CREAL | 2998 (TSE Growth)

Company Report

August 25, 2026

Strategy Advisors Co., Ltd.

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Q1 FY3/27 Results: Progress Rate Low but In Line with Company Forecast; Earnings Growth Expected to Accelerate from the Second Half

Creal Inc. (hereafter, "the Company") reported Q1 FY3/27 results (April-June) with gross profit down 26.0% YoY to ¥990 million and an operating loss of ¥210 million (versus operating profit of ¥270 million in the same period last year). For FY3/27, hotel development properties at "CREAL PRO" and other projects are expected to be concentrated in the second half, and the full-year budget was originally weighted toward the second half. As a result, the Q1 results appear to be in line with the Company's own expectations.

At the real estate crowdfunding platform "CREAL," only one fund was formed in Q1, but in July the Company achieved a large-scale fund formation with GMV (funds raised) of ¥7.21 billion. GMV is expected to increase substantially from Q2 onward. At "CREAL PRO," which manages private funds for professional investors, earnings are expected to increase significantly, as gains on the sale of develop-type hotel projects—where the Company acquires the land itself—are expected to be concentrated in the second half. "CREAL PB," which sells subdivided condominium units to experienced individual investors, continues to grow steadily. "CREAL HOTELS," which handles hotel operations, is expanding rapidly, having been entrusted with the operation of three properties in Japan under IHG Hotels & Resorts' new rebranded hotel brand "Garner Hotels" — the first such properties in Japan.

The Company announced a strategic business alliance with Singapore-based real estate co-investment platform "RealVantage." It plans to form funds under a new scheme that adds a subordinated investment tranche within the Act on Specified Joint Real Estate Ventures ("FTK") Type 3 and Type 4 frameworks. Individual investors will be offered stable returns as senior investors, while professional investors will be offered high-risk, high-return investment opportunities through subordinated investment. Diversifying its fundraising methods in this way should enable the Company to expand GMV.

The share price fell sharply after the FY3/26 earnings announcement, but has since recovered somewhat, helped by the announcement of enhanced shareholder benefits in June and the successful formation of the large fund mentioned above in July. Although interest rates have been rising, office and residential rents continue to rise, and there has been no major change in fundamentals. If the Company achieves its planned earnings growth toward the second half, its current low valuation should also recover, and the share price is expected to rise. The key will be whether the planned formation of the funds and the sale of large-scale properties in the second half of the year proceed smoothly. Strategy Advisors' view of 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 Company is expected to enter this phase from the current second half onward.

Share Price & Trading Volume (1-Year)

Source: Strategy Advisors.

Key Indicators

Stock Price (8/24/26)	536
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)	19.3
EV (¥bn)	28.3
Equity Ratio (03/26 Actual, %)	25.5
ROE (03/26 Actual, %)	23.5
PER (03/27 CoE, x)	9.1
PBR (03/26 Actual, x)	1.7
Dividend Yield (03/27 CoE, %)	1.5

Note*: Gross basis.

Source: Strategy Advisors.

CREAL | 2998 (TSE Growth)

Japan GAAP, Consolidated

FY	Gross Profit (¥)	YoY (%)	Operating Profit (¥)	YoY (%)	Ordinary Profit (¥)	YoY (%)	Net Income (¥)	YoY (%)	EPS (¥)	DPS (¥)
FY3/26 Q1	1,334	-16.0	271	-67.7	259	-67.6	186	-68.9	6.2	-
FY3/27 Q1	**987**	**-26.0**	**-206**	**NM**	**-238**	**NM**	**-179**	**NM**	**-5.0**	**-**
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	58.9	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.

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1. Q1 FY3/27 Earnings Overview: Progress Rate Low but In Line with Company Expectations

Q1 Progress Rate Low Due to Second-Half-Weighted Budget, but In Line with Company Expectations

Creal Inc. (hereafter, "the Company") reported Q1 FY3/27 results (April-June) with gross profit down 26.0% YoY to ¥990 million and an operating loss of ¥210 million (versus operating profit of ¥270 million in the same period of the previous year). Quarterly earnings fluctuate depending on the timing of fund formations and similar factors, but for FY3/27 hotel development properties at "CREAL PRO" and other projects are expected to be concentrated in the second half, and the full-year budget was originally weighted toward the second half. As a result, the progress rate for the current Q1 was low, and earnings declined YoY, but the Q1 results appear to be in line with the Company's own expectations.

Other Businesses Such as "CREAL PRO" Saw Higher Profit, but Mainstay "CREAL" Saw a Large Profit Decline

In Q1, gross profit at the real estate crowdfunding platform "CREAL" declined sharply YoY, as the quarter saw only one commercial property sale and one fund formation. However, a large-scale hotel property fund was formed in July 2026, and gross profit at "CREAL" is expected to increase substantially in Q2 compared with Q1. Meanwhile, "CREAL PRO," which manages private funds for institutional investors, and "CREAL PB," which sells physical real estate to experienced individual investors and others, both saw higher profit YoY. "Other," which includes "CREAL HOTELS" (hotel operations) and "CREAL PARTNERS" (leasing management services), also grew profit substantially YoY.

Upfront Investment Burden Somewhat Heavy

At present, the Company also bears the burden of upfront investment for future business expansion. Due to investment ahead of the launch of the real estate security token (ST) business, operating profit/loss at Usuki Securities, the subsidiary responsible for this business, is expected to post a full-year FY3/27 operating loss of approximately ¥170 million, which is presumed to have been a modest drag on profit in Q1 as well. In addition, while gross profit at "CREAL HOTELS" continues to increase steadily, investment made in preparation for the expansion of its hotel operations business is expected to result in a full-year FY3/27 operating loss of approximately ¥60 million. Companywide SG&A expenses in Q1 rose 12.4% YoY to ¥1.19 billion. Consolidated headcount rose sharply to 299 at the end of FY3/26 from 225 at the end of FY3/25, which is presumed to reflect an increase in personnel expenses and other costs centered on the hotel business.

Full-Year Earnings Forecast Left Unchanged

Earnings are expected to recover from Q2 onward. In particular, in the second half a large number of "CREAL PRO" fund formations for hotel development properties and sales of development land are expected to be realized, and "CREAL" is also expected to see a substantial increase in fund formations under Type 3 and Type 4 of the Act on Specified Joint Real Estate Ventures ("FTK") and in property sales under Type 1 and Type 2. As a result, the Company believes it can achieve its FY3/27 earnings forecast.

Figure 1. Q1 FY3/27 Earnings Summary

(¥mn)	FY3/26 Q1	**FY3/27 Q1**	**YoY Change**	FY3/27 CoE	YoY	Progress Rate
Net Sales	10,069	**7,377**	**-26.7%**	NA	NA	NA
Gross Profit	1,334	**987**	**-26.0%**	8,890	14.0%	11.1%
CREAL	1,013	**357**	**-64.8%**	3,370	-23.3%	10.6%
CREAL PRO	47	**172**	**266.0%**	3,530	89.4%	4.9%
CREAL PB	173	**225**	**30.1%**	1,040	15.6%	21.6%
Others	99	**232**	**134.3%**	950	49.1%	24.4%
SG&A	1,062	**1,194**	**12.4%**	5,600	15.3%	21.3%
Operating Profit	271	**-206**	**NM**	3,290	11.9%	-6.3%
Ordinary Profit	259	**-238**	**NM**	3,050	9.6%	-7.8%
Net Income	186	**-179**	**NM**	2,100	8.4%	-8.5%
Number of Registered Investors	9,748	**5,822**	**-40.3%**	30,000	-27.7%	19.4%
GMV	5,542	**1,443**	**-74.0%**	64,000	103.9%	2.3%

Source: Strategy Advisors, based on Company data.

Figure 2. Revenue by Service (Quarterly)

	3/25				**3/26**				**3/27**
(¥mn)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**
Net Sales	**13,827**	**7,845**	**4,968**	**15,182**	**10,069**	**6,724**	**12,790**	**8,210**	**7,377**
CREAL	2,406	5,143	1,999	11,837	7,723	3,746	9,877	2,036	3,031
CREAL PRO	9,577	434	988	689	102	241	407	3,039	1,721
CREAL PB	1,747	2,170	1,876	2,487	2,011	2,348	2,109	2,672	2,096
Others	96	96	104	167	231	388	394	461	527
Gross Profit	**1,588**	**1,063**	**950**	**2,064**	**1,334**	**1,651**	**2,284**	**2,528**	**987**
CREAL	137	504	412	1,165	1,013	1,046	1,779	557	357
CREAL PRO	1,239	309	324	618	47	164	127	1,525	172
CREAL PB	151	189	158	217	173	238	216	270	225
Others	60	59	53	63	99	202	161	174	232

Source: Strategy Advisors, based on Company data.

2. Trends in Key Businesses

1) "CREAL" Real Estate Crowdfunding at a Turning Point Ahead of a Leap Forward

Q1 Fund Formation and Property Sale Each Limited to a Single Deal

Gross profit at "CREAL" in Q1 fell 64.8% YoY to ¥360 million. Only one fund was formed in Q1 — for the Bunkyo Sengoku Residence property — raising ¥1.44 billion (GMV, or Gross Merchandise Value, the total of funds raised through crowdfunding plus bank borrowing). This figure includes the upfront fee associated with the fund formation for the property and the asset management fee for the period from the start of operation at the end of May through the end of June. In addition, one commercial property under the FTK Type 1/Type 2 scheme was sold, and the associated exit fee was recorded. Also included is the asset management fee on properties under management, which had reached ¥43.8 billion by the end of Q1. In July, "CREAL"'s largest property to date, Osaka Kitasenba Hotel (with ¥7.21 billion raised), began operation, and the associated upfront fee and asset management fee will be recorded as revenue in Q2.

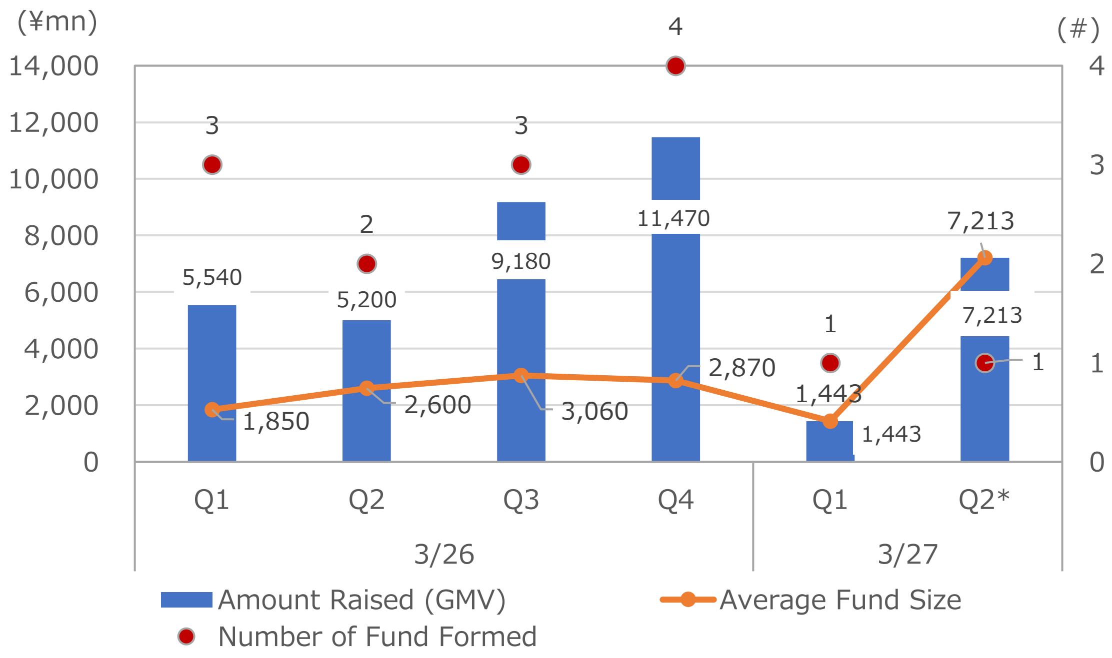
Q2's Osaka Kitasenba Hotel Fund Was the Largest Ever

Since obtaining FTK Type 3 and Type 4 licenses in June 2025, the Company has been able to have properties held by an SPC (special purpose company) and obtain non-recourse loans against individual projects, resulting in larger deal sizes. Among these, Osaka Kitasenba Hotel, which began operation in July, was by far the largest property to date. "CREAL" fundraising is often filled within a short period, but this property took almost the full 20-day planned fundraising period to reach its target. This partly reflects the large amount raised from investors — ¥3.42 billion (with ¥3.79 billion in borrowing).

Fundraising Took Somewhat Longer, but Diversifying the Scheme Should Address This

In addition, the Osaka Kitasenba Hotel property is distinctive in terms of its target yield. Most "CREAL" properties offer income gain (such as rental income) and capital gain (on sale) in roughly equal proportions, but this property offers an income gain of 1.0% and a capital gain of 6.4%, a much higher weighting toward capital gain. It was also explicitly stated in the fund offering materials that the hotel operation was expected to run at a loss for the first year after the start of operation. While the Company views this as a property with significant scope for value creation, it notes that the experience reaffirmed that individual investors in "CREAL" tend to prefer safer properties offering a good balance between income gain and capital gain. This issue is expected to be mitigated by the new scheme discussed below.

Figure 3. Number of "CREAL" Funds Formed and Amount Raised (GMV) (Quarterly)



Note: Q2 FY3/27 figures cover properties for which fundraising had been completed as of 24th of August.
Source: Strategy Advisors, based on Company data.

Figure 4. List of "CREAL" Properties (Under FTK Type 3 and Type 4)

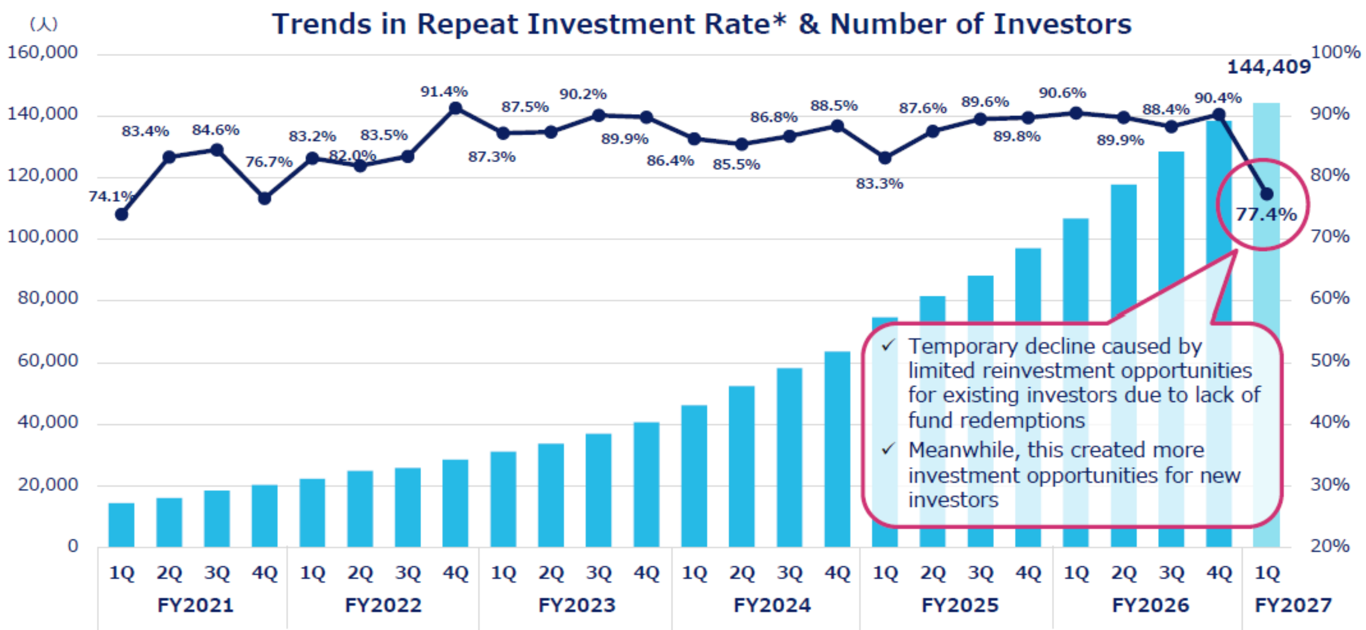
Property Name	Asset Type	Amount Raised	- Fundraising Target	- Loan Amount	Expected Yield	- Income Gain	- Capital Gain	Operation Start Date	Expected Operational Period
Abiko Healthcare	Healthcare	1,278	638	640	6.0%	3.6%	2.4%	Sep/16/2025	3 years
Gotanda Office	Office	3,920	1,890	2,030	6.5%	3.4%	3.1%	Sep/30/2025	3 years
Hotel in Akasaka	Hotel	3,663	1,823	1,840	6.0%	3.4%	2.6%	Nov/14/2025	3 years
Osaka Residence	Residence	4,910	2,410	2,500	6.0%	3.9%	2.1%	Nov/27/2025	3 years
Tokyo Residence Ⅰ	Residence	602	602	0	5.0%	2.3%	2.7%	Jan/15/2026	2 years
Hanzomon Office	Office	4,257	2,117	2,140	5.9%	0.2%	5.7%	Mar/13/2026	3 years
Hotel in Kamakura	Hotel	3,067	1,467	1,600	6.0%	5.1%	0.9%	Mar/31/2026	3 years
Tokyo Residence Ⅱ	Residence	2,665	1,335	1,330	5.9%	1.7%	4.2%	Mar/27/2026	3 years
Tokyo Residence Ⅲ	Residence	1,487	1,487	0	5.5%	2.4%	2.1%	Mar/31/2026	2 years
Bunkyo Sengoku Residence	Residence	1,443	1,443	0	5.3%	2.5%	2.8%	May/29/2026	2 years
Osaka Kitasenba Hotel	Hotel	7,213	3,423	3,790	7.4%	1.0%	6.4%	Jul/31/2026	3 years

Note: Amount raised, fundraising target, and loan amount are in millions of yen.
Source: Strategy Advisors, based on Company data.

Decline in Repeat Rate Is Temporary

The number of registered investors by "CREAL" in Q1 fell 40.3% YoY to 5,822, but the Company had originally expected the number of newly acquired investors to decline YoY in FY3/27, reflecting an increase in the average investment amount per investor. In addition, since only one fund was formed in Q1, the number of registered investors was likely reduced as a result. "CREAL" has traditionally boasted a high repeat rate of 85%–90%, but this stood at 77.4% in the current Q1. This is thought to reflect the fact that no funds matured in Q1, leaving no opportunity for investors to roll over into new funds, as well as an increase in investment by new investors. The Company views this as a temporary phenomenon.

Figure 5. Trends in Repeat Investment Rate / Number of Investors



Note: The percentage of amount invested in by investors who had invested at least once in the past year in the GMV for the quarter.

Source: Company data.

Prospects for Future Property Acquisitions Also Taking Shape

Figure 6 shows the property acquisition pipeline from Q2 onward. While these are not yet finalized, the Company considers the likelihood of acquisition to be increasing. Following Osaka Kitasenba Hotel above, the list includes, though still unconfirmed, two Garner Hotel properties discussed below, each roughly ¥7.2 billion and ¥8.8 billion in size — comparable to Osaka Kitasenba Hotel. According to Company materials, as of August 14 the Company expects to have secured prospects for 19 "CREAL" properties worth ¥53.6 billion, including Osaka Kitasenba Hotel, from Q2 onward.

Business Alliance Formed Toward a New Scheme

The Company's experience raising funds for Osaka Kitasenba Hotel reaffirmed the need to diversify its fundraising methods, something it had already been considered. On August 14, the Company announced that it had signed a basic agreement on a strategic business alliance with Singapore-based real estate co-investment platform "RealVantage." "RealVantage" is a platform operated by RV Portfolio Manager Pte. Ltd., a Singapore-incorporated company. The aims of this alliance are: (1) to increase GMV by enabling overseas investors to participate in Japanese deals; and (2) to offer domestic investors a wider range of investment opportunities, including overseas properties, by listing overseas deals on the "CREAL" platform.

Subordinated Investment Scheme by Professional Investors Now Possible

This alliance will allow "CREAL" to build a new funding scheme when overseas investors invest in its properties. Until now, a subordinated investment scheme had not been adopted for properties under FTK Type 3/Type 4, but going forward the Company intends to offer around 50% of an investor's contribution as the conventional senior investment for individual investors, with the remaining approximately 50% offered as a subordinated investment opportunity to professional investors via "RealVantage." Under a subordinated investment structure, if capital gain on the sale of a property exceeds expectations, the subordinated investor receives a corresponding additional benefit, while if it falls short, its return is reduced. Because the subordinated investment absorbs the impact of any upside or downside deviation from the target yield, senior investors typically receive the expected return. In other words, subordinated investment carries higher risk and higher potential return than senior investment.

Diverse Fundraising Now Possible

This will make it possible to design products that meet different investor needs for a single property, by offering individual investors a stable return and professional investors a higher, if riskier, return. In addition, adding subordinated investment by professional investors will enable larger and more diverse fund formations, which is also expected to accelerate GMV growth. While the Company's take rate on the professional-investor portion may be lower than on the individual-investor portion, the larger fund size is expected to increase the total amount of fees earned.

A Scheme Combining Individual and Professional Investors, Embodying the Company's Inimitability

The Company intends to form similar alliances with institutional investors beyond "RealVantage," and this is expected to become a new business model. The new scheme plays to the Company's strength of operating both "CREAL," a real estate crowdfunding platform for individual investors, and "CREAL PRO," a platform for professional investors. In particular, fundraising from individual investors is a major advantage the Company holds as the leader in real estate crowdfunding. Strategy Advisors views the Company's inimitability as its ability "to offer a diverse range of investment products by leveraging its strong individual-investor base in real estate crowdfunding and its in-house capabilities across system development, product development, and marketing" — and this new scheme is arguably a direct embodiment of that strength.

Assets Under Management at "CREAL" Increasing Substantially

Assets under management at "CREAL" increased to ¥43.8 billion at the end of the current Q1, up from ¥39.1 billion at the end of FY3/26. For FTK Type 1/Type 2 properties, the upfront fee, asset management fee, and exit fee are all recorded together at the time of sale, which should contribute to future revenue growth. Type 3/Type 4 projects have already recorded the upfront fee at the time of fund formation, and are expected to contribute asset management fees and exit fees going forward. In addition, as discussed below, the property acquisition pipeline from Q2 onward is substantial, and "CREAL"'s revenue is expected to increase significantly in Q2 and the second half compared with Q1.

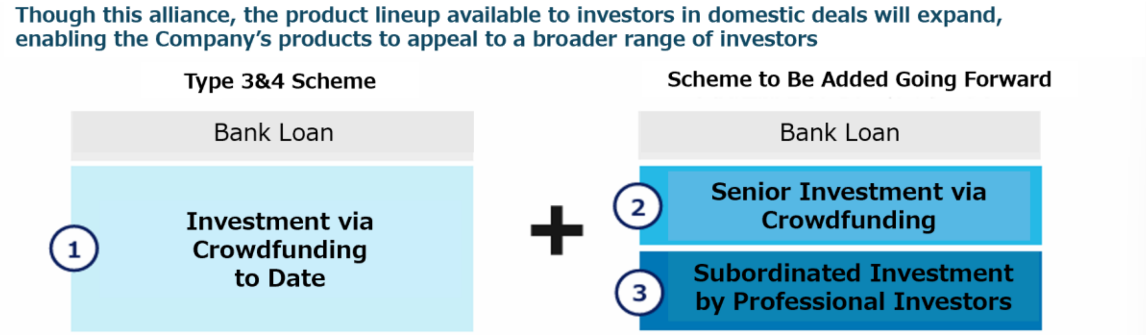
Figure 6. "CREAL" Property Acquisition Pipeline from Q2 Onward

No.	Location	Asset Type	Planned Amount (GMV)
FY3/27 Pipeline			Fund Formed
1	Osaka	Hotel	¥7,213M
2	Osaka	Hotel	Approx. ¥7,200M
3	Osaka	Hotel	Approx. ¥8,800M
4	Tokyo	Hotel	Approx. ¥1,600M
5	Tokyo	Hotel	Approx. ¥3,300M
6	Tokyo	Hotel	Approx. ¥2,900M
7	Tokyo	Hotel	Approx. ¥2,600M
8	Tokyo	Residence	Approx. ¥750M
9	Tokyo	Residence	Approx. ¥6,500M
10	Tokyo	Residence	Approx. ¥870M
11	Tokyo	Residence	Approx. ¥2,000M
12	Tokyo	Residence	Approx. ¥1,200M
13	Tokyo	Residence	Approx. ¥670M
14	Tokyo	Residence	Approx. ¥620M
15	Tokyo	Residence	Approx. ¥1,700M
16	Saitama	Residence	Approx. ¥1,100M
17	Saitama	Residence	Approx. ¥1,500M
18	Tokyo	Residence	Approx. ¥680M
19	Tokyo	Office	Approx. ¥2,400M
		Total	Approx. ¥53,603M

No.	Location	Asset Type	Planned Amount (GMV)
FY3/28 Onward Pipeline			
1	Fukuoka	Hotel	Approx. ¥2,300M
2	Kyoto	Residence	Approx. ¥1,300M
3	Tokyo	Hotel	Approx. ¥3,200M
3	Hokkaido	Hotel	Approx. ¥2,800M
5	Tokyo	Hotel	Approx. ¥3,000M
6	Tokyo	Hotel	Approx. ¥4,200M
7	Osaka	Hotel	Approx. ¥3,500M
8	Tokyo	Hotel	Approx. ¥2,800M
		Total	Approx. ¥23,100M

Note: Includes only properties for which the likelihood of acquisition had increased as of August 14, 2026.
Source: Company data.

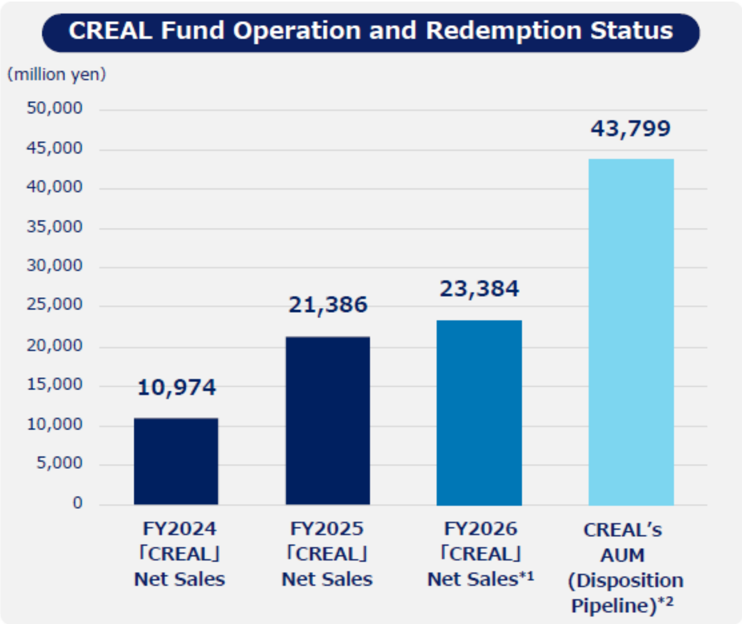
Figure 7. New Fundraising Scheme for Real Estate Crowdfunding Through the Alliance with "RealVantage"



Investment Target	Risk･Return	Product Offering
① Equity (Overall)	Balance of Risk and Return	Core product under the Type 3&4 Scheme
NEWLY ADDED ② Equity: Senior Portion	Safety-Focused	Number of deals to be increased going forward
STARTING WITH PROFESSIONAL INVESTORS ③ Equity: Subordinated Portion	Return-Focused	Initially available to professional investors only. Online sales to specific domestic investors also planned, depending on demand.

Source: Strategy Advisors, based on Company data.

Figure 8. Status of "CREAL" Fund Operation and Redemption



No of Properties	FY2024 Sales	FY2025 Sales	FY2026 Sales	FY2027 Q1 Sales	AUM
Residence	10	18	9	–	9
Hotel	–	1	4	–	3
Healthcare	–	–	–	–	5
Office	–	–	–	–	4
Retail	1	1	1	1	0
Logistics	2	1	1	–	1
Nursery	1	–	–	–	1
Others	–	1	–	–	0
Total	14	22	15	1	23

Note: *1. Includes acquisition fees from the FTK3&4 schemes in addition to revenue from the FTK1&2 schemes.
*2. Total CREAL fund amount raised or under management as of June 30th, 2026 (preferred and subordinated equity), including signed sales contracts.
Source: Company data.

2) "CREAL PRO" Sees Asset Management Fees Increase

"CREAL PRO"'s Q1 Progress Rate Is Low

Gross profit at "CREAL PRO" rose 3.7-fold YoY to ¥170 million. However, while asset management fees continued to build up steadily in the current Q1, no property sale gains or transaction revenue were recorded, resulting in very low progress against the Company's full-year gross profit forecast of ¥3.53 billion. Because "CREAL PRO" forms private funds for professional investors, its quarterly revenue tends to fluctuate depending on the timing of individual property transactions. The full-year FY3/27 budget for this business is weighted toward the second half, and Q1 progress is presumed to be in line with the Company's expectations.

Hotels Are Promising

The main asset classes are hotels, residences, and offices, all of which are building up as assets under management, but growth in hotels has been particularly notable. This reflects an increase in development-type hotel projects, where the Company can capture greater added value. Fully integrated projects such as the "Kyoto Higashikujo Hotel Development Project," which broke ground in April 2026, are expected to increase.

Development Projects Capture More Added Value

Deal structures at "CREAL PRO" vary by property, but the pattern through which the Company can capture the broadest range of revenue is envisioned as follows. The Company acquires development land on its own balance sheet, formulates a development plan, and sells the property to a private fund it has formed itself. Construction is then carried out by a developer or similar party, and once construction is complete, project risk is reduced, making a sale to individual investors via "CREAL" or via an ST an option. "CREAL HOTELS" can also take on hotel operations once construction is complete. Furthermore, once occupancy rises and operations stabilize, a sale to long-term investors also becomes possible. As the project progresses through these phases, revenue opportunities such as those shown in Figure 10 arise.

Large Gains on Property Sales Expected in the Second Half of FY3/27

A large number of such hotel development projects are planned for FY3/27. Large gains from selling land the Company has acquired and for which it has formulated a development plan to a private fund are planned to be recorded mostly in the second half. If this progresses smoothly, including additional pipeline still to be added, achieving "CREAL PRO"'s company-forecast gross profit of ¥3.53 billion should be achievable.

Figure 9. "CREAL PRO" Deal Pipeline

No.	Location	Asset Type	Deal Type	Est. AUM
FY2027 Pipeline				
1	Kanagawa	Hotel	AM Mandate	Approx. ¥20,000M
2	Okinawa	Hotel (Development)	AM Mandate	Approx. ¥18,800M
3	Tokyo	Hotel (Development)	AM Mandate	Approx. ¥3,300M
4	Tokyo	Residence	AM Mandate	Approx. ¥3,800M
5	Hiroshima	Land (Development)	AM Mandate, etc.	Approx. ¥1,200M
6	Tokyo	Residence	AM Mandate	Approx. ¥6,900M
7	Tokyo	Land (Development)	AM Mandate, etc.	Approx. ¥2,000M
			Total	Approx. ¥56,000M

Note: For development projects, the approximate total project cost is shown.
Source: Company data.

Figure 10. Example of Revenue Opportunities from a Hotel Development Property

Development Stage	Property Owner	Creal's Role	Creal's Service	Revenue Earned
Purchase of Development Land ⇩	Creal	Land Acquisition	"CREAL PRO"	
		Development Plan Formulation, Fund Formation, Sale to Fund	"CREAL PRO"	Gain on Sale, Upfront Fee
Construction (by Developer, etc.) ⇩	Private Fund	Asset Management	"CREAL PRO"	Asset Management Fee
		Fund Formation, Sale to Fund	"CREAL"、"CREAL PRO"	Exit Fee, Upfront Fee
Completion / Opening ⇩	Crowdfunding, ST	Asset Management, Hotel Operation	"CREAL"、"CREAL HOTELS"	Asset Management Fee, Hotel Operating Income
		Fund Formation, Sale to Fund	"CREAL PRO"、"CREAL"	Exit Fee, Upfront Fee
Operation After Stabilization	Private Fund	Asset Management, Hotel Operation	"CREAL PRO"、"CREAL HOTELS"	Asset Management Fee, Hotel Operating Income

Note: This varies by property in practice; the example shown is a case where the full range of revenue opportunities is captured.
Source: Prepared by Strategy Advisors.

3) "CREAL PB" Expanding Steadily

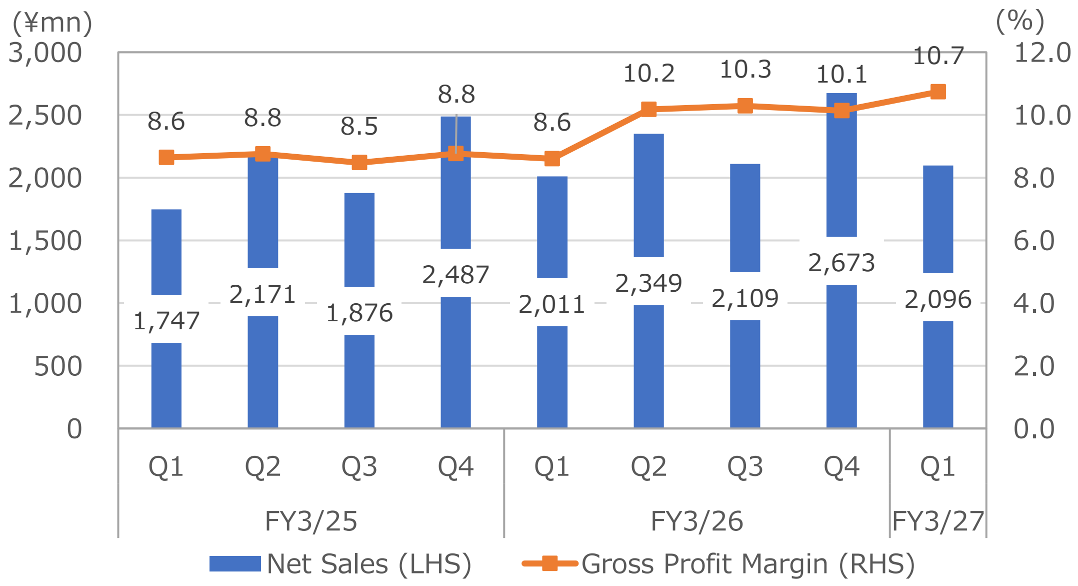
Steadily Growing Revenue While Gradually Raising Gross Margin

"CREAL PB," which sells subdivided residential units and similar properties to experienced individual investors, continues to grow steadily. In Q1, revenue rose 4.2% YoY to ¥2.10 billion, and gross margin rose to 10.7% from 8.6% in the same period of the previous year. This is likely attributable to the expansion of coverage areas beyond Tokyo and an improvement in fee income. Yields in the greater Tokyo area appear to be trending lower due to rising condominium prices, but sufficient yields appear to be achievable in other regions.

Leveraging DX

"CREAL PB" is differentiating itself from competitors by making full use of digital transformation (DX). In addition to introducing "CREAL concierge," an online reporting system for sales and customer management, the Company uses an in-house-developed sales support system and customer management system. It has also introduced "CREAL manager" for customers' rental management needs, which contributes to customer convenience.

Figure 11. "CREAL PB" Revenue and Gross Margin Trends (Quarterly)



Note: Excludes sales of whole buildings.
Source: Strategy Advisors, based on Company data.

4) "CREAL HOTELS" Growth Accelerating

"CREAL HOTELS" Growing Rapidly

"CREAL HOTELS," which handles hotel operations, is growing rapidly. Gross profit in the "Other" segment in Q1 rose 134.3% YoY to ¥230 million. While the mainstay "CREAL PARTNERS" also appears to be performing steadily, growth at "CREAL HOTELS" is presumed to have been the larger driver. The Company is also making upfront investments, such as increasing headcount, to support future growth, and SG&A expenses including personnel costs are believed to be rising as a result; the full-year FY3/27 operating loss for this business is expected to be approximately ¥60 million, but the scale of the business continues to expand steadily.

Taking on Large-Scale Projects

In July 2026, the Company announced that it had acquired three properties under "Garner Hotels," a brand of IHG Hotels & Resorts — the global operator of InterContinental Hotels and other brands — and would take on their operation through "CREAL HOTELS." Of these, "Garner Hotel Osaka Honmachi Kitasenba" is, as noted above, funded through the crowdfunding formed by "CREAL" in July. "Garner Hotel Osaka Honmachi Station" and "Garner Hotel Osaka Honmachi Midosuji" were acquired by the Company using bank borrowing, and the Company will explore business opportunities for them going forward.

Number of Rooms Under Operation Increasing Dramatically

Garner Hotels is a brand IHG Hotels & Resorts launched globally in August 2023 as a mid-priced rebranded hotel offering. It features casual designs that incorporate the appeal of each local area, along with self-check-in systems and 24-hour shops. Because it is rolled out by rebranding existing hotels, expansion is rapid. The three Osaka properties mark the brand's first entry into Japan. The three Garner Hotel properties total 518 rooms, and the number of rooms operated by "CREAL HOTELS" will increase dramatically from 273 rooms across four properties to 791 rooms across seven properties.

Figure 12. Acquisition of Three Garner Hotel Properties

Source: Company data.

First Property Under the "VAYS" Brand

The Company's hotel business is built around a concept of offering a new, unconstrained lodging experience with limited service, leveraging DX for features such as self-check-in. To date, the Company has rolled out three rebranded hotels under the "LACER" brand, but for development projects it is introducing a new, higher-priced brand, "VAYS." As the first property under this brand, the Hatchobori Hotel Project shown in Figure 13 is scheduled to open as "VAYS TOKYO STATION EAST" in December 2026. The pipeline shown in Figure 13 includes both properties developed in-house from the land stage and other properties, all of which are planned to be rolled out under the "VAYS" brand.

"CREAL HOTELS" Revenue Expanding Rapidly

Revenue from "CREAL HOTELS" is included in "Other," and its impact on overall revenue remains limited for now, but it warrants attention as a stable, recurring (stock-type) revenue source that is growing rapidly. Its synergies with "CREAL" and "CREAL PRO" are also very significant. The hotel business is becoming an increasingly important revenue driver for the Company as a whole.

Fully Leveraging AI and DX to Maximize Revenue and Improve Operational Efficiency

The Company is focused companywide on leveraging DX and AI, and the effects appear to be showing up in hotel operations as well. The AI-driven revenue management system currently under development is designed to set pricing that maximizes RevPAR (revenue per available room). DX is also being used to reduce operating costs. At the Company's hotels, the introduction of mobile keys and self-check-in/check-out has successfully reduced staffing needs. In addition, by leveraging the strength of its in-house marketing team, the Company has increased organic inflow (bookings made without advertising spend) and raised the proportion of direct bookings, which appears to be helping reduce the leakage of added value to external parties.

Figure 13. List of Creal's Hotel

[Under Operation]

	Project Name	Opening / Commissioned	Rooms
	Holiday Inn & Suites Shin-Osaka	November 2024	185
	LACER Okinawa Naha Tomari Wharf	January 2025	25
	LACER Okinawa Naha Miebashi	January 2025	27
	LACER SUITES Kamakura	May 2026	36
	Garner Hotel Osaka Honmachi Kitasemba	July 2026	168
	Garner Hotel Osaka Honmachi Station	July 2026	182
	Garner Hotel Osaka Honmachi Midosuji	July 2026	168

[Pipeline]

No	Project Name	Opening Date	Rooms
1	Ginza Hotel PJ①	FY2028 H1	12
2	Hakone Sengokubara Hotel PJ	FY2028 H1	11
3	Hatchobori Hotel PJ	FY2027 H2	16
4	Ginza Hotel PJ②	FY2027 H2	18
5	Hakata Hotel PJ	FY2028 H1	28
6	Shimbashi Hotel PJ	FY2028 H2	36
7	Nishiazabu Hotel PJ	FY2028 H1	36
8	Sapporo Hotel PJ	FY2028 H1	27
9	Kyoto Hachijoguchi Hotel PJ	FY2028 H1	24
10	Kumamoto Hotel PJ	FY2029 H1	154

Source: Strategy Advisors, based on Company data.

3. Financial Position and Shareholder Returns

Balance Sheet Improving the Shift to the FTK Type 3 /Type 4 Scheme

In the "CREAL" business, the start of the FTK Type 3/Type 4 scheme from June 2025 has meant that real estate crowdfunding assets are, in principle, taken off the balance sheet, and the Company's balance sheet has been improving as a result. Real estate crowdfunding-related assets stood at ¥39.86 billion on the balance sheet at the end of Q1 FY3/26, before the start of FTK Type 3/Type 4, but had shrunk substantially to ¥18.33 billion by the end of Q1 FY3/27. Helped also by a ¥4.3 billion capital raise through a third-party allotment in December 2025, the equity ratio rose sharply to 26.2% at the end of Q1 FY3/27 from 10.2% at the end of Q1 FY3/26.

Equity Ratio Continues to Improve

Going forward, real estate crowdfunding is expected to be formed in principle under the Type 3/Type 4 scheme, and as properties formed under the Type 1/Type 2 scheme through June 2025 are redeemed, real estate crowdfunding-related assets are expected to decline further, and the equity ratio is expected to continue rising. The Company's medium-term management plan targets an equity ratio of 40% by the end of FY3/30, the final year of the plan. This should increase the Company's capacity to accelerate growth investment and enhance shareholder returns.

Shareholder Benefits Also Enhanced

Given the strength of its business growth, the Company's shareholder return policy is to target a dividend payout ratio of around 15% for the time being. It plans to pay a dividend of ¥8.0 per share in FY3/27, unchanged from the previous fiscal year. In June 2026, the Company announced an enhancement of its existing shareholder benefit program. First, the benefit was changed from QUO Cards to the more versatile "Digital Gift" (a registered trademark of Digital Plus Corporation, TSE Growth, 3691). In addition, whereas the benefit was previously uniform for shareholders holding 500 shares or more, it has now been split into two tiers, adding a higher tier for holdings of 1,000 shares or more. The holding period has also been split into under one year and one year or more. For a shareholder holding 1,000 shares for one year or more, the combined yield from dividends and shareholder benefits works out to 6.34% (based on the closing share price of ¥536 on August 24), which should also make the stock attractive to investors in terms of yield.

4. FY3/27 Earnings Outlook

No Change to Full-Year FY3/27 Outlook

Following the Q1 results, the Company's full-year FY3/27 forecast remains unchanged: gross profit is projected to rise 14.0% YoY to ¥8.89 billion, and operating profit is projected to rise 11.8% to ¥3.29 billion. GMV is expected to rise 103.9% to ¥64.0 billion. By service, gross profit at "CREAL" is forecast to decline 23.3% YoY. This reflects the fact that incentive fees (gains on sale) from the subordinated investment portion under the FTK Type 1/Type 2 scheme were exceptionally large at ¥2.91 billion in FY3/26, whereas they are expected to decline sharply to approximately ¥700 million in FY3/27. Gross profit at "CREAL PRO," on the other hand, is expected to grow substantially, up 89.4% for the full year, as gains from the sale of development land for hotel projects — after formulation of the development plan — are expected to be recorded mostly in the second half. "Other" is also expected to see a large profit increase of 48.9%, driven by the expansion of "CREAL HOTELS" and "CREAL PARTNERS." SG&A expenses are forecast to rise 15.3%, driven mainly by personnel costs.

No Major Change in the Business Environment for Core Assets Such as Offices, Residences, and Hotels

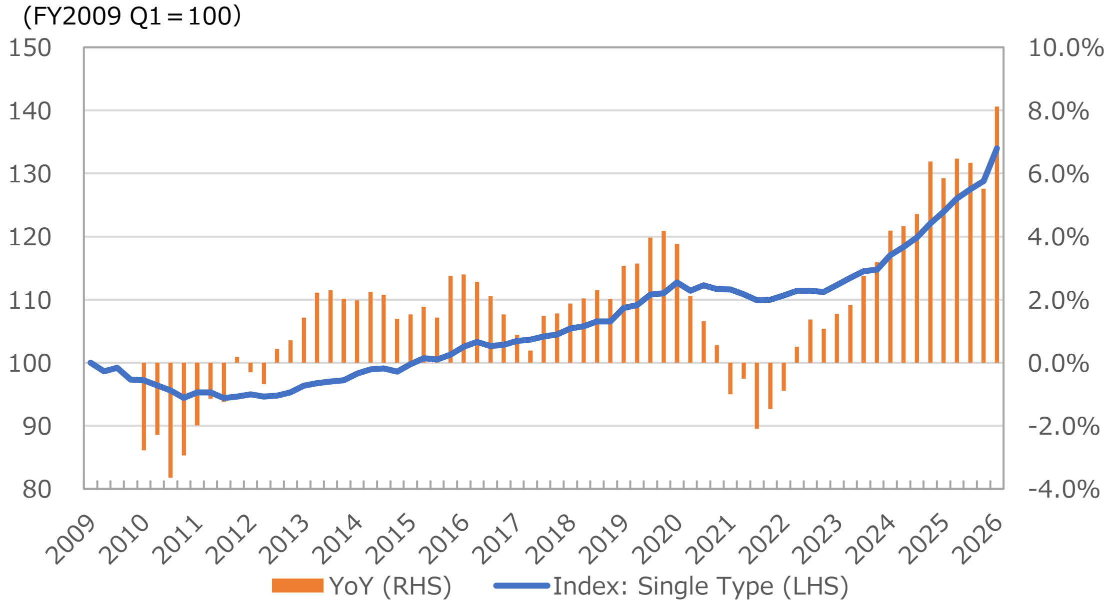
While domestic interest rates continue to rise, rents for the real estate asset classes the Company handles, such as condominiums and offices, continue to rise as well, and there appears to have been no major change in the Company's business environment. According to the "Condominium Rent Index" (compiled by At Home Co., Ltd. and Sumitomo Mitsui Trust Research Institute), rents in Tokyo's 23 wards rose 8.1% YoY in the January–March 2026 quarter, continuing an upward trend that has persisted since 2023. Data on office vacancy rates and rents from Miki Shoji also show the vacancy rate continuing to decline and rents continuing to rise through July 2026. While rising interest rates remain an uncertain factor, there has so far been no notable change in market trends for investment condominiums or offices. As for the business environment for hotels, the Kansai region appears to be experiencing a lull following the reaction to the Osaka-Kansai Expo, but the number of inbound foreign visitors to Japan remains at a high level, and the number of foreign visitor room-nights also remains elevated.

Figure 14. FY3/27 Earnings Forecast

(¥mn)	**FY3/27 CoE**	YoY	FY3/26 Actual
Net Sales	**NA**	NA	37,795
Gross Profit	**8,890**	14.0%	7,799
CREAL	**3,370**	-23.3%	4,396
CREAL PRO	**3,530**	89.4%	1,864
CREAL PB	**1,040**	15.6%	900
Others	**950**	48.9%	638
SG&A	**5,600**	15.3%	4,857
Operating Profit	**3,290**	11.8%	2,941
Ordinary Profit	**3,050**	9.6%	2,784
Net Profit	**2,100**	8.3%	1,938
EPS (¥)	**58.9**	-2.8%	60.6
GMV	**64,000**	103.9%	31,391
Number of Registered Investors	**30,000**	-27.7%	41,522

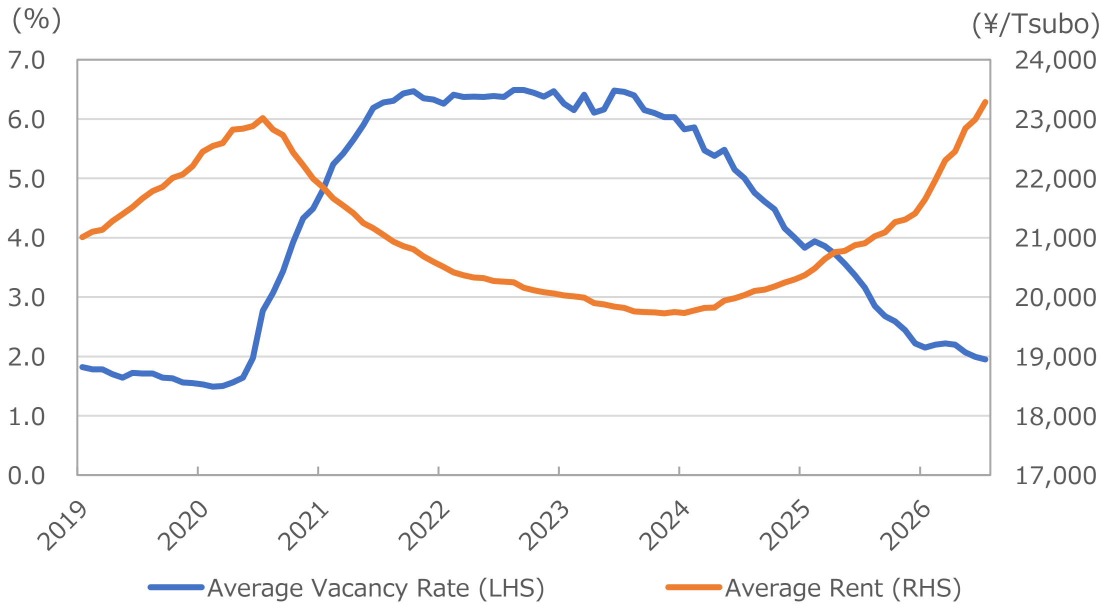
Source: Strategy Advisors, based on Company data.

Figure 15. 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 16. Office Vacancy Rates and Rents in Tokyo's Five Central Wards



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

Trends in Large Properties Will Be Key

While the macro environment will be a factor to some degree, full-year FY3/27 performance is likely to be more heavily influenced by property-specific factors. Specifically, key points will include whether property acquisitions at "CREAL PRO" and "CREAL" proceed as planned, and whether fund formations and sales progress smoothly. In particular, whether the large hotel property planned at "CREAL" and the land-based hotel development project expected to generate a large sale gain at "CREAL PRO" progress as planned will likely be a major key. If these are delayed, there will be some risk to achievement of the company forecast. Trends at "CREAL" and "CREAL PRO" from Q2 onward warrant attention.

Real Estate ST Business Planned to Launch in the Second Half

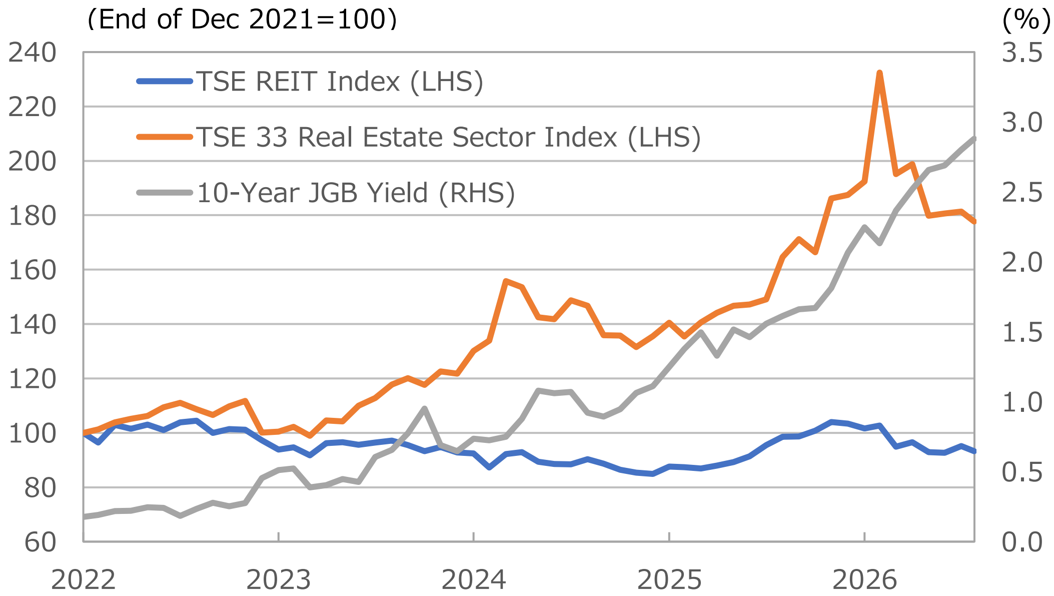
Preparations for the real estate ST business are currently underway, and the Company intends to launch the business by the end of 2026. STs are financial instruments regulated by the Financial Services Agency, and are expected to offer investors a somewhat lower yield than crowdfunding, centered on income gain. Because the issuance cost per deal for real estate STs is also higher than for real estate crowdfunding, relatively large properties are envisioned. On the other hand, because STs are financial instruments, investor gains are subject to separate taxation (20.3%), giving them a tax advantage over real estate crowdfunding, whose income is subject to comprehensive taxation (with a maximum rate of 55.9%). In addition, while real estate crowdfunding generally cannot be cancelled before redemption, STs have a secondary market — though liquidity is not yet sufficient — that allows for resale. The Company expects "CREAL"'s GMV for FY3/27 to total ¥64.0 billion, of which STs are expected to account for ¥7.0 billion. Because regulatory approval is required to launch the ST business, the timing remains somewhat fluid, but preparations are believed to be progressing smoothly at this stage.

5. Stock Price Trends and Valuation

Real Estate-Related Stocks Affected by Rising Interest Rates

Share prices of real estate-related companies have been affected by rising interest rates since the start of the 2020s. J-REITs have been particularly affected, and the TSE REIT Index has trended weakly since around 2022. Among real estate tech companies including CREAL, many stocks rose on individual growth factors even amid rising rates, but share prices have generally been weak since the summer of 2025. Shares of major developers, which had been performing well on expectations that inflation-driven increases in real estate prices would outpace cost increases from rising rates, also peaked out and softened from February 2026 onward.

Figure 17. Interest Rates and Share Price Trends in the Real Estate-Related Sector

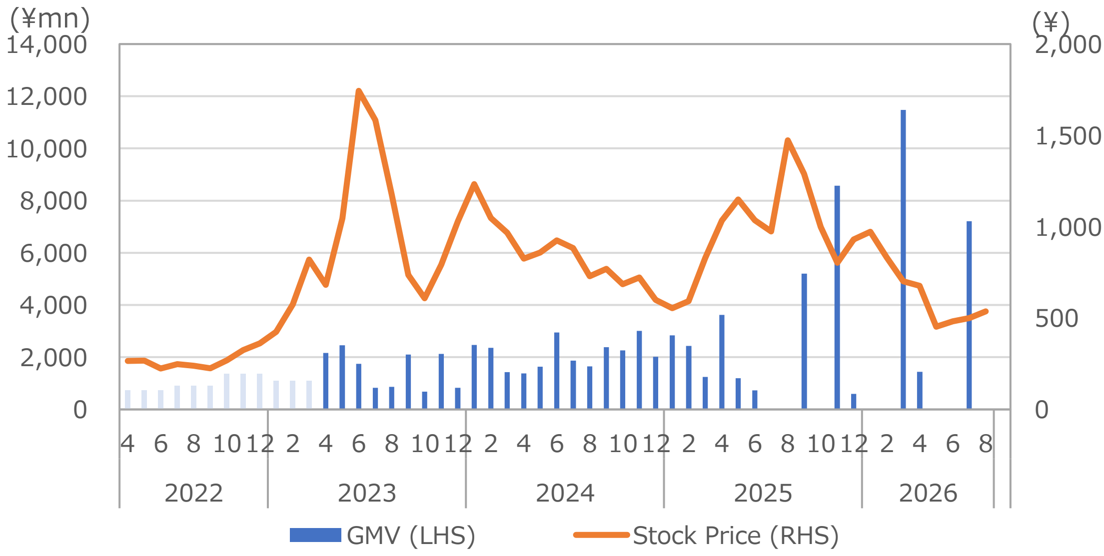


Source: Prepared by Strategy Advisors.

CREAL's Share Price Weak Since August 2025

The Company's share price has been on a downtrend since peaking most recently in August 2025. In addition to the interest rate environment described above, company-specific factors also appear to have weighed on the share price. Growth in GMV slowed somewhat in the second half of FY3/26, which is presumed to have raised concerns about achievement of the FY3/26 company-forecast GMV. Indeed, GMV fell short of the company forecast in the FY3/26 results announced in May 2026. That earnings announcement also appears to have fallen short of market expectations in other respects, including a downward revision of the FY3/27 company-forecast GMV to ¥64.0 billion from the ¥80.0 billion previously disclosed in the medium-term management plan, and an outlook for a YoY decline in gross profit at "CREAL." As a result, the share price fell sharply from ¥686 (the closing price on May 15) before the earnings announcement.

Figure 18. Creal's Stock Price & GMV



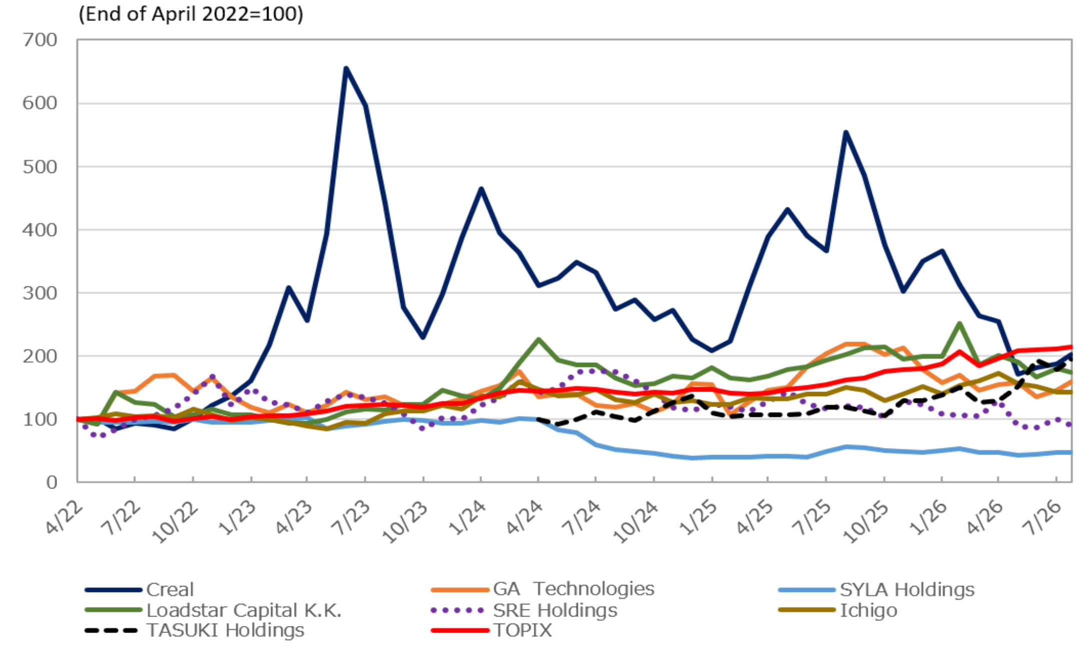
Note: Due to data limitations, the monthly GMV figures for April 2022–March 2023 are presented as monthly averages of quarterly figures.

Source: Strategy Advisors, based on Company data.

Modest Recovery Trend Recently

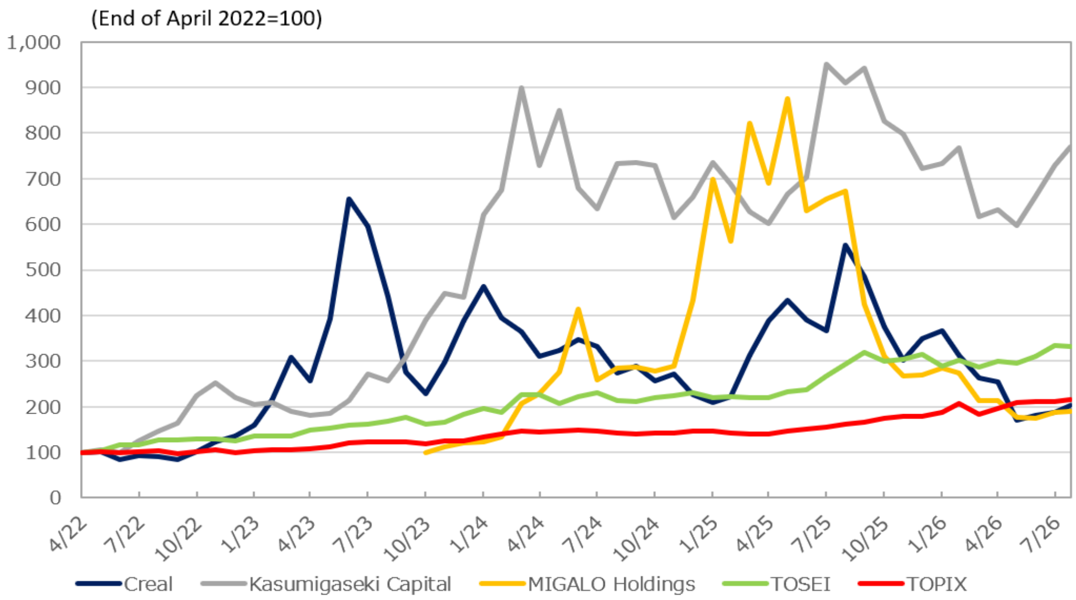
More recently, however, the share price has recovered to the ¥500 range, helped by the June announcement of enhanced shareholder benefits and by expectations that multiple fund formations will continue, starting with the large Kitasenba Hotel fund formed in July. The Q1 FY3/27 results announced on August 14 appear to have had a broadly neutral effect on the share price. While the progress rate of Q1 results against the full-year forecast was low, there were also positive elements, such as the announcement of a new real estate crowdfunding scheme through the alliance with "RealVantage."

Figure 19. Stock Price Trends of Peer Companies (1)



Source: Strategy Advisors.

Figure 20. Stock Price Trends of Peer Companies (2)



Source: Strategy Advisors.

Value-Enhancement Expertise a Key Strength

The uptrend in interest rates is likely to continue, and this is expected to continue affecting the valuations of real estate-related companies in the stock market. However, high-growth real estate tech companies have their own distinct growth drivers and are expected to continue growing their earnings. The Company, too, should be able to raise its valuation by achieving continued earnings growth. With real estate prices having already risen substantially and signs of a plateau emerging, the key for real estate crowdfunding and private funds going forward will likely be how effectively real estate value can be enhanced. Through its "CREAL PARTNERS" and "CREAL HOTELS" businesses, the Company has in-house talent and expertise for enhancing the value of residences and hotels, which is expected to translate into an advantage over its competitors.

Entering a New Growth Phase

In its real estate crowdfunding business, the Company obtained FTK Type 3/Type 4 licenses in June 2025, and "CREAL" has been building up large properties one at a time. Fund formation under Type 3/Type 4 sometimes took somewhat longer in the past, but as experience has accumulated, and as the Company expands its roster of lending banks and introduces the new subordinated investment scheme, the pace of fund formation is expected to accelerate. The Company is also rapidly expanding its hotel assets, and, as noted above, is entering a phase in which land-based development properties that capture significant added value will begin to contribute meaningfully to earnings. In addition, the real estate ST business is expected to launch in the second half of FY3/27, opening up a new platform. With these abundant growth drivers in place, the Company's earnings are expected to expand significantly over the medium term.

Toward Realizing the Equity Story

Strategy Advisors' view of 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 period from the second half of FY3/27 through FY3/28 is expected to be precisely the phase in which this equity story begins to be realized.

Valuation Remains Low

Comparing the Company's valuation with that of peer companies (Figure 22), its PER based on the FY3/27 company forecast is 9.1x, below the 10.8x average of ten peer companies. Its PBR based on the most recent quarter is 1.8x, in line with the peer average. ROIC calculated based on the FY3/27 company forecast is 12.3%, the highest among the ten peers, and ROE is 19.8%, the third highest after Loadstar Capital K.K. (TSE Prime, 3482) and Kasumigaseki Capital (TSE Prime, 3498).

Share Price Expected to Recover as Growth Is Realized

One reason the Company's valuation is low relative to its profitability is likely that the stock market retains some concern about achievement of the FY3/27 GMV forecast and the accompanying earnings growth, reflecting a past tendency for fund formation on large properties to be somewhat delayed. Accordingly, if the Company can successfully form funds as planned, grow GMV, and increase the visibility of future earnings growth, this is expected to lead to a recovery in valuation and a rise in the share price.

Figure 21. 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	Loadstar Capital K.K.	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	5/26	19.7	46.0	7.1	25.5	2.55	0.90
8923	TOSEI	11/25	42.1	15.3	5.9	33.4	1.78	0.32
	Average		**27.5**	**21.6**	**8.2**	**30.0**	**1.82**	**0.96**

Note:
All figures are actual results. Net profit refers to net profit attributable to owners of the parent.
ROE =Profit attributable to owners of parent / Equity.
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: Strategy Advisors, based on data from each company and other sources.

Figure 22. Valuation Comparison of Peers

Code	Company Name	Stock Price (24th Aug) (¥)	Market Cap (¥bn)	PER CoE (times)	PBR Actual (times)	ROE CoE (%)	ROIC CoE (%)	Dividend Yield CoE (%)	EV/EBITD CoE (times)
2998	**Creal**	**536**	**19.3**	**9.1**	**1.8**	**19.8**	**12.3%**	**1.5**	**8.**
166A	TASUKI Holdings	1,205	74.4	12.8	2.3	18.0	6.9%	4.1	13.
2337	Ichigo	413	172.1	9.2	1.5	16.6	3.3%	3.8	19.
2980	SRE Holdings	2,453	39.9	14.6	2.4	17.5	6.6%	0.8	12.
3482	Loadstar Capital K.K.	2,630	56.4	5.8	1.2	25.7	9.8%	3.7	7.
3491	GA Technologies	1,575	64.7	11.8	2.0	16.6	8.9%	0.8	6.
3498	Kasumigaseki Capital	7,840	192.8	11.7	2.6	22.1	10.1%	2.1	10.
5535	MIGALO Holdings	280	18.1	12.0	1.2	9.8	4.1%	3.2	16.
8887	SYLA Holdings	384	16.2	9.6	0.9	8.4	5.3%	3.6	16.
8923	TOSEI	1,818	177.0	11.6	1.6	13.6	6.1%	3.0	13.
	Average			**10.8**	**1.8**	**16.8**	**7.4%**	**2.7**	**12.**

Note 1: ROE is calculated by dividing the company-forecast net income attributable to owners of the parent by equity as of the most recent quarter's actual results. ROIC is calculated by adding actual depreciation and amortization to the company-forecast operating profit to derive NOPAT, then dividing by invested capital as of the most recent quarter's actual results.
Source: Strategy Advisors, based on data from each company and other sources.

Figure 23. 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%	11.8%
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%	8.3%
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**	**58.9**

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 24. Balance Sheet (Full-Year Base, ¥mn)1

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 25. Cash Flow Statement (Full-Year Base, ¥mn)2

FY	3/21	3/22	3/23	3/24	3/25	3/26
Cash Flows from Operating Activities						
Profit before Income Taxes	132	266	499	883	1,830	2,651
Depreciation and Amortization of Goodwill	36	65	62	63	40	51
Increase/Decrease in Trade Receivables	14	19	-6	-7	-66	-515
Increase/Decrease in Accounts Payable	-4	0	0	0	0	0
Increase/Decrease in Inventory	-1,604	-2,784	-4,775	-12,298	-6,084	9,932
Increase/Decrease in Crowdfunding Deposits	750	-820	2,940	-171	-680	3,558
Increase/Decrease in Funds Held for Limited Partnerships	543	3,543	3,341	10,413	15,994	-23,562
Other Operating Cash Flows	-380	-15	-771	-94	-1,014	-1,528
Total	**-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 26. Key Indicators (¥mn)3

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**	**58.9**
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%	13.6%
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	
D/E Ratio (Net Interest-Bearing Debt Basis)	0.3	-0.3	-1.0	-0.5	-2.1	-0.4	
EV	—	—	26,528	34,259	29,722	33,965	
EV (Net Interest-Bearing Debt Basis)			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 (Net Interest-Bearing Debt Basis)	—	—	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**	**299**	

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

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