no other company operates in the same business model. In particular, differences in business activities and revenue recognition methods make it difficult to compare metrics such as gross profit margin, equity ratio, and total asset turnover. In the case of Creal, net sales and balance sheet treatment differ between the "CREAL" FTK 1 & 2 Scheme and FTK 3 & 4 Scheme. As FTK 3 & 4 become the mainstream and funds move off-balance-sheet, accounting metrics such as gross profit margin and equity ratio are expected to improve.

### Return on Assets is Relatively High

Looking at ROIC, a metric comparable for asset profitability, Creal's actual figure of 14.4% is the highest among the 10 companies, significantly exceeding the average of 7.7%. This indicates that the company is generating profits efficiently with a small amount of invested capital. Additionally, its ROE stands at 23.5%, second only to Kasumigaseki Capital and exceeding the average of 16.4%. Although its equity ratio is currently the lowest due to the inclusion of crowdfunding deposits on the balance sheet, it is expected to improve as the company shifts toward FTK 3 & 4.

**Financial Performance is Strong**

While the company and many of its peers hold a certain amount of cash and deposits, these are generally believed to be held for the purpose of purchasing properties and land. Therefore, we do not consider it appropriate to classify cash and deposits as surplus funds; instead, we compare the debt-to-equity (D/E) ratio, calculated by dividing gross interest-bearing debt by equity. Creal's D/E ratio stood at 0.77x as of the end of FY3/26, below the average of 1.61x, indicating that its actual financial condition is sound. Furthermore, the company held ¥13.69 billion in cash and deposits as of the end of FY3/26, resulting in net interest-bearing debt of ▲¥5.01 billion.

**Figure 45. Profitability Comparison with Peers**

| Code | Company Name | FY | GP Margin (%) | ROE (%) | ROIC (%) | Equity Ratio (%) | D/E Ratio (x) | Total Asset Turnover (times) |
|---|---|---|---|---|---|---|---|---|
| **2998** | **Creal** | **3/26** | **20.6** | **23.5** | **14.4%** | **25.5** | **0.77** | **0.78** |
| 166A | TASUKI Holdings | 9/25 | 19.9 | 18.5 | 9.0% | 38.3 | 1.47 | 1.04 |
| 2337 | Ichigo | 2/26 | 32.5 | 14.6 | 3.5% | 26.6 | 2.56 | 0.22 |
| 2980 | SRE Holdings | 3/26 | 34.7 | 12.7 | 7.0% | 31.1 | 1.75 | 0.82 |
| 3482 | Roadster Capital | 12/25 | 34.6 | 27.7 | 9.7% | 26.1 | 2.15 | 0.39 |
| 3491 | GA Technologies | 10/25 | 16.9 | 14.5 | 7.6% | 37.4 | 0.93 | 3.12 |
| 3498 | Kasumigaseki Capital | 8/25 | 37.8 | 32.5 | 14.2% | 29.7 | 1.90 | 0.97 |
| 5535 | MIGALO Holdings | 3/26 | 15.9 | 10.9 | 4.0% | 26.3 | 2.36 | 1.03 |
| 8887 | SYLA Holdings | 5/25 | 17.1 | -5.9 | 1.5% | 66.1 | 0.41 | 0.34 |
| 8923 | TOSEI | 11/25 | 42.1 | 15.3 | 5.9% | 33.4 | 1.78 | 0.32 |
| | **Average** | | **27.2** | **16.5** | **7.7%** | **34.1** | **1.61** | **0.90** |

Note:
All figures are actual results. Net profit refers to net profit attributable to owners of the parent.
ROA = Net profit attributable to owners of the parent / Total assets.
Since the companies on this list are generally considered to hold relatively little excess cash, gross interest-bearing debt is used in the calculation of ROIC and the D/E ratio.
Source: Company Materials.

## 2) Overseas Market Trends

**Trends in the US Market**

In the United States, real estate crowdfunding has been expanding ahead of Japan. The market size is estimated to be around $15–20 billion (depending on how the market scope is defined), which is significantly larger than Japan's ¥176.3 billion (FY 2024), even when accounting for the difference in population. While there are no publicly listed companies in this sector, the privately held company Fundrise can be said to operate in a business model relatively similar to Creal. Fundrise opened its platform to U.S. retail investors with a minimum investment of just $10. In addition to real estate, the company leverages its online platform to offer private credit and venture capital investments. By 2024, its AUM (assets under management) had reached $2.94 billion, reflecting a substantial scale of operations.

Although its business model differs slightly from real estate crowdfunding, the privately held company CrowdStreet can also be cited as a major player in the real estate marketplace sector. With a minimum investment of $25,000, it primarily targets high-net-worth individuals.

**The Rapid Expansion of RWA**

In the United States, the trend of tokenizing real-world assets - such as bonds, stocks, real estate and commodities - on the blockchain (RWA: Real World Assets) is spreading rapidly. This mechanism involves issuing tokens backed by physical assets, which investors can then buy and sell. In the U.S., the sector has expanded rapidly since 2025, as regulatory frameworks have been established and the SEC has begun to allow major financial institutions to enter the market. Currently, the on-chain market size (transactions and specifications recorded on the blockchain) is estimated to exceed $30 billion. While government and corporate bonds are the mainstay at present and real estate remains a niche segment, real estate RWAs are expected to be promising as the overall RWA market is projected to expand significantly. In Japan, the market for real estate STs - considered a form of RWA - has been established, and as a financial product, the market is actually expanding ahead of the U.S. Creal also plans to enter the real estate ST market starting in September 2026 and it should be able to ride the wave of tokenization.

## 13. Stock Price Trends and Valuation

**There Have Been Two Upward Trends**

Since its initial public offering in April 2022, Creal's stock price has experienced two major upward trends. The first occurred in 2023; it is believed that the rise began in January following a third-party allotment of new shares by SBI Holdings and the announcement of a business partnership with the company, which appears to have heightened market expectations for growth. The upward revision of earnings forecasts announced in May 2023, coupled with a significant increase in GMV from April to June, appears to have provided momentum for the stock price rise. However, the stock price subsequently fell as GMV failed to meet market expectations.

**Monthly GMV Has a Certain Impact on the Stock Price**

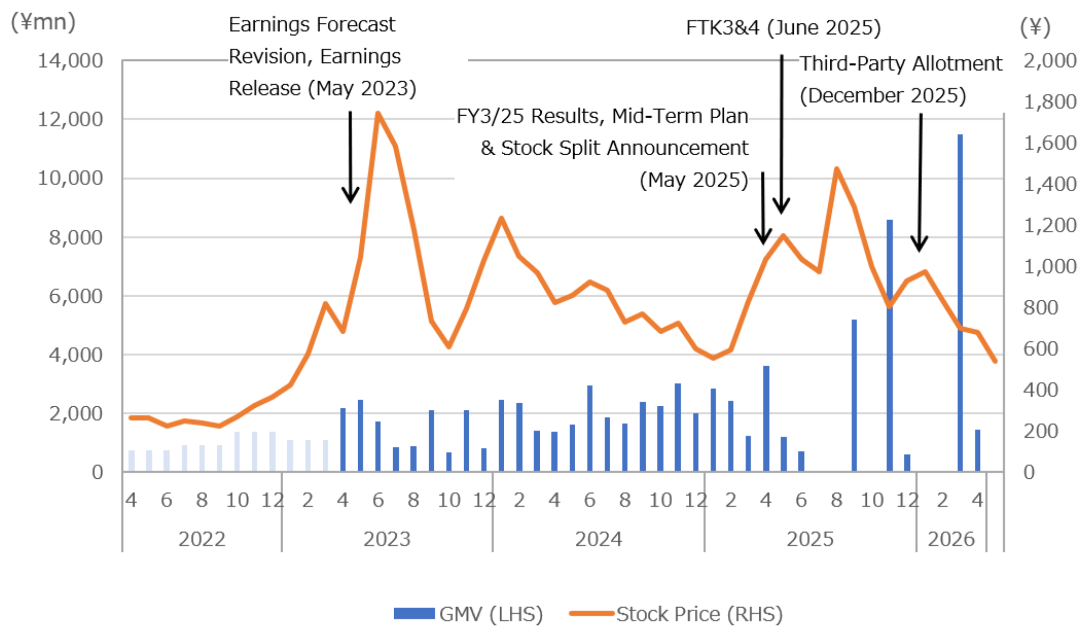
The second phase was the upward trend from February to August 2025. Growth expectations are believed to have risen following the January announcement of the acquisition of Usuki Securities as a subsidiary and the May announcement of the Medium-Term Business Plan. However, the stock price peaked in August 2025 and subsequently began to decline. Factors contributing to this decline are believed to include the slower-than-expected growth in "CREAL" GMV relative to the company's FY3/26 plan, as well as "CREAL PRO" revenues falling short of projections starting from the second quarter. As shown in Figure 46, key indicators affecting the company's stock price include the monthly trends in GMV, which serve as a leading indicator of "CREAL" gross profit.

**Stock Price Fell Following FY3/26 Earnings**

The stock market reacted negatively to FY3/26 earnings results announced on May 15, with the stock price falling sharply by 28.0% in the week following the announcement. As mentioned earlier, while actual profits exceeded the company's forecast, the fact that GMV - a key indicator of future "CREAL" revenue - came in at ¥31.4 billion, falling short of the company's forecast of ¥40 billion and that gross profit for "CREAL PRO" failed to meet the company's forecast, appears to have been viewed negatively.

Additionally, it appears that the company's forecasts for FY3/27, which showed gross profit and net profit falling short of market expectations - also had an impact. Furthermore, the downward revision of the "CREAL" GMV forecast for FY3/27 from ¥80 billion (including ST) to ¥64 billion, as indicated a year prior, also contributed to the negative reaction. While both earnings and GMV showed steady growth YoY, it is presumed that market expectations were high.

**Figure 46. Creal's Stock Price, GMV & Major Events**




Note: Due to data limitations, the monthly GMV figures for April 2022–March 2023 are presented as monthly averages of quarterly figures.
Source: Company Materials.

### Stock Prices Vary by Company

While there are no companies with the exact same business model as Creal, Figures 47 and 48 show the stock price trends of the similar companies mentioned earlier. The comparison uses the end of April 2022, when Creal went public, as the base (100). Stock price movements vary widely from company to company, making it difficult to identify a consistent trend. While the real estate sector is generally susceptible to macroeconomic influences, individual factors appear to play a significant role for these companies.

### Kasumigaseki Capital's Stock Price Outperforms Others

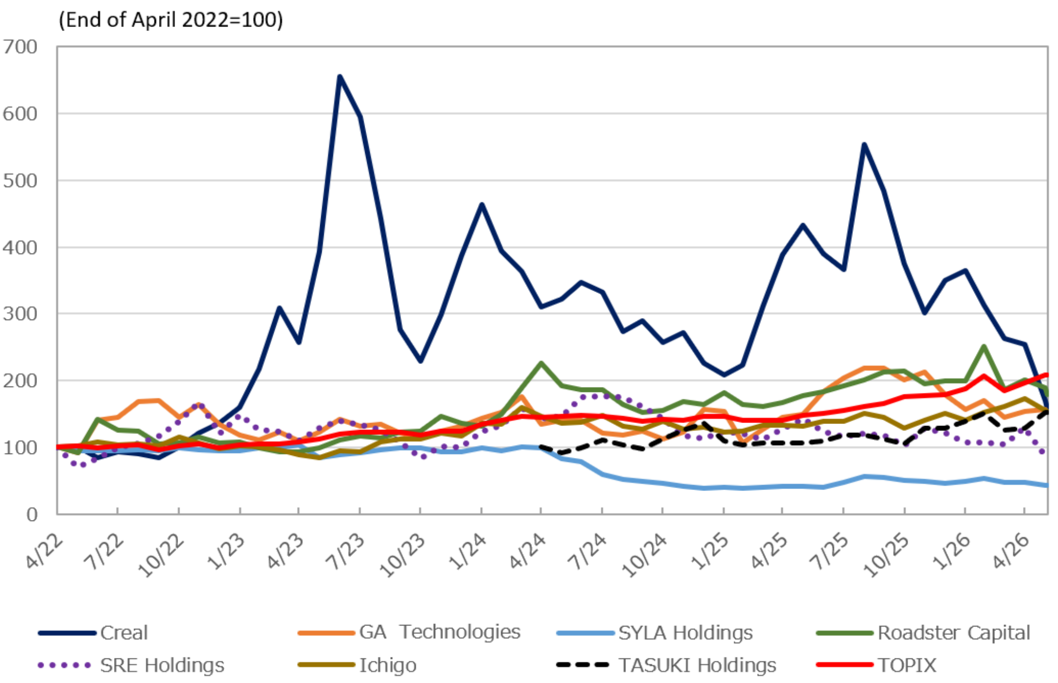
Among these companies, Kasumigaseki Capital has delivered the strongest stock performance, driven by its rapidly expanding business. In particular, its stock price rose significantly from the second half of 2023 through the first half of 2024, and it has continued to post relatively solid performance as its results have consistently exceeded market expectations. Since 2023, Creal's stock price has followed a similar trajectory to that of Kasumigaseki Capital. While Creal has a strong focus on retail investors and Kasumigaseki Capital targets institutional investors, the two companies share many commonalities, such as using fund capital to enhance the value of real estate and positioning hotels as a growth area.

MIGALO Holdings saw its stock price rise sharply from late 2024 through 1H of 2025, driven by optimism surrounding its facial recognition platform service; however, it has since stagnated, partly due to a capital increase. Meanwhile, TOSEI's stock price has followed a relatively stable upward trend without significant fluctuations, outperforming TOPIX.

**Overall, Stock Price Movements Have Been Sluggish Due to Rising Interest Rates**

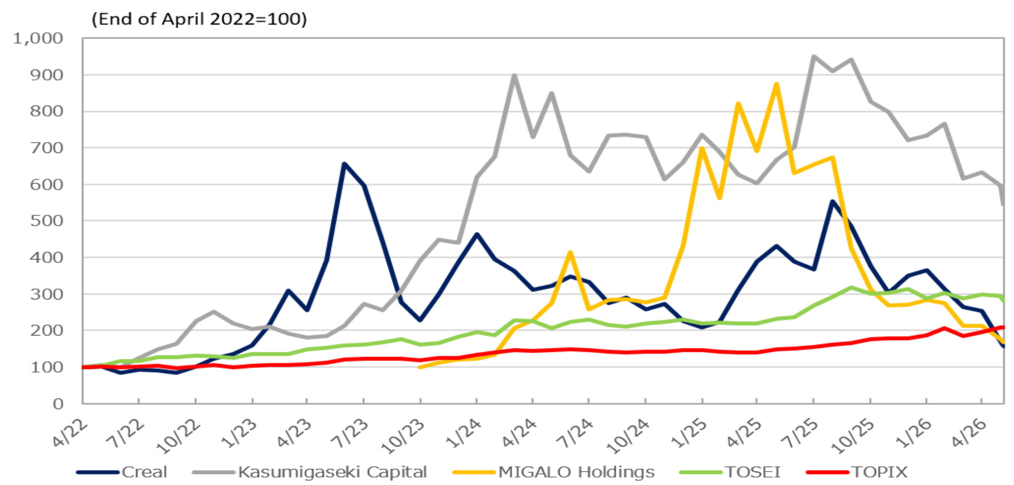
Both Creal's stock price and those of other companies have generally been undergoing a correction since early fall 2025. While each company may have its own specific factors, overall, this trend appears to be attributable to the strengthening upward trend in interest rates around that time. While the TOPIX has been rising steadily, many companies' stock prices have been underperforming.

**Figure 47. Stock Price Trends of Peer Companies (1)**




Source: Strategy Advisors.

**Figure 48. Stock Price Trends of Peer Companies (2)**




Source: Strategy Advisors.

**Figure 49. Valuation Comparison of Peers**

| Code | Company Name | Stock Price (June 4) (¥) | Market Cap (June 4) (¥bn) | PER CoE (times) | PBR Actual (times) | ROE CoE (%) | ROIC CoE (%) | Dividend Yield CoE (%) | EV/EBITDA CoE (times) |
|---|---|---|---|---|---|---|---|---|---|
| **2998** | **Creal** | **420** | **15.1** | **7.2** | **1.3** | **18.6** | **12.0%** | **1.9** | **7.1** |
| 166A | TASUKI Holdings | 940 | 58.0 | 10.0 | 1.8 | 18.2 | 7.5% | 4.3 | 11.4 |
| 2337 | Ichigo | 447 | 185.9 | 9.9 | 1.5 | 15.5 | 3.4% | 3.5 | 19.1 |
| 2980 | SRE Holdings | 2,474 | 40.2 | 14.8 | 2.6 | 18.5 | 7.1% | 0.8 | 11.7 |
| 3482 | Roadster Capital | 2,697 | 57.8 | 4.9 | 1.3 | 26.3 | 9.8% | 3.6 | 7.7 |
| 3491 | GA Technologies | 1,468 | 60.3 | 11.0 | 2.0 | 18.1 | 9.2% | 0.9 | 6.3 |
| 3498 | Kasumigaseki Capital | 5,550 | 136.5 | 8.3 | 1.8 | 22.1 | 12.1% | 3.0 | 7.5 |
| 5535 | MIGALO Holdings | 250 | 16.2 | 10.7 | 1.1 | 9.9 | 4.2% | 3.6 | 15.1 |
| 8887 | SYLA Holdings | 344 | 14.4 | 2.2 | 0.8 | 36.8 | 2.8% | 3.5 | 22.8 |
| 8923 | TOSEI | 1,535 | 149.5 | 9.8 | 1.4 | 14.0 | 6.3% | 3.6 | 12.2 |
| | Average | | | 8.9 | 1.6 | 19.8 | 7.5% | 2.9 | 12.1 |

Note:
1) ROE is calculated by dividing the company's forecast of net profit attributable to parent company shareholders by the equity reported in the most recent quarter. ROIC is calculated by adding actual depreciation expense to the company's forecast of operating profit to derive NOPAT, and then dividing that by the capital employed reported in the most recent quarter.
2) SYLA Holdings' P/E ratio is lower due to extraordinary income in FY5/26.
Source: Company Materials.

**Stock Prices Are Stagnant Across the Industry**

A comparison of valuations shows that they have declined across the industry as a whole, with P/E ratios generally ranging from 5x to 11x. Excluding temporary extraordinary gains in their forecast for FY5/26, SYLA Holdings falls within this range with a P/E ratio of around 10x. Not limited to real estate tech and real estate finance companies, J-REIT stock prices are also sluggish, suggesting that macroeconomic factors - such as rising interest rates and concerns about a plateauing real estate market - are reflected in these valuations. Creal's valuation is also sluggish. While its P/E ratio had generally fluctuated within a range of 10x to 20x since April 2024, the recent decline has brought it down to 7.2x. The P/B ratio has followed a gradual downward trend and has recently fallen below 2x.

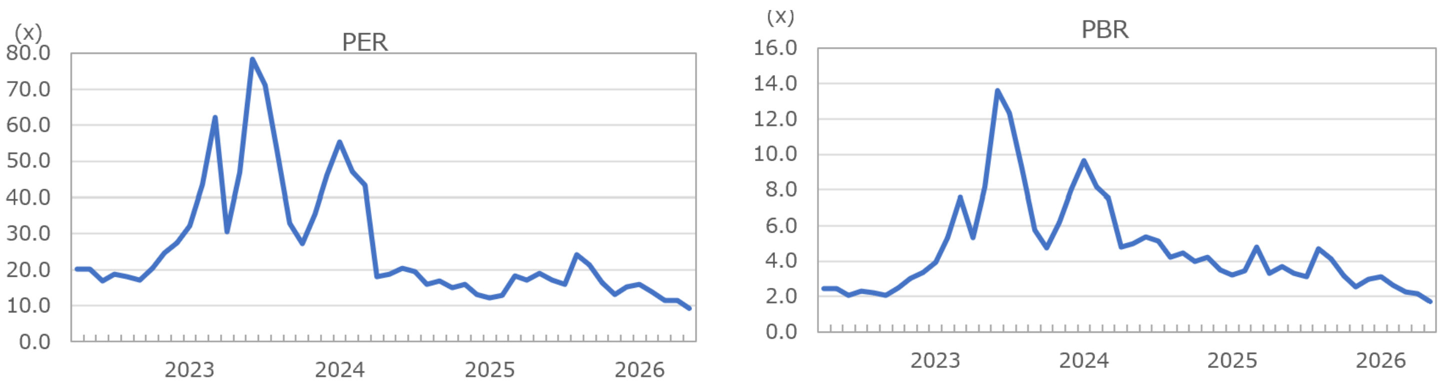
**The Company's Ability to Generate Value on its Own is Crucial.**

While Creal may hold real estate properties for short periods, it does not hold them for the long term. For this reason, the macroeconomic impact on its business performance and financial position is considered to be relatively minor. However, looking at the industry as a whole, rising interest rates are increasing investors' expected returns and the sustained rise in real estate prices appears to be partially leveling off. Consequently, it may become more difficult to generate capital gains and success fees at the same level as before. Therefore, the company's future success will likely depend heavily on its proprietary value-enhancement capabilities. As mentioned earlier, Creal maintains dedicated value-enhancement teams for both residential and hotel properties and is considered highly competitive in this regard.

**Focus Shifts to Confirming GMV Growth & the Smooth Launch of the St Business**

While earnings for FY3/27 are expected to slow temporarily, the key points of focus in the stock market will likely be whether the GMV from the FTK 3 & 4 schemes will grow significantly as planned, and whether the real estate ST business will get off to a smooth start. If it is confirmed that these initiatives are progressing as planned, expectations for earnings growth starting in FY3/28 and beyond are likely to rise, and the stock's valuation is likely to begin recovering. Furthermore, regarding the FY3/27 results, given that the company has frequently exceeded its initial forecasts in the past, there is a possibility that it will outperform its current conservative projections. If so, this would likely lead to a recovery in the stock price.

**Figure 50. Trends in PER and PBR**




Source: Company Materials.

## 14. Risk Factors

The following risks surround the company.

**Real Estate Market Trends**

First, we should consider trends in the real estate market. While the likelihood of a major correction at this point appears low, if real estate prices for residential and office properties were to decline due to economic conditions or interest rate trends, losses on the subordinated capital could occur upon the sale of properties managed under Creal's FTK1 &2 Schemes. Furthermore, under FTK 3 & 4, there is a possibility that success fees will not be received upon sale. Furthermore, if real estate prices continue to stagnate, investor interest may wane, potentially making it difficult to form new funds. However, financial risks are relatively small, given that the company does not rely on bank loans and holds a very limited amount of real estate inventory at its own risk.

On the other hand, if the residential and office markets experience a strong upturn, it may become difficult to acquire properties on favorable terms, making it challenging for "CREAL" to offer attractive projected yields. Although the company has an extensive network for property acquisition and holds a relative advantage in this regard, this should be considered a potential risk.

**Rising Interest Rates**

Second, there is the risk of rising interest rates. As mentioned above, while this affects real estate prices themselves, "CREAL" and "CREAL PRO" as financial products face competition from bank deposits, stocks and bonds. If rising interest rates are driven by inflation, the appeal of real estate investment is likely to persist; however, if this is not the case, there is a risk that investor funds will shift to other financial products. Furthermore, regarding Creal's stock price, there is a possibility that it may lag behind the broader real estate finance sector.

**Competitive Risks in Real Estate ST**

Third, there is the risk of competition. While we believe Creal's competitive advantage remains unchanged in the real estate crowdfunding sector, the company is a late entrant in the real estate ST market and is expected to face competition from early movers such as Mitsui & Co. Digital Asset Management (unlisted) and Digital Securities (unlisted). However, the company has a base of individual investors cultivated through real estate crowdfunding and we believe this will be leveraged in the ST market as well. Furthermore, the real estate ST market is in a phase of rapid expansion, so it can be said that this is a stage where companies will benefit from market growth rather than facing intense competition among players.

**Risk of Delay in Launching the Real Estate ST Business**

Fourth, there is a risk of delays in obtaining the necessary regulatory approvals to launch the real estate ST business. The company is preparing to enter the ST business by making Usuki Securities - which holds a Type 1 Financial Instruments Business License - a wholly owned subsidiary in 2025. However, the issuance and management of STs require additional registrations and system development, which generally take time.

The company is planning to launch the business in FY3/27 and has set a target of ¥7 billion in ST GMV; however, if the acquisition of licenses and approvals is delayed, this target may not be met. Even in that case, however, the company is expected to be able to offset the shortfall through its crowdfunding business, so the impact on the company's performance is likely to be limited.

## 15. ESG Initiatives

### 1) Corporate Governance Structure

**Corporate Governance Structure**

The Group consists of a total of 7 companies: the Company, its consolidated subsidiaries (Creal Partners, Inc., Creal Asia Pte Ltd, Creal Hotels Inc., StayC Shin-Osaka, GK, and Usuki Securities Co., Ltd.) and its affiliate (TAT Inc.). The company is organized as a company with auditors. Regarding the Board of Directors, of the 8 directors, 5 are internal directors and 3 are independent outside directors (37.5% of directors are outside directors); all 3 meet the independence criteria. There is one female director, resulting in a female director ratio of 12.5% (the female executive ratio is 9.1%). There are 3 auditors, all of whom are outside auditors (2 of whom are independent officers). As Creal is listed on the Growth Market, it is required to either comply with the basic principles of the Corporate Governance Code or, if non-compliant, explain the reasons for non-compliance. Creal implements all of the Basic Principles. Supplementary Principle 4-8 states that companies not listed on the Prime Market should appoint at least 2 independent outside directors, and Creal meets this standard. A Nomination and Remuneration Committee has been established on a voluntary basis. It serves as an advisory body to the Board of Directors to enhance the transparency and appropriateness of the processes for director nomination and remuneration determination. It consists of 2 outside directors out of 3 members.

**Figure 51. Director and Auditor Skills Matrix (as of June 25, 2025)**

| Title | Name | Gender | Independence | Finance | Real Estate | IT/DX | Compliance & Risk Management | Finance/ Financial Accounting | M&A | SDGs |
|---|---|---|---|---|---|---|---|---|---|---|
| President | Daizo Yokota | Male | | ○ | ○ | ○ | ○ | | | ○ |
| Vice president | Yoshihiro Kaneko | Male | | ○ | | | ○ | ○ | ○ | ○ |
| Director | Tomoaki Ota | Male | | | ○ | ○ | | | | |
| Director | Yusuke Yamanaka | Male | | ○ | ○ | | | | | |
| Chairman , Director | Akinari Tokuyama | Male | | ○ | ○ | | | | | |
| Outside Director | Mirai Murakami | Male | Independence | | | | ○ | ○ | ○ | ○ |
| Outside Director | Satoshi Sadakata | Male | Independence | ○ | | | ○ | ○ | | |
| Outside Director | Miyuki Tani | Female | Independence | ○ | ○ | ○ | | ○ | | |
| Full-time Auditor | Kazunori Honda | Male | Independence | | ○ | | ○ | ○ | | |
| Outside Auditor | Tomohiro Sato | Male | | ○ | | | ○ | | ○ | ○ |
| Outside Auditor | Kiyoshi Hirono | Male | Independence | | ○ | | | ○ | ○ | |

Source: Company Data. Compiled by Strategy Advisors.

## 2) Shareholder Structure

**Major Shareholders**

Mr. Akinari Tokuyama, the founder and Chairman of the Board, was previously the largest shareholder, but following a third-party allotment of new shares in December 2025, he became the second-largest shareholder. Although Chairman Tokuyama does not participate in day-to-day management as a part-time director, he devotes a significant amount of time to providing various forms of support, such as developing new business relationships and will continue to hold a certain number of voting rights as a stable shareholder. In this capital increase, SBI Holdings, JICVGI Opportunity Fund No. 1 Limited Partnership (a venture capital fund managed by JIC Venture Growth Investments, a subsidiary of the government-affiliated Innovation Network Corporation of Japan), Chuo-Nittochi Co., Ltd., Kiraboshi Capital Tokyo Sparkle Limited Partnership (managed by Kiraboshi Capital) and Japan Airlines. Following a capital and business alliance and a third-party allotment of new shares in 2023, SBI Holdings became the second-largest shareholder. With an additional investment in December 2025, the company became an equity-method affiliate of SBI Holdings, and SBI Holdings became the largest shareholder, holding a 20.7% stake in the company.

**Figure 52. Creal's Major Shareholders (As of December 23, 2025)**

| Major shareholders | Shareholding Ratio (%) |
|---|---|
| SBI Holdings | 20.65 |
| Akinari Tokuyama | 20.10 |
| JICVGI Opportunity Fund Limited Liability Partnership | 7.43 |
| Daizo Yokota | 5.50 |
| Japan Custody Bank, Ltd. (Trust Account) | 4.40 |
| Masahito Sakurai | 4.30 |
| Yoshihiro Kaneko | 3.66 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 2.85 |
| Chuo Nippon Land & Building Co., Ltd. | 1.86 |
| Kiraboshi Capital Tokyo Sparkle Investment Limited Partnership | 1.86 |

Note: Ratio relative to the total number of outstanding shares (excluding treasury stock).
Source: Company Data. Compiled by Strategy Advisors.

## 3 ) Sustainability

**Actively Engaged in ESG Real Estate**

Since its launch, the company has focused on investing in real estate sectors that are socially necessary, but have not received sufficient funding. Specifically, it invests in ESG-related real estate - such as childcare centers, schools, healthcare facilities and projects related to regional revitalization, despite being essential to society, have struggled to attract institutional investors due to their small investment scale.

The company executes these investments by raising funds from individual investors through its crowdfunding platform, "CREAL". ESG real estate refers to properties that are investment targets taking into account environmental (E), social (S) and governance (G) factors. The company's first ESG real estate investment was a daycare center in Komagome, Toshima Ward, Tokyo, in April 2019. Since then, the total investment in ESG real estate via "CREAL" has exceeded ¥5 billion (as of the end of March 2025). Furthermore, the company is promoting real estate investments that consider environmental and social impacts from a long-term perspective, as evidenced by the DBJ Green Building certification obtained by one of its managed apartment complexes.

As part of its human capital strategy, to realize its mission of "changing real estate investment and changing society," the company has established four core values - "Grit", "Imagination", "Fairness" and "Team" - that all executives and employees are expected to uphold. The company has incorporated these 4 values into its performance evaluation system and is working to create a corporate environment where employees can work with high motivation.

The proportion of female managers at Creal is 10.2% (as of the end of March 2025). According to a survey by Teikoku Databank, the average proportion of female managers is 11.1% (2025), which is on par with the national average. The proportion of female managers across the entire Creal Group is 15.5%, and the company aims to reach 30% by March 2026.

With a workforce of 225 employees, the company is considered small-scale; therefore, information regarding the rate of male employees taking childcare leave and the gender pay gap is omitted, as the company is not subject to mandatory disclosure requirements. Starting in April 2026, companies with 101 or more employees will also be required to disclose this information.

**Figure 53. Creal Group's Sustainability-Related Indicators & Targets (As of March 31, 2025)**

| Indicator | Actual | Target |
|---|---|---|
| Percentage of Female Employees Among Regular Employees | 44.7% | Maintain 40% through March 2026 |
| Percentage of female employees in management positions | 15.5% | 30% by March 2026 |
| Paid leave utilization rate | 70.8% | 90% by March 2026 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 54. Income Statement (Full-Year Base, ¥mn)**

| FY | 3/21 | 3/22 | 3/23 | 3/24 | 3/25 | 3/26 | 3/27 CoE |
|---|---|---|---|---|---|---|---|
| **Net Sales** | **7,141** | **10,581** | **16,436** | **21,044** | **41,823** | **37,795** | |
| YoY | | 48.2% | 55.3% | 28.0% | 98.7% | -9.6% | |
| Cost of Sales | 5,975 | 9,026 | 14,229 | 17,482 | 36,157 | 29,996 | |
| Gross Profit | **1,165** | **1,554** | **2,206** | **3,562** | **5,666** | **7,799** | **8,890** |
| Gross Profit Margin | 16.3% | 14.7% | 13.4% | 16.9% | 13.5% | 20.6% | |
| SG&A Expenses | 981 | 1,240 | 1,659 | 2,581 | 3,698 | 4,857 | |
| **Operating Profit** | **183** | **313** | **547** | **980** | **1,968** | **2,941** | **3,290** |
| YoY | | 71.0% | 74.8% | 79.2% | 100.8% | 49.4% | 11.9% |
| OP Margin | 2.6% | 3.0% | 3.3% | 4.7% | 4.7% | 7.8% | |
| Non-Operating Income | 6 | 4 | 1 | 3 | 12 | 41 | |
| Interest and Dividend Income | 0 | 0 | 0 | 0 | 3 | 23 | |
| Revenue from commissioned services | 0 | 0 | 0 | 1 | 4 | 4 | |
| Non-Operating Expenses | 84 | 61 | 52 | 42 | 150 | 199 | |
| Interest Expense | 75 | 48 | 39 | 42 | 94 | 142 | |
| **Ordinary Profit** | **105** | **256** | **496** | **941** | **1,830** | **2,784** | **3,050** |
| YoY | | 143.8% | 93.8% | 89.7% | 94.5% | 52.1% | 9.6% |
| Ordinary Profit Margin | 1.5% | 2.4% | 3.0% | 4.5% | 4.4% | 7.4% | |
| Extraordinary Income | 2 | 56 | 0 | 4 | 0 | 0 | |
| Extraordinary Loss | 6 | 0 | 0 | 0 | 0 | 132 | |
| Profit before Income Taxes | 132 | 266 | 499 | 883 | 1,830 | 2,651 | |
| YoY | | 101.5% | 87.6% | 77.0% | 107.2% | 44.9% | |
| Pretax Profit Margin | 1.8% | 2.5% | 3.0% | 4.2% | 4.4% | 7.0% | |
| Total Income Taxes | 81 | 93 | 163 | 235 | 479 | 712 | |
| (Corporate Tax Rate) | 61.4% | 35.0% | 32.7% | 26.6% | 26.2% | 26.9% | |
| Profit | 50 | 172 | 336 | 647 | 1,351 | 1,938 | |
| Profit Attributable to Non-Controlling Interests | 0 | 0 | 0 | 0 | 0 | 0 | |
| **Profit Attributable to Owners of Parent** | **50** | **172** | **336** | **647** | **1,351** | **1,938** | **2,100** |
| YoY | | 244.0% | 95.3% | 92.6% | 108.8% | 43.4% | 8.4% |
| Net Profit Margin | 0.7% | 1.6% | 2.0% | 3.1% | 3.2% | 5.1% | |
| **EPS (¥)** | **2.5** | **8.1** | **13.2** | **22.3** | **45.5** | **60.6** | **58.2** |

Note: EPS has been retroactively adjusted to reflect the impact of the 1-for-5 stock split effective October 1, 2025.
Source: Company Data. Compiled by Strategy Advisors.

**Figure 55. Balance Sheet (Full-Year Base, ¥mn)**

| FY | 3/21 | 3/22 | 3/23 | 3/24 | 3/25 | 3/26 |
|---|---|---|---|---|---|---|
| **Current Assets** | **7,589** | **9,656** | **19,834** | **34,602** | **50,755** | **41,564** |
| Cash & Deposits | 2,036 | 1,458 | 6,198 | 7,859 | 15,699 | 13,694 |
| Deposit | 622 | 528 | 1,353 | 1,680 | 2,638 | 3,845 |
| Accounts Receivable | 42 | 15 | 21 | 28 | 94 | 635 |
| Properties for Sale | 4,471 | 7,469 | 10,998 | 24,478 | 30,711 | 20,309 |
| Inventory-Others | 2 | 8 | 929 | 284 | 34 | 495 |
| Allowance for Doubtful Accounts | 0 | -39 | -37 | 0 | 0 | 0 |
| Other Current Assets | 416 | 217 | 372 | 273 | 1,579 | 2,586 |
| **Non-Current Assets** | **1,457** | **1,269** | **1,657** | **1,147** | **2,181** | **2,697** |
| Tangible Fixed Assets | 1,401 | 1,208 | 1,404 | 862 | 949 | 849 |
| Buildings and Structures | 887 | 769 | 774 | 373 | 479 | 438 |
| Land | 499 | 483 | 681 | 479 | 491 | 434 |
| Other | 15 | -44 | -51 | 10 | -21 | -23 |
| Intangible Fixed Assets | 9 | 5 | 1 | 0 | 87 | 199 |
| Goodwill | 0 | 0 | 0 | 0 | 85 | 73 |
| Investments & Other Assets | 46 | 55 | 251 | 283 | 1,143 | 1,648 |
| Shares in Affiliated Companies | 0 | 0 | 0 | 0 | 730 | 729 |
| Deferred Tax Assets | 5 | 28 | 130 | 192 | 227 | 277 |
| Other | 41 | 27 | 121 | 91 | 186 | 642 |
| **Total Assets** | **9,046** | **10,926** | **21,492** | **35,749** | **52,936** | **44,262** |
| **Current Liabilities** | **7,028** | **9,482** | **16,472** | **31,192** | **45,999** | **28,796** |
| Trade Payables | 8 | 0 | 0 | 0 | 0 | 1 |
| Interest-Bearing Debt | 1,218 | 866 | 1,180 | 5,206 | 3,113 | 4,704 |
| Crowdfunding Deposits | 1,386 | 565 | 3,506 | 3,334 | 2,654 | 6,212 |
| Deposits Held on Behalf of Limited Partnerships | 3,984 | 7,528 | 10,870 | 21,283 | 37,278 | 13,716 |
| Others | 432 | 523 | 916 | 1,369 | 2,954 | 4,163 |
| **Non-Current Liabilities** | **1,145** | **397** | **1,908** | **749** | **1,662** | **3,991** |
| Interest-Bearing Debt | 463 | 308 | 1,849 | 732 | 1,645 | 3,979 |
| Deferred Tax Liabilities | 27 | 0 | 0 | 0 | 0 | 0 |
| Others | 655 | 89 | 59 | 17 | 17 | 12 |
| **Net Assets** | **872** | **1,045** | **3,111** | **3,806** | **5,273** | **11,474** |
| Shareholders' Equity | 868 | 1,040 | 3,097 | 3,756 | 5,178 | 11,280 |
| Share Capital | 379 | 379 | 1,239 | 1,245 | 1,280 | 3,452 |
| Capital Surplus | 279 | 279 | 1,139 | 1,145 | 1,180 | 3,352 |
| Retained Earnings | 210 | 382 | 719 | 1,366 | 2,718 | 4,476 |
| Accumulated Other Comprehensive Income | 0 | 0 | 2 | 0 | 6 | 13 |
| Share Acquisition Rights | 2 | 2 | 10 | 47 | 88 | 180 |
| Non-Controlling Interests | 1 | 1 | 1 | 1 | 0 | 0 |
| **Total Liabilities & Net Assets** | **9,046** | **10,926** | **21,492** | **35,749** | **52,936** | **44,262** |
| **Equity Capital** | **868** | **1,040** | **3,099** | **3,756** | **5,184** | **11,293** |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 56. Cash Flow Statement (Full-Year Base, ¥mn)**

| FY | 3/21 | 3/22 | 3/23 | 3/24 | 3/25 | 3/26 |
|---|---|---|---|---|---|---|
| **Cash Flows from Operating Activities** | 132 | 266 | 499 | 883 | 1,830 | 2,651 |
| Profit before Income Taxes | 36 | 65 | 62 | 63 | 40 | 51 |
| Depreciation and Amortization of Goodwill | 14 | 19 | -6 | -7 | -66 | -515 |
| Increase/Decrease in Trade Receivables | -4 | 0 | 0 | 0 | 0 | 0 |
| Increase/Decrease in Accounts Payable | -1,604 | -2,784 | -4,775 | -12,298 | -6,084 | 9,932 |
| Increase/Decrease in Inventory | 750 | -820 | 2,940 | -171 | -680 | 3,558 |
| Increase/Decrease in Crowdfunding Deposits | 543 | 3,543 | 3,341 | 10,413 | 15,994 | -23,562 |
| Increase/Decrease in Funds Held for Limited Partnerships | -380 | -15 | -771 | -94 | -1,014 | -1,528 |
| **Other Operating Cash Flows** | **-513** | **274** | **1,290** | **-1,211** | **10,020** | **-9,413** |
| **Cash Flows from Investing Activities** | | | | | | |
| Purchase of Property, Plant and Equipment | -227 | -78 | -20 | -44 | -18 | -73 |
| Purchase of Intangible Assets | -4 | 0 | 0 | 0 | 0 | -125 |
| Purchase of Investment Securities | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Sales of Investment Securities | 0 | 0 | 0 | 8 | 0 | 0 |
| Purchase of Affiliated Company Stock | 0 | 0 | 0 | 0 | -753 | 0 |
| Payment for the acquisition of shares in a subsidiary resulting in a change in the scope of consolidation | 0 | 0 | 0 | 0 | -197 | 0 |
| Loan Disbursements/Receipts | 0 | 270 | -4 | 3 | 0 | 0 |
| Other Investment Cash Flow | -4 | 45 | -98 | -101 | -202 | -353 |
| **Total** | **-239** | **237** | **-122** | **-134** | **-1,170** | **-676** |
| **Cash Flows from Financing Activities** | | | | | | |
| Net Increase/Decrease in Short-Term Interest-Bearing Debt | 435 | -251 | 422 | 4,022 | -2,680 | -62 |
| Net Increase/Decrease in Long-Term Interest-Bearing Debt | 229 | -175 | 2,015 | -1,125 | 1,498 | 3,992 |
| Issuance/Redemption of Corporate Bonds | 242 | -664 | -583 | 0 | 0 | 0 |
| Proceeds from Issuance of Shares | 558 | 0 | 1,717 | 13 | 70 | 4,332 |
| Purchase of Treasury Shares | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividend Paid | -54 | 0 | 0 | 0 | 0 | -180 |
| Other Financing Activities Cash Flow | -2 | 0 | 1 | -4 | -2 | -5 |
| **Total** | **1,408** | **-1,090** | **3,572** | **2,906** | **-1,114** | **8,077** |
| Effect of Exchange Rate Change on Cash and Cash Equivalents | 0 | 0 | 0 | 0 | 5 | 7 |
| Net Increase/Decrease in Cash and Cash Equivalents | 655 | -578 | 4,739 | 1,561 | 7,741 | -2,005 |
| Cash and Cash Equivalents at Beginning of Period | 1,381 | 2,036 | 1,458 | 6,198 | 7,759 | 15,499 |
| Impact of Changes in Scope of Consolidation | 0 | 0 | 0 | 0 | -1 | 0 |
| **Cash and Cash Equivalents at End of Period** | **2,036** | **1,458** | **6,198** | **7,759** | **15,499** | **13,494** |
| Free Cash Flow | -752 | 511 | 1,168 | -1,345 | 8,850 | -10,089 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 57. Key Indicators (¥mn)**

| FY | 3/21 | 3/22 | 3/23 | 3/24 | 3/25 | 3/26 | 27/3 CoE |
|---|---|---|---|---|---|---|---|
| **EPS (¥)** | **2.5** | **8.1** | **13.2** | **22.3** | **45.5** | **60.6** | **58.2** |
| **BPS (¥)** | **40.7** | **48.8** | **108.2** | **128.3** | **172.2** | **313.2** | |
| **Dividend Per Share (¥)** | **0.0** | **0.0** | **0.0** | **0.0** | **6.0** | **8.0** | **8.0** |
| Dividend Payout Ratio | 0.0% | 0.0% | 0.0% | 0.0% | 13.2% | 13.2% | 13.7% |
| **Closing Price (¥)** | — | — | **820** | **967** | **829** | **701** | |
| **PER (Times)** | — | — | **62.1** | **43.4** | **18.2** | **11.6** | |
| **PBR (Times)** | — | — | **7.6** | **7.5** | **4.8** | **2.2** | |
| Number of Shares Issued at End of Period ('000) | 71 | 21,360 | 28,656 | 29,288 | 30,115 | 36,066 | |
| Treasury Stock ('000 of Shares) | 0 | 0 | 0 | 1 | 1 | 1 | |
| Number of Treasury Stocks Excluded ('000 of Shares) | 71 | 21,360 | 28,656 | 29,287 | 30,114 | 36,065 | |
| Average # of Shares During the Period ('000 of Shares) | 20,195 | 21,360 | 25,474 | 29,060 | 29,736 | 32,014 | |
| **Market Capitalization (After Adjusting Treasury Shares)** | — | — | **23,498** | **28,320** | **24,964** | **25,282** | |
| Equity Ratio | 9.6% | 9.5% | 14.4% | 10.5% | 9.8% | 25.5% | |
| Outstanding Interest-Bearing Debt | 1,681 | 1,174 | 3,029 | 5,938 | 4,758 | 8,683 | |
| Net Interest-Bearing Debt Balance | -355 | -284 | -3,169 | -1,921 | -10,941 | -5,011 | |
| D/E Ratio | 2.6 | 1.1 | 1.0 | 1.6 | 0.9 | 0.8 | |
| Net Interest-Bearing Debt | 0.3 | -0.3 | -1.0 | -0.5 | -2.1 | -0.4 | |
| EV | — | — | 26,528 | 34,259 | 29,722 | 33,965 | |
| EV (Enterprise Value) | | | 20,330 | 26,400 | 14,023 | 20,271 | |
| EBITDA | 219 | 378 | 609 | 1,043 | 2,008 | 2,992 | |
| EV/EBIDA | — | — | 43.6 | 32.8 | 14.8 | 11.4 | |
| EV/EBIDA Multiple | — | — | 33.4 | 25.3 | 7.0 | 6.8 | |
| **ROE** | **8.5%** | **18.1%** | **16.2%** | **18.9%** | **30.2%** | **23.5%** | |
| ROIC | NA | 8.5% | 8.8% | 9.1% | 14.8% | 14.4% | |
| **Number of Employees** | **57** | **62** | **88** | **127** | **225** | **NA** | |

Note: The IC used to calculate ROIC is equity + non-controlling interests + gross interest-bearing debt.
Source: Company Data. Compiled by Strategy Advisors.

## Disclaimer

This report is published by Strategy Advisors Inc. (hereinafter referred to as the "Publisher ") and was prepared primarily by external partner companies and analysts.

The purpose of this report is to introduce and explain the target companies using a different approach than usual. In principle, the issuer does not review or approve the contents of the report (however, the issuer will point out to the author only if there are obvious errors or inappropriate expressions).

The Issuer may have received compensation, directly or indirectly, from the Target Company for planning, proposing and providing the infrastructure for issuing this report.

The external partners and analysts who write this report may receive compensation directly or indirectly from the subject company for activities other than preparing this report. In addition, the external partners and analysts who write this report may have or may in the future have transactions in the securities of the subject company.

This report has been prepared solely for the purpose of providing information to serve as a reference for investment decisions and is not intended as a solicitation for securities or other transactions. Investors should make final decisions regarding securities and other transactions at their own discretion and responsibility.

In preparing this report, the authors received information through interviews with the target companies, etc. However, the hypotheses and opinions expressed in this report are not those of the target companies but are the result of the authors' analysis and evaluation.

This report is based on information that the author believes to be reliable, but does not guarantee its accuracy, completeness or timeliness. The views and forecasts contained in this report are the judgment of the author at the time of publication of this report and are subject to change without notice.

Neither the issuer nor the authors shall be liable for any direct, indirect, incidental or special damage which an investor may suffer as a result of placing reliance on the information or analysis contained in this report.



Strategy Advisors

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